Bryan S. Anderson
Senior Attorney
Florida Authorized House Counsel
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408-0420
(561) 304-5253 (Telephone)
(561) 691-7135 (Facsimile)

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COMMISSION
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March 27, 2008

Ann Cole, Commission Clerk
Office of the Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Florida Power & Light Company's Report of Consummation
Docket No. 060723-EI

Dear Ms. Cole:

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 2007, pursuant to Florida Statutes, Section 366.04 (Docket No. 060723-EI).

If you or your staff have any questions regarding this filing, please contact me at (561) 304-5253.

Sincerely,

Bryan S. Anderson
Senior Attorney
Authorized House Counsel #219511

CMP ____
COM ____
CTR ____
ECR 2
GCL 1
OPC ____
RCA ____
SCR ____
SGA ____
SEC ____
OTH ____

BSA:bam
Enclosures

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DOCKET NO. 060723-EI
ORDER NO. PSC-06-1038-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 2007

Address communications in connection with this Report of Consummation to:

Robert S. Schauer
Assistant Treasurer
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, Florida 33408
Telephone (561) 694-5089

Date: March 27, 2008

DOCUMENT NUMBER-DATE
02338 MAR 27 08
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 2007

REPORT OF CONSUMMATION

In compliance with the requirements of Rule 25-8.009, Florida Administrative Code and Order No. PSC-06-1038-FOF-EI, issued by the Commission on December 18, 2006 in the above-captioned matter (Docket No. 060723-EI), the Applicant, Florida Power & Light Company ("FPL"), hereby submits its Report of Consummation regarding transactions involving (i) the issuance and sale of (a) $300,000,000 principal amount of First Mortgage Bonds, 5.85% Series due May 1, 2037 (the "5.85% 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"), (Form S-3 Registration Statement Nos. 333-137120, 333-137120-01, 333-137120-02, 333-137120-03, 333-137120-04, 333-137120-05, 333-137120-06, 333-137120-07 and 333-137120-08 (the "Registration Statement") which became effective September 5, 2006) and (b) $300,000,000 principal amount of First Mortgage Bonds, 5.55% Series due November 1, 2017 (the "5.55% Mortgage Bonds"; and together with the 5.85% Mortgage Bonds, the "Mortgage Bonds") under the Registration Statement and Post-Effective Amendment No. 1 to the Registration Statement which became effective May 3, 2007) and (ii) the issuance and sale of commercial paper.

This Report of Consummation deals with the Mortgage Bonds 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 April 17, 2007 (the closing date of the transaction), FPL sold through a negotiated underwritten sale, $300,000,000 principal amount of the 5.85% Mortgage Bonds. The proceeds received by FPL were $296,775,000 in cash covering principal less underwriting discount.

(2) On October 10, 2007 (the closing date of the transaction), FPL sold through a negotiated underwritten sale, $300,000,000 principal amount of the 5.55% Mortgage Bonds. The proceeds received by FPL were $297,966,000 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 2007, commercial paper was issued pursuant to Commercial Paper Dealer Agreements dated as of August 5, 2005 with each of J.P. Morgan Securities Inc., Merrill Lynch Money Markets Inc., and SunTrust Capital Markets, Inc. (now named SunTrust Robinson Humphrey, Inc.). The commercial paper is sold at a discount, including the 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 2007 commercial paper activity can be summarized as follows:

2007 Commercial Paper Activity
($ in thousands)

Commercial paper issued:	$8,736,300
Commercial paper matured:	$8,616,200
Average outstanding:	$294,528
Weighted average yield:	5.1%
Weighted average term:	13 days

FPL's credit facility provides backup support for its commercial paper program. As of April 3, 2007, FPL entered into a $2.5 billion 5-year revolving credit and letter of credit facility with a syndicate of financial institutions with an initial expiration of April 3, 2012. The new credit facility replaced the previously existing $2 billion 5-year revolving credit and letter of credit facility. In February 2008, FPL issued a request to the financial institutions in the credit facility to extend the current maturity for one additional year in accordance with the terms of the new credit facility. The consent was approved by the financial institutions. Effective April 3, 2008, $2.475 billion of capacity under the new credit facility will mature April 3, 2013 and $25 million of capacity will mature April 3, 2012. The borrowings and issuance of letters of credit under the facility are available for general corporate purposes, including support of FPL's commercial paper program and the Guaranty defined and describe below and to provide additional liquidity in the event of a property loss, including a transmission and distribution property loss. During 2007, no loans were made to FPL pursuant to the previous or new 5-year revolving credit facility, respectively, and, as of December 31, 2006 and 2007, $156 million and $46 million of letters of credit were outstanding under the previous and new 5-year revolving credit facility, respectively.

FPL's nuclear fuel leases obligate FPL to purchase portions of the nuclear fuel from the non-affiliated (but consolidated for financial statement purposes) lessor company, FPL Fuels, Inc. (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. Pursuant to a Guaranty dated as of June 1, 2004, as amended by supplements dated as of May 10, 2006 and July 2, 2007 (the "Guaranty"), FPL directly guarantees the obligations of the Fuel Company under the Fuel Company's commercial paper program. Prior to August 24, 2007, the Fuel Company had two credit facilities including (i) an amended and restated senior secured revolving credit facility, dated as of June 1, 2004 (the "2004 Fuel Facility"), which provided for commitments up to $100 million, and (ii) a senior secured revolving credit facility, dated as of May 10, 2006 (the "2006 Fuel Facility", and together with the 2004 Fuel Facility, the "Fuel Facilities"), which provided for commitments up to $200 million. The credit facilities provided backup support to the Fuel Company's commercial paper program. The payment obligations of the Fuel Company under the Fuel Facilities were directly and unconditionally guaranteed by FPL under the Guaranty, as supplemented as of May 10, 2006. The Fuel Company had no outstanding borrowings under the Fuel Facilities when the Fuel Facilities were terminated on August 24, 2007, and no payments were made by FPL pursuant to the Guaranty in 2007. Neither of the Fuel Facilities has been replaced. As of December 31, 2007, the Fuel Company had approximately $312.7 million of commercial paper outstanding. 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 Guaranty reduces the amounts due under the nuclear fuel leases.

For terms and conditions of issues: See Exhibits (c)-1B, (c)-1C, (a)-7, (a)-8, (a)-9, (a)-10, (a)-11, and (a)-12, 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.

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

	5.85% Mortgage Bonds due 5/1/2037	5.55% Mortgage Bonds due 11/1/2017
Filing Fees for Registration Statements	$9,210	$9,210
Legal, Accounting, Rating Agency and Trustee Fees	$376,645	$364,780
Printing & Miscellaneous (S-3, Prospectus, etc.)	$9,150	$10,045
Florida Taxes and Recording Fees	$1,128,065	$1,126,370
Underwriters' Discounts and Commissions	$2,625,000	$1,950,000
Total Costs	$4,148,070	$3,460,405

The other costs incurred to date by FPL in connection with its 2007 commercial paper issuances include fees relating to banking, credit ratings and legal fees. The aggregate of these costs in connection with the 2007 commercial paper issuances is $120,000.

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 was filed with the FPSC in connection with Docket No. 031000-EI as Exhibit (a)-1G of Report of Consummation.
* (a)-1H	Amendment to FPL's Restated Articles of Incorporation dated January 20, 2004 was filed with the FPSC in connection with Docket No. 031000-EI as Exhibit (a)-1H of Report of Consummation.
*(a)-1I	Amendment to FPL's Restated Articles of Incorporation dated February 11, 2005 was filed with the FPSC in connection with Docket No. 050700-EI as Exhibit (a)-1I of Report of Consummation.
* (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 Ten 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; Exhibit (a)-3C, Docket No. 021084-EI, Report of Consummation; Exhibit (a)-3, Docket No. 031000-EI, Report of Consummation; Exhibit (a)-4, Docket No. 031000-EI, Report of Consummation; Exhibit (a)-3, Docket No. 041086-EI, Report of Consummation; Exhibit (a)-4, Docket No. 041086-EI, Report of Consummation; Exhibit (a)-3, Docket No. 050700-EI, Report of Consummation; and Exhibit (a)-4, Docket No. 050700-EI, Report of Consummation.

(a)-3 One Hundred Eleventh Supplemental Indenture dated as of April 1, 2007 between FPL and Deutsche Bank Trust Company Americas, as Trustee, with respect to the 5.85% Mortgage Bonds.

(a)-4 One Hundred Twelfth Supplemental Indenture dated as of October 1, 2007 between FPL and Deutsche Bank Trust Company Americas, as Trustee, with respect to the 5.55% Mortgage Bonds.

(a)-5 For the Prospectus and Prospectus Supplement relating to the 5.85% Mortgage Bonds, see Exhibit (c)-1B.

(a)-6 For the Prospectus and Prospectus Supplement relating to the 5.55% Mortgage Bonds, see Exhibit (c)-1C.

*(a)-7 U.S. Commercial Paper Offering Memorandum dated January 2006 of J.P. Morgan Securities Inc. was filed with the FPSC in connection with

Docket No. 050700-EI as Exhibit (a)-9 of Report of Consummation (Effective through December 10, 2007).

*(a)-8 Commercial Paper Issuer Program Report January 31, 2006 of Merrill Lynch Money Markets Inc. was filed with the FPSC in connection with Docket No. 050700-EI as Exhibit (a)-10 of Report of Consummation (Effective through December 10, 2007).

*(a)-9 U.S. Commercial Paper Information Memorandum dated January 2006 of SunTrust Capital Markets, Inc. was filed with the FPSC in connection with Docket No. 050700-EI as Exhibit (a)-11 of Report of Consummation (Effective through December 10, 2007).

(a)-10 U.S. Commercial Paper Offering Memorandum dated December 2007 of J.P. Morgan Securities Inc. (Effective after December 10, 2007).

(a)-11 Commercial Paper Issuer Program Report dated December 10, 2007 of Merrill Lynch Money Markets Inc. (Effective after December 10, 2007).

(a)-12 U.S. Commercial Paper Information Memorandum dated December 2007 of SunTrust Robinson Humphrey, Inc. (Effective after December 10, 2007).

(b)-1 Signed opinion of FPL's legal counsel with respect to the legality of the issuances of the 5.85% Mortgage Bonds and 5.55% Mortgage Bonds.

(b)-1A Signed opinion of FPL's legal counsel in respect to the legality of the issuance of the commercial paper under the 2005 Commercial Paper Dealer Agreements.

(c)-1 Form S-3 Registration Statement pursuant to which the 5.85% Mortgage Bonds were issued (Form S-3 Registration Statement Nos. 333-137120, 333-137120-01, 333-137120-02, 333-137120-03, 333-137120-04, 333-137120-05, 333-137120-06, 333-137120-07 and 333-137120-08, filed with the Securities and Exchange Commission on September 5, 2006).

(c)-1A Post-Effective Amendment No. 1 to Form S-3 Registration Statement pursuant to which the 5.55% Mortgage Bonds were issued (Post-Effective Amendment No. 1 to Form S-3 Registration Statement Nos. 333-137120, 333-137120-01, 333-137120-02, 333-137120-03, 333-137120-04, 333-137120-05, 333-137120-06, 333-137120-07 and 333-137120-08, filed with the Securities and Exchange Commission on May 3, 2007).

(c)-1B Prospectus Supplement dated April 12, 2007 (including Prospectus) with respect to the 5.85% Mortgage Bonds.

(c)-1C Prospectus Supplement dated October 3, 2007 (including Prospectus) with respect to the 5.55% Mortgage Bonds.

(c)-1D Quarterly Report on Form 10-Q for the quarter ended March 31, 2007.

(c)-1E Quarterly Report on Form 10-Q for the quarter ended June 30, 2007.

(c)-1F Quarterly Report on Form 10-Q for the quarter ended September 30, 2007.

(c)-1G Annual Report on Form 10-K for the year ended December 31, 2007.

(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 April 12, 2007, with respect to the 5.85% Mortgage Bonds.

(d)-2 Underwriting Agreement, dated October 3, 2007, with respect to the 5.55% Mortgage Bonds.

*(d)-3 Commercial Paper Dealer Agreement dated as of August 5, 2005 between FPL and J.P. Morgan Securities Inc. was filed with the FPSC in connection with Docket No. 041086-EI as Exhibit (d)-5 of Report of Consummation.

*(d)-4 Commercial Paper Dealer Agreement dated as of August 5, 2005 between FPL and Merrill Lynch Money Markets Inc. was filed with the FPSC in connection with Docket No. 041086-EI as Exhibit (d)-6 of Report of Consummation.

*(d)-5 Commercial Paper Dealer Agreement dated as of August 5, 2005 between FPL and SunTrust Capital Markets, Inc. (now named SunTrust Robinson Humphrey, Inc.) was filed with the FPSC in connection with Docket No. 041086-EI as Exhibit (d)-7 of Report of Consummation.

(e) Statement as to Underwriters' Fees.

(1)-A See Exhibit (c)-1B, cover page (as to fee) and Page S-10 (as to Underwriters) of the Prospectus Supplement with respect to the 5.85% Mortgage Bonds.

ABN AMRO Incorporated 55 East 52nd Street, 6th Floor New York, New York 10055	KeyBanc Capital Markets, a Division of McDonald Investments Inc. 127 Public Square Cleveland, Ohio 44114
Barclays Capital Inc. 200 Park Avenue New York, New York 10166	Lazard Capital Markets LLC 30 Rockefeller Plaza New York, New York 10020
Citigroup Global Markets Inc.	Mizuho Securities USA Inc.

388 Greenwich Street
New York, New York 10013

1251 Avenue of the Americas
New York, New York 10020

BNY Capital Markets, Inc.
One Wall Street, 18th Floor
New York, New York 10286

Wells Fargo Securities, LLC
530 Fifth Avenue, 19th Floor
New York, New York 10036

Calyon Securities (USA) Inc.
1301 Avenue of the Americas
17th Floor
New York, New York 10019

(1)-B See Exhibit (c)-1C, cover page (as to fee) and Page S-8 (as to Underwriters) of the Prospectus Supplement with respect to the 5.55% Mortgage Bonds.

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

Morgan Keegan & Company, Inc.
50 North Front Street, 16th Floor
Memphis, Tennessee 38103

BNP Paribas Securities Corp.
787 Seventh Avenue
New York, New York 10019

Piper Jaffray & Co.
800 Nicollet Mall
Minneapolis, Minnesota 55402

Credit Suisse Securities (USA) LLC
11 Madison Avenue, 22nd Floor
New York, New York 10010

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

Daiwa Securities America Inc.
Financial Square
32 Old Slip, 12th Floor
New York, New York 10005

Sovereign Securities Corporation, LLC
1500 Market Street
Centre Square – Concourse Level
Philadelphia, Pennsylvania 19102

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

(1) J.P. Morgan Securities Inc., Merrill Lynch Money Markets Inc., and SunTrust Capital Markets, Inc. (now named SunTrust Robinson Humphrey, Inc.) act, 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, 8th Floor
New York, NY 10017

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

SunTrust Capital Markets, Inc.
303 Peachtree Street, 23rd Floor
Atlanta, Georgia 30308

SunTrust Robinson Humphrey, Inc.
3333 Peachtree Road NE, 11th Floor
Atlanta, Georgia 30302

(2) None.

(3) No affiliation.

(4) Commercial paper dealers' agreements, and the use of placement agents/dealers in public company commercial paper programs, are 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 Exhibits (d)-3, (d)-4, and (d)-5.

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*Incorporated by reference.

Respectfully submitted this 27th day of March, 2008.

FLORIDA POWER & LIGHT COMPANY

By: _____
Robert Steven Schauer
Assistant Treasurer

Exhibit (a)-3

DOCUMENT NUMBER-DATE
02338 MAR 27 08
FPSC-COMMISSION CLERK

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. 6

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 Eleventh Supplemental Indenture

Relating to $300,000,000 Principal Amount of First Mortgage Bonds, 5.85% Series due May 1, 2037

Dated as of April 1, 2007

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 $1,050,000 and non-recurring intangible taxes as required by law in the amount of $77,926 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.*

DOCUMENT NUMBER-DATE
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ONE HUNDRED ELEVENTH SUPPLEMENTAL INDENTURE

INDENTURE, dated as of the 1st day of April, 2007, 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 eleventh supplemental indenture (hereinafter called the One Hundred Eleventh 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, and which Mortgage was incorporated by reference in the One Hundredth Sixth Supplemental Indenture and Mortgage, dated as of September 1, 2004, and recorded in the Rockingham County, New Hampshire Registry of Deeds at Book 4362, Page 1879, reference to which Mortgage and to which One Hundredth Sixth Supplemental Indenture and Mortgage is hereby made, this One Hundred Eleventh 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; and

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 Eleventh 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 and the lien and operation of the One Hundred Sixth Supplemental Indenture and 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 Eleventh 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 Eleventh 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.

With respect to the Property, as defined below, located in New Hampshire, FPL makes the "mortgage covenants", as this term is defined in the New Hampshire statute (NH RSA 477:29,1). The "Property" means the real property interests described in that certain easement deed from FPL Energy Seabrook, LLC to FPL, dated June 1, 2004 and recorded in the Rockingham County Registry of Deeds (the "Registry") at Book 4304, Page 945 and in the acquisition from FPL Energy Seabrook, LLC of certain fixtures described in that certain Deed of Transfer dated June 1, 2004 and recorded in the Registry at Book 4304, Page 950.

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 Eighth Series of Bonds

Section 1. (I) There shall be a series of bonds designated "5.85% Series due May 1, 2037", herein sometimes referred to as the "One Hundred Eighth 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 Eighth Series shall mature on May 1, 2037 and shall be issued as fully registered bonds in denominations of One Thousand Dollars and, at the option of FPL, in integral 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 5.85% per annum, payable semi-annually on May 1 and November 1 of each year (each an "Interest Payment Date") commencing on November 1, 2007; 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 Eighth 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 Eighth Series are in book-entry only form, registered in the name of The Depository Trust Company ("DTC") 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 Eighth Series are not in book-entry only form, registered in the name of DTC or any other successor depositary or a nominee thereof. Interest on the bonds of the One Hundred Eighth Series will accrue from and including April 17, 2007 to but excluding November 1, 2007 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 Eighth Series, from April 17, 2007) to, but excluding, the next succeeding Interest Payment Date. No interest will accrue on a bond of the One Hundred Eighth 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 Eighth 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 Eighth Series being redeemed plus accrued and unpaid interest, if any, to the Redemption Date.

The amount of the Make-Whole Premium with respect to any bond of the One Hundred Eighth 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 Eighth 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 Eighth Series (or portion thereof) being redeemed; over

(2) the principal amount of the bond of the One Hundred Eighth 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 ABN AMRO Incorporated, Barclays Capital Inc. or Citigroup Global Markets 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 Eighth 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 Eighth 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 Eighth 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 Eighth 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 Eighth 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 Eighth Series" immediately before the words "remain Outstanding".

ARTICLE III
Miscellaneous Provisions

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

Section 4. The holders of bonds of the One Hundred Eighth 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 Eighth 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 Eleventh 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 Eleventh 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 Eleventh Supplemental Indenture.

Section 6. Whenever in this One Hundred Eleventh 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 Eleventh 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 Eleventh 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 Eleventh Supplemental Indenture or any covenant, condition, stipulation, promise or agreement hereof, and all the covenants, conditions, stipulations, promises and agreements in this One Hundred Eleventh 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 States 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 9. The mortgage granted in the One Hundred Sixth Supplemental Indenture and Mortgage, dated as of September 1, 2004, in the Seabrook Substation Property (as defined in said One Hundred Sixth Supplemental Indenture and Mortgage), as supplemented hereby, is upon the statutory conditions as defined in New Hampshire Revised Statutes Annotated §477:29, and upon the further condition that all covenants and agreements of FPL contained in said One Hundred Sixth Supplemental Indenture and Mortgage and in the Mortgage, as supplemented hereby, 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 Revised Statutes Annotated §477:29.

Section 10. This One Hundred Eleventh 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 its Vice Presidents or Assistant Vice Presidents, and its corporate seal to be attested by one of its Vice Presidents, 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: _____

Edward F. Tancer
Senior Vice President & General Counsel
700 Universe Boulevard
Juno Beach, FL 33408

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:

_____

_____

STATE OF FLORIDA }
COUNTY OF PALM BEACH } SS:

On the 12th day of April, in the year 2007, before me personally came Edward F. Tancer, to me known, who, being by me duly sworn, did depose and say that he is the Senior Vice President & General Counsel 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 12th day of April, 2007, before me personally appeared Edward F. Tancer and Paul I. Cutler, respectively, the Senior Vice President & General Counsel 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.

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.

Charlotte Colacino

CHARLOTTE COLACINO
Notary Public - State of Florida
My Commission Expires May 1, 2011
Commission # DD 646085
Bonded Through National Notary Assn.

DEUTSCHE BANK TRUST COMPANY AMERICAS
As Trustee

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

By: _____
Christina Van-Ryzin
Vice President
60 Wall Street, 27th Floor
New York, NY 10005

Attest:

_____
Jennifer Davis
Associate
60 Wall Street, 27th Floor
New York, NY 10005

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

_____

_____

STATE OF NEW YORK }
COUNTY OF NEW YORK } SS:

On the 12th day of April, in the year 2007, before me personally came Wanda Camacho and Christina Van-Ryzin, to me known, who, being by me duly sworn, did depose and say that they are respectively a Vice President and a Vice President of DEUTSCHE BANK TRUST COMPANY AMERICAS, one of the corporations described in and which executed the above instrument; that they know 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 they signed their names thereto by like order.

I HEREBY CERTIFY, that on this 12th day of April, 2007, before me personally appeared Wanda Camacho, Christina Van-Ryzin and Jennifer Davis, respectively, a Vice President, 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.

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 September 23, 2009

Exhibit (a)-4

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. 9

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 Twelfth Supplemental Indenture

Relating to $300,000,000 Principal Amount of First Mortgage Bonds, 5.55% Series due November 1, 2017

Dated as of October 1, 2007

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 $1,050,000 and non-recurring intangible taxes as required by law in the amount of $76,227 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 TWELFTH SUPPLEMENTAL INDENTURE

INDENTURE, dated as of the 1st day of October, 2007, 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 twelfth supplemental indenture (hereinafter called the One Hundred Twelfth 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, and which Mortgage was incorporated by reference in the One Hundredth Sixth Supplemental Indenture and Mortgage, dated as of September 1, 2004, and recorded in the Rockingham County, New Hampshire Registry of Deeds at Book 4362, Page 1879, reference to which Mortgage and to which One Hundredth Sixth Supplemental Indenture and Mortgage is hereby made, this One Hundred Twelfth 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; and

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 Twelfth 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 and the lien and operation of the One Hundred Sixth Supplemental Indenture and 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 Twelfth 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 Twelfth 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.

With respect to the Property, as defined below, located in New Hampshire, FPL makes the "mortgage covenants", as this term is defined in the New Hampshire statute (NH RSA 477:29,1). The "Property" means the real property interests described in that certain easement deed from FPL Energy Seabrook, LLC to FPL, dated June 1, 2004 and recorded in the Rockingham County Registry of Deeds (the "Registry") at Book 4304, Page 945 and in the acquisition from FPL Energy Seabrook, LLC of certain fixtures described in that certain Deed of Transfer dated June 1, 2004 and recorded in the Registry at Book 4304, Page 950.

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 Ninth Series of Bonds

Section 1. (I) There shall be a series of bonds designated "5.55% Series due November 1, 2017", herein sometimes referred to as the "One Hundred Ninth 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 Ninth Series shall mature on November 1, 2017 and shall be issued as fully registered bonds in denominations of One Thousand Dollars and, at the option of FPL, in integral 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 5.55% per annum, payable semi-annually on May 1 and November 1 of each year (each an "Interest Payment Date") commencing on May 1, 2008; 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 Ninth 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 Ninth Series are in book-entry only form, registered in the name of The Depository Trust Company ("DTC") 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 Ninth Series are not in book-entry only form, registered in the name of DTC or any other successor depositary or a nominee thereof. Interest on the bonds of the One Hundred Ninth Series will accrue from and including October 10, 2007 to but excluding May 1, 2008 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 Ninth Series, from October 10, 2007) to, but excluding, the next succeeding Interest Payment Date. No interest will accrue on a bond of the One Hundred Ninth 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 Ninth 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 Ninth Series being redeemed plus accrued and unpaid interest, if any, to the Redemption Date.

The amount of the Make-Whole Premium with respect to any bond of the One Hundred Ninth 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 Ninth 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 Ninth Series (or portion thereof) being redeemed; over

(2) the principal amount of the bond of the One Hundred Ninth 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 20 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, BNP Paribas Securities Corp. or Credit Suisse Securities (USA) LLC 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 Ninth 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 Ninth 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 Ninth 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 Ninth 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 Ninth 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 Ninth Series" immediately before the words "remain Outstanding".

ARTICLE III
Miscellaneous Provisions

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

Section 4. The holders of bonds of the One Hundred Ninth 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 Ninth 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 Twelfth 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 Twelfth 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 Twelfth Supplemental Indenture.

Section 6. Whenever in this One Hundred Twelfth 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 Twelfth 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 Twelfth 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 Twelfth Supplemental Indenture or any covenant, condition, stipulation, promise or agreement hereof, and all the covenants, conditions, stipulations, promises and agreements in this One Hundred Twelfth 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 States 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 9. The mortgage granted in the One Hundred Sixth Supplemental Indenture and Mortgage, dated as of September 1, 2004, in the Seabrook Substation Property (as defined in said One Hundred Sixth Supplemental Indenture and Mortgage), as supplemented hereby, is upon the statutory conditions as defined in New Hampshire Revised Statutes Annotated §477:29, and upon the further condition that all covenants and agreements of FPL contained in said One Hundred Sixth Supplemental Indenture and Mortgage and in the Mortgage, as supplemented hereby, 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 Revised Statutes Annotated §477:29.

Section 10. This One Hundred Twelfth 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 its Vice Presidents or Assistant Vice Presidents, and its corporate seal to be attested by one of its Vice Presidents, 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,
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:

_____

_____

STATE OF FLORIDA
COUNTY OF PALM BEACH } SS:

On the 3rd day of October, in the year 2007, before me personally came K. Michael Davis, to me known, who, being by me duly sworn, did depose and say that he is the Vice President, Accounting 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 3rd day of October, 2007, before me personally appeared K. Michael Davis and Paul I. Cutler, respectively, the Vice President, Accounting 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.

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.

CHARLOTTE COLACINO
Notary Public - State of Florida
My Commission Expires May 1, 2011
Commission # DD 646085
Bonded Through National Notary Assn.

Charlotte Colacino

DEUTSCHE BANK TRUST COMPANY AMERICAS
As Trustee

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

By: _____
Carol Ng
Vice President
60 Wall Street, 27th Floor
New York, NY 10005

Attest:

_____
Jennifer Davis
Associate
60 Wall Street, 27th Floor
New York, NY 10005

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

_____

_____

STATE OF NEW YORK
COUNTY OF NEW YORK } SS:

On the 3rd day of October, in the year 2007, before me personally came Wanda Camacho and Carol Ng to me known, who, being by me duly sworn, did depose and say that they are respectively a Vice President and a Vice President of DEUTSCHE BANK TRUST COMPANY AMERICAS, one of the corporations described in and which executed the above instrument; that they know 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 they signed their names thereto by like order.

I HEREBY CERTIFY, that on this 3rd day of October, 2007, before me personally appeared Wanda Camacho, Carol Ng and Jennifer Davis, respectively, a Vice President, 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.

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 September 23, 2009

Exhibit (a)-10

JPMorgan

U.S. Commercial Paper
Offering Memorandum **December 2007**

FLORIDA POWER & LIGHT COMPANY

$2,500,000,000

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 $2,500,000,000.
PLACEMENT AGENTS:	J.P. Morgan Securities Inc. ("JPMSI"), Merrill Lynch Money Markets Inc. and SunTrust Robinson Humphrey, Inc.
EXEMPTION:	The Notes are exempt from registration under the Securities Act of 1933, as amended ("Securities Act"), 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 nor subject to voluntary prepayment by FPL prior to maturity.
DENOMINATIONS:	The Notes will be issued in minimum denominations of $100,000 or 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) a master note registered in the name of the nominee of The Depository Trust Company ("DTC"). The 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 from the sale of the Notes will be used by FPL for current transactions as permitted under Section 3(a)(3) of the Securities Act.
ISSUING & PAYING AGENT:	JPMorgan Chase Bank, N.A.
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 primarily in the generation, transmission, distribution and sale of electric energy. As of December 31, 2006, FPL supplies electric service to a population of more than 8.5 million throughout most of the east and lower west coasts of Florida. During 2006, FPL served approximately 4.4 million customer accounts. FPL Group, Inc. ("FPL Group") owns all of FPL's common stock. FPL's operating revenues for 2006 amounted to approximately $12.0 billion.

CREDIT RATINGS

As of December 10, 2007, the Notes are rated by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., 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 100 F Street, N.E., 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 have been or 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 ("Exchange Act").

- 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 (excluding information that is furnished and not filed under the Exchange Act).

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 "Risk Factors" or similar headings, 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 the 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 any of its affiliates makes any representation or warranty as to the accuracy or completeness of the information contained or referred to herein.

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, New York 10017
Phone: (212) 834-5071
Fax: (212) 834-6172

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

Exhibit (a)-11

[redacted]

PROGRAM REPORT **DECEMBER 10, 2007**

Florida Power & Light Company

$2,500,000,000

COMMERCIAL PAPER NOTES

TERMS OF COMMERCIAL PAPER NOTES

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 $2,500,000,000.
Placement Agents:	Merrill Lynch Money Markets Inc., J.P. Morgan Securities Inc. and SunTrust Robinson Humphrey, Inc.
Exemption:	The Notes are exempt from registration under the Securities Act of 1933, as amended ("Securities Act"), 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.
Redemption:	The Notes are not redeemable nor subject to voluntary prepayment by FPL prior to maturity.
Denominations:	The Notes will be issued in minimum denominations of $100,000 or 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.
Interest and/or Discount Payment:	Payable at maturity.
Use of Proceeds:	The proceeds from the sale of the Notes will be used by FPL for current transactions as permitted under Section 3(a)(3) of the Securities Act.

Form of Issuance:	Each Note will be evidenced by (i) a note certificate issued in bearer form or (ii) a master note registered in the name of the nominee of The Depository Trust Company ("DTC"). The 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 to, settlement will be made on a same-day basis in immediately available funds.
Issuing and Paying Agent:	JPMorgan Chase Bank, N.A. New York, New York
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 primarily in the generation, transmission, distribution and sale of electric energy. As of December 31, 2006, FPL supplies electric service to a population of more than 8.5 million throughout most of the east and lower west coasts of Florida. During 2006, FPL served approximately 4.4 million customer accounts. FPL Group, Inc. ("FPL Group") owns all of FPL's common stock. FPL's operating revenues for 2006 amounted to approximately $12.0 billion.

CREDIT RATINGS

As of December 10, 2007, the Notes are rated by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., 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 100 F Street, N.E., 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 have been or 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 ("Exchange Act").

- 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 (excluding information that is furnished and not filed under the Exchange Act).

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. Any further questions and/or requests should either be sent to Institutional Marketing, Merrill Lynch Money Markets Inc., World Financial Center, North Tower, New York, New York 10281-1311 or made by telephone at (212) 449-0233.

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 "Risk Factors" or similar headings, 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 the 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 Merrill Lynch Money Markets Inc. nor any of its affiliates makes any representation or warranty as to the accuracy or completeness of the information contained or referred to herein.

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 Merrill Lynch Money Markets Inc. 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.

Exhibit (a)-12

SUNTRUST ROBINSON HUMPHREY

FLORIDA POWER & LIGHT COMPANY

Up to $2,500,000,000

Commercial Paper Notes

DEALER:

SunTrust Robinson Humphrey, 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 $2,500,000,000.
Placement Agents:	SunTrust Robinson Humphrey, Inc., J.P. Morgan Securities Inc. and Merrill Lynch Money Markets Inc.
Exemption:	The Notes are exempt from registration under the Securities Act of 1933, as amended ("Securities Act"), pursuant to Section 3(a)(3) thereof and cannot be resold unless registered or an exemption from registration is available.
Offering Price:	The Notes will be sold at par less a discount representing an interest factor or, if interest bearing, at par.
Denominations:	The Notes will be issued in minimum denominations of $100,000 or integral increments of $1,000 in excess thereof.
Maturities:	Up to 270 days from date of issue. The Notes are not redeemable nor subject to voluntary prepayment by FPL prior to maturity.
Form of Issuance:	Each Note will be evidenced by (i) a note certificate issued in bearer form or (ii) a master note registered in the name of the nominee of The Depository Trust Company ("DTC"). The 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 from the sale of the Notes will be used by FPL for current transactions as permitted under Section 3(a)(3) of the Securities Act.
Issuing & Paying Agent:	JPMorgan Chase Bank, N.A.
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 primarily in the generation, transmission, distribution and sale of electric energy. As of December 31, 2006, FPL supplies electric service to a population of more than 8.5 million throughout most of the east and lower west coasts of Florida. During 2006, FPL served approximately 4.4 million customer accounts. FPL Group, Inc. ("FPL Group") owns all of FPL's common stock. FPL's operating revenues for 2006 amounted to approximately $12.0 billion.

CREDIT RATINGS

As of December 10, 2007, the Notes are rated by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., 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 100 F Street, N.E., 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 Information Memorandum, disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this Information 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 have been or 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 ("Exchange Act").

- 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 (excluding information that is furnished and not filed under the Exchange Act).

FPL will provide without charge to each person, including any beneficial owner, to whom this Information 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 "Risk Factors" or similar headings, in such filings with the SEC. Your investment decision should not be based solely on this Information Memorandum since it is not intended to be a complete explanation of the nature and risks of investing in the 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 SunTrust Robinson Humphrey, Inc. nor any of its affiliates makes any representation or warranty as to the accuracy or completeness of the information contained or referred to herein.

No person has been authorized to give any information or to make any representations other than those contained in this Information Memorandum in connection with the offer contained in this Information Memorandum, and, if given or made, such information or representations must not be relied upon as having been authorized by FPL or SunTrust Robinson Humphrey, Inc. Neither the delivery of this Information 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 Information Memorandum. This Information 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

SunTrust Robinson Humphrey, Inc. ("STRH") and its affiliates may perform various investment banking, commercial banking and financial advisory services from time to time for FPL and its affiliates. An affiliate of STRH may be a lender to FPL and proceeds from sales of the Notes may be used to repay indebtedness owed to such lending affiliate. Prospective purchasers of the Notes are advised that STRH has no obligation to disclose any non-public information concerning FPL and its affiliates that may be furnished to STRH and its affiliates in connection with performing such services.

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

SunTrust Robinson Humphrey, Inc.
Commercial Paper Desk
Attention: Matt Vincent
3333 Peachtree Road NE, 11th Floor
Atlanta, Georgia 30302
Phone: (404) 926-5498
Fax: (404) 350-5498
matt.vincent@suntrust.com

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

Exhibit (b)-1

SQUIRE, SANDERS & DEMPSEY L.L.P.
200 South Biscayne Boulevard Suite 4000
Miami, Florida 33131-2398
Office: +1.305.577.7000
Fax: +1.305.577.7001

SQUIRE SANDERS | LEGAL COUNSEL WORLDWIDE

March 27, 2008

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

Re: Issuance by Florida Power & Light Company (the "Company") of $300,000,000 Principal Amount of First Mortgage Bonds, 5.85% Series due May 1, 2037 and $300,000,000 Principal Amount of First Mortgage Bonds, 5.55% Series due November 1, 2017 (Florida Public Service Commission Docket No. 060723-EI)

Ladies and Gentlemen:

This opinion relates to: (a) the application filed by you with the Florida Public Service Commission (the "Commission") on November 2, 2006; (b) Order No. PSC-06-1038-FOF-EI issued by the Commission on December 18, 2006 (the "Order"); and (c) the issuance and sale by the Company of (i) $300,000,000 principal amount of First Mortgage Bonds, 5.85% Series due May 1, 2037 (the "5.85% Mortgage Bonds"), and (ii) $300,000,000 principal amount of First Mortgage Bonds, 5.55% Series due November 1, 2017 (the "5.55% Mortgage Bonds"), each authorized to be issued by the Order. The 5.85% Mortgage Bonds together with the 5.55% Mortgage Bonds are referred to as the "Bonds."

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 twelve 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 opinions dated April 17, 2007 and October 10, 2007 by Thelen Reid Brown Raysman & Steiner LLP, New York, New York addressed to the underwriters of the initial sale of the 5.85% Mortgage Bonds and the 5.55% Mortgage Bonds, respectively, 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,

Squire, Sanders & Dempsey L.L.P.

SQUIRE, SANDERS & DEMPSEY L.L.P.

Exhibit (b)-1A

SQUIRE, SANDERS & DEMPSEY L.L.P.
Including
STEEL HECTOR & DAVIS LLP

200 South Biscayne Boulevard Suite 4000
Miami, Florida 33131-2398

Office: +1.305.577.7000
Fax: +1.305.577.7001

SQUIRE SANDERS | LEGAL COUNSEL WORLDWIDE

January 31, 2006

J.P. Morgan Securities Inc.
270 Park Avenue – 8th Floor
New York, New York 10017

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

SunTrust Capital Markets, Inc.
303 Peachtree Street, 23rd floor
Atlanta, Georgia 30308

Ladies and Gentlemen:

We have acted as counsel to Florida Power & Light Company, a Florida corporation (the "Company"), in connection with the proposed offering and sale from time to time by the Company in the United States of commercial paper in the form of short-term promissory notes in the aggregate principal amount of not to exceed Two Billion Dollars ($2,000,000,000) (the "Notes").

We have reviewed (i) specimen forms of master notes, (ii) executed copies of the Commercial Paper Dealer Agreement dated August 5, 2005, between the Company and each of you, as Dealer (collectively, the "Agreement"), (iii) an executed copy of the Issuing and Paying Agency Agreement dated August 5, 2005 (the "Issuing and Paying Agency Agreement") between the Company and JPMorgan Chase Bank, N.A., as issuing and paying agent (the "Issuing and Paying Agent"), (iv) the Company's no-action letters dated July 12, 1974 and July 30, 1974, and other no-action letters addressing Section 3(a)(3) of the Securities Act of 1933, as amended ("Securities Act"), that we deemed relevant, from the staff of the Securities and Exchange Commission, (v) the corporate proceedings with respect to the authorization, issuance and sale of the Notes, (vi) the Company's Restated Articles of Incorporation (the "Charter") and Bylaws (the "Bylaws"), each as amended to the date hereof, (vii) the Offering Memorandum of the Company dated January 31, 2006 with respect to J.P. Morgan Securities Inc. (the "J. P. Morgan Offering Memorandum"), (viii) the Offering Memorandum of the Company dated January 31, 2006 with respect to Merrill Lynch Money Markets Inc. (the "Merrill Lynch Offering Memorandum"), (ix) the Offering Memorandum of the Company dated January 31, 2006 with respect to SunTrust Capital Markets, Inc. (the "SunTrust Offering

Memorandum", and together with the J. P. Morgan Offering Memorandum and the Merrill Lynch Offering Memorandum, collectively the "Offering Memorandum") and (x) such other corporate records, certificates from officers of the Company and documents and such questions of law as we have considered necessary or appropriate for the purposes of this opinion.

In rendering such opinion, we have assumed that the Notes will conform to the specimen forms of master notes examined by us and we have assumed the genuineness of all documents submitted to us as originals, and the conformity to the originals and genuineness of all documents submitted to us as copies. We have relied upon the factual representations set forth in the Agreement, the Issuing and Paying Agency Agreement and certificates from officers of the Company and have assumed compliance by the Company with the terms and provisions of the Agreement and the Issuing and Paying Agency Agreement.

Capitalized terms used herein without definition are used as defined in the Agreement.

Upon the basis of the foregoing, it is our opinion that:

1. The Company is a validly organized and existing corporation in good standing under the laws of the State of Florida and has all the requisite power and authority to execute, deliver and perform its obligations under the Notes, the Agreement, and the Issuing and Paying Agency Agreement.

2. Each of the Agreement and the Issuing and Paying Agency Agreement has been duly and validly authorized by all necessary corporate action, has been duly and validly executed and delivered by the Company, and is a valid and binding instrument enforceable against the Company in accordance with its terms, except as limited by applicable bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law) and subject to any laws or principles of public policy limiting the rights to enforce any limitation on liability or the indemnification, reimbursement or contribution provisions contained therein.

3. The Notes have been duly authorized, and when issued and delivered against consideration therefor as provided in the Issuing and Paying Agency Agreement, will be duly and validly issued and delivered and will constitute valid and binding instruments enforceable against the Company in accordance with their terms, except as limited by applicable bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

4. The offer, issuance, sale and delivery of Notes under the circumstances contemplated by, and in accordance with the provisions of, the Agreement and the Issuing and

Paying Agency Agreement do not require registration of the Notes under the Securities Act, pursuant to the exemption from registration contained in Section 3(a)(3) thereof, and do not require compliance with any provision of the Trust Indenture Act of 1939, as amended.

5. No consent or action of, or filing or registration with, any governmental or public regulatory body or authority (other than the Florida Public Service Commission with respect to the Notes) is required to authorize, or is otherwise required in connection with the execution, delivery or performance of the Agreement, the Notes, or the Issuing and Paying Agency Agreement, except as may be required by the securities or Blue Sky laws of the various states in connection with the offer and sale of the Notes as to which we express no opinion and except for those consents, actions, filings or registrations as have already been obtained or made.

6. The Notes are being issued and sold during 2006 and 2007 pursuant to the authority contained in the order of the Florida Public Service Commission issued November 18, 2005, which authority is adequate to permit the issuance and sale of the Notes during 2006 and 2007 in an amount such that the aggregate principal amount of the Notes outstanding at the time of sale (taking the sale into account), when aggregated with all other short-term securities issued by the Company and outstanding at such time, does not exceed Two Billion Dollars ($2,000,000,000). To our knowledge after due investigation, said authorization is in full force and effect, and no further approval, authorization, consent or order of the Florida Public Service Commission is legally required for the authorization of the issuance and sale of the Notes during 2006 and 2007.

7. Neither the execution and delivery of the Agreement and the Issuing and Paying Agency Agreement, nor the issuance of the Notes in accordance with the Issuing and Paying Agency Agreement, nor the fulfillment of or compliance with the terms and provisions thereof by the Company, has resulted or will result in a breach by the Company of (i) 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 the Company is a party, except in the case of any such indenture, mortgage, deed of trust or other agreement or instrument where such breach or default would not have a material adverse effect on the business, properties or financial condition of the Company, or (ii) any law or regulation, or any order (other than laws, regulations or orders addressed in paragraphs numbered 4, 5 and 6 above), writ, injunction or decree of any court or government instrumentality known to us, to which the Company is subject or by which it or its property is bound.

8. Except as stated or referred to in the Offering Materials or the Company Information, to our knowledge after due inquiry, there is no material pending legal proceeding to which the Company is a party or of which property of the Company is the subject which is reasonably likely to be determined adversely and, if determined adversely, would have a material

adverse effect on the Company and its subsidiaries taken as a whole or on the ability of the Company to perform its obligations under the Agreement, the Notes or the Issuing and Paying Agency Agreement, and, to the best of our knowledge, no such proceeding is known to be contemplated by governmental authorities.

9. The Company is not an "investment company" or an entity "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

The opinions expressed herein are given as of the date hereof, and we assume no obligation to update or supplement such opinions to reflect any fact or circumstance that may hereafter come to our attention or any change in law that may hereafter occur or hereafter become effective.

This opinion is limited to matters expressly set forth herein and no opinion is to be implied or may be inferred beyond the matters expressly stated herein.

This opinion may be relied upon by you only in connection with the transactions contemplated by the Agreement and the Issuing and Paying Agency Agreement and may not otherwise be used or relied upon by you or any other person for any purpose whatsoever, without in each instance our prior written consent. This opinion may be delivered to the Issuing and Paying Agent and any nationally recognized rating agency (in connection with the rating of the Notes), each of which may rely on this opinion to the same extent as if such opinion were addressed to it.

We have made such examinations of the federal law of the United States and the laws of the State of Florida as we have deemed relevant for the purposes of this opinion, and have not made any independent review of the law of any other state or other jurisdiction; provided however, we have made no investigation as to, and we express no opinion with respect to, any state securities or blue sky laws, any laws of the United States relating to siting or permitting of electric generation or ancillary facilities or the protection of human health or safety with respect to hazardous materials or the protection of the environment from contamination by hazardous materials, or tax laws of any state or the United States or any matters relating to the Public Utility Holding Company Act of 1935, the Public Utility Holding Company Act of 2005, the Public Utility Regulatory Policies Act of 1978, the Federal Power Act, the Natural Gas Act of 1938, the Natural Gas Policy Act of 1978, or the Energy Policy Act of 2005, in each case as amended, or the rules, regulations and orders under any of the foregoing, local statutes, ordinances, administrative decisions, or regarding the rules and regulations of counties, towns, municipalities or special political subdivisions (whether created or enabled through legislative action at the state or regional level), or regarding judicial decisions to the extent they deal with any of the foregoing (collectively, the "Excluded Laws"). The opinions expressed herein are

limited solely to the federal law of the United States and the laws of the State of Florida, except for Excluded Laws (collectively, the "Applicable Laws").

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 Applicable Laws. 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 such firm.

Very truly yours,

Squire, Sanders & Dempsey L.L.P.

SQUIRE, SANDERS & DEMPSEY L.L.P.

Thelen Reid & Priest LLP
Attorneys At Law

875 Third Avenue
New York, NY 10022

Tel. 212.603.2000
Fax 212.603.2001
www.thelenreid.com

January 31, 2006

J.P. Morgan Securities Inc.
270 Park Avenue – 8th Floor
New York, New York 10017

SunTrust Capital Markets, Inc.
303 Peachtree Street, 23rd floor
Atlanta, Georgia 30308

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

Ladies and Gentlemen:

We have acted as special counsel to Florida Power & Light Company, a Florida corporation (the "Company"), in connection with the proposed offering and sale from time to time by the Company in the United States of commercial paper in the form of short-term promissory notes in the aggregate principal amount of not to exceed Two Billion Dollars ($2,000,000,000) (the "Notes").

We have reviewed (i) specimen forms of master notes, (ii) executed copies of the Commercial Paper Dealer Agreement dated August 5, 2005, between the Company and each of you, as Dealer (collectively, the "Agreement"), (iii) an executed copy of the Issuing and Paying Agency Agreement dated August 5, 2005 (the "Issuing and Paying Agency Agreement") between the Company and JPMorgan Chase Bank, N.A., as issuing and paying agent (the "Issuing and Paying Agent"), (iv) the Company's no-action letters dated July 12, 1974 and July 30, 1974, and other no-action letters addressing Section 3(a)(3) of the Securities Act of 1933, as amended ("Securities Act"), that we deemed relevant, from the staff of the Securities and Exchange Commission, (v) the corporate proceedings with respect to the authorization, issuance and sale of the Notes, (vi) the Company's Restated Articles of Incorporation (the "Charter") and Bylaws (the "Bylaws"), each as amended to the date hereof, (vii) the Offering Memorandum of the Company dated January 31, 2006 with respect to J.P. Morgan Securities Inc. (the "J. P. Morgan Offering Memorandum"), (viii) the Offering Memorandum of the Company dated January 31, 2006 with respect to Merrill Lynch Money Markets Inc. (the "Merrill Lynch Offering Memorandum"), (ix) the Offering Memorandum of the Company dated January 31, 2006 with respect to SunTrust Capital Markets, Inc. (the "SunTrust Offering Memorandum", and together with the J. P. Morgan Offering Memorandum and the Merrill Lynch Offering Memorandum, collectively the "Offering Memorandum") and (x) such other corporate records, certificates from officers of the Company and documents and such questions of law as we have considered necessary or appropriate for the purposes of this opinion.

In rendering such opinion, we have assumed that the Notes will conform to the specimen forms of master notes examined by us and we have assumed the genuineness of all documents submitted to us as originals, and the conformity to the originals and genuineness of all documents submitted to us as copies. We have relied upon the factual representations set forth in the Agreement, the Issuing and Paying Agency Agreement and certificates from officers of the Company and have assumed compliance

by the Company with the terms and provisions of the Agreement and the Issuing and Paying Agency Agreement.

Capitalized terms used herein without definition are used as defined in the Agreement.

Upon the basis of the foregoing, it is our opinion that:

1. Each of the Agreement and the Issuing and Paying Agency Agreement has been duly and validly authorized by all necessary corporate action, has been duly and validly executed and delivered by the Company, and is a valid and binding instrument enforceable against the Company in accordance with its terms, except as limited by applicable bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law) and subject to any laws or principles of public policy limiting the rights to enforce any limitation on liability or the indemnification, reimbursement or contribution provisions contained therein.

2. The Notes have been duly authorized, and when issued and delivered against consideration therefor as provided in the Issuing and Paying Agency Agreement, will be duly and validly issued and delivered and will constitute valid and binding instruments enforceable against the Company in accordance with their terms, except as limited by applicable bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

3. The offer, issuance, sale and delivery of Notes under the circumstances contemplated by, and in accordance with the provisions of, the Agreement and the Issuing and Paying Agency Agreement do not require registration of the Notes under the Securities Act, pursuant to the exemption from registration contained in Section 3(a)(3) thereof, and do not require compliance with any provision of the Trust Indenture Act of 1939, as amended.

4. No consent or action of, or filing or registration with, any governmental or public regulatory body or authority (other than the Florida Public Service Commission with respect to the Notes) is required to authorize, or is otherwise required in connection with the execution, delivery or performance of the Agreement, the Notes, or the Issuing and Paying Agency Agreement, except as may be required by the securities or Blue Sky laws of the various states in connection with the offer and sale of the Notes as to which we express no opinion and except for those consents, actions, filings or registrations as have already been obtained or made.

5. The Notes are being issued and sold during 2006 and 2007 pursuant to the authority contained in the order of the Florida Public Service Commission issued November 18, 2005, which authority is adequate to permit the issuance and sale of the Notes during 2006 and 2007 in an amount such that the aggregate principal amount of the Notes outstanding at the time of sale (taking the sale into account), when aggregated with all other short-term securities issued by the Company and outstanding at such time, does not exceed Two Billion Dollars ($2,000,000,000). To our knowledge after due investigation, said authorization is in full force and effect, and no further approval, authorization,

consent or order of the Florida Public Service Commission is legally required for the authorization of the issuance and sale of the Notes during 2006 and 2007.

6. Neither the execution and delivery of the Agreement and the Issuing and Paying Agency Agreement, nor the issuance of the Notes in accordance with the Issuing and Paying Agency Agreement, nor the fulfillment of or compliance with the terms and provisions thereof by the Company, has resulted or will result in a breach by the Company of (i) 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 the Company is a party, except in the case of any such indenture, mortgage, deed of trust or other agreement or instrument where such breach or default would not have a material adverse effect on the business, properties or financial condition of the Company, or (ii) any law or regulation, or any order (other than laws, regulations or orders addressed in paragraphs numbered 3, 4 and 5 above), writ, injunction or decree of any court or government instrumentality known to us, to which the Company is subject or by which it or its property is bound.

7. The Company is not an "investment company" or an entity "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

The opinions expressed herein are given as of the date hereof, and we assume no obligation to update or supplement such opinions to reflect any fact or circumstance that may hereafter come to our attention or any change in law that may hereafter occur or hereafter become effective.

This opinion is limited to matters expressly set forth herein and no opinion is to be implied or may be inferred beyond the matters expressly stated herein.

This opinion may be relied upon by you only in connection with the transactions contemplated by the Agreement and the Issuing and Paying Agency Agreement and may not otherwise be used or relied upon by you or any other person for any purpose whatsoever, without in each instance our prior written consent. This opinion may be delivered to the Issuing and Paying Agent and any nationally recognized rating agency (in connection with the rating of the Notes), each of which may rely on this opinion to the same extent as if such opinion were addressed to it.

We have made such examinations of the federal law of the United States and the laws of the State of New York as we have deemed relevant for the purposes of this opinion, and have not made any independent review of the law of any other state or other jurisdiction; provided however, we have made no investigation as to, and we express no opinion with respect to, any state securities or blue sky laws, any laws of the United States relating to siting or permitting of electric generation or ancillary facilities or the protection of human health or safety with respect to hazardous materials or the protection of the environment from contamination by hazardous materials, or tax laws of any state or the United States, or the rules, regulations and orders under any of the foregoing, local statutes, ordinances, administrative decisions, or regarding the rules and regulations of counties, towns, municipalities or special political subdivisions (whether created or enabled through legislative action at the state or regional level), or regarding judicial decisions to the extent they deal with any of the foregoing (collectively, the "Excluded Laws"). The opinions expressed herein are limited solely to the federal law

of the United States and the laws of the State of New York, except for Excluded Laws (collectively, the "Applicable Laws").

We are members of the New York Bar and do not hold ourselves out as experts on the laws of any other state, and accordingly, this opinion is limited to the Applicable Laws. We do not pass upon matters relating to the incorporation of the Company. As to all matters of Florida law, we have relied, with your consent, upon an opinion of even date herewith addressed to you by Squire, Sanders & Dempsey L.L.P., Miami, Florida. As to all matters of New York law, Squire, Sanders & Dempsey L.L.P. is hereby authorized to rely upon this opinion as though it were rendered to Squire, Sanders & Dempsey L.L.P.

Very truly yours,

Thelen Reid & Priest LLP

THELEN REID & PRIEST LLP

SQUIRE, SANDERS & DEMPSEY L.L.P.

1900 Phillips Point West
777 South Flagler Drive
West Palm Beach, FL 33401-6198

Office: +1.561.650.7200
Fax: +1.561.655.1509

SQUIRE SANDERS | LEGAL COUNSEL WORLDWIDE

December 10, 2007

J.P. Morgan Securities Inc.
270 Park Avenue – 8th Floor
New York, New York 10017

SunTrust Robinson Humphrey, Inc.
3333 Peachtree Road NE, 11th Floor
Atlanta, Georgia 30302

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

Ladies and Gentlemen:

We have acted as counsel to Florida Power & Light Company, a Florida corporation (the "Company"), in connection with the proposed offering and sale from time to time by the Company in the United States of commercial paper in the form of short-term promissory notes in the aggregate principal amount of not to exceed Two Billion Five Hundred Million Dollars ($2,500,000,000) (the "Notes").

We have reviewed (i) specimen forms of master notes, (ii) executed copies of the Commercial Paper Dealer Agreement dated August 5, 2005, between the Company and each of you, as Dealer (collectively, the "Agreement"), (iii) an executed copy of the Issuing and Paying Agency Agreement dated August 5, 2005 (the "Issuing and Paying Agency Agreement") between the Company and JPMorgan Chase Bank, N.A., as issuing and paying agent (the "Issuing and Paying Agent"), (iv) the Company's no-action letters dated July 12, 1974 and July 30, 1974, and other no-action letters addressing Section 3(a)(3) of the Securities Act of 1933, as amended ("Securities Act"), that we deemed relevant, from the staff of the Securities and Exchange Commission, (v) the corporate proceedings with respect to the authorization, issuance and sale of the Notes, (vi) the Company's Restated Articles of Incorporation (the "Charter") and Bylaws (the "Bylaws"), each as amended to the date hereof, (vii) the Offering Memorandum of the Company dated December 2007 with respect to the offering of the Notes by J.P. Morgan Securities Inc. (the "J. P. Morgan Offering Memorandum"), (viii) the Offering Memorandum of the Company dated December 10, 2007 with respect to the offering of the Notes by Merrill Lynch Money Markets Inc. (the "Merrill Lynch Offering Memorandum"), (ix) the Information Memorandum of the Company dated December 2007 with respect to the offering of the Notes by SunTrust Robinson Humphrey, Inc. (the "SunTrust Information Memorandum", and together with the J.P. Morgan Offering Memorandum and the Merrill Lynch Offering Memorandum, collectively the "Offering Memorandum"), (x) the Certificate of the Assistant Treasurer of the Company in substantially the form of Exhibit A attached hereto and made a part hereof (the "Officer's Certificate") and (xi) such other corporate records, certificates from

officers of the Company and documents and such questions of law as we have considered necessary or appropriate for the purposes of this opinion.

In rendering such opinion, we have assumed that the Notes will conform to the specimen forms of master notes examined by us and we have assumed the genuineness of all documents submitted to us as originals, and the conformity to the originals and genuineness of all documents submitted to us as copies. We have relied upon the factual representations set forth in the Agreement, the Issuing and Paying Agency Agreement, the Officer's Certificate and other certificates from officers of the Company and have assumed compliance by the Company with the terms and provisions of the Agreement and the Issuing and Paying Agency Agreement.

Capitalized terms used herein without definition are used as defined in the Agreement.

Upon the basis of the foregoing, it is our opinion that:

1. The Company is a validly organized and existing corporation in good standing under the laws of the State of Florida and has all the requisite power and authority to execute, deliver and perform its obligations under the Notes, the Agreement, and the Issuing and Paying Agency Agreement.

2. Each of the Agreement and the Issuing and Paying Agency Agreement has been duly and validly authorized by all necessary corporate action of the Company, has been duly and validly executed and delivered by the Company, and is a valid and binding instrument enforceable against the Company in accordance with its terms, except as limited by applicable bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law) and subject to any laws or principles of public policy limiting the rights to enforce any limitation on liability or the indemnification, reimbursement or contribution provisions contained therein.

3. The Notes have been duly authorized, and when issued and delivered against consideration therefor as provided in the Issuing and Paying Agency Agreement, will be duly and validly issued and delivered and will constitute valid and binding instruments enforceable against the Company in accordance with their terms, except as limited by applicable bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

4. The offer, issuance, sale and delivery of Notes under the circumstances contemplated by, and in accordance with the provisions of, the Agreement and the Issuing and Paying Agency Agreement do not require registration of the Notes under the Securities Act, pursuant to the exemption from registration contained in Section 3(a)(3) thereof, and do not require compliance with any provision of the Trust Indenture Act of 1939, as amended.

5. No consent or action of, or filing or registration with, any governmental or public regulatory body or authority (other than the Florida Public Service Commission with respect to

the Notes) is required to authorize, or is otherwise required in connection with, the execution, delivery or performance of the Agreement, the Notes, or the Issuing and Paying Agency Agreement, except as may be required by the securities or Blue Sky laws of the various states in connection with the offer and sale of the Notes as to which we express no opinion and except for those consents, actions, filings or registrations as have already been obtained or made.

6. The Notes are being issued and sold during 2007 and 2008 pursuant to the authority contained in the order of the Florida Public Service Commission issued December 18, 2006, which authority is adequate to permit the issuance and sale of the Notes during 2007 and 2008 in an amount such that the aggregate principal amount of the Notes outstanding at the time of sale (taking the sale into account), when aggregated with all other short-term securities issued by the Company and outstanding at such time, does not exceed Three Billion Dollars ($3,000,000,000). To our knowledge after due investigation, said authorization is in full force and effect, and no further approval, authorization, consent or order of the Florida Public Service Commission is legally required for the authorization of the issuance and sale of the Notes during 2007 and 2008.

7. Neither the execution and delivery of the Agreement and the Issuing and Paying Agency Agreement, nor the issuance of the Notes in accordance with the Issuing and Paying Agency Agreement, nor the fulfillment of or compliance with the terms and provisions thereof by the Company, has resulted or will result in a breach by the Company of (i) 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 the Company is a party, except in the case of any such indenture, mortgage, deed of trust or other agreement or instrument where such breach or default would not have a material adverse effect on the business, properties or financial condition of the Company, together with its subsidiaries, taken as a whole, or (ii) any law or regulation, or any order (other than laws, regulations or orders addressed in paragraphs numbered 4, 5 and 6 above), writ, injunction or decree of any court or government instrumentality known to us, to which the Company is subject or by which it or its property is bound.

8. Except as stated or referred to in the Offering Materials or the Company Information, to our knowledge after due inquiry, there is no material pending legal proceeding to which the Company is a party or of which property of the Company 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 the Company and its subsidiaries taken as a whole or on the ability of the Company to perform its obligations under the Agreement, the Notes or the Issuing and Paying Agency Agreement, and, to the best of our knowledge, no such proceeding is known to be contemplated by governmental authorities.

9. The Company is not an "investment company" or an entity "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

The opinions expressed herein are given as of the date hereof, and we assume no obligation to update or supplement such opinions to reflect any fact or circumstance that may

hereafter come to our attention or any change in law that may hereafter occur or hereafter become effective.

This opinion is limited to matters expressly set forth herein and no opinion is to be implied or may be inferred beyond the matters expressly stated herein.

This opinion may be relied upon by you only in connection with the transactions contemplated by the Agreement and the Issuing and Paying Agency Agreement and may not otherwise be used or relied upon by you or any other person for any purpose whatsoever, without in each instance our prior written consent. This opinion may be delivered to the Issuing and Paying Agent and to any nationally recognized rating agency (in connection with the rating of the Notes), each of which may rely on this opinion to the same extent as if such opinion were addressed to it.

We have made such examinations of the federal law of the United States and the laws of the State of Florida as we have deemed relevant for the purposes of this opinion, and have not made any independent review of the law of any other state or other jurisdiction; provided however, we have made no investigation as to, and we express no opinion with respect to, any state securities or blue sky laws, any laws of the United States relating to siting or permitting of electric generation or ancillary facilities or the protection of human health or safety with respect to hazardous materials or the protection of the environment from contamination by hazardous materials, or tax laws of any state or the United States or any matters relating to the Public Utility Holding Company Act of 2005, the Public Utility Regulatory Policies Act of 1978, the Federal Power Act, the Natural Gas Act of 1938, the Natural Gas Policy Act of 1978, or the Energy Policy Act of 2005, in each case as amended, or the rules, regulations and orders under any of the foregoing, local statutes, ordinances, administrative decisions, or regarding the rules and regulations of counties, towns, municipalities or special political subdivisions (whether created or enabled through legislative action at the state or regional level), or regarding judicial decisions to the extent they deal with any of the foregoing (collectively, the "Excluded Laws"). The opinions expressed herein are limited solely to the federal law of the United States and the laws of the State of Florida, except for Excluded Laws (collectively, the "Applicable Laws").

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 Applicable Laws. 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 Brown Raysman & Steiner LLP, New York, New York. As to all matters of Florida law, Thelen Reid Brown Raysman & Steiner LLP is hereby authorized to rely upon this opinion as though it were rendered to such firm.

Very truly yours,

Squire, Sanders & Dempsey L.L.P.

SQUIRE, SANDERS & DEMPSEY L.L.P.

THELEN
Thelen Reid Brown Raysman & Steiner LLP
875 Third Avenue New York, NY 10022
Phone: 212 603 2000 Fax: 212 603 2001
www.thelen.com

December 10, 2007

J.P. Morgan Securities Inc.
270 Park Avenue – 8th Floor
New York, New York 10017

SunTrust Robinson Humphrey, Inc.
3333 Peachtree Road NE, 11th Floor
Atlanta, Georgia 30302

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

Ladies and Gentlemen:

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We have reviewed (i) specimen forms of master notes, (ii) executed copies of the Commercial Paper Dealer Agreement dated August 5, 2005, between the Company and each of you, as Dealer (collectively, the "Agreement"), (iii) an executed copy of the Issuing and Paying Agency Agreement dated August 5, 2005 (the "Issuing and Paying Agency Agreement") between the Company and JPMorgan Chase Bank, N.A., as issuing and paying agent (the "Issuing and Paying Agent"), (iv) the Company's no-action letters dated July 12, 1974 and July 30, 1974, and other no-action letters addressing Section 3(a)(3) of the Securities Act of 1933, as amended ("Securities Act"), that we deemed relevant, from the staff of the Securities and Exchange Commission, (v) the corporate proceedings with respect to the authorization, issuance and sale of the Notes, (vi) the Company's Restated Articles of Incorporation (the "Charter") and Bylaws (the "Bylaws"), each as amended to the date hereof, (vii) the Offering Memorandum of the Company dated December 2007 with respect to the offering of the Notes by J.P. Morgan Securities Inc. (the "J. P. Morgan Offering Memorandum"), (viii) the Offering Memorandum of the Company dated December 10, 2007 with respect to the offering of the Notes by Merrill Lynch Money Markets Inc. (the "Merrill Lynch Offering Memorandum"), (ix) the Information Memorandum of the Company dated December 2007 with respect to the offering of the Notes by SunTrust Robinson Humphrey, Inc. (the "SunTrust Information Memorandum", and together with the J.P. Morgan Offering Memorandum and the Merrill Lynch Offering Memorandum, collectively the "Offering Memorandum"), (x) the Certificate of the Assistant Treasurer of the Company in substantially the form of Exhibit A attached hereto and made a part hereof (the "Officer's Certificate") and (xi) such other corporate records, certificates from officers of the Company and documents and such questions of law as we have considered necessary or appropriate for the purposes of this opinion.

In rendering such opinion, we have assumed that the Notes will conform to the specimen forms of master notes examined by us and we have assumed the genuineness of all documents submitted to us as originals, and the conformity to the originals and genuineness of all documents submitted to us as copies. We have relied upon the factual representations set forth in the Agreement, the Issuing and

Paying Agency Agreement, the Officer's Certificate and other certificates from officers of the Company and have assumed compliance by the Company with the terms and provisions of the Agreement and the Issuing and Paying Agency Agreement.

Capitalized terms used herein without definition are used as defined in the Agreement.

Upon the basis of the foregoing, it is our opinion that:

1. Each of the Agreement and the Issuing and Paying Agency Agreement has been duly and validly authorized by all necessary corporate action of the Company, has been duly and validly executed and delivered by the Company, and is a valid and binding instrument enforceable against the Company in accordance with its terms, except as limited by applicable bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law) and subject to any laws or principles of public policy limiting the rights to enforce any limitation on liability or the indemnification, reimbursement or contribution provisions contained therein.

2. The Notes have been duly authorized, and when issued and delivered against consideration therefor as provided in the Issuing and Paying Agency Agreement, will be duly and validly issued and delivered and will constitute valid and binding instruments enforceable against the Company in accordance with their terms, except as limited by applicable bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

3. The offer, issuance, sale and delivery of Notes under the circumstances contemplated by, and in accordance with the provisions of, the Agreement and the Issuing and Paying Agency Agreement do not require registration of the Notes under the Securities Act, pursuant to the exemption from registration contained in Section 3(a)(3) thereof, and do not require compliance with any provision of the Trust Indenture Act of 1939, as amended.

4. No consent or action of, or filing or registration with, any governmental or public regulatory body or authority (other than the Florida Public Service Commission with respect to the Notes) is required to authorize, or is otherwise required in connection with, the execution, delivery or performance of the Agreement, the Notes, or the Issuing and Paying Agency Agreement, except as may be required by the securities or Blue Sky laws of the various states in connection with the offer and sale of the Notes as to which we express no opinion and except for those consents, actions, filings or registrations as have already been obtained or made.

5. The Notes are being issued and sold during 2007 and 2008 pursuant to the authority contained in the order of the Florida Public Service Commission issued December 18, 2006,

which authority is adequate to permit the issuance and sale of the Notes during 2007 and 2008 in an amount such that the aggregate principal amount of the Notes outstanding at the time of sale (taking the sale into account), when aggregated with all other short-term securities issued by the Company and outstanding at such time, does not exceed Three Billion Dollars ($3,000,000,000). To our knowledge after due investigation, said authorization is in full force and effect, and no further approval, authorization, consent or order of the Florida Public Service Commission is legally required for the authorization of the issuance and sale of the Notes during 2007 and 2008.

6. Neither the execution and delivery of the Agreement and the Issuing and Paying Agency Agreement, nor the issuance of the Notes in accordance with the Issuing and Paying Agency Agreement, nor the fulfillment of or compliance with the terms and provisions thereof by the Company, has resulted or will result in a breach by the Company of (i) 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 the Company is a party, except in the case of any such indenture, mortgage, deed of trust or other agreement or instrument where such breach or default would not have a material adverse effect on the business, properties or financial condition of the Company, together with its subsidiaries, taken as a whole, or (ii) any law or regulation, or any order (other than laws, regulations or orders addressed in paragraphs numbered 3, 4 and 5 above), writ, injunction or decree of any court or government instrumentality known to us, to which the Company is subject or by which it or its property is bound.

7. The Company is not an "investment company" or an entity "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

The opinions expressed herein are given as of the date hereof, and we assume no obligation to update or supplement such opinions to reflect any fact or circumstance that may hereafter come to our attention or any change in law that may hereafter occur or hereafter become effective.

This opinion is limited to matters expressly set forth herein and no opinion is to be implied or may be inferred beyond the matters expressly stated herein.

This opinion may be relied upon by you only in connection with the transactions contemplated by the Agreement and the Issuing and Paying Agency Agreement and may not otherwise be used or relied upon by you or any other person for any purpose whatsoever, without in each instance our prior written consent. This opinion may be delivered to the Issuing and Paying Agent and to any nationally recognized rating agency (in connection with the rating of the Notes), each of which may rely on this opinion to the same extent as if such opinion were addressed to it.

We have made such examinations of the federal law of the United States and the laws of the State of New York as we have deemed relevant for the purposes of this opinion, and have not made any independent review of the law of any other state or other jurisdiction; provided however, we have made no investigation as to, and we express no opinion with respect to, any state securities or blue sky

laws, any laws of the United States relating to siting or permitting of electric generation or ancillary facilities or the protection of human health or safety with respect to hazardous materials or the protection of the environment from contamination by hazardous materials, or tax laws of any state or the United States, or the rules, regulations and orders under any of the foregoing, local statutes, ordinances, administrative decisions, or regarding the rules and regulations of counties, towns, municipalities or special political subdivisions (whether created or enabled through legislative action at the state or regional level), or regarding judicial decisions to the extent they deal with any of the foregoing (collectively, the "Excluded Laws"). The opinions expressed herein are limited solely to the federal law of the United States and the laws of the State of New York, except for Excluded Laws (collectively, the "Applicable Laws").

We are members of the New York Bar and do not hold ourselves out as experts on the laws of any other state, and accordingly, this opinion is limited to the Applicable Laws. We do not pass upon matters relating to the incorporation of the Company. As to all matters of Florida law, we have relied, with your consent, upon an opinion of even date herewith addressed to you by Squire, Sanders & Dempsey L.L.P., Miami, Florida. As to all matters of New York law, Squire, Sanders & Dempsey L.L.P. is hereby authorized to rely upon this opinion as though it were rendered to Squire, Sanders & Dempsey L.L.P.

Very truly yours,

Thelen Reid Brown Raysman & Steiner LLP

THELEN REID BROWN RAYSMAN & STEINER LLP

Exhibit (c)-1

As filed with the Securities and Exchange Commission on September 5, 2006
Registration Statement Nos. 333-137120, 333-137120-01, 333-137120-02, 333-137120-03, 333-137120-04, 333-137120-05, 333-137120-06, 333-137120-07 and 333-137120-08

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-3

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

FPL Group, Inc.	**Florida**	**59-2449419**
FPL Group Capital Inc	**Florida**	**59-2576416**
Florida Power & Light Company	**Florida**	**59-0247775**
FPL Group Capital Trust II	**Delaware**	**71-6208700**
FPL Group Capital Trust III	**Delaware**	**20-6218691**
FPL Group Trust I	**Delaware**	**20-6218700**
FPL Group Trust II	**Delaware**	**20-6218704**
Florida Power & Light Company Trust I	**Delaware**	**20-6218709**
Florida Power & Light Company Trust II	**Delaware**	**20-6218713**
(Exact name of each registrant as specified in its charter)	(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 registrants' principal executive office)

Edward F. Tancer, Esq.	Thomas R. McGuigan, Esq.	Robert J. Reger, Jr., Esq.
Vice President and General Counsel	Squire, Sanders & Dempsey L.L.P.	Thelen Reid & Priest LLP
FPL Group, Inc.	1900 Phillips Point West	875 Third Avenue
700 Universe Boulevard	777 South Flagler Drive	New York, New York 10022
Juno Beach, Florida 33408	West Palm Beach, Florida 33401	(212) 603-2000
(561) 694-4000	(561) 650-7200	

(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. ☒

As filed with the Securities and Exchange Commission on September 5, 2006
Registration Statement Nos. 333-137120, 333-137120-01, 333-137120-02, 333-137120-03, 333-137120-04, 333-137120-05, 333-137120-06, 333-137120-07 and 333-137120-08

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-3

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

FPL Group, Inc.	**Florida**	**59-2449419**
FPL Group Capital Inc	**Florida**	**59-2576416**
Florida Power & Light Company	**Florida**	**59-0247775**
FPL Group Capital Trust II	**Delaware**	**71-6208700**
FPL Group Capital Trust III	**Delaware**	**20-6218691**
FPL Group Trust I	**Delaware**	**20-6218700**
FPL Group Trust II	**Delaware**	**20-6218704**
Florida Power & Light Company Trust I	**Delaware**	**20-6218709**
Florida Power & Light Company Trust II	**Delaware**	**20-6218713**
(Exact name of each registrant as specified in its charter)	(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 registrants' principal executive office)

Edward F. Tancer, Esq. Vice President and General Counsel FPL Group, Inc. 700 Universe Boulevard Juno Beach, Florida 33408 (561) 694-4000	Thomas R. McGuigan, Esq. Squire, Sanders & Dempsey L.L.P. 1900 Phillips Point West 777 South Flagler Drive West Palm Beach, Florida 33401 (561) 650-7200	Robert J. Reger, Jr., Esq. Thelen Reid & Priest LLP 875 Third Avenue New York, New York 10022 (212) 603-2000

(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. ☐

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 this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box. ☒

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box. ☐

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price [1]	Amount of Registration Fee
FPL Group, Inc.		
FPL Group, Inc. Guarantee of FPL Group Capital Inc Senior Debt Securities [2]		(3)
FPL Group, Inc. Subordinated Guarantee of FPL Group Capital Inc Junior Subordinated Debentures [2]		(3)
FPL Group, Inc. Guarantee of FPL Group Capital Trust II, FPL Group Capital Trust III, FPL Group Trust I and FPL Group Trust II Preferred Trust Securities [4][5]		(3)
FPL Group, Inc. Senior Debt Securities		
FPL Group, Inc. Junior Subordinated Debentures [5][6]		
FPL Group Trust I and FPL Group Trust II Preferred Trust Securities [5][6]		
FPL Group Capital Inc [7]		
FPL Group Capital Inc Senior Debt Securities		
FPL Group Capital Inc Junior Subordinated Debentures [5][6]		
FPL Group Capital Trust II and FPL Group Capital Trust III Preferred Trust Securities [5][6]		
Florida Power & Light Company [7]		
Florida Power & Light Company First Mortgage Bonds		
Florida Power & Light Company Guarantee of Florida Power & Light Company Trust I and Florida Power & Light Company Trust II Preferred Trust Securities [4][5]		(3)
Florida Power & Light Company Junior Subordinated Debentures [5][6]		
Florida Power & Light Company Trust I and Florida Power & Light Company Trust II Preferred Trust Securities [5][6]		
Total		$0

(1) An unspecified aggregate initial offering of the securities of each identified class is being registered as may from time to time be offered by FPL Group, Inc., FPL Group Capital Inc, FPL Group Capital Trust II, FPL Group Capital Trust III, FPL Group Trust I, FPL Group Trust II, Florida Power & Light Company, Florida Power & Light Company Trust I and Florida Power & Light Company Trust II at unspecified prices, along with an indeterminate number of securities that may be issued upon exercise, settlement, exchange or conversion of securities offered hereunder. Separate consideration may or may not be received for securities that are issuable upon exercise, settlement, conversion or exchange of other securities or that are issued in units. Prior to the filing of this registration statement, $1,337,450,000 aggregate principal amount of securities remained registered and unsold, pursuant to Registration Statement Nos. 333-102173, 333-102173-01, 333-102173-02 and 333-102173-03 ("Registration Statement No. 333-102173") which was initially filed by FPL Group, Inc. and FPL Group Capital Inc on December 23, 2002, and amended on March 18, 2003 to add FPL Group Capital Trust I and FPL Group Capital Trust II as registrants, and $2,800,000,000 aggregate principal amount of securities remained registered and unsold pursuant to Registration Statement Nos. 333-116209, 333-116209-01, 333-116209-02, 333-116209-03, 333-116209-04 and 333-116209-05 ("Registration Statement No. 333-116209") which was filed by FPL Group, Inc., FPL Group Capital Inc, FPL Group Capital Trust II, FPL Group Capital Trust III, FPL Group Trust I and FPL Group Trust II on June 4, 2004. In accordance with Rules 456(b) and 457(r) under the Securities Act of 1933, as amended (the "Securities Act"), the registrants are deferring payment of all of the registration fee, except for $477,806 that may be offset pursuant to Rule 457(p) for fees paid with respect to $4,137,450,000 aggregate initial offering price of securities that were previously registered pursuant to Registration Statement No. 333-102173 and Registration Statement No. 333-116209 and not sold thereunder. In connection with the securities offered hereby, except as specified in the previous sentence, the registrants will pay "pay-as-you-go registration fees" in accordance with Rule 456(b). Registration Statement No. 333-102173 and Registration Statement No. 333-116209 are hereby withdrawn.

(2) The value attributable to the FPL Group, Inc. guarantees, if any, is reflected in the market price of the FPL Group Capital Inc Senior Debt Securities or FPL Group Capital Inc Junior Subordinated Debentures, as the case may be.

(3) Pursuant to Rule 457(n) under the Securities Act, no separate fee for the FPL Group, Inc. guarantees or the Florida Power & Light Company guarantees will be payable.

(4) The value attributable to the FPL Group, Inc. guarantee, if any, is reflected in the market price of the FPL Group Capital Trust II, FPL Group Capital Trust III, FPL Group Trust I, and FPL Group Trust II Preferred Trust Securities. The value attributable to the Florida Power & Light Company guarantees, if any, is reflected in the market price of the Florida Power & Light Company Trust I and Florida Power & Light Company Trust II Preferred Trust Securities.

(5) This registration statement is deemed to include the rights of the holders of the Preferred Trust Securities of (a) FPL Group Trust I and FPL Group Trust II under the FPL Group, Inc. Junior Subordinated Debentures, the FPL Group, Inc. Subordinated Indenture and the Agreement as to Expenses and Liabilities, each as described in this registration statement, (b) FPL Group Capital Trust II and FPL Group Capital Trust III under the FPL Group, Inc. Subordinated Guarantee of FPL Group Capital Inc Junior Subordinated Debentures, the FPL Group Capital Inc Junior Subordinated Debentures, the FPL Group Capital Inc Subordinated Indenture and the Agreement as to Expenses and Liabilities, each as described in this registration statement, and (c) Florida Power & Light Company Trust I and Florida Power & Light Company Trust II under the Florida Power & Light Company Junior Subordinated Debentures, the Florida Power & Light Company Subordinated Indenture and the Agreement as to Expenses and Liabilities, each as described in this registration statement.

(6) FPL Group, Inc. Junior Subordinated Debentures may be purchased by FPL Group Trust I and/or FPL Group Trust II with the proceeds from the sale of their respective Preferred Trust Securities. FPL Group Capital Inc Junior Subordinated Debentures may be purchased by FPL Group Capital Trust II and/or FPL Group Capital Trust III with the proceeds from the sale of their respective Preferred Trust Securities. Florida Power & Light Company Junior Subordinated Debentures may be purchased by Florida Power & Light Company Trust I and/or Florida Power & Light Company Trust II with the proceeds from the sale of their respective Preferred Trust Securities. No separate consideration will be received for the FPL Group, Inc., FPL Group Capital Inc or Florida Power & Light Company Junior Subordinated Debentures purchased by any of such trusts.

(7) FPL Group Capital Inc is only registering the offering of non-convertible securities and Florida Power & Light Company is only registering the offering of investment-grade non-convertible securities.

EXPLANATORY NOTE

This registration statement contains two forms of prospectuses, each of which is to be used in connection with offerings of the securities in either clause (1) or clause (2) below:

(1) the securities of FPL Group, FPL Group Capital, FPL Group Capital Trust II, FPL Group Capital Trust III, FPL Group Trust I and FPL Group Trust II registered pursuant to this registration statement; and

(2) the securities of Florida Power & Light Company, Florida Power & Light Company Trust I and Florida Power & Light Company Trust II registered pursuant to this registration statement.

Each offering of securities made under this registration statement will be made pursuant to one of these prospectuses, with the specific terms of the securities offered thereby set forth in an accompanying prospectus supplement.

PROSPECTUS

FPL GROUP, INC.

Senior Debt Securities and Junior Subordinated Debentures

FPL GROUP CAPITAL INC

Senior Debt Securities and Junior Subordinated Debentures

Guaranteed as described in this prospectus by

FPL GROUP, INC.

FPL GROUP CAPITAL TRUST II
FPL GROUP CAPITAL TRUST III
FPL GROUP TRUST I
FPL GROUP TRUST II

Preferred Trust Securities

Guaranteed as described in this prospectus by

FPL GROUP, INC.

Each of FPL Group, Inc., FPL Group Capital Inc, FPL Group Capital Trust II, FPL Group Capital Trust III, FPL Group Trust I and FPL Group Trust II may offer any combination of the securities described in this prospectus in one or more offerings from time to time in amounts authorized from time to time.

FPL Group, FPL Group Capital, FPL Group Capital Trust II, FPL Group Capital Trust III, FPL Group Trust I and FPL Group Trust II will provide specific terms of the securities, including the 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.

FPL Group's common stock is listed on the New York Stock Exchange and trades under the symbol "FPL."

FPL Group, FPL Group Capital, FPL Group Capital Trust II, FPL Group Capital Trust III, FPL Group Trust I and FPL Group Trust II 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 51 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 purchasing any of the securities being offered.

FPL Group's, FPL Group Capital's, FPL Group Capital Trust II's, FPL Group Capital Trust III's, FPL Group Trust I's and FPL Group Trust II's principal executive offices are located at 700 Universe Boulevard, Juno Beach, Florida 33408, telephone number (561) 694-4000, and their 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.

September 5, 2006

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that FPL Group, FPL Group Capital, FPL Group Capital Trust II, FPL Group Capital Trust III, FPL Group Trust I and FPL Group Trust II, among other registrants, have filed with the Securities and Exchange Commission ("SEC") using a "shelf" registration process. FPL Group Capital Trust II and FPL Group Capital Trust III are each referred to in this prospectus as "FPL Group Capital Trust" and FPL Group Trust I and FPL Group Trust II are each referred to in this prospectus as "FPL Group Trust." In addition, FPL Group Capital Trust and FPL Group Trust are each referred to in this prospectus as the "Trust."

Under this shelf registration process, FPL Group, FPL Group Capital and/or the Trust may issue and sell any combination of the securities described in this prospectus in one or more offerings from time to time. As of the date of this prospectus, FPL Group, FPL Group Capital and/or the Trust are each authorized to issue securities up to a maximum aggregate offering price of $1,400,000,000, provided that the aggregate amount of all such securities or combinations of such securities offered by FPL Group, FPL Group Capital and the Trust under the registration statement as of this date may not exceed $1,400,000,000. The aggregate amount of securities which FPL Group, FPL Group Capital and/or the Trust are authorized to issue pursuant to this registration statement may be increased in the future. FPL Group may offer any of the following securities: senior debt securities, subordinated debt securities, guarantees related to the preferred trust securities which the Trust may offer and guarantees related to the senior debt securities and subordinated debt securities FPL Group Capital may offer. FPL Group Capital may offer any of the following securities: senior debt securities or subordinated debt securities. The Trust may offer preferred trust securities.

This prospectus provides you with a general description of the securities that FPL Group, FPL Group Capital and/or the Trust may offer. Each time FPL Group, FPL Group Capital and/or the Trust sells securities, FPL Group, FPL Group Capital and/or the Trust will provide a prospectus supplement that will contain specific information about the terms of that offering. Material United States federal income tax considerations applicable to the offered securities will be discussed in the applicable prospectus supplement if necessary. 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 risk factors and 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 Group and FPL Group Capital are subject to complex laws and regulations and to changes in laws and regulations as well as changing governmental policies and regulatory actions, including initiatives regarding deregulation and restructuring of the energy industry. Florida Power & Light Company holds franchise agreements with local municipalities and counties, and must renegotiate expiring agreements. These factors may have a negative impact on the business and results of operations of FPL Group and FPL Group Capital.

FPL Group and FPL Group Capital are subject to complex laws and regulations, and to changes in laws or regulations, including the Public Utility Regulatory Policies Act of 1978, the Public Utility Holding Company Act of 2005, the Federal Power Act, the Atomic Energy Act of 1954, the Energy Policy Act of 2005 and certain sections of the Florida statutes relating to public utilities, changing governmental policies and regulatory actions, including those of the Federal Energy Regulatory Commission, the Florida Public Service Commission and the legislatures and utility commissions of other states in which FPL Group and FPL Group Capital have operations, 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 by Florida Power & Light Company of any and all costs that it considers excessive or imprudently incurred. The regulatory process generally restricts Florida Power & Light Company's ability to grow earnings and does not provide any assurance as to achievement of earnings levels.

FPL Group and FPL Group Capital are subject to extensive federal, state and local environmental statutes as well as the effect of changes in or additions to applicable 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 Group Capital operate in a changing market environment influenced by various legislative and regulatory initiatives regarding deregulation, regulation or restructuring of the energy industry, including deregulation or restructuring 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 results of operations could be affected by Florida Power & Light Company's ability to renegotiate franchise agreements with municipalities and counties in Florida.

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 Group and FPL Group Capital.

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, including the supply and transportation of fuel, 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, including the requirement to purchase power in the market at potentially higher prices to meet their contractual obligations. 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 Group Capital'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, the potential payment of significant retrospective insurance premiums, 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 Group Capital's plants, or at the plants of other nuclear operators. Breakdown or failure of an operating facility of FPL Energy, LLC, a subsidiary of FPL Group Capital, 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.

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 Group and FPL Group Capital could be adversely affected.

FPL Group's and FPL Group Capital'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 within established budgets is contingent upon many variables and subject to substantial risks. Should any such efforts be unsuccessful, FPL Group and FPL Group Capital could be subject to additional costs, termination payments under committed contracts, and/or the write-off of their investment in the project or improvement.

The use of derivative contracts by FPL Group and FPL Group Capital in the normal course of business could result in financial losses that negatively impact the results of operations of FPL Group and FPL Group Capital.

FPL Group and FPL Group Capital use derivative instruments, such as swaps, options and forwards to manage their commodity and financial market risks, and to a lesser extent, engage in limited trading activities. FPL Group and FPL Group Capital 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, Florida Power & Light Company's use of such instruments could be subject to prudency challenges and if found imprudent, cost recovery could be disallowed by the Florida Public Service Commission.

FPL Group's competitive energy business is subject to risks, many of which are beyond the control of FPL Group and FPL Group Capital, that may reduce the revenues and adversely impact the results of operations and financial condition of FPL Group and FPL Group Capital.

There are other risks associated with FPL Group's and FPL Group Capital's competitive energy business. 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 (including transportation), 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 and FPL Group Capital'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's and FPL Group Capital's ability to successfully identify, complete and integrate acquisitions, including the proposed merger with Constellation Energy Group, Inc., is subject to significant risks, including the effect of increased competition for acquisitions resulting from the consolidation of the power industry.

FPL Group and FPL Group Capital are likely to encounter significant competition for acquisition opportunities that may become available as a result of the consolidation of the power industry, in general, as well as the passage of the Energy Policy Act of 2005. In addition, FPL Group and FPL Group Capital may be unable to identify attractive acquisition opportunities at favorable prices and to successfully and timely complete and integrate them.

FPL Group's ability to successfully complete and integrate the proposed merger between FPL Group and Constellation Energy Group, Inc. ("Constellation Energy") is subject to certain risks and uncertainties including the ability to obtain governmental approvals of the transaction on the proposed terms, conditions and schedule; the failure of FPL Group or Constellation Energy's shareholders to approve the transaction; the risk that anticipated synergies will not be achieved or will take longer to achieve than expected; disruption from the transaction making it more difficult to maintain relationships with customers, employees, suppliers or governmental entities; unexpected transaction costs or liabilities; economic conditions; and other specific factors discussed in documents filed with the SEC by both FPL Group and Constellation Energy.

FPL Group's proposed merger with Constellation Energy is subject to receipt of consents or approvals from governmental entities that could delay or prevent the completion of the merger or impose conditions that

could have a material adverse effect on the combined company or that could cause abandonment of the merger.

Completion of the proposed merger is conditioned upon the receipt of consents, orders, approvals or clearances, as required, from the Federal Energy Regulatory Commission and the public service commissions or similar entities in several of the states in which Constellation Energy and/or FPL Group operate electric and/or gas businesses, including the state of Maryland. Among other things, governmental entities could condition their approval of the merger upon Constellation Energy and/or FPL Group entering into agreements to restrict the operations of the combined businesses in accordance with specified business conduct rules, to divest generation facilities or to take other actions which governmental entities deem necessary or desirable in the public interest. The terms of any such conditions that may be imposed, if any, are not known by FPL Group as of the date hereof. If those approvals are not received, or they are not received on terms that satisfy the conditions set forth in the merger agreement, then neither Constellation Energy nor FPL Group will be required to complete the merger. Recently adopted energy legislation in Maryland requires the appointment of a new group of commissioners at the Maryland Public Service Commission ("MPSC") and directs the MPSC to complete a prompt and comprehensive review of the merger pursuant to new standards. These changes have created additional uncertainty about the MPSC approval process and may result in substantial delay in the timing of required MPSC approval of the merger or the imposition of terms and conditions that are unfavorable to the combined company, such as a requirement to share expected merger savings with utility customers. In addition, one lawsuit has been filed challenging the constitutionality of certain provisions of the new legislation, and additional lawsuits may be filed in the future. The outcome of such litigation and the additional uncertainty that could result cannot be predicted. A substantial delay in obtaining required approvals or the imposition of unfavorable terms or conditions in connection with such approvals could have a material adverse effect on the business, financial condition or results of operations of FPL Group, FPL Group Capital or the combined company. In addition, delays or unfavorable terms could lead Constellation Energy or FPL Group to become involved in litigation with one or more governmental entities or may cause the abandonment of the merger.

The anticipated benefits of combining FPL Group and Constellation Energy may not be realized.

FPL Group entered into the merger agreement with the expectation that the merger would result in various benefits, including, among other things, synergies, cost savings and operating efficiencies. Although FPL Group expects to achieve the anticipated benefits of the merger, including the synergies, achieving them is subject to a number of uncertainties, including:

- the ability of the two companies to combine certain of their operations or take advantage of expected growth opportunities;
- whether the governmental entities whose approval is required to complete the merger impose conditions on the merger or require the combined company to share a portion of such merger benefits, from both the utility and the competitive energy businesses, with utility customers, any of which may have an adverse effect on the combined company; and
- general competitive factors in the marketplace.

No assurance can be given that these benefits will be achieved, or if achieved, the timing of their achievement. Failure to achieve these anticipated benefits could result in increased costs and decreases in the amount of expected revenues of the combined company.

In addition, Constellation Energy's business involves certain risks which are different from the risks of FPL Group's current business, and as a result the combined company may be exposed to competitive, regulatory, operational and other challenges that do not affect FPL Group's businesses to a similar extent.

FPL Group and its subsidiaries, including FPL Group Capital, will be subject to business uncertainties and contractual restrictions while the merger is pending that could adversely affect their businesses.

Uncertainty about the effect of the merger on employees and customers may have an adverse effect on FPL Group and its subsidiaries, including FPL Group Capital, regardless of whether the merger is eventually completed. Although FPL Group and FPL Group Capital have taken steps designed to reduce any adverse effects, these uncertainties may impair FPL Group's and FPL Group Capital's ability to attract, retain and motivate key personnel until the merger is completed, or the merger agreement is terminated, and for a period of time thereafter. These uncertainties also could cause customers, suppliers and others that deal with FPL Group and FPL Group Capital to seek to change existing business relationships with FPL Group and FPL Group Capital.

Employee retention and recruitment may be particularly challenging during the pendency of the merger, as employees and prospective employees may be uncertain about their future roles with the combined company. If, despite FPL Group's and FPL Group Capital's retention and recruiting efforts, key employees depart or fail to accept employment with either of the companies because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with the combined company, FPL Group's, FPL Group Capital's or the combined company's business could be seriously harmed.

The pursuit of the merger and the preparation for the integration of Constellation Energy and FPL Group place a significant burden on management and internal resources. The diversion of management attention away from day-to-day business concerns and any difficulties encountered in the transition and integration process could harm FPL Group's and FPL Group Capital's businesses, financial condition and operating results, regardless of whether the merger is eventually completed.

In addition, the merger agreement restricts FPL Group and its subsidiaries, including FPL Group Capital, without Constellation Energy's consent, from making certain acquisitions and taking other specified actions until the merger occurs or the merger agreement terminates. These restrictions may prevent FPL Group and FPL Group Capital from pursuing otherwise attractive business opportunities and making other changes to their businesses prior to completion of the merger or termination of the merger agreement.

Because FPL Group and FPL Group Capital rely on access to capital markets, the inability to maintain current credit ratings and access capital markets on favorable terms may limit the ability of FPL Group and FPL Group Capital to grow their businesses and would likely increase interest costs.

FPL Group, FPL Group Capital and Florida Power & Light Company 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 Florida Power & Light Company 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 Group Capital's ability to grow their businesses and would likely increase their interest costs.

Customer growth in Florida Power & Light Company's service area affects FPL Group's results of operations.

FPL Group's results of operations are affected by the growth in customer accounts in Florida Power & Light Company's service area. Customer growth can be affected by population growth as well as economic factors in Florida, including job and income growth, housing starts and new home prices. Customer growth directly influences the demand for electricity and the need for additional power generation and power delivery facilities at Florida Power & Light Company.

Weather affects FPL Group's and FPL Group Capital's results of operations.

FPL Group's and FPL Group Capital'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. FPL Group's and

FPL Group Capital's results of operations can be affected by the impact of severe weather which can be destructive, causing outages and/or property damage, may affect fuel supply, and could require additional costs to be incurred. At Florida Power & Light Company, recovery of these costs is subject to Florida Public Service Commission approval.

FPL Group and FPL Group Capital are subject to costs and other effects of legal proceedings as well as changes in or additions to applicable tax laws, rates or policies, rates of inflation, accounting standards, securities laws and corporate governance requirements.

FPL Group and FPL Group Capital 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 and corporate governance requirements.

Threats of terrorism and catastrophic events that could result from terrorism may impact the operations of FPL Group and FPL Group Capital in unpredictable ways.

FPL Group and FPL Group Capital 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 U.S., and the increased cost and adequacy of security and insurance.

The ability of FPL Group and FPL Group Capital to obtain insurance and the terms of any available insurance coverage could be affected by national, state or local events and company-specific events.

FPL Group's and FPL Group Capital'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 Group Capital are subject to employee workforce factors that could affect the businesses and financial condition of FPL Group and FPL Group Capital.

FPL Group and FPL Group Capital are subject to employee workforce factors, including loss or retirement of key executives, availability of qualified personnel, collective bargaining agreements with union employees and work stoppage that could affect the businesses and financial condition of FPL Group and FPL Group Capital.

FPL GROUP

FPL Group is a holding company incorporated in 1984 as a Florida corporation. FPL Group's principal subsidiary, Florida Power & Light Company, is a rate-regulated utility engaged primarily in the generation, transmission, distribution and sale of electric energy. Other operations are conducted through FPL Group Capital.

FPL GROUP CAPITAL

FPL Group Capital was incorporated in 1985 as a Florida corporation and is a wholly-owned subsidiary of FPL Group. FPL Group Capital holds the capital stock or other ownership interests of, and provides funding for, FPL Group's operating subsidiaries other than Florida Power & Light Company. These operating subsidiaries' business activities primarily consist of FPL Energy, LLC's competitive energy business.

FPL GROUP CAPITAL TRUST II, FPL GROUP CAPITAL TRUST III, FPL GROUP TRUST I AND FPL GROUP TRUST II

FPL Group Capital Trust II, FPL Group Capital Trust III, FPL Group Trust I and FPL Group Trust II are Delaware statutory trusts created pursuant to separate trust agreements among FPL Group as depositor of the Trust, The Bank of New York as the Property Trustee, The Bank of New York (Delaware) as the Delaware Trustee and

one or more Administrative Trustees appointed by FPL Group. The trust agreements will be amended and restated substantially in the form filed as an exhibit to the registration statement. Each trust agreement, as so amended and restated, is referred to in this prospectus as the "Trust Agreement." FPL Group Capital 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. FPL Group Trust exists only to issue its preferred trust securities and common trust securities and to hold the junior subordinated debentures of FPL Group as trust assets. All of the common trust securities will be owned by FPL Group. Unless otherwise stated in a prospectus supplement, the common trust securities will represent at least 3% of the total capital of the Trust. Payments on any distribution payment date or redemption date will be made on the common trust securities pro rata with the preferred trust securities, except that the common trust securities' right to payment will be subordinated to the rights of the preferred trust securities if there is a default under the Trust Agreement. The Trust will have a term as stated in the applicable prospectus supplement, but may dissolve earlier as provided in the Trust Agreement.

The Trust's business and affairs will be conducted by its Administrative Trustees. The office of the Delaware Trustee in the State of Delaware is White Clay Center, Route 273, Newark, Delaware 19711. The principal place of business of the Trust is 700 Universe Boulevard, Juno Beach, Florida 33408, and the telephone number is (561) 694-4000.

USE OF PROCEEDS

Unless otherwise stated in a prospectus supplement, FPL Group and FPL Group Capital will each add the net proceeds from the sale of their securities to its respective general funds. FPL Group uses its general funds for corporate purposes, including to provide funds for its subsidiaries and to repurchase common stock. FPL Group Capital uses its general funds for corporate purposes, including to repay short-term borrowings and to repay, redeem or repurchase outstanding long-term debt obligations. FPL Group and FPL Group Capital will each temporarily invest any proceeds that it does not need to use immediately in short-term instruments.

FPL Group Capital Trust will use the proceeds from the sale of preferred trust securities and common trust securities to invest in junior subordinated debentures issued by FPL Group Capital. FPL Group Capital will add the net proceeds from the sale of such junior subordinated debentures to its general funds, which will be used as described above.

FPL Group Trust will use the proceeds from the sale of preferred trust securities and common trust securities to invest in junior subordinated debentures issued by FPL Group. FPL Group will add the net proceeds from the sale of such junior subordinated debentures to its general funds, which will be used as described above.

CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES AND RATIO OF EARNINGS TO COMBINED FIXED CHARGES PLUS PREFERRED DIVIDENDS

The following table shows FPL Group's consolidated ratio of earnings to fixed charges and consolidated ratio of earnings to combined fixed charges and preferred stock dividends for each of its last five fiscal years:

Years Ended December 31,				
2005	2004	2003	2002	2001
2.76	2.96	3.28	2.95	3.60

FPL Group's consolidated ratio of earnings to fixed charges and consolidated ratio of earnings to combined fixed charges and preferred stock dividends for the six months ended June 30, 2006 was 2.76.

WHERE YOU CAN FIND MORE INFORMATION

FPL Group files annual, quarterly and other reports and other information with the SEC. You can read and copy any information filed by FPL Group with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., 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 (www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, including FPL Group. FPL Group also maintains an Internet site (www.fplgroup.com).

FPL Group Capital does not file reports or other information with the SEC. FPL Group includes summarized financial information relating to FPL Group Capital in some of its reports filed with the SEC. FPL Group does not intend to include any separate financial information with respect to FPL Group Capital in its consolidated financial statements because FPL Group and FPL Group Capital have determined that this information is not material to the holders of FPL Group Capital's debt securities.

No separate financial statements of the Trust are included in this prospectus. FPL Group and the Trust do not consider those financial statements to be material to holders of the preferred trust securities because (1) the Trust is a special purpose entity and has no operating history or independent operations, and (2) the Trust is not engaged in and does not propose to engage in any activity other than holding as trust assets the junior subordinated debentures of FPL Group Capital, in the case of FPL Group Capital Trust, and the junior subordinated debentures of FPL Group in the case of FPL Group Trust, and issuing its preferred trust securities and common trust securities. FPL Group and the Trust do not expect the Trust to file periodic reports under Sections 13 or 15(d) of the Securities Exchange Act of 1934.

INCORPORATION BY REFERENCE

The SEC allows FPL Group, FPL Group Capital and the Trust to "incorporate by reference" the information that FPL Group files with the SEC, which means that FPL Group, FPL Group Capital and the Trust 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 Group files in the future with the SEC will automatically update and supersede this information. FPL Group, FPL Group Capital and the Trust are incorporating by reference the documents listed below and any future filings FPL Group makes with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 after the date of this prospectus until FPL Group, FPL Group Capital and/or the Trust sell all of these securities:

(1) FPL Group's Annual Report on Form 10-K for the year ended December 31, 2005, as amended by a Form 10-K/A filed with the SEC on April 28, 2006;

(2) FPL Group's Quarterly Report on Form 10-Q for the quarters ended March 31, 2006 and June 30, 2006; and

(3) FPL Group's Current Reports on Form 8-K filed with the SEC on January 5, 2006, January 27, 2006, as amended by a Form 8-K/A filed with the SEC on January 30, 2006 (excluding information furnished and not filed), April 24, 2006, May 19, 2006, May 26, 2006, June 1, 2006, June 9, 2006, June 28, 2006, July 5, 2006 and August 18, 2006.

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 Group 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.

FORWARD-LOOKING STATEMENTS

In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, FPL Group, FPL Group Capital and the Trust are hereby filing cautionary statements identifying important factors that could cause FPL Group's and FPL Group Capital'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 Group, FPL Group Capital and the Trust 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," "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 specific factors discussed in "Risk Factors" herein and in FPL Group's 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 have a significant impact on FPL Group's and FPL Group Capital's operations and financial results, and could cause FPL Group's or FPL Group Capital's actual results to differ materially from those contained in forward-looking statements made by or on behalf of FPL Group, FPL Group Capital or the Trust.

Any forward-looking statement speaks only as of the date on which that statement is made, and neither FPL Group, FPL Group Capital nor the Trust undertakes any obligation to update any forward-looking statement to reflect events or circumstances, including unanticipated events, after the date on which that statement is made. 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 herein by reference are not the only ones FPL Group or FPL Group Capital 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 Group's and FPL Group Capital's businesses in the future.

DESCRIPTION OF FPL GROUP CAPITAL SENIOR DEBT SECURITIES

General. FPL Group Capital will issue its debt securities (other than the FPL Group Capital Junior Subordinated Debentures (as defined below under "Description of the FPL Group and FPL Group Capital Junior Subordinated Debentures and the FPL Group Subordinated Guarantee")), in one or more series, under an Indenture, dated as of June 1, 1999, between FPL Group Capital and The Bank of New York, as trustee. This Indenture, as it may be amended and supplemented from time to time, is referred to in this prospectus as the "Indenture." The Bank of New York, as trustee under the Indenture, is referred to in this prospectus as the "Indenture Trustee." These debt securities are referred to in this prospectus as the "Offered Senior Debt Securities."

The Indenture provides for the issuance from time to time of debentures, notes or other debt by FPL Group Capital in an unlimited amount. The Offered Senior Debt Securities and all other debentures, notes or other debt of FPL Group Capital issued under the Indenture are collectively referred to in this prospectus as the "Senior Debt Securities."

This section briefly summarizes some of the terms of the Offered Senior Debt Securities and some of the provisions of the Indenture. This summary does not contain a complete description of the Offered Senior Debt Securities or the Indenture. You should read this summary together with the Indenture and the officer's certificates or other documents establishing the Offered Senior Debt Securities for a complete understanding of all the provisions and for the definitions of some terms used in this summary. The Indenture, the form of officer's certificate that may be used to establish a series of Offered Senior Debt Securities and a form of Offered Senior Debt Securities 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 Indenture is qualified 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.

All Offered Senior Debt Securities of one series need not be issued at the same time, and a series may be re-opened for issuances of additional Offered Senior Debt Securities of such series. This means that FPL Group Capital may from time to time, without notice to, or the consent of the existing holders of the Offered Senior Debt Securities of a particular series, create and issue additional Offered Senior Debt Securities of such series. Such additional Offered Senior Debt Securities will have the same terms as the Offered Senior Debt Securities of such series in all respects (except for the payment of interest accruing prior to the issue date of the additional Offered Senior Debt Securities or except for the first payments of interest following the issue date of the additional Offered

Senior Debt Securities) so that the additional Offered Senior Debt Securities may be consolidated and form a single series with the Offered Senior Debt Securities of such series.

Each series of Offered Senior Debt Securities may have different terms. FPL Group Capital will include some or all of the following information about a specific series of Offered Senior Debt Securities in the prospectus supplement relating to those Offered Senior Debt Securities:

(1) the title of those Offered Senior Debt Securities,

(2) any limit upon the aggregate principal amount of those Offered Senior Debt Securities,

(3) the date(s) on which FPL Group Capital will pay the principal of those Offered Senior Debt Securities,

(4) the rate(s) of interest on those Offered Senior Debt Securities, or how the rate(s) of interest will be determined, the date(s) from which interest will accrue, the dates on which FPL Group Capital will pay interest and the record date for any interest payable on any interest payment date,

(5) the person to whom FPL Group Capital will pay interest on those Offered Senior Debt Securities on any interest payment date, if other than the person in whose name those Offered Senior Debt Securities are registered at the close of business on the record date for that interest payment,

(6) the place(s) at which or methods by which FPL Group Capital will make payments on those Offered Senior Debt Securities and the place(s) at which or methods by which the registered owners of those Offered Senior Debt Securities may transfer or exchange those Offered Senior Debt Securities and serve notices and demands to or upon FPL Group Capital,

(7) the security registrar and any paying agent or agents for those Offered Senior Debt Securities,

(8) any date(s) on which, the price(s) at which and the terms and conditions upon which FPL Group Capital may, at its option, redeem those Offered Senior Debt Securities, in whole or in part, and any restrictions on those redemptions,

(9) any sinking fund or other provisions or options held by the registered owners of those Offered Senior Debt Securities that would obligate FPL Group Capital to repurchase or redeem those Offered Senior Debt Securities,

(10) the denominations in which FPL Group Capital may issue those Offered Senior Debt Securities, if other than denominations of $1,000 and any integral multiple of $1,000,

(11) the currency or currencies in which FPL Group Capital may pay the principal of or premium, if any, or interest on those Offered Senior Debt Securities (if other than in U.S. dollars),

(12) if FPL Group Capital or a registered owner may elect to pay, or receive, principal of or premium, if any, or interest on those Offered Senior Debt Securities in a currency other than that in which those Offered Senior Debt Securities are stated to be payable, the terms and conditions upon which that election may be made,

(13) if FPL Group Capital will, or may, pay the principal of or premium, if any, or interest on those Offered Senior Debt Securities in securities or other property, the type and amount of those securities or other property and the terms and conditions upon which FPL Group Capital or a registered owner may elect to pay or receive those payments,

(14) if the amount payable in respect of principal of or premium, if any, or interest on those Offered Senior Debt Securities may be determined by reference to an index or other fact or event ascertainable outside of the Indenture, the manner in which those amounts will be determined,

(15) the portion of the principal amount of those Offered Senior Debt Securities that FPL Group Capital will pay upon declaration of acceleration of the maturity of those Offered Senior Debt Securities, if other than the entire principal amount of those Offered Senior Debt Securities,

(16) any events of default with respect to those Offered Senior Debt Securities and any covenants of FPL Group Capital for the benefit of the registered owners of those Offered Senior Debt Securities, other than those specified in the Indenture,

(17) the terms, if any, pursuant to which those Offered Senior Debt Securities may be exchanged for shares of capital stock or other securities of any other entity,

(18) a definition of "Eligible Obligations" under the Indenture with respect to those Offered Senior Debt Securities denominated in a currency other than U.S. dollars, and any other provisions for the reinstatement of FPL Group Capital's indebtedness in respect of those Offered Senior Debt Securities after their satisfaction and discharge,

(19) if FPL Group Capital will issue those Offered Senior Debt Securities in global form, necessary information relating to the issuance of those Offered Senior Debt Securities in global form,

(20) if FPL Group Capital will issue those Offered Senior Debt Securities as bearer securities, necessary information relating to the issuance of those Offered Senior Debt Securities as bearer securities,

(21) any limits on the rights of the registered owners of those Offered Senior Debt Securities to transfer or exchange those Offered Senior Debt Securities or to register their transfer, and any related service charges,

(22) any exceptions to the provisions governing payments due on legal holidays or any variations in the definition of business day with respect to those Offered Senior Debt Securities,

(23) other than the Guarantee described under "Description of the FPL Group Capital Senior Debt Securities Guarantee" below, any collateral security, assurance, or guarantee for those Offered Senior Debt Securities, and

(24) any other terms of those Offered Senior Debt Securities that are not inconsistent with the provisions of the Indenture. (Indenture, Section 301).

FPL Group Capital may sell Offered Senior Debt Securities at a discount below their principal amount. Some of the important United States federal income tax considerations applicable to Offered Senior Debt Securities sold at a discount below their principal amount may be discussed in the related prospectus supplement. In addition, some of the important United States federal income tax or other considerations applicable to any Offered Senior Debt Securities that are denominated in a currency other than U.S. dollars may be discussed in the related prospectus supplement.

Except as otherwise stated in the related prospectus supplement, the covenants in the Indenture would not give registered owners of Offered Senior Debt Securities protection in the event of a highly-leveraged transaction involving FPL Group Capital or FPL Group.

Security and Ranking. The Offered Senior Debt Securities will be unsecured obligations of FPL Group Capital. The Indenture does not limit FPL Group Capital's ability to provide security with respect to other Senior Debt Securities. All Senior Debt Securities issued under the Indenture will rank equally and ratably with all other Senior Debt Securities issued under the Indenture, except to the extent that FPL Group Capital elects to provide security with respect to any Senior Debt Security without providing that security to all outstanding Senior Debt Securities as allowed under the Indenture. The Offered Senior Debt Securities will rank senior to FPL Group Capital's Junior Subordinated Debentures. The Indenture does not limit FPL Group Capital's ability to issue other unsecured debt.

FPL Group Capital is a holding company that derives substantially all of its income from its operating subsidiaries. Therefore, the Senior Debt Securities will be effectively subordinated to all indebtedness and other liabilities, including trade payables, debt and preferred stock, incurred or issued by FPL Group Capital's subsidiaries. The Indenture does not place any limit on the amounts of liabilities, including debt or preferred stock, that FPL Group Capital's subsidiaries may issue, guarantee or otherwise incur.

Payment and Paying Agents. Except as stated in the related prospectus supplement, on each interest payment date FPL Group Capital will pay interest on each Offered Senior Debt Security to the person in whose name that Offered Senior Debt Security is registered as of the close of business on the record date relating to that interest payment date. However, on the date that the Offered Senior Debt Securities mature, FPL Group Capital will pay the interest to the person to whom it pays the principal. Also, if FPL Group Capital has defaulted in the payment of interest on any Offered Senior Debt Security, it may pay that defaulted interest to the registered owner of that Offered Senior Debt Security:

(1) as of the close of business on a date that the Indenture Trustee selects, which may not be more than 15 days or less than 10 days before the date that FPL Group Capital proposes to pay the defaulted interest, or

(2) in any other lawful manner that does not violate the requirements of any securities exchange on which that Offered Senior Debt Security is listed and that the Indenture Trustee believes is acceptable. (Indenture, Section 307).

Unless otherwise stated in the related prospectus supplement, the principal, premium, if any, and interest on the Offered Senior Debt Securities at maturity will be payable when such Offered Senior Debt Securities are presented at the main corporate trust office of The Bank of New York, as paying agent, in The City of New York. FPL Group Capital may change the place of payment on the Offered Senior Debt Securities, appoint one or more additional paying agents, including itself, and remove any paying agent. (Indenture, Section 602).

Transfer and Exchange. Unless otherwise stated in the related prospectus supplement, Offered Senior Debt Securities may be transferred or exchanged at the main corporate trust office of The Bank of New York, as security registrar, in The City of New York. FPL Group Capital may change the place for transfer and exchange of the Offered Senior Debt Securities and may designate one or more additional places for that transfer and exchange.

Except as otherwise stated in the related prospectus supplement, there will be no service charge for any transfer or exchange of the Offered Senior Debt Securities. However, FPL Group Capital may require payment of any tax or other governmental charge in connection with any transfer or exchange of the Offered Senior Debt Securities.

FPL Group Capital will not be required to transfer or exchange any Offered Senior Debt Security selected for redemption. Also, FPL Group Capital will not be required to transfer or exchange any Offered Senior Debt Security during a period of 15 days before selection of Offered Senior Debt Securities to be redeemed. (Indenture, Section 305).

Defeasance. FPL Group Capital may, at any time, elect to have all of its obligations discharged with respect to all or a portion of any Senior Debt Securities. To do so, FPL Group Capital must irrevocably deposit with the Indenture Trustee or any paying agent, in trust:

(1) money in an amount that will be sufficient to pay all or that portion of the principal, premium, if any, and interest due and to become due on those Senior Debt Securities, on or prior to their maturity, or

(2) in the case of a deposit made prior to the maturity of that series of Senior Debt Securities,

(a) direct obligations of, or obligations unconditionally guaranteed by, the United States and entitled to the benefit of its full faith and credit that do not contain provisions permitting their redemption or other prepayment at the option of their issuer, and

(b) certificates, depositary receipts or other instruments that evidence a direct ownership interest in those obligations or in any specific interest or principal payments due in respect of those obligations that do not contain provisions permitting their redemption or other prepayment at the option of their issuer, the principal of and the interest on which, when due, without any regard to reinvestment of that principal or interest, will provide money that, together with any money deposited with or held by the Indenture Trustee, will be sufficient to pay all or that portion of the principal, premium, if any, and interest due and to become due on those Senior Debt Securities, on or prior to their maturity, or

(3) a combination of (1) and (2) that will be sufficient to pay all or that portion of the principal, premium, if any, and interest due and to become due on those Senior Debt Securities, on or prior to their maturity. (Indenture, Section 701).

Limitation on Liens. So long as any Senior Debt Securities remain outstanding, FPL Group Capital will not secure any indebtedness with a lien on any shares of the capital stock of any of its majority-owned subsidiaries, which shares of capital stock FPL Group Capital now or hereafter directly owns, unless FPL Group Capital equally secures all Senior Debt Securities. However, this restriction does not apply to or prevent:

(1) any lien on capital stock created at the time FPL Group Capital acquires that capital stock, or within 270 days after that time, to secure all or a portion of the purchase price for that capital stock,

(2) any lien on capital stock existing at the time FPL Group Capital acquires that capital stock (whether or not FPL Group Capital assumes the obligations secured by the lien and whether or not the lien was created in contemplation of the acquisition),

(3) any extensions, renewals or replacements of the liens described in (1) and (2) above, or of any indebtedness secured by those liens; provided, that,

(a) the principal amount of indebtedness secured by those liens immediately after the extension, renewal or replacement may not exceed the principal amount of indebtedness secured by those liens immediately before the extension, renewal or replacement, and

(b) the extension, renewal or replacement lien is limited to no more than the same proportion of all shares of capital stock as were covered by the lien that was extended, renewed or replaced, or

(4) any lien arising in connection with court proceedings; provided, that, either

(a) the execution or enforcement of that lien is effectively stayed within 30 days after entry of the corresponding judgment (or the corresponding judgment has been discharged within that 30 day period) and the claims secured by that lien are being contested in good faith by appropriate proceedings,

(b) the payment of that lien is covered in full by insurance and the insurance company has not denied or contested coverage, or

(c) so long as that lien is adequately bonded, any appropriate legal proceedings that have been duly initiated for the review of the corresponding judgment, decree or order have not been fully terminated or the periods within which those proceedings may be initiated have not expired.

Liens on any shares of the capital stock of any of FPL Group Capital's majority-owned subsidiaries, which shares of capital stock FPL Group Capital now or hereafter directly owns, other than liens described in (1) through (4) above, are referred to in this prospectus as "Restricted Liens." The foregoing limitation does not apply to the extent that FPL Group Capital creates any Restricted Liens to secure indebtedness that, together with all other indebtedness of FPL Group Capital secured by Restricted Liens, does not at the time exceed 5% of FPL Group Capital's Consolidated Capitalization. (Indenture, Section 608).

For this purpose, "Consolidated Capitalization" means the sum of:

(1) Consolidated Shareholders' Equity;

(2) Consolidated Indebtedness for borrowed money (exclusive of any amounts which are due and payable within one year); and, without duplication

(3) any preference or preferred stock of FPL Group Capital or any Consolidated Subsidiary which is subject to mandatory redemption or sinking fund provisions.

The term "Consolidated Shareholders' Equity" as used above means the total assets of FPL Group Capital and its Consolidated Subsidiaries less all liabilities of FPL Group Capital and its Consolidated Subsidiaries. As used in this definition, the term "liabilities" means all obligations which would, in accordance with generally accepted accounting principles, be classified on a balance sheet as liabilities, including without limitation:

(1) indebtedness secured by property of FPL Group Capital or any of its Consolidated Subsidiaries whether or not FPL Group Capital or such Consolidated Subsidiary is liable for the payment thereof unless, in the case that FPL Group Capital or such Consolidated Subsidiary is not so liable, such property has not been included among the assets of FPL Group Capital or such Consolidated Subsidiary on such balance sheet,

(2) deferred liabilities, and

(3) indebtedness of FPL Group Capital or any of its Consolidated Subsidiaries that is expressly subordinated in right and priority of payment to other liabilities of FPL Group Capital or such Consolidated Subsidiary.

As used in this definition, "liabilities" includes preference or preferred stock of FPL Group Capital or any Consolidated Subsidiary only to the extent of any such preference or preferred stock that is subject to mandatory redemption or sinking fund provisions.

The term "Consolidated Indebtedness" means total indebtedness as shown on the consolidated balance sheet of FPL Group Capital and its Consolidated Subsidiaries.

The term "Consolidated Subsidiary," means at any date any direct or indirect majority-owned subsidiary whose financial statements would be consolidated with those of FPL Group Capital in FPL Group Capital's consolidated financial statements as of such date in accordance with generally accepted accounting principles. (Indenture, Section 608).

The foregoing limitation does not limit in any manner the ability of:

(1) FPL Group Capital to place liens on any of its assets other than the capital stock of directly held, majority-owned subsidiaries,

(2) FPL Group Capital or FPL Group to cause the transfer of its assets or those of its subsidiaries, including the capital stock covered by the foregoing restrictions,

(3) FPL Group to place liens on any of its assets, or

(4) any of the direct or indirect subsidiaries of FPL Group Capital or FPL Group (other than FPL Group Capital) to place liens on any of their assets.

Consolidation, Merger, and Sale of Assets. Under the Indenture, FPL Group Capital may not consolidate with or merge into any other entity or convey, transfer or lease its properties and assets substantially as an entirety to any entity, unless:

(1) the entity formed by that consolidation, or the entity into which FPL Group Capital is merged, or the entity that acquires or leases FPL Group Capital's property and assets, is an entity organized and existing under the laws of the United States, any state or the District of Columbia and that entity expressly assumes FPL Group Capital's obligations on all Senior Debt Securities and under the Indenture,

(2) immediately after giving effect to the transaction, no event of default under the Indenture and no event that, after notice or lapse of time or both, would become an event of default under the Indenture exists, and

(3) FPL Group Capital delivers an officer's certificate and an opinion of counsel to the Indenture Trustee, as provided in the Indenture. (Indenture, Section 1101).

The Indenture does not restrict FPL Group Capital in a merger in which FPL Group Capital is the surviving entity.

Events of Default. Each of the following is an event of default under the Indenture with respect to the Senior Debt Securities of any series:

(1) failure to pay interest on the Senior Debt Securities of that series within 30 days after it is due,

(2) failure to pay principal or premium, if any, on the Senior Debt Securities of that series when it is due,

(3) failure to comply with any other covenant in the Indenture, other than a covenant that does not relate to that series of Senior Debt Securities, that continues for 90 days after FPL Group Capital receives written notice of such failure to comply from the Indenture Trustee, or FPL Group Capital and the Indenture Trustee receive written notice of such failure to comply from the registered owners of at least 33% in principal amount of the Senior Debt Securities of that series,

(4) certain events of bankruptcy, insolvency or reorganization of FPL Group Capital, and

(5) any other event of default specified with respect to the Senior Debt Securities of that series. (Indenture, Section 801).

In the case of the third event of default listed above, the Indenture Trustee may extend the grace period. In addition, if registered owners of a particular series have given a notice of default, then registered owners of at least the same percentage of Senior Debt Securities of that series, together with the Indenture Trustee, may also extend the grace period. The grace period will be automatically extended if FPL Group Capital has initiated and is diligently pursuing corrective action. (Indenture, Section 801). An event of default with respect to the Senior Debt Securities of a particular series will not necessarily constitute an event of default with respect to Senior Debt Securities of any other series issued under the Indenture.

Remedies. If an event of default applicable to the Senior Debt Securities of one or more series, but not applicable to all outstanding Senior Debt Securities, exists, then either the Indenture Trustee or the registered owners of at least 33% in aggregate principal amount of the Senior Debt Securities of each of the affected series may declare the principal of and accrued but unpaid interest on all the Senior Debt Securities of that series to be due and payable immediately. However, under the Indenture, some Senior Debt Securities may provide for a specified amount less than their entire principal amount to be due and payable upon that declaration. These Senior Debt Securities are defined as "Discount Securities" in the Indenture.

If the event of default is applicable to all outstanding Senior Debt Securities, then only the Indenture Trustee or the registered owners of at least 33% in aggregate principal amount of all outstanding Senior Debt Securities of all series, voting as one class, and not the registered owners of any one series, may make a declaration of acceleration. However, the event of default giving rise to the declaration relating to any series of Senior Debt Securities will be automatically waived, and that declaration and its consequences will be automatically rescinded

and annulled, if, at any time after that declaration and before a judgment or decree for payment of the money due has been obtained:

(1) FPL Group Capital deposits with the Indenture Trustee a sum sufficient to pay:

(a) all overdue interest on all Senior Debt Securities of that series,

(b) the principal of and any premium on any Senior Debt Securities of that series that have become due for reasons other than that declaration, and interest that is then due,

(c) interest on overdue interest for that series, and

(d) all amounts due to the Indenture Trustee under the Indenture, and

(2) any other event of default with respect to the Senior Debt Securities of that series has been cured or waived as provided in the Indenture. (Indenture, Section 802).

Other than its obligations and duties in case of an event of default under the Indenture, the Indenture Trustee is not obligated to exercise any of its rights or powers under the Indenture at the request or direction of any of the registered owners, unless those registered owners offer reasonable indemnity to the Indenture Trustee. (Indenture, Section 903). If they provide this reasonable indemnity, the registered owners of a majority in principal amount of any series of Senior Debt Securities will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred on the Indenture Trustee, with respect to the Senior Debt Securities of that series. However, if an event of default under the Indenture relates to more than one series of Senior Debt Securities, only the registered owners of a majority in aggregate principal amount of all affected series of Senior Debt Securities, considered as one class, will have the right to make that direction. Also, the direction must not violate any law or the Indenture, and may not expose the Indenture Trustee to personal liability in circumstances where its indemnity would not, in the Indenture Trustee's sole discretion, be adequate. (Indenture, Section 812).

No registered owner of Senior Debt Securities of any series will have any right to institute any proceeding under the Indenture, or any remedy under the Indenture, unless:

(1) that registered owner has previously given to the Indenture Trustee written notice of a continuing event of default with respect to the Senior Debt Securities of that series,

(2) the registered owners of a majority in aggregate principal amount of the outstanding Senior Debt Securities of all series in respect of which an event of default under the Indenture exists, considered as one class, have made written request to the Indenture Trustee, and have offered reasonable indemnity to the Indenture Trustee to institute that proceeding in its own name as trustee, and

(3) the Indenture Trustee has failed to institute any proceeding, and has not received from the registered owners of a majority in aggregate principal amount of the outstanding Senior Debt Securities of all series in respect of which an event of default under the Indenture exists, considered as one class, a direction inconsistent with that request, within 60 days after that notice, request and offer. (Indenture, Section 807).

However, these limitations do not apply to a suit instituted by a registered owner of a Senior Debt Security for the enforcement of payment of the principal of or premium, if any, or interest on that Senior Debt Security on or after the applicable due date specified in that Senior Debt Security. (Indenture, Section 808).

FPL Group Capital is required to deliver to the Indenture Trustee an annual statement as to its compliance with all conditions and covenants under the Indenture. (Indenture, Section 606).

Modification and Waiver. Without the consent of any registered owner of Senior Debt Securities, FPL Group Capital and the Indenture Trustee may amend or supplement the Indenture for any of the following purposes:

(1) to provide for the assumption by any permitted successor to FPL Group Capital of FPL Group Capital's obligations under the Indenture and the Senior Debt Securities in the case of a merger or consolidation or a conveyance, transfer or lease of its assets substantially as an entirety,

(2) to add covenants of FPL Group Capital or to surrender any right or power conferred upon FPL Group Capital by the Indenture,

(3) to add any additional events of default,

(4) to change, eliminate or add any provision of the Indenture, provided that if that change, elimination or addition will materially adversely affect the interests of the registered owners of Senior Debt Securities of any series or tranche, that change, elimination or addition will become effective with respect to that series or tranche only

  (a) when the required consent of the registered owners of Senior Debt Securities of that series or tranche has been obtained, or

  (b) when no Senior Debt Securities of that series or tranche remain outstanding under the Indenture,

(5) to provide collateral security for all but not a part of the Senior Debt Securities,

(6) to establish the form or terms of Senior Debt Securities of any other series or tranche,

(7) to provide for the authentication and delivery of bearer securities and the related coupons and for other matters relating to those bearer securities,

(8) to accept the appointment of a successor Indenture Trustee with respect to the Senior Debt Securities of one or more series and to change any of the provisions of the Indenture as necessary to provide for the administration of the trusts under the Indenture by more than one trustee,

(9) to add procedures to permit the use of a non-certificated system of registration for the Senior Debt Securities of all or any series or tranche,

(10) to change any place where

  (a) the principal of and premium, if any, and interest on all or any series or tranche of Senior Debt Securities are payable,

  (b) all or any series or tranche of Senior Debt Securities may be transferred or exchanged, and

  (c) notices and demands to or upon FPL Group Capital in respect of Senior Debt Securities and the Indenture may be served, or

(11) to cure any ambiguity or inconsistency or to add or change any other provisions with respect to matters and questions arising under the Indenture, provided those changes or additions may not materially adversely affect the interests of the registered owners of Senior Debt Securities of any series or tranche. (Indenture, Section 1201).

The registered owners of a majority in aggregate principal amount of the Senior Debt Securities of all series then outstanding may waive compliance by FPL Group Capital with certain restrictive provisions of the Indenture. (Indenture, Section 607). The registered owners of a majority in principal amount of the outstanding Senior Debt

Securities of any series may waive any past default under the Indenture with respect to that series, except a default in the payment of principal, premium, if any, or interest and a default with respect to certain restrictive covenants or provisions of the Indenture that cannot be modified or amended without the consent of the registered owner of each outstanding Senior Debt Security of that series affected. (Indenture, Section 813).

In addition to any amendments described above, if the Trust Indenture Act of 1939 is amended after the date of the Indenture in a way that requires changes to the Indenture or in a way that permits changes to, or the elimination of, provisions that were previously required by the Trust Indenture Act of 1939, the Indenture will be deemed to be amended to conform to that amendment of the Trust Indenture Act of 1939 or to make those changes, additions or eliminations. FPL Group Capital and the Indenture Trustee may, without the consent of any registered owners, enter into supplemental indentures to make that amendment. (Indenture, Section 1201).

Except for any amendments described above, the consent of the registered owners of a majority in aggregate principal amount of the Senior Debt Securities of all series then outstanding, considered as one class, is required for all other modifications to the Indenture. However, if less than all of the series of Senior Debt Securities outstanding are directly affected by a proposed supplemental indenture, then the consent only of the registered owners of a majority in aggregate principal amount of outstanding Senior Debt Securities of all directly affected series, considered as one class, is required. But, if FPL Group Capital issues any series of Senior Debt Securities in more than one tranche and if the proposed supplemental indenture directly affects the rights of the registered owners of Senior Debt Securities of less than all of those tranches, then the consent only of the registered owners of a majority in aggregate principal amount of the outstanding Senior Debt Securities of all directly affected tranches, considered as one class, will be required. However, none of those amendments or modifications may:

(1) change the dates on which the principal of or interest on a Senior Debt Security is due without the consent of the registered owner of that Senior Debt Security,

(2) reduce any Senior Debt Security's principal amount or rate of interest (or the amount of any installment of that interest) or change the method of calculating that rate without the consent of the registered owner of that Senior Debt Security,

(3) reduce any premium payable upon the redemption of a Senior Debt Security without the consent of the registered owner of that Senior Debt Security,

(4) change the currency (or other property) in which a Senior Debt Security is payable without the consent of the registered owner of that Senior Debt Security,

(5) impair the right to sue to enforce payments on any Senior Debt Security on or after the date that it states that the payment is due (or, in the case of redemption, on or after the redemption date) without the consent of the registered owner of that Senior Debt Security,

(6) reduce the percentage in principal amount of the outstanding Senior Debt Security of any series or tranche whose owners must consent to an amendment, supplement or waiver without the consent of the registered owner of each outstanding Senior Debt Security of that series or tranche,

(7) reduce the requirements for quorum or voting of any series or tranche without the consent of the registered owner of each outstanding Senior Debt Security of that series or tranche, or

(8) modify certain of the provisions of the Indenture relating to supplemental indentures, waivers of certain covenants and waivers of past defaults with respect to the Senior Debt Securities of any series or tranche, without the consent of the registered owner of each outstanding Senior Debt Security affected by the modification.

A supplemental indenture that changes or eliminates any provision of the Indenture that has expressly been included only for the benefit of one or more particular series or tranches of Senior Debt Securities, or that modifies the rights of the registered owners of Senior Debt Securities of that series or tranche with respect to that provision,

will not affect the rights under the Indenture of the registered owners of the Senior Debt Securities of any other series or tranche. (Indenture, Section 1202).

The Indenture provides that, in order to determine whether the registered owners of the required principal amount of the outstanding Senior Debt Securities have given any request, demand, authorization, direction, notice, consent or waiver under the Indenture, or whether a quorum is present at the meeting of the registered owners of Senior Debt Securities, Senior Debt Securities owned by FPL Group Capital or any other obligor upon the Senior Debt Securities or any affiliate of FPL Group Capital or of that other obligor (unless FPL Group Capital, that affiliate or that obligor owns all Senior Debt Securities outstanding under the Indenture, determined without regard to this provision) will be disregarded and deemed not to be outstanding. (Indenture, Section 101).

If FPL Group Capital solicits any action under the Indenture from registered owners of Senior Debt Securities, FPL Group Capital may, at its option, by signing a written request to the Indenture Trustee, fix in advance a record date for determining the registered owners of Senior Debt Securities entitled to take that action. However, FPL Group Capital will not be obligated to do this. If FPL Group Capital fixes such a record date, that action may be taken before or after that record date, but only the registered owners of record at the close of business on that record date will be deemed to be registered owners of Senior Debt Securities for the purposes of determining whether registered owners of the required proportion of the outstanding Senior Debt Securities have authorized that action. For these purposes, the outstanding Senior Debt Securities will be computed as of the record date. Any action of a registered owner of any Senior Debt Security under the Indenture will bind every future registered owner of that Senior Debt Security, or any Senior Debt Security replacing that Senior Debt Security, with respect to anything that the Indenture Trustee or FPL Group Capital do, fail to do, or allow to be done in reliance on that action, whether or not that action is noted upon that Senior Debt Security. (Indenture, Section 104).

Resignation and Removal of Indenture Trustee. The Indenture Trustee may resign at any time with respect to any series of Senior Debt Securities by giving written notice of its resignation to FPL Group Capital. Also, the registered owners of a majority in principal amount of the outstanding Senior Debt Securities of one or more series of Senior Debt Securities may remove the Indenture Trustee at any time with respect to the Senior Debt Securities of that series, by delivering an instrument evidencing this action to the Indenture Trustee and FPL Group Capital. The resignation or removal of the Indenture Trustee and the appointment of a successor trustee will not become effective until a successor trustee accepts its appointment.

Except with respect to an Indenture Trustee appointed by the registered owners of Senior Debt Securities, the Indenture Trustee will be deemed to have resigned and the successor will be deemed to have been appointed as trustee in accordance with the Indenture if:

(1) no event of default under the Indenture or event that, after notice or lapse of time, or both, would become an event of default under the Indenture exists, and

(2) FPL Group Capital has delivered to the Indenture Trustee a resolution of its Board of Directors appointing a successor trustee and that successor trustee has accepted that appointment in accordance with the terms of the Indenture. (Indenture, Section 910).

Notices. Notices to registered owners of Senior Debt Securities will be sent by mail to the addresses of those registered owners as they appear in the security register for those Senior Debt Securities. (Indenture, Section 106).

Title. FPL Group Capital, the Indenture Trustee, and any agent of FPL Group Capital or the Indenture Trustee, may treat the person in whose name a Senior Debt Security is registered as the absolute owner of that Senior Debt Security, whether or not that Senior Debt Security is overdue, for the purpose of making payments and for all other purposes, regardless of any notice to the contrary. (Indenture, Section 308).

Governing Law. The Indenture and the Senior Debt Securities will be governed by, and construed in accordance with, the laws of the State of New York, without regard to New York's conflict of law principles, except to the extent that the law of any other jurisdiction is mandatorily applicable. (Indenture, Section 112).

DESCRIPTION OF THE FPL GROUP GUARANTEE OF THE FPL GROUP CAPITAL SENIOR DEBT SECURITIES

General. This section briefly summarizes some of the provisions of the Guarantee Agreement, dated as of June 1, 1999, between FPL Group and The Bank of New York, as Guarantee Trustee. The Guarantee Agreement was executed for the benefit of the Indenture Trustee, which holds the Guarantee Agreement for the benefit of registered owners of the Senior Debt Securities covered by the Guarantee Agreement. This summary does not contain a complete description of the Guarantee Agreement. You should read this summary together with the Guarantee Agreement for a complete understanding of all the provisions. The Guarantee Agreement has been previously filed with the SEC and is an exhibit to the registration statement filed with the SEC of which this prospectus is a part. In addition, the Guarantee Agreement 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.

Under the Guarantee Agreement, FPL Group absolutely, irrevocably and unconditionally guarantees the prompt and full payment, when due and payable (including upon acceleration or redemption), of the principal, interest and premium, if any, on the Senior Debt Securities that are covered by the Guarantee Agreement to the registered owners of those Senior Debt Securities, according to the terms of those Senior Debt Securities and the Indenture. Pursuant to the Guarantee Agreement, all of the Senior Debt Securities are covered by the Guarantee Agreement except Senior Debt Securities that by their terms are expressly not entitled to the benefit of the Guarantee Agreement. All of the Offered Senior Debt Securities will be covered by the Guarantee Agreement. This guarantee is referred to in this prospectus as the "Guarantee." FPL Group is only required to make these payments if FPL Group Capital fails to pay or provide for punctual payment of any of those amounts on or before the expiration of any applicable grace periods. (Guarantee Agreement, Section 5.01). In the Guarantee Agreement, FPL Group has waived its right to require the Guarantee Trustee, the Indenture Trustee or the registered owners of Senior Debt Securities covered by the Guarantee Agreement to exhaust their remedies against FPL Group Capital prior to bringing suit against FPL Group. (Guarantee Agreement, Section 5.06).

The Guarantee is a guarantee of payment when due (i.e., the guaranteed party may institute a legal proceeding directly against FPL Group to enforce its rights under the Guarantee Agreement without first instituting a legal proceeding against any other person or entity). The Guarantee is not a guarantee of collection. (Guarantee Agreement, Section 5.01).

Except as otherwise stated in the related prospectus supplement, the covenants in the Guarantee Agreement would not give registered owners of the Senior Debt Securities covered by the Guarantee Agreement protection in the event of a highly-leveraged transaction involving FPL Group.

Security and Ranking. The Guarantee is an unsecured obligation of FPL Group and will rank equally and ratably with all other unsecured and unsubordinated indebtedness of FPL Group. The Guarantee will rank senior to the Preferred Trust Securities Guarantee, the Subordinated Guarantee and the FPL Group Junior Subordinated Debentures (each as defined below) and FPL Group's guarantee of FPL Group Capital's preferred stock. There is no limit on the amount of other indebtedness, including guarantees, that FPL Group may incur or issue.

FPL Group is a holding company that derives substantially all of its income from its operating subsidiaries. Therefore, the Guarantee is effectively subordinated to all indebtedness and other liabilities, including trade payables, debt and preferred stock, incurred or issued by FPL Group's subsidiaries. Neither the Indenture nor the Guarantee Agreement places any limit on the amount of liabilities, including debt or preferred stock, that FPL Group's subsidiaries may issue, guarantee or otherwise incur.

Events of Default. An event of default under the Guarantee Agreement will occur upon the failure of FPL Group to perform any of its payment obligations under the Guarantee Agreement. (Guarantee Agreement, Section 1.01). The registered owners of a majority of the aggregate principal amount of the outstanding Senior Debt Securities covered by the Guarantee Agreement have the right to:

(1) direct the time, method and place of conducting any proceeding for any remedy available to the Guarantee Trustee under the Guarantee Agreement, or

(2) direct the exercise of any trust or power conferred upon the Guarantee Trustee under the Guarantee Agreement. (Guarantee Agreement, Section 3.01).

The Guarantee Trustee must give notice of any event of default under the Guarantee Agreement known to the Guarantee Trustee to the registered owners of Senior Debt Securities covered by the Guarantee Agreement within 90 days after the occurrence of that event of default, in the manner and to the extent provided in subsection (c) of Section 313 of the Trust Indenture Act of 1939, unless such event of default has been cured or waived prior to the giving of such notice. (Guarantee Agreement, Section 2.07). The registered owners of all outstanding Senior Debt Securities may waive any past event of default and its consequences. (Guarantee Agreement, Section 2.06).

The Guarantee Trustee, the Indenture Trustee and the registered owners of Senior Debt Securities covered by the Guarantee Agreement have all of the rights and remedies available under applicable law and may sue to enforce the terms of the Guarantee Agreement and to recover damages for the breach of the Guarantee Agreement. The remedies of each of the Guarantee Trustee, the Indenture Trustee and the registered owners of Senior Debt Securities covered by the Guarantee Agreement, to the extent permitted by law, are cumulative and in addition to any other remedy now or hereafter existing at law or in equity. At the option of any of the Guarantee Trustee, the Indenture Trustee or the registered owners of Senior Debt Securities covered by the Guarantee Agreement, that person or entity may join FPL Group in any lawsuit commenced by that person or entity against FPL Group Capital with respect to any obligations under the Guarantee Agreement. Also, that person or entity may recover against FPL Group in that lawsuit, or in any independent lawsuit against FPL Group, without first asserting, prosecuting or exhausting any remedy or claim against FPL Group Capital. (Guarantee Agreement, Section 5.06).

FPL Group is required to deliver to the Guarantee Trustee an annual statement as to its compliance with all conditions under the Guarantee Agreement. (Guarantee Agreement, Section 2.04).

Modification. FPL Group and the Guarantee Trustee may, without the consent of any registered owner of Senior Debt Securities covered by the Guarantee Agreement, agree to any changes to the Guarantee Agreement that do not materially adversely affect the rights of registered owners. The Guarantee Agreement also may be amended with the prior approval of the registered owners of a majority in aggregate principal amount of all outstanding Senior Debt Securities covered by the Guarantee Agreement. However, the right of any registered owner of Senior Debt Securities covered by the Guarantee Agreement to receive payment under the Guarantee Agreement on the due date of the Senior Debt Securities held by that registered owner, or to institute suit for the enforcement of that payment on or after that due date, may not be impaired or affected without the consent of that registered owner. (Guarantee Agreement, Section 6.01).

Termination of the Guarantee Agreement. The Guarantee Agreement will terminate and be of no further force and effect upon full payment of all Senior Debt Securities covered by the Guarantee Agreement. (Guarantee Agreement, Section 5.05).

Governing Law. The Guarantee Agreement will be governed by and construed in accordance with the laws of the State of New York, without regard to conflict of laws principles thereunder, except to the extent that the law of any other jurisdiction is mandatorily applicable. (Guarantee Agreement, Section 5.07).

DESCRIPTION OF FPL GROUP SENIOR DEBT SECURITIES

FPL Group will issue its debt securities (other than the FPL Group Junior Subordinated Debentures (as defined below under "Description of the FPL Group and FPL Group Capital Junior Subordinated Debentures and the FPL Group Subordinated Guarantee")), in one or more series, under an Indenture, between FPL Group and The Bank of New York, as trustee. The terms of any offered debt securities will be described in a supplement to this prospectus.

DESCRIPTION OF PREFERRED TRUST SECURITIES

General. The Trust may issue preferred trust securities and common trust securities under the Trust Agreement. The terms of the agreements pursuant to which the preferred trust securities of FPL Group Capital Trust will be issued is herein referred to as the "FPL Group Capital Trust Agreement," and the Trust Agreement pursuant to which preferred trust securities of FPL Group Trust will be issued is herein referred to as the "FPL Group Trust Agreement;" each of these agreements is referred to in this prospectus as the "Trust Agreement." The terms of the FPL Group Capital Trust Agreement and the FPL Group Trust Agreement are substantially the same. The preferred trust securities and common trust securities issued by the Trust are referred to in this prospectus as "Preferred Trust Securities" and "Common Trust Securities," respectively, and collectively as "Trust Securities." These Trust Securities will represent undivided beneficial interests in the assets of the Trust. In connection with the issuance of Trust Securities by FPL Group Capital Trust, the related FPL Group Capital Junior Subordinated Debentures (as defined below under "Description of the FPL Group and FPL Group Capital Junior Subordinated Debentures and the FPL Group Subordinated Guarantee") will be held by FPL Group Capital Trust, and in connection with the issuance of Trust Securities by FPL Group Trust, the related FPL Group Junior Subordinated Debentures (as defined below under "Description of the FPL Group and FPL Group Capital Junior Subordinated Debentures and the FPL Group Subordinated Guarantee") will be held by FPL Group Trust. This section briefly summarizes some of the provisions of the Trust Agreement. This summary does not contain a complete description of the Trust Agreement. You should read this summary together with the Trust Agreement for a complete understanding of all the provisions. The form of the Trust Agreement has been previously filed with the SEC and is an exhibit to the registration statement filed with the SEC of which this prospectus is a part. In addition, each Trust Agreement will be 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.

In this section, any discussion of FPL Group Capital Trust, FPL Group Trust, Preferred Trust Securities and Common Trust Securities relate only to the applicable Trust. Holders of Preferred Trust Securities of FPL Group Capital Trust II, FPL Group Capital Trust III, FPL Group Trust I and FPL Group Trust II will be entitled to any of the benefits and protections contained in the Trust Agreement applicable to the particular Trust which issued the relevant Trust Securities and not with respect to any other Trust.

The Preferred Trust Securities and Common Trust Securities issued by the Trust will be substantially the same except that, if there is an event of default under the Trust Agreement, as described below, that results from an event of default under the Subordinated Indenture (as such term is defined below under "Description of the FPL Group and FPL Group Capital Junior Subordinated Debentures and the FPL Group Subordinated Guarantee—General"), the right of FPL Group, as holder of the Common Trust Securities, to payment of distributions and upon liquidation or redemption will be subordinated to the rights of the holders of the Preferred Trust Securities. (Trust Agreement, Section 4.03). All of the Common Trust Securities will be owned by FPL Group. (Trust Agreement, Section 5.10).

FPL Group will fully and unconditionally guarantee payments due on the Preferred Trust Securities issued by the Trust through a combination of the following:

(1) with respect to the Preferred Trust Securities issued by FPL Group Capital Trust only, FPL Group's guarantee of FPL Group Capital's payment obligations under the FPL Group Capital Junior Subordinated Debentures (referred to in this prospectus as the "Subordinated Guarantee");

(2) with respect to the Preferred Trust Securities issued by FPL Group Trust only, FPL Group's obligations under the FPL Group Junior Subordinated Debentures;

(3) the rights of holders of Preferred Trust Securities to enforce those obligations in (1) and (2) above, as applicable;

(4) FPL Group's agreement to pay the expenses of the Trust; and

(5) FPL Group's guarantee of payments due on the Preferred Trust Securities to the extent of the Trust's legally available assets (referred to in this prospectus as the "Preferred Trust Securities Guarantee").

No single one of the applicable documents listed above standing alone or operating in conjunction with fewer than all of the other applicable documents constitutes the guarantee by FPL Group. It is only the combined operation of these documents that has the effect of providing a full and unconditional, but subordinated, guarantee as to payment by FPL Group of the Preferred Trust Securities.

FPL Group Capital Trust will use the proceeds from its sale of the Trust Securities to purchase FPL Group Capital Junior Subordinated Debentures, and FPL Group Trust will use the proceeds from its sale of the Trust Securities to purchase FPL Group Junior Subordinated Debentures. (Trust Agreement, Section 2.05). The FPL Group Capital Junior Subordinated Debentures will be guaranteed by FPL Group pursuant to the Subordinated Guarantee described below and issued under an Indenture, dated as of March 1, 2004, among FPL Group Capital, FPL Group and The Bank of New York, as trustee, or another subordinated indenture among FPL Group Capital, FPL Group and The Bank of New York as specified in the related prospectus supplement. The FPL Group Junior Subordinated Debentures will be issued under a subordinated indenture between FPL Group and The Bank of New York, as trustee. In connection with the issuance of Trust Securities, the Junior Subordinated Debentures (as defined below under "Description of the FPL Group and FPL Group Capital Junior Subordinated Debentures and the FPL Group Subordinated Guarantee") will be held in trust for the benefit of holders of the applicable Preferred Trust Securities and Common Trust Securities. (Trust Agreement, Section 2.09).

A prospectus supplement relating to the Preferred Trust Securities will include specific terms of those securities and of the Junior Subordinated Debentures issued in connection therewith. For a description of some specific terms that will affect both the Preferred Trust Securities and the Junior Subordinated Debentures, and holders' rights under each, see "Description of the FPL Group and FPL Group Capital Junior Subordinated Debentures and the FPL Group Subordinated Guarantee" below.

Distributions. The only income of the Trust available for distribution to the holders of Preferred Trust Securities will be payments on the applicable Junior Subordinated Debentures. (Trust Agreement, Section 8.01). If neither FPL Group Capital nor FPL Group makes interest payments on the FPL Group Capital Junior Subordinated Debentures, or if FPL Group does not make interest payments on the FPL Group Junior Subordinated Debentures, as the case may be, the Trust will not have funds available to pay distributions on Preferred Trust Securities. The payment of distributions, if and to the extent the Trust has sufficient funds available for the payment of such distributions, is guaranteed on a limited basis by FPL Group as described under "Description of the Preferred Trust Securities Guarantee."

Unless otherwise provided in the related prospectus supplement, the issuer of the Junior Subordinated Debentures may have the option to defer the payment of interest from time to time on the Junior Subordinated Debentures for one or more periods, in which case, if the Junior Subordinated Debentures were issued in connection with Preferred Trust Securities, distributions on the Preferred Trust Securities would be deferred during any such period. Unless otherwise provided in the related prospectus supplement, distributions would, however, continue to accumulate. (Trust Agreement, Section 4.01). During any optional deferral period, or for so long as an "Event of Default" under the Subordinated Indenture resulting from a payment default or a payment default under the Preferred Trust Securities Guarantee has occurred and is continuing, neither FPL Group nor FPL Group Capital, with respect to deferral of the payment of interest on the FPL Group Capital Junior Subordinated Debentures, nor FPL Group, with respect to the deferral of the payment of interest on the FPL Group Junior Subordinated Debentures, may:

(1) declare or pay any dividend or distribution on its capital stock;

(2) redeem, purchase, acquire or make a liquidation payment with respect to any of its capital stock;

(3) pay any principal, interest or premium on, or repay, repurchase or redeem any debt securities that are equal or junior in right of payment with the Junior Subordinated Debentures or the Subordinated Guarantee (as the case may be); or

(4) make any payments with respect to any guarantee of debt securities if such guarantee is equal or junior in right of payment to the Junior Subordinated Debentures or the Subordinated Guarantee (as the case may be),

other than

(1) purchases, redemptions or other acquisitions of its capital stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or agents or a stock purchase or dividend reinvestment plan, or the satisfaction of its obligations pursuant to any contract or security outstanding on the date that the interest payment period is extended requiring it to purchase, redeem or acquire its capital stock;

(2) any payment, repayment, redemption, purchase, acquisition or declaration of dividend listed as restricted payments in clauses (1) and (2) above as a result of a reclassification of its capital stock or the exchange or conversion of all or a portion of one class or series of its capital stock for another class or series of its capital stock;

(3) the purchase of fractional interests in shares of its capital stock pursuant to the conversion or exchange provisions of its capital stock or the security being converted or exchanged, or in connection with the settlement of stock purchase contracts;

(4) dividends or distributions paid or made in its capital stock (or rights to acquire its capital stock), or repurchases, redemptions or acquisitions of capital stock in connection with the issuance or exchange of capital stock (or of securities convertible into or exchangeable for shares of its capital stock and distributions in connection with the settlement of stock purchase contracts);

(5) redemptions, exchanges or repurchases of, or with respect to, any rights outstanding under a shareholder rights plan or the declaration or payment thereunder of a dividend or distribution of or with respect to rights in the future;

(6) payments under any preferred trust securities guarantee or guarantee of subordinated debentures executed and delivered by FPL Group concurrently with the issuance by a trust of any preferred trust securities, so long as the amount of payments made on any preferred trust securities or subordinated debentures (as the case may be) is paid on all preferred trust securities or subordinated debentures (as the case may be) then outstanding on a pro rata basis in proportion to the full distributions to which each series of preferred trust securities or subordinated debentures (as the case may be) is then entitled if paid in full;

(7) payments under any guarantee of junior subordinated debentures executed and delivered by FPL Group (including a FPL Group Subordinated Guarantee), so long as the amount of payments made on any junior subordinated debentures is paid on all junior subordinated debentures then outstanding on a pro rata basis in proportion to the full payment to which each series of junior subordinated debentures is then entitled if paid in full;

(8) dividends or distributions by FPL Group Capital on its capital stock to the extent owned by FPL Group; or

(9) redemptions, purchases, acquisitions or liquidation payments by FPL Group Capital with respect to its capital stock to the extent owned by FPL Group.

The exceptions in (8) and (9) above are not applicable to an optional deferral period on the FPL Group Junior Subordinated Debentures.

Unless otherwise provided in the related prospectus supplement, before an optional deferral period ends, FPL Group Capital or FPL Group, as the case may be, may further defer the payment of interest. Unless otherwise

provided in the related prospectus supplement, no optional deferral period may exceed the period of time specified in that prospectus supplement. After any optional deferral period and the payment of all amounts then due, FPL Group Capital or FPL Group, as the case may be, may select a new optional deferral period. No interest period may be deferred beyond the maturity of the Junior Subordinated Debentures.

Redemption. Whenever Junior Subordinated Debentures are repaid, whether at maturity or earlier redemption, the Property Trustee will apply the proceeds to redeem a like amount of Preferred Trust Securities and Common Trust Securities. (Trust Agreement, Section 4.02(a)).

Preferred Trust Securities will be redeemed at the redemption price plus accrued and unpaid distributions with the proceeds from the contemporaneous redemption or repayment of Junior Subordinated Debentures. Redemptions of the Preferred Trust Securities will be made on a redemption date only if the Trust has funds available for the payment of the redemption price plus accrued and unpaid distributions. (Trust Agreement, Section 4.02(c)).

Holders of Preferred Trust Securities will be given not less than 30 nor more than 60 days' notice of any redemption. (Trust Agreement, Section 4.02(b)). On or before the redemption date, the Trust will irrevocably deposit with the paying agent for Preferred Trust Securities sufficient funds and will give the paying agent irrevocable instructions and authority to pay the redemption price plus accrued and unpaid distributions to the holders upon surrender of their Preferred Trust Securities. Distributions payable on or before a redemption date will be payable to the holders on the record date for the distribution payment. If notice is given and funds are deposited as required, then on the redemption date all rights of holders of the Preferred Trust Securities called for redemption will cease, except the right of the holders to receive the redemption price plus accrued and unpaid distributions, and the Preferred Trust Securities will cease to be outstanding. No interest will accrue on amounts payable on the redemption date. In the event that any date fixed for redemption of Preferred Trust Securities is not a business day, then payment will be made on the next business day, except that, if such business day falls in the next calendar year, then payment will be made on the immediately preceding business day. No interest will be payable because of any such delay. If payment of Preferred Trust Securities called for redemption is improperly withheld or refused and not paid either by the Trust or by FPL Group pursuant to the Preferred Trust Securities Guarantee, distributions on such Preferred Trust Securities will continue to accrue to the date of payment. In that event, the actual payment date will be considered the date fixed for redemption for purposes of calculating the redemption price plus accrued and unpaid distributions. (Trust Agreement, Section 4.02(d)).

Subject to applicable law, including United States federal securities laws, FPL Group or its affiliates may at any time and from time to time purchase outstanding Preferred Trust Securities by tender, in the open market or by private agreement.

If Preferred Trust Securities are partially redeemed on a redemption date, a corresponding percentage of the Common Trust Securities will be redeemed. The particular Preferred Trust Securities to be redeemed will be selected not more than 60 days prior to the redemption date by the Property Trustee by such method as the Property Trustee shall deem fair, taking into account the denominations in which they were issued. The Property Trustee will promptly notify the Preferred Trust Security registrar in writing of the Preferred Trust Securities selected for redemption and, where applicable, the partial amount to be redeemed. (Trust Agreement, Section 4.02(f)).

Subordination of Common Trust Securities. Payment of distributions on, and the redemption price, plus accrued and unpaid distributions, of, the Preferred Trust Securities and Common Trust Securities shall be made pro rata based on the liquidation preference amount of such securities. However, if on any distribution payment date or redemption date an event of default under the Trust Agreement resulting from an event of default under the related Subordinated Indenture has occurred and is continuing, no payment on any Common Trust Security shall be made until all payments due on the Preferred Trust Securities have been made. In that case, funds available to the Property Trustee shall first be applied to the payment in full of all distributions on, or the redemption price plus accrued and unpaid distributions of, Preferred Trust Securities then due and payable. (Trust Agreement, Section 4.03(a)).

If an event of default under the Trust Agreement results from an event of default under the related Subordinated Indenture, the holder of Common Trust Securities cannot take action with respect to the Trust

Agreement default until the effect of all defaults with respect to the Preferred Trust Securities has been cured, waived or otherwise eliminated. Until the event of default under the Trust Agreement with respect to Preferred Trust Securities has been cured, waived or otherwise eliminated, the Property Trustee shall, to the fullest extent permitted by law, act solely on behalf of the holders of Preferred Trust Securities and not the holder of the Common Trust Securities, and only the holders of Preferred Trust Securities will have the right to direct the Property Trustee to act on their behalf. (Trust Agreement, Section 4.03(b)).

Liquidation Distribution upon Dissolution. The Trust will be dissolved and liquidated by the Property Trustee on the first to occur of:

(1) the expiration of the term of the Trust;

(2) the bankruptcy, dissolution or liquidation of FPL Group;

(3) the redemption of all of the Preferred Trust Securities of the Trust;

(4) the entry of an order for dissolution of the Trust by a court of competent jurisdiction; or

(5) at any time, at the election of FPL Group. (Trust Agreement, Sections 9.01 and 9.02).

If a dissolution of the Trust occurs, the Trust will be liquidated by the Property Trustee as expeditiously as the Property Trustee determines to be appropriate. If a dissolution of the Trust occurs other than by redemption of all the Preferred Trust Securities, the Property Trustee will provide for the satisfaction of liabilities of creditors, if any, and distribute to each holder of the Preferred Trust Securities and Common Trust Securities a proportionate amount of Junior Subordinated Debentures. If a distribution of Junior Subordinated Debentures is determined by the Property Trustee not to be practical, holders of Preferred Trust Securities will be entitled to receive, out of the assets of the Trust after adequate provision for the satisfaction of liabilities of creditors, if any, an amount equal to the aggregate liquidation preference of the Preferred Trust Securities plus accrued and unpaid distributions thereon to the date of payment. If this liquidation distribution can be paid only in part because the Trust has insufficient assets available to pay in full the aggregate liquidation distribution, then the amounts payable by the Trust on the Preferred Trust Securities shall be paid on a pro rata basis. FPL Group, as holder of the Common Trust Securities, will be entitled to receive distributions upon any dissolution pro rata with the holders of the Preferred Trust Securities, except that if an event of default (or event that, with the lapse of time or giving of notice, would become such an event of default) has occurred and is continuing under the related Subordinated Indenture, the Preferred Trust Securities will have a preference over the Common Trust Securities. (Trust Agreement, Section 9.04).

Events of Default; Notice. Any one of the following events will be an event of default under the Trust Agreement whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body:

(1) the occurrence of an event of default as described in the related Subordinated Indenture;

(2) default by the Trust in the payment of any distribution when it becomes due and payable, and continuation of that default for a period of 30 days;

(3) default by the Trust in the payment of any redemption price, plus accrued and unpaid distributions, of any Preferred Trust Security or Common Trust Security when it becomes due and payable;

(4) default in the performance, or breach, in any material respect, of any covenant or warranty of the trustees in the Trust Agreement which is not dealt with above, and continuation of that default or breach for a period of 90 days after written notice to the Trust, the defaulting trustee under the Trust Agreement and FPL Group by the holders of Preferred Trust Securities having at least 33% of the total liquidation preference amount of the outstanding Preferred Trust Securities. However, the holders of Preferred Trust Securities will be deemed to have agreed to an extension of the 90 day period if

corrective action is initiated by any of the trustees within such period and is diligently pursued in good faith; or

(5) the occurrence of certain events of bankruptcy or insolvency with respect to the Trust. (Trust Agreement, Section 1.01).

Within 90 days after the occurrence of any default known to the Property Trustee, the Property Trustee shall transmit to the holders of Preferred Trust Securities, FPL Group and the Administrative Trustees notice of any such default, unless that default shall have been cured or waived. (Trust Agreement, Section 8.02).

A holder of Preferred Trust Securities may directly institute a proceeding to enforce payment when due to the holder of the Preferred Trust Securities of the principal of or interest on Junior Subordinated Debentures having a principal amount equal to the aggregate liquidation preference amount of the holder's Preferred Trust Securities. The holders of Preferred Trust Securities have no other rights to exercise directly any other remedies available to the holder of the Junior Subordinated Debentures unless the trustees under the Trust Agreement fail to do so. (Trust Agreement, Section 6.01(a)).

Removal of Trustees. Unless an event of default under the related Subordinated Indenture has occurred and is continuing, the holder of the Common Trust Securities may remove any trustee under the Trust Agreement at any time. If an event of default under the Subordinated Indenture has occurred and is continuing, the holders of a majority of the total liquidation preference amount of the outstanding Preferred Trust Securities may remove the Property Trustee or the Delaware Trustee, or both of them. The holder of the Common Trust Securities may remove any Administrative Trustee at any time. Any resignation or removal of a trustee under the Trust Agreement will take effect only on the acceptance of appointment by the successor trustee. (Trust Agreement, Section 8.10).

Holders of Preferred Trust Securities will have no right to appoint or remove the Administrative Trustees of the Trust, who may be appointed, removed or replaced solely by FPL Group as the holder of the Common Trust Securities. (Trust Agreement, Section 8.10).

Voting Rights. Except as provided below and under "Description of the Preferred Trust Securities Guarantee—Modification and Assignment," and as otherwise required by law or the Trust Agreement, the holders of Preferred Trust Securities will have no voting rights.

While Junior Subordinated Debentures are held by the Property Trustee, the Property Trustee shall not:

(1) direct the time, method and place to conduct any proceeding for any remedy available to the Subordinated Indenture Trustee (as such term is defined below under "Description of the FPL Group and FPL Group Capital Junior Subordinated Debentures and the FPL Group Subordinated Guarantee—General"), or execute any trust or power conferred on the Subordinated Indenture Trustee with respect to the Junior Subordinated Debentures;

(2) waive any past default under the related Subordinated Indenture;

(3) exercise any right to rescind or annul a declaration that the principal of all the Junior Subordinated Debentures will be due and payable; or

(4) consent to any amendment, modification or termination of the related Subordinated Indenture or the Junior Subordinated Debentures, where that consent will be required,

without, in each case, obtaining the prior approval of the holders of Preferred Trust Securities having at least a majority of the aggregate liquidation preference amount of all outstanding Preferred Trust Securities of the Trust. Where a consent of each holder of Junior Subordinated Debentures affected is required, no consent shall be given by the Property Trustee without the prior consent of each holder of the Preferred Trust Securities affected. The Property Trustee shall not revoke any action previously authorized or approved by a vote of the holders of Preferred Trust Securities, except pursuant to the subsequent vote of the holders of Preferred Trust Securities. (Trust

Agreement, Section 6.01(b)). If the Property Trustee fails to enforce its rights, as holder, under the Junior Subordinated Debentures or the Trust Agreement, a holder of the Preferred Trust Securities may institute a legal proceeding directly against FPL Group or FPL Group Capital, as the case may be, to enforce the Property Trustee's rights under the Junior Subordinated Debentures or the Trust Agreement without first instituting any legal proceeding against the Property Trustee or anyone else. (Trust Agreement, Section 6.01(a)). The Property Trustee shall notify all holders of Preferred Trust Securities of any notice of default received from the Subordinated Indenture Trustee. The Property Trustee shall not take any action approved by the consent of the holders of Preferred Trust Securities without an opinion of counsel experienced in those matters to the effect that the Trust will be classified as a grantor trust and not as an association taxable as a corporation for United States federal income tax purposes on account of that action. (Trust Agreement, Section 6.01(b)).

Holders of Preferred Trust Securities may give any required approval at a meeting convened for such purpose or by written consent without prior notice. (Trust Agreement, Section 6.06). The Administrative Trustees will give notice of any meeting at which holders of Preferred Trust Securities are entitled to vote. (Trust Agreement, Section 6.02).

No vote or consent of the holders of Preferred Trust Securities will be required for the Trust to redeem and cancel Preferred Trust Securities in accordance with the Trust Agreement.

Notwithstanding that holders of Preferred Trust Securities are entitled to vote or consent under any of the circumstances described above, any Preferred Trust Securities that are owned by FPL Group Capital, FPL Group, any Administrative Trustee or any affiliate of any of them, shall be treated as if they were not outstanding for purposes of such vote or consent. (Trust Agreement, Section 1.01).

Amendments. The Trust Agreement may be amended from time to time by a majority of its Administrative Trustees and FPL Group, without the consent of any holders of Preferred Trust Securities or the other trustees under the Trust Agreement in order to:

(1) cure any ambiguity; correct or supplement any provision that may be inconsistent with any other provision of the Trust Agreement or amendment to the Trust Agreement; or make any other provisions with respect to matters or questions arising under the Trust Agreement;

(2) change the name of the Trust; or

(3) modify, eliminate or add to any provisions of the Trust Agreement to the extent necessary to ensure that the Trust will not be classified for United States federal income tax purposes other than as a grantor trust (and not an association taxable as a corporation) at any time that any Preferred Trust Securities and Common Trust Securities are outstanding or to ensure the Trust's exemption from the status of an "investment company" under the Investment Company Act of 1940.

No amendment described above may materially adversely affect the interests of any holder of Preferred Trust Securities or Common Trust Securities without the applicable consents required pursuant to the following two paragraphs. Any of the amendments of the Trust Agreement described in paragraph (1) above shall become effective when notice of the amendment is given to the holders of Preferred Trust Securities and Common Trust Securities in accordance with the provisions of the Trust Agreement. (Trust Agreement, Section 10.03(a)).

Except as provided below, any provision of the Trust Agreement may be amended by the Administrative Trustees and FPL Group with:

(1) the consent of holders of Preferred Trust Securities and Common Trust Securities representing not less than a majority in aggregate liquidation preference amount of the Preferred Trust Securities and Common Trust Securities then outstanding; and

(2) receipt by the trustees of an opinion of counsel to the effect that such amendment or the exercise of any power granted to the trustees in accordance with the amendment will not affect the Trust's status as a

grantor trust for federal income tax purposes (and not an association taxable as a corporation) or affect the Trust's exemption from the status of an "investment company" under the Investment Company Act of 1940. (Trust Agreement, Section 10.03(b)).

Each affected holder of Preferred Trust Securities must consent to any amendment to the Trust Agreement that:

(1) adversely changes the amount or timing of any distribution with respect to Preferred Trust Securities or otherwise adversely affects the amount of any distribution required to be made in respect of Preferred Trust Securities as of a specified date;

(2) restricts the right of a holder of Preferred Trust Securities to institute suit for the enforcement of any such payment on or after that date; or

(3) modify the provisions described in clauses (1) and (2) above. (Trust Agreement, Section 10.03(c)).

Form, Exchange and Transfer. Preferred Trust Securities may be exchanged for other Preferred Trust Securities in any authorized denomination and of like tenor and aggregate liquidation preference. (Trust Agreement, Section 5.04).

Subject to the terms of the Trust Agreement, Preferred Trust Securities may be presented for exchange as provided above or for registration of transfer, duly endorsed or accompanied by a duly executed instrument of transfer, at the office of the Preferred Trust Security registrar. The Administrative Trustees may designate FPL Group or FPL Group Capital or any affiliate of either of them, as the Preferred Trust Security registrar. The Property Trustee will initially act as the Preferred Trust Security registrar and transfer agent. (Trust Agreement, Section 5.08). No service charge will be made for any registration of transfer or exchange of Preferred Trust Securities, but the Preferred Trust Security registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange. A transfer or exchange will be made when the Preferred Trust Security registrar and Administrative Trustees are satisfied with the documents of title and identity of the person making the request. (Trust Agreement, Section 5.04). The Administrative Trustees may at any time designate another transfer agent and registrar or rescind the designation of any transfer agent and registrar or approve a change in the office through which any transfer agent and registrar acts, except that FPL Group will, or will cause the Preferred Trust Security registrar to, maintain an office or agency in The City of New York where Preferred Trust Securities may be transferred or exchanged. (Trust Agreement, Sections 2.07(a) and 5.08).

The Trust will not be required to:

(1) issue, register the transfer of, or exchange any Preferred Trust Securities during the period beginning at the opening of business 15 calendar days before the mailing of a notice of redemption of any Preferred Trust Securities called for redemption and ending at the close of business on the day the notice is mailed; or

(2) register the transfer of or exchange any Preferred Trust Securities so selected for redemption, in whole or in part, except the unredeemed portion of any Preferred Trust Securities being redeemed in part. (Trust Agreement, Section 5.04).

Payment on Preferred Trust Securities and Paying Agent. Unless otherwise stated in a prospectus supplement, payments in respect of the Preferred Trust Securities will be made on the applicable distribution dates by check mailed to the address of the holder entitled thereto as such address appears on the Preferred Trust Security register. (Trust Agreement, Section 4.04). The paying agent shall initially be the Property Trustee and any co-paying agent chosen by the Property Trustee that is acceptable to the Administrative Trustees, FPL Group and, in the case of Preferred Trust Securities issued by FPL Group Capital Trust, FPL Group Capital. The paying agent may resign upon 30 days' written notice to the Administrative Trustees, the Property Trustee, FPL Group and, in the case of Preferred Trust Securities issued by FPL Group Capital Trust, FPL Group Capital. In the event that the

Property Trustee shall no longer be the paying agent, the Administrative Trustees shall appoint a successor, which shall be a bank, trust company or affiliate of FPL Group reasonably acceptable to the Property Trustee, FPL Group, and, in the case of Preferred Trust Securities issued by FPL Group Capital Trust, FPL Group Capital, to act as paying agent. (Trust Agreement, Section 5.09).

Duties of the Trustees. The Delaware Trustee will act as the resident trustee in the State of Delaware and will have no other significant duties. The Property Trustee will hold the Junior Subordinated Debentures on behalf of the Trust and will maintain a payment account with respect to the Preferred Trust Securities and Common Trust Securities, and will also act as trustee under the Trust Agreement for the purposes of the Trust Indenture Act of 1939. (Trust Agreement, Sections 2.06 and 2.07(b)).

The Administrative Trustees of the Trust are authorized and directed to conduct the affairs of the Trust and to operate the Trust so that

(1) the Trust will not be deemed to be an "investment company" required to be registered under the Investment Company Act of 1940,

(2) the Trust will not be taxed as a corporation, and

(3) in the case of FPL Group Capital Trust, the FPL Group Capital Junior Subordinated Debentures will be treated as indebtedness of FPL Group Capital for United States federal income tax purposes and, in the case of FPL Group Trust, the FPL Group Junior Subordinated Debentures will be treated as indebtedness of FPL Group for United States federal income tax purposes.

In this regard, FPL Group and the Administrative Trustees are authorized to take any action, not inconsistent with applicable law, the certificate of trust or the Trust Agreement, that FPL Group and the Administrative Trustees determine in their discretion to be necessary or desirable for those purposes, as long as the action does not materially adversely affect the interests of the holders of the Preferred Trust Securities. (Trust Agreement, Section 2.07(d)).

Miscellaneous. Holders of the Preferred Trust Securities have no preemptive or similar rights. (Trust Agreement, Section 5.13).

Notices. Notices to holders of Preferred Trust Securities will be sent by mail to the addresses of those holders as they appear in the security register for those Preferred Trust Securities. (Trust Agreement, Section 6.02).

Title. The Property Trustee, the Delaware Trustee, the Administrative Trustees, and the Preferred Trust Security registrar and transfer agent, and any agent of the Property Trustee, the Delaware Trustee, the Administrative Trustees, or the Preferred Trust Security registrar and transfer agent, may treat the person in whose name a Preferred Trust Security is registered as the absolute owner of that Preferred Trust Security for the purpose of receiving distributions and all other purposes, regardless of any notice to the contrary. (Trust Agreement, Section 5.06).

Governing Law. The Trust Agreement, the Preferred Trust Securities and the Common Trust Securities will be governed by and construed in accordance with the laws of the State of Delaware, without regard to conflict of laws principles thereunder, except to the extent that the law of any other jurisdiction is mandatorily applicable. (Trust Agreement, Section 10.05).

DESCRIPTION OF THE PREFERRED TRUST SECURITIES GUARANTEE

General. This section briefly summarizes some of the provisions of the Preferred Trust Securities Guarantee Agreements that FPL Group will execute and deliver for the benefit of the holders of the Preferred Trust Securities issued by FPL Group Capital Trust and FPL Group Trust. The terms of these agreements are substantially the same, and they are referred to in this prospectus as the "Preferred Trust Securities Guarantee Agreement." This summary does not contain a complete description of the Preferred Trust Securities Guarantee Agreement. You

should read this summary together with the Preferred Trust Securities Guarantee Agreement for a complete understanding of all the provisions. The form of the Preferred Trust Securities Guarantee Agreement has been previously filed with the SEC and is an exhibit to the registration statement filed with the SEC of which this prospectus is a part. In addition, the Preferred Trust Securities Guarantee Agreement will be 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.

The Bank of New York will act as Preferred Trust Securities Guarantee Trustee under the Preferred Trust Securities Guarantee Agreement and will hold the Preferred Trust Securities Guarantee for the benefit of the holders of the Preferred Trust Securities.

General Terms of the Preferred Trust Securities Guarantee. FPL Group will absolutely, irrevocably and unconditionally agree to make the guarantee payments listed below in full to the holders of the Preferred Trust Securities if they are not made by the Trust, as and when due, regardless of any defense, right of set-off or counterclaim that the Trust may have or assert. (Preferred Trust Securities Guarantee Agreement, Section 5.01). The following payments will be subject to the Preferred Trust Securities Guarantee (without duplication):

(1) any accrued and unpaid distributions required to be paid on Preferred Trust Securities, to the extent the Trust has funds in the payment account maintained by the Property Trustee legally available for these payments at such time;

(2) the redemption price, plus all accrued and unpaid distributions to the redemption date, for any Preferred Trust Securities called for redemption by the Trust, to the extent the Trust has funds in the payment account maintained by the Property Trustee legally available for these payments at such time; and

(3) upon a voluntary or involuntary dissolution, winding-up or termination of the Trust (except in connection with the distribution of Junior Subordinated Debentures to the holders in exchange for Preferred Trust Securities as provided in the Trust Agreement or upon a redemption of all of the Preferred Trust Securities upon maturity or redemption of the Junior Subordinated Debentures as provided in the Trust Agreement), the lesser of:

   (a) the aggregate of the liquidation preference amount and all accrued and unpaid distributions on Preferred Trust Securities to the date of payment, to the extent the Trust has funds in the payment account maintained by the Property Trustee legally available for these payments at such time; and

   (b) the amount of assets of the Trust remaining available for distribution to holders of Preferred Trust Securities in liquidation of the Trust after satisfaction of liabilities to creditors of the Trust as required by applicable law.

(Preferred Trust Securities Guarantee Agreement, Section 1.01). FPL Group's obligation to make a guarantee payment may be satisfied by either making a direct payment of the required amounts by FPL Group to the holders of Preferred Trust Securities or causing the Trust to pay such amounts to those holders. (Preferred Trust Securities Guarantee Agreement, Section 5.01).

The Preferred Trust Securities Guarantee will be a guarantee, subject to certain subordination provisions, as to payment with respect to the Preferred Trust Securities, but will not apply to any payment of distributions if and to the extent that the Trust does not have funds legally available to make those payments. (Preferred Trust Securities Guarantee Agreement, Sections 1.01 and 5.05). If neither FPL Group Capital nor FPL Group makes interest payments on the FPL Group Capital Junior Subordinated Debentures held by a Trust and if FPL Group does not make interest payments on the FPL Group Junior Subordinated Debentures held by a Trust, in each case the applicable Trust will not have funds available to pay distributions on the Preferred Trust Securities.

FPL Group will fully and unconditionally guarantee payments due on the Preferred Trust Securities issued by the Trust through a combination of the following:

(1) with respect to the Preferred Trust Securities issued by FPL Group Capital Trust only, the Subordinated Guarantee;

(2) with respect to the Preferred Trust Securities issued by FPL Group Trust only, FPL Group's obligations under the FPL Group Junior Subordinated Debentures;

(3) the rights of holders of Preferred Trust Securities to enforce those obligations in (1) and (2) above, as applicable;

(4) FPL Group's agreement to pay the expenses of the Trust; and

(5) the Preferred Trust Securities Guarantee.

No single one of the applicable documents listed above standing alone or operating in conjunction with fewer than all of the other applicable documents constitutes the guarantee by FPL Group. It is only the combined operation of these documents that has the effect of providing a full and unconditional, but subordinated, guarantee as to payment by FPL Group of the Preferred Trust Securities.

Except as otherwise stated in the related prospectus supplement, the covenants in the Preferred Trust Securities Guarantee Agreement would not give holders of the Preferred Trust Securities protection in the event of a highly-leveraged transaction involving FPL Group.

Security and Ranking. The Preferred Trust Securities Guarantee will be an unsecured obligation of FPL Group and will rank:

(1) subordinate and junior in right of payment to all other liabilities of FPL Group, including the Subordinated Guarantee and the Senior Debt Securities Guarantee (except those made pari passu or subordinate by their terms);

(2) equal in right of payment with the most senior preferred or preference stock that may be issued by FPL Group and with any guarantee that may be entered into by FPL Group in respect of any preferred or preference stock of any affiliate of FPL Group; and

(3) senior to FPL Group common stock. (Preferred Trust Securities Guarantee Agreement, Section 6.01).

The Preferred Trust Securities Guarantee Agreement does not limit the amount of other indebtedness, including guarantees, that FPL Group may issue or incur or the amount of preferred or preference stock it may issue.

The Trust Agreement provides that by accepting Preferred Trust Securities, a holder agrees to the subordination provisions and other terms of the Preferred Trust Securities Guarantee. (Trust Agreement, Section 5.02).

The Preferred Trust Securities Guarantee will be a guarantee of payment and not of collection, that is, the guaranteed party may institute a legal proceeding directly against FPL Group to enforce its rights under the Preferred Trust Securities Guarantee without first instituting a legal proceeding against anyone else. (Preferred Trust Securities Guarantee Agreement, Sections 5.04 and 5.05).

FPL Group is a holding company that derives substantially all of its income from its operating subsidiaries. Therefore, the Preferred Trust Securities Guarantee will be effectively subordinated to all indebtedness and other liabilities, including trade payables, debt and preferred stock, incurred or issued by FPL Group's subsidiaries. Neither the Subordinated Indenture nor the Preferred Trust Securities Guarantee Agreement places any limit on the

amount of liabilities, including debt or preferred stock, that FPL Group's subsidiaries may issue, guarantee or otherwise incur.

Events of Default. An event of default under the Preferred Trust Securities Guarantee Agreement will occur upon failure of FPL Group to perform any of its payment obligations under the Preferred Trust Securities Guarantee Agreement, which failure has not been cured within 90 days of receipt of notice thereof. (Preferred Trust Securities Guarantee Agreement, Section 1.01). Upon an event of default, the holders of the Preferred Trust Securities having a majority of the aggregate liquidation preference of the Preferred Trust Securities have the right to:

(1) direct the time, method and place of conducting any proceeding for any remedy available to the Preferred Trust Securities Guarantee Trustee under the Preferred Trust Securities Guarantee Agreement, or

(2) direct the exercise of any trust or power conferred upon the Preferred Trust Securities Guarantee Trustee under the Preferred Trust Securities Guarantee Agreement. (Preferred Trust Securities Guarantee Agreement, Section 5.04).

Any holder of the Preferred Trust Securities may enforce the Preferred Trust Securities Guarantee, or institute a legal proceeding directly against FPL Group to enforce the Preferred Trust Securities Guarantee Trustee's rights under the Preferred Trust Securities Guarantee Agreement without first instituting a legal proceeding against the Trust, the Preferred Trust Securities Guarantee Trustee or anyone else. (Preferred Trust Securities Guarantee Agreement, Section 5.04). The holders of the Preferred Trust Securities having a majority of the aggregate liquidation preference of the Preferred Trust Securities may waive any past event of default and its consequences. (Preferred Trust Securities Guarantee Agreement, Section 2.06).

FPL Group will be required to deliver to the Preferred Trust Securities Guarantee Trustee an annual statement as to its compliance with all conditions under the Preferred Trust Securities Guarantee Agreement. (Preferred Trust Securities Guarantee Agreement, Section 2.04).

Modification and Assignment. No consent of holders of Preferred Trust Securities is required for changes to the Preferred Trust Securities Guarantee Agreement that do not materially adversely affect their rights. Except as provided below, changes to the Preferred Trust Securities Guarantee Agreement that materially adversely affect the rights of Preferred Trust Securities require the prior approval of the holders of Preferred Trust Securities having at least a majority of the aggregate liquidation preference amount of the outstanding Preferred Trust Securities. Each affected holder of Preferred Trust Securities must consent to any amendment to the Preferred Trust Securities Guarantee Agreement that impairs the right of such holder to receive guarantee payments under the Preferred Trust Securities Guarantee Agreement or to institute suit for enforcement of any such payment. (Preferred Trust Securities Guarantee Agreement, Section 8.01).

All guarantees and agreements contained in the Preferred Trust Securities Guarantee Agreement will bind the successors, assigns, receivers, trustees and representatives of FPL Group and will inure to the benefit of the holders of the Preferred Trust Securities then outstanding. (Preferred Trust Securities Guarantee Agreement, Section 8.02).

Termination of the Preferred Trust Securities Guarantee. The Preferred Trust Securities Guarantee Agreement will terminate and be of no further force and effect upon:

(1) full payment of the redemption price, plus accrued and unpaid distributions to the redemption date, for all the Preferred Trust Securities;

(2) the distribution of Junior Subordinated Debentures to holders of the Preferred Trust Securities in exchange for all of the Preferred Trust Securities; or

(3) full payment of the amounts payable upon liquidation of the Trust.

However, the Preferred Trust Securities Guarantee will continue to be effective or will be reinstated, as the case may be, if at any time, as result of the subordination provisions or any mistake or any judicial proceeding or otherwise, any holder of Preferred Trust Securities must return any sums paid under the Preferred Trust Securities or the Preferred Trust Securities Guarantee. (Preferred Trust Securities Guarantee Agreement, Section 7.01).

Governing Law. The Preferred Trust Securities Guarantee Agreement provides that it is to be governed by and construed in accordance with the laws of the State of New York, without regard to conflict of laws principles thereunder, except to the extent that the law of any other jurisdiction is mandatorily applicable. (Preferred Trust Securities Guarantee Agreement, Section 8.06).

DESCRIPTION OF THE FPL GROUP AND FPL GROUP CAPITAL JUNIOR SUBORDINATED DEBENTURES AND THE FPL GROUP SUBORDINATED GUARANTEE

General. The junior subordinated debentures issued by FPL Group Capital are referred to in this prospectus as the "FPL Group Capital Junior Subordinated Debentures." The junior subordinated debentures issued by FPL Group are referred to in this prospectus as the "FPL Group Junior Subordinated Debentures," and, together with the FPL Group Capital Junior Subordinated Debentures, are referred to as the "Junior Subordinated Debentures." The FPL Group Capital Junior Subordinated Debentures will be issued by FPL Group Capital in one or more series under an Indenture, dated as of March 1, 2004, among FPL Group Capital, FPL Group and The Bank of New York, as trustee, or another subordinated indenture among FPL Group Capital, FPL Group and The Bank of New York as specified in the related prospectus supplement. The indenture or indentures pursuant to which FPL Group Capital Junior Subordinated Debentures may be issued, as it may be amended from time to time, is referred to in this prospectus as the "FPL Group Capital Subordinated Indenture." The indenture or indentures pursuant to which FPL Group Junior Subordinated Debentures may be issued, as it may be amended from time to time, is referred to in this prospectus as the "FPL Group Subordinated Indenture." The FPL Group Junior Subordinated Debentures will be issued by FPL Group in one or more series under an indenture or indentures between FPL Group and The Bank of New York, as trustee. In connection with the issuance of Trust Securities, the Property Trustee will hold the FPL Group Capital Junior Subordinated Debentures on behalf of FPL Group Capital Trust, or the FPL Group Junior Subordinated Debentures on behalf of FPL Group Trust, as the case may be, as trust assets. Each of the FPL Group Capital Subordinated Indenture and the FPL Group Subordinated Indenture, as each may be amended and supplemented from time to time, is referred to in this prospectus as the "Subordinated Indenture." The Bank of New York, as trustee under each Subordinated Indenture, is referred to in this prospectus as the "Subordinated Indenture Trustee." The Subordinated Indenture provides for the issuance from time to time of subordinated debt in an unlimited amount. The Junior Subordinated Debentures and all other subordinated debt issued previously or hereafter under the Subordinated Indenture are collectively referred to in this prospectus as the "Subordinated Indenture Securities."

This section briefly summarizes some of the terms of the Junior Subordinated Debentures, the Subordinated Guarantee applicable to the FPL Group Capital Junior Subordinated Debentures, and some of the provisions of the Subordinated Indenture. This summary does not contain a complete description of the Junior Subordinated Debentures, the Subordinated Guarantee or the Subordinated Indenture. You should read this summary together with the Subordinated Indenture and the officer's certificates or other documents establishing the Junior Subordinated Debentures and the Subordinated Guarantee for a complete understanding of all the provisions and for the definitions of some terms used in this summary. The Subordinated Indenture (which, in the case of the FPL Group Capital Subordinated Indenture, contains the Subordinated Guarantee), the forms of officer's certificate that may be used to establish a series of Junior Subordinated Debentures and the forms of the Junior Subordinated Debentures have been previously filed with the SEC, and are exhibits to the registration statement. In addition, each Subordinated Indenture will be qualified 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 issue of the FPL Group Capital Junior Subordinated Debentures and the FPL Group Junior Subordinated Debentures will constitute a separate series under the respective Subordinated Indenture. In connection with the issuance of Trust Securities, the aggregate principal amount of each series will be limited to the

sum of the aggregate liquidation preference amount of the related Preferred Trust Securities and the consideration paid by FPL Group for the related Common Trust Securities.

All FPL Group Capital Junior Subordinated Debentures of one series need not be issued at the same time, and a series may be re-opened for issuances of additional FPL Group Capital Junior Subordinated Debentures of such series. This means that FPL Group Capital may from time to time, without notice to, or the consent of the existing holders of the FPL Group Capital Junior Subordinated Debentures of a particular series, create and issue additional FPL Group Capital Junior Subordinated Debentures of such series. Such additional FPL Group Capital Junior Subordinated Debentures will have the same terms as the FPL Group Capital Junior Subordinated Debentures of such series in all respects (except for the payment of interest accruing prior to the issue date of the additional FPL Group Capital Junior Subordinated Debentures or except for the first payments of interest following the issue date of the additional FPL Group Capital Junior Subordinated Debentures) so that the additional FPL Group Capital Junior Subordinated Debentures may be consolidated and form a single series with the FPL Group Capital Junior Subordinated Debentures of such series.

Similarly, all FPL Group Junior Subordinated Debentures of one series need not be issued at the same time, and a series may be re-opened for issuances of additional FPL Group Junior Subordinated Debentures of such series, in the manner described in the paragraph above with respect to FPL Group Capital Junior Subordinated Debentures.

The FPL Group Capital Junior Subordinated Debentures will be unsecured, subordinated obligations of FPL Group Capital which rank junior to all of FPL Group Capital's Senior Indebtedness. The FPL Group Junior Subordinated Debentures will be unsecured, subordinated obligations of FPL Group which rank junior to all of FPL Group's Senior Indebtedness. The term "Senior Indebtedness" with respect to FPL Group Capital or FPL Group, as the case may be, will be defined in the related prospectus supplement. All Junior Subordinated Debentures issued under a particular Subordinated Indenture will rank equally and ratably with all other Junior Subordinated Debentures issued under that Subordinated Indenture, except to the extent that FPL Group Capital or FPL Group, as the case may be, elects to provide security with respect to any series of Junior Subordinated Debentures without providing that security to all outstanding Junior Subordinated Debentures as allowed under the respective Subordinated Indenture. Junior Subordinated Debentures issued under a particular Subordinated Indenture may rank senior to, pari passu with, or junior to, Junior Subordinated Debentures issued by the same issuer under another Subordinated Indenture. The FPL Group Capital Junior Subordinated Debentures will be unconditionally guaranteed by FPL Group as to payment of principal, and any interest and premium, pursuant to a Subordinated Guarantee of FPL Group, included in the Subordinated Indenture for such FPL Group Capital Junior Subordinated Debentures, which Subordinated Guarantee ranks junior to all of FPL Group's Senior Indebtedness, and may rank senior to, pari passu with, or junior to, FPL Group's obligations under a separate Subordinated Guarantee. See "— Subordinated Guarantee" below.

Although the FPL Group Capital Junior Subordinated Debentures and the FPL Group Junior Subordinated Debentures are discussed together in this section of the prospectus, FPL Group will have no obligation with respect to the FPL Group Capital Junior Subordinated Debentures except in connection with the Subordinated Guarantee and FPL Group Capital will have no obligation with respect to the FPL Group Junior Subordinated Debentures.

Each series of Junior Subordinated Debentures that may be issued under each Subordinated Indenture may have different terms. FPL Group Capital or FPL Group, as the case may be, will include some or all of the following information about a specific series of Junior Subordinated Debentures in the prospectus supplement relating to those Junior Subordinated Debentures:

(1) the title of those Junior Subordinated Debentures,

(2) any limit upon the aggregate principal amount of those Junior Subordinated Debentures,

(3) the date(s) on which the principal will be paid,

(4) the rate(s) of interest on those Junior Subordinated Debentures, or how the rate(s) of interest will be determined, the date(s) from which interest will accrue, the dates on which interest will be paid and the record date for any interest payable on any interest payment date,

(5) the person to whom interest will be paid on any interest payment date, if other than the person in whose name those Junior Subordinated Debentures are registered at the close of business on the record date for that interest payment,

(6) the place(s) at which or methods by which payments will be made on those Junior Subordinated Debentures and the place(s) at which or methods by which the registered owners of those Junior Subordinated Debentures may transfer or exchange those Junior Subordinated Debentures and serve notices and demands to or upon FPL Group Capital or FPL Group, as the case may be,

(7) the security registrar and any paying agent or agents for those Junior Subordinated Debentures,

(8) any date(s) on which, the price(s) at which and the terms and conditions upon which those Junior Subordinated Debentures may be redeemed at the option of the issuer, in whole or in part, and any restrictions on those redemptions,

(9) any sinking fund or other provisions or options held by the registered owners of those Junior Subordinated Debentures that would obligate the issuer to repurchase or redeem those Junior Subordinated Debentures,

(10) the denominations in which those Junior Subordinated Debentures may be issued, if other than denominations of $25 and any integral multiple of $25,

(11) the currency or currencies in which the principal of or premium, if any, or interest on those Junior Subordinated Debentures may be paid (if other than in U.S. dollars),

(12) if FPL Group Capital, or FPL Group, as the case may be, or a registered owner may elect to pay, or receive, principal of or premium, if any, or interest on those Junior Subordinated Debentures in a currency other than that in which those Junior Subordinated Debentures are stated to be payable, the terms and conditions upon which that election may be made,

(13) if the principal of or premium, if any, or interest on those Junior Subordinated Debentures may be paid in securities or other property, the type and amount of those securities or other property and the terms and conditions upon which FPL Group Capital, or FPL Group, as the case may be, or a registered owner may elect to pay or receive those payments,

(14) if the amount payable in respect of principal of or premium, if any, or interest on those Junior Subordinated Debentures may be determined by reference to an index or other fact or event ascertainable outside of the Subordinated Indenture, the manner in which those amounts will be determined,

(15) the portion of the principal amount of the Junior Subordinated Debentures that will be paid by the issuer upon declaration of acceleration of the maturity of those Junior Subordinated Debentures, if other than the entire principal amount of those Junior Subordinated Debentures,

(16) any events of default with respect to those Junior Subordinated Debentures and any covenants of FPL Group Capital, or FPL Group, as the case may be, for the benefit of the registered owners of those Junior Subordinated Debentures, other than those specified in the Subordinated Indenture,

(17) the terms, if any, pursuant to which those Junior Subordinated Debentures may be exchanged for shares of capital stock or other securities of any other entity,

(18) a definition of "Eligible Obligations" under the Subordinated Indenture with respect to the Junior Subordinated Debentures denominated in a currency other than U.S. dollars, and any other provisions for the reinstatement of the issuer's indebtedness in respect of those Junior Subordinated Debentures after their satisfaction and discharge,

(19) if those Junior Subordinated Debentures will be issued in global form, necessary information relating to the issuance of those Junior Subordinated Debentures in global form,

(20) if those Junior Subordinated Debentures will be issued as bearer securities, necessary information relating to the issuance of those Junior Subordinated Debentures as bearer securities,

(21) any limits on the rights of the registered owners of those Junior Subordinated Debentures to transfer or exchange those Junior Subordinated Debentures or to register their transfer, and any related service charges,

(22) any exceptions to the provisions governing payments due on legal holidays or any variations in the definition of business day with respect to those Junior Subordinated Debentures,

(23) any collateral security, assurance, or guarantee for those Junior Subordinated Debentures (including, with respect to the FPL Group Capital Junior Subordinated Debentures, any security, assurance of guarantee in addition to, or any exceptions to, the Subordinated Guarantee described under "— Subordinated Guarantee of FPL Group Capital Junior Subordinated Debentures" below),

(24) the designation of the trust to which the Junior Subordinated Debentures are to be issued, if the Junior Subordinated Debentures are issued in connection with the issuance of Trust Securities,

(25) the terms relating to any additional interest that may be payable as a result of any tax, assessment or governmental charges, and

(26) any other terms of those Junior Subordinated Debentures that are not inconsistent with the provisions of the Subordinated Indenture. (Subordinated Indenture, Section 301).

Except as otherwise stated in the related prospectus supplement, the covenants in the Subordinated Indenture would not give registered owners of Junior Subordinated Debentures protection in the event of a highly-leveraged transaction involving FPL Group Capital, in the case of the FPL Group Capital Junior Subordinated Debentures, or FPL Group.

Subordination. The Junior Subordinated Debentures will be subordinate and junior in right of payment to all Senior Indebtedness of FPL Group Capital, or FPL Group, as the case may be. (FPL Group Capital Subordinated Indenture, Article Fifteen; FPL Group Subordinated Indenture, Article Fourteen). No payment of the principal (including redemption and sinking fund payments) of, or interest, or premium, if any, on the Junior Subordinated Debentures may be made by FPL Group Capital, or FPL Group, as the case may be, until all holders of Senior Indebtedness of FPL Group Capital, or FPL Group, as the case may be, have been paid in full (or provision has been made for such payment), if any of the following occurs:

(1) certain events of bankruptcy, insolvency or reorganization of FPL Group Capital or FPL Group, as the case may be;

(2) any Senior Indebtedness of FPL Group Capital, or of FPL Group, as the case may be, is not paid when due (after the expiration of any applicable grace period) and that default continues without waiver; or

(3) any other default has occurred and continues without waiver (after the expiration of any applicable grace period) pursuant to which the holders of Senior Indebtedness of FPL Group Capital, or FPL Group, as the case may be, are permitted to accelerate the maturity of such Senior Indebtedness.

(FPL Group Capital Subordinated Indenture, Section 1502; FPL Group Subordinated Indenture, Section 1402).

Upon any distribution of assets of FPL Group Capital, or of FPL Group, as the case may be, to creditors in connection with any insolvency, bankruptcy or similar proceeding, all principal of, and premium, if any, and interest due or to become due on all Senior Indebtedness of FPL Group Capital, or of FPL Group, as the case may be, must be paid in full before the holders of the Junior Subordinated Debentures are entitled to receive or retain any payment from such distribution. (FPL Group Capital Subordinated Indenture, Section 1502; FPL Group Subordinated Indenture, Section 1402).

FPL Group Capital is a holding company that derives substantially all of its income from its operating subsidiaries. Therefore, FPL Group Capital Subordinated Indenture Securities will be effectively subordinated to all indebtedness and other liabilities, including trade payables, debt and preferred stock, incurred or issued by FPL Group Capital's subsidiaries. The FPL Group Capital Subordinated Indenture does not place any limit on the amount of liabilities including debt or preferred stock, that FPL Group Capital's subsidiaries may issue, guarantee or otherwise incur.

FPL Group is a holding company that derives substantially all of its income from its operating subsidiaries. Therefore, FPL Group Subordinated Indenture Securities will be effectively subordinated to all indebtedness and other liabilities, including trade payables, debt and preferred stock, incurred or issued by FPL Group's subsidiaries. The FPL Group Subordinated Indenture does not place any limit on the amount of liabilities including debt or preferred stock, that FPL Group's subsidiaries may issue, guarantee or otherwise incur.

Subordinated Guarantee of FPL Group Capital Junior Subordinated Debentures. Pursuant to the Subordinated Guarantee, FPL Group will unconditionally and irrevocably guarantee the payment of principal of and any interest and premium, if any, on the FPL Group Capital Junior Subordinated Debentures, when due and payable, whether at the stated maturity date, by declaration of acceleration, call for redemption or otherwise, in accordance with the terms of such FPL Group Capital Junior Subordinated Debentures and the FPL Group Capital Subordinated Indenture. The Subordinated Guarantee will remain in effect until the entire principal of and any premium, if any, and interest on the FPL Group Capital Junior Subordinated Debentures has been paid in full or otherwise discharged in accordance with the provisions of the FPL Group Capital Subordinated Indenture. (FPL Group Capital Subordinated Indenture, Article Fourteen).

The Subordinated Guarantee will be subordinate and junior in right of payment to all Senior Indebtedness of FPL Group. (FPL Group Capital Subordinated Indenture, Section 1402). No payment of the principal (including redemption and sinking fund payments) of, or interest, or premium, if any, on, the FPL Group Capital Junior Subordinated Debentures may be made by FPL Group under the Subordinated Guarantee until all holders of Senior Indebtedness of FPL Group have been paid in full (or provision has been made for such payment), if any of the following occurs:

(1) certain events of bankruptcy, insolvency or reorganization of FPL Group;

(2) any Senior Indebtedness of FPL Group is not paid when due (after the expiration of any applicable grace period) and that default continues without waiver; or

(3) any other default has occurred and continues without waiver (after the expiration of any applicable grace period) pursuant to which the holders of Senior Indebtedness of FPL Group are permitted to accelerate the maturity of such Senior Indebtedness. (FPL Group Capital Subordinated Indenture, Section 1403).

Upon any distribution of assets of FPL Group to creditors in connection with any insolvency, bankruptcy or similar proceeding, all principal of, and premium, if any, and interest due or to become due on all Senior Indebtedness of FPL Group must be paid in full before the holders of the FPL Group Capital Junior Subordinated Debentures are entitled to receive or retain any payment from such distribution. (FPL Group Capital Subordinated Indenture, Section 1403).

FPL Group is a holding company that derives substantially all of its income from its operating subsidiaries. Therefore, the Subordinated Guarantee is effectively subordinated to all indebtedness and other liabilities, including trade payables, debt and preferred stock, incurred or issued by FPL Group's subsidiaries. The FPL Group Capital Subordinated Indenture does not place any limit on the amount of liabilities, including debt or preferred stock, that FPL Group's subsidiaries may issue, guarantee or otherwise incur.

Payment and Paying Agents. Except as stated in the related prospectus supplement, on each interest payment date FPL Group Capital, or FPL Group, as the case may be, will pay interest on each Junior Subordinated Debenture to the person in whose name that Junior Subordinated Debenture is registered as of the close of business on the record date relating to that interest payment date. However, on the date that the Junior Subordinated Debentures mature, FPL Group Capital, or FPL Group, as the case may be, will pay the interest to the person to whom it pays the principal. Also, if FPL Group Capital, or FPL Group, as the case may be, has defaulted in the payment of interest on any Junior Subordinated Debenture, it may pay that defaulted interest to the registered owner of that Junior Subordinated Debenture:

(1) as of the close of business on a date that the Subordinated Indenture Trustee selects, which may not be more than 15 days or less than 10 days before the date that FPL Group Capital, or FPL Group, as the case may be, proposes to pay the defaulted interest, or

(2) in any other lawful manner that does not violate the requirements of any securities exchange on which that Junior Subordinated Debenture is listed and that the Subordinated Indenture Trustee believes is acceptable. (Subordinated Indenture, Section 307).

Unless otherwise stated in the related prospectus supplement, the principal, premium, if any, and interest on the Junior Subordinated Debentures at maturity will be payable when such Junior Subordinated Debentures are presented at the main corporate trust office of The Bank of New York, as paying agent, in The City of New York. FPL Group Capital and/or FPL Group with respect to the FPL Group Capital Junior Subordinated Debentures and FPL Group with respect to the FPL Group Junior Subordinated Debentures may change the place of payment on the Junior Subordinated Debentures, appoint one or more additional paying agents, including itself, and remove any paying agent. (Subordinated Indenture, Section 602).

Transfer and Exchange. Unless otherwise stated in the related prospectus supplement, Junior Subordinated Debentures may be transferred or exchanged at the main corporate trust office of The Bank of New York, as security registrar, in The City of New York. FPL Group Capital, or FPL Group, as the case may be, may change the place for transfer and exchange of the Junior Subordinated Debentures and may designate one or more additional places for that transfer and exchange.

Except as otherwise stated in the related prospectus supplement, there will be no service charge for any transfer or exchange of the Junior Subordinated Debentures. However, FPL Group Capital, or FPL Group, as the case may be, may require payment of any tax or other governmental charge in connection with any transfer or exchange of the Junior Subordinated Debentures.

FPL Group Capital, or FPL Group, as the case may be, will not be required to transfer or exchange any Junior Subordinated Debenture selected for redemption. Also, FPL Group Capital, or FPL Group, as the case may be, will not be required to transfer or exchange any Junior Subordinated Debenture during a period of 15 days before selection of Junior Subordinated Debentures to be redeemed. (Subordinated Indenture, Section 305).

Unless otherwise stated in the related prospectus supplement, if Junior Subordinated Debentures are issued in connection with the issuance of Trust Securities and are subsequently distributed to holders of Preferred Trust Securities in a dissolution of the Trust, the Junior Subordinated Debentures will be issued in fully registered certificated form in the denominations and integral multiples thereof in which the Preferred Trust Securities have been issued, and they may be transferred or exchanged as described above. (Trust Agreement, Section 9.04).

Defeasance. FPL Group Capital and FPL Group may, at any time, elect to have all of their obligations discharged with respect to all or a portion of any Subordinated Indenture Securities (including the FPL Group

Capital Junior Subordinated Debentures). FPL Group may, at any time, elect to have all of its obligations discharged with respect to all or a portion of any Subordinated Indenture Securities (including the FPL Group Junior Subordinated Debentures). To do so, FPL Group Capital or FPL Group, with respect to FPL Group Capital Junior Subordinated Debentures, or FPL Group with respect to the FPL Group Junior Subordinated Debentures, must irrevocably deposit with the Subordinated Indenture Trustee or any paying agent, in trust:

(1) money in an amount that will be sufficient to pay all or that portion of the principal, premium, if any, and interest due and to become due on those Subordinated Indenture Securities, on or prior to their maturity, or

(2) in the case of a deposit made prior to the maturity of that series of Subordinated Indenture Securities,

(a) direct obligations of, or obligations unconditionally guaranteed by, the United States and entitled to the benefit of its full faith and credit that do not contain provisions permitting their redemption or other prepayment at the option of their issuer, and

(b) certificates, depositary receipts or other instruments that evidence a direct ownership interest in those obligations or in any specific interest or principal payments due in respect of those obligations that do not contain provisions permitting their redemption or other prepayment at the option of their issuer, the principal of and the interest on which, when due, without any regard to reinvestment of that principal or interest, will provide money that, together with any money deposited with or held by the Subordinated Indenture Trustee, will be sufficient to pay all or that portion of the principal, premium, if any, and interest due and to become due on those Subordinated Indenture Securities, on or prior to their maturity, or

(3) a combination of (1) and (2) that will be sufficient to pay all or that portion of the principal, premium, if any, and interest due and to become due on those Subordinated Indenture Securities, on or prior to their maturity. (Subordinated Indenture, Section 701).

Option to Defer Interest Payments. Unless otherwise provided in a related prospectus supplement, FPL Group Capital, or FPL Group, as the case may be, may have the option to defer the payment of interest from time to time on the Junior Subordinated Debentures for one or more periods. As a consequence, if the Junior Subordinated Debentures are issued in connection with Preferred Trust Securities, distributions on the Preferred Trust Securities would be deferred during any optional deferral period. Interest would, however, continue to accrue on the Junior Subordinated Debentures. Unless otherwise provided in a related prospectus supplement, during any optional deferral period, or for so long as an "Event of Default" under the Subordinated Indenture resulting from a payment default (or a payment default under the Preferred Trust Securities Guarantee if the Junior Subordinated Debentures are issued in connection with Preferred Trust Securities) has occurred and is continuing, neither FPL Group nor FPL Group Capital, with respect to FPL Group Capital Junior Subordinated Debentures, or FPL Group, with respect to FPL Group Junior Subordinated Debentures may:

(1) declare or pay any dividend or distribution on its capital stock;

(2) redeem, purchase, acquire or make a liquidation payment with respect to any of its capital stock;

(3) pay any principal, interest or premium on, or repay, repurchase or redeem any debt securities that are equal or junior in right of payment with the Junior Subordinated Debentures or, in the case of FPL Group Capital Junior Subordinated Debentures issued in connection with Preferred Trust Securities, the Subordinated Guarantee (as the case may be); or

(4) make any payments with respect to any guarantee of debt securities if such guarantee is equal or junior in right of payment to the Junior Subordinated Debentures or the Subordinated Guarantee if the Junior Subordinated Debentures are issued in connection with Preferred Trust Securities (as the case may be),

other than

(1) purchases, redemptions or other acquisitions of its capital stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or agents or a stock purchase or dividend reinvestment plan, or the satisfaction of its obligations pursuant to any contract or security outstanding on the date that the interest payment period is extended requiring it to purchase, redeem or acquire its capital stock;

(2) any payment, repayment, redemption, purchase, acquisition or declaration of dividend listed as restricted payments in clauses (1) and (2) above as a result of a reclassification of its capital stock or the exchange or conversion of all or a portion of one class or series of its capital stock for another class or series of its capital stock;

(3) the purchase of fractional interests in shares of its capital stock pursuant to the conversion or exchange provisions of its capital stock or the security being converted or exchanged, or in connection with the settlement of stock purchase contracts;

(4) dividends or distributions paid or made in its capital stock (or rights to acquire its capital stock), or repurchases, redemptions or acquisitions of capital stock in connection with the issuance or exchange of capital stock (or of securities convertible into or exchangeable for shares of its capital stock and distributions in connection with the settlement of stock purchase contracts);

(5) redemptions, exchanges or repurchases of, or with respect to, any rights outstanding under a shareholder rights plan or the declaration or payment thereunder of a dividend or distribution of or with respect to rights in the future;

(6) payments under any preferred trust securities guarantee or guarantee of subordinated debentures executed and delivered by FPL Group concurrently with the issuance by a trust of any preferred trust securities, so long as the amount of payments made on any preferred trust securities or subordinated debentures (as the case may be) is paid on all preferred trust securities or subordinated debentures (as the case may be) then outstanding on a pro rata basis in proportion to the full distributions to which each series of preferred trust securities or subordinated debentures (as the case may be) is then entitled if paid in full;

(7) payments under any guarantee of junior subordinated debentures executed and delivered by FPL Group (including a FPL Group Subordinated Guarantee), so long as the amount of payments made on any junior subordinated debentures is paid on all junior subordinated debentures then outstanding on a pro rata basis in proportion to the full payment to which each series of junior subordinated debentures is then entitled if paid in full;

(8) dividends or distributions by FPL Group Capital on its capital stock to the extent owned by FPL Group; or

(9) redemptions, purchases, acquisitions or liquidation payments by FPL Group Capital with respect to its capital stock to the extent owned by FPL Group. (Subordinated Indenture, Section 608).

The exceptions in (8) and (9) above are not applicable to an optional deferral period on the FPL Group Junior Subordinated Debentures.

Unless otherwise provided in a related prospectus supplement, before an optional deferral period ends, FPL Group Capital, or FPL Group, as the case may be, may further defer the payment of interest. Unless otherwise provided in the related prospectus supplement, no optional deferral period may exceed the period of time specified in that prospectus supplement. After any optional deferral period and the payment of all amounts then due, FPL Group Capital, or FPL Group, as the case may be, may select a new optional deferral period. No interest period may be deferred beyond the maturity of the Junior Subordinated Debentures. If the Junior Subordinated Debentures are issued in connection with Preferred Trust Securities, FPL Group Capital, or FPL Group, as the case may be, will give the Trust and the Subordinated Indenture Trustee notice of its election of an optional deferral period prior to the

earlier of (i) one business day before the record date for the distribution on the Preferred Trust Securities which would occur if FPL Group Capital, or FPL Group, as the case may be, did not make the election to defer or (ii) the date the Administrative Trustees are required to give notice to any securities exchange or any other applicable self-regulatory organization of the record date for such a distribution. The Property Trustee shall send notice of that election to the holders of Preferred Trust Securities.

Additional Interest. If the Junior Subordinated Debentures are issued in connection with the issuance of Trust Securities and if the Trust is required to pay any taxes, duties, assessments or governmental charges imposed by the United States or any other taxing authority on income derived from the interest payments on the Junior Subordinated Debentures, then, so long as any Preferred Trust Securities remain outstanding, FPL Group Capital, or FPL Group, as the case may be, will pay as interest on the Junior Subordinated Debentures any additional interest that may be necessary in order that the net amounts received and retained by the Trust after the payment of those taxes, duties, assessments or governmental charges will be the same as the Trust would have had in the absence of such payment. (Subordinated Indenture, Section 313).

Redemption. The redemption terms of the Junior Subordinated Debentures, if any, will be set forth in a prospectus supplement. Unless set forth differently in a prospectus supplement, and except with respect to Junior Subordinated Debentures redeemable at the option of the holder, Junior Subordinated Debentures will be redeemable upon notice between 30 and 60 days prior to the redemption date. If less than all of the Junior Subordinated Debentures of any series or any tranche thereof are to be redeemed, the Subordinated Indenture Trustee will select the Junior Subordinated Debentures to be redeemed. In the absence of any provision for selection, the Subordinated Indenture Trustee will choose a method of random selection as it deems fair and appropriate. (Subordinated Indenture, Sections 403 and 404).

Junior Subordinated Debentures selected for redemption will cease to bear interest on the redemption date. The paying agent will pay the redemption price and any accrued interest once the Junior Subordinated Debentures are surrendered for redemption. (Subordinated Indenture, Section 405). If only part of a Junior Subordinated Debenture is redeemed, the Subordinated Indenture Trustee will deliver a new Junior Subordinated Debenture of the same series for the remaining portion without charge. (Subordinated Indenture, Section 406).

Any redemption at the option of FPL Group Capital, or FPL Group, as the case may be, may be conditional upon the receipt by the paying agent, on or prior to the date fixed for redemption, of money sufficient to pay the redemption price. If the paying agent has not received such money by the date fixed for redemption, neither FPL Group Capital nor FPL Group, in the case of FPL Group Capital Junior Subordinated Debentures, nor FPL Group, in the case of FPL Group Junior Subordinated Debentures, will be required to redeem such Junior Subordinated Debentures. (Subordinated Indenture, Section 404).

If the Junior Subordinated Debentures are issued in connection with the issuance of Trust Securities, for so long as the Trust is the holder of all of the related Junior Subordinated Debentures the proceeds of any redemption of Junior Subordinated Debentures will be used by the Trust to redeem Preferred Trust Securities and Common Trust Securities in accordance with their terms. (Trust Agreement, Section 4.02(a)).

Subject to applicable law, including United States federal securities laws, FPL Group or its affiliates, including FPL Group Capital, may at any time and from time to time purchase outstanding Junior Subordinated Debentures by tender, in the open market or by private agreement.

Consolidation, Merger, and Sale of Assets. Under the FPL Group Capital Subordinated Indenture, neither FPL Group Capital nor FPL Group may, and under the FPL Group Subordinated Indenture, FPL Group may not, consolidate with or merge into any other entity or convey, transfer or lease its properties and assets substantially as an entirety to any entity, unless:

(1) the entity formed by that consolidation, or the entity into which FPL Group Capital or FPL Group, as the case may be, in the case of the FPL Group Capital Subordinated Indenture, or FPL Group, in the case of the FPL Group Subordinated Indenture, is merged, or the entity that acquires or leases FPL Group Capital's or FPL Group's, as the case may be, in the case of the FPL Group Capital Subordinated Indenture, or FPL Group's, in the case of the FPL Group Subordinated Indenture,

property and assets, is an entity organized and existing under the laws of the United States, any state or the District of Columbia and that entity expressly assumes FPL Group Capital's or FPL Group's, as the case may be, in the case of the FPL Group Capital Subordinated Indenture, or FPL Group's, in the case of the FPL Group Subordinated Indenture, obligations on all Subordinated Indenture Securities and under the Subordinated Indenture,

(2) immediately after giving effect to the transaction, no event of default under the Subordinated Indenture and no event that, after notice or lapse of time or both, would become an event of default under the Subordinated Indenture exists, and

(3) FPL Group Capital or FPL Group, as the case may be, in the case of the FPL Group Capital Subordinated Indenture, or FPL Group, in the case of the FPL Group Subordinated Indenture, delivers an officer's certificate and an opinion of counsel to the Subordinated Indenture Trustee, as provided in the Subordinated Indenture. (Subordinated Indenture, Section 1101).

The Subordinated Indenture does not prevent or restrict:

(1) any consolidation or merger after the consummation of which FPL Group Capital or FPL Group, in the case of the FPL Group Capital Subordinated Indenture, or FPL Group, in the case of the FPL Group Subordinated Indenture, would be the surviving or resulting entity;

(2) in the case of the FPL Group Capital Subordinated Indenture, any consolidation of FPL Group Capital with FPL Group or any other entity all of the outstanding voting securities of which are owned, directly or indirectly, by FPL Group, or any merger of any such entity into any other of such entities, or any conveyance or other transfer, or lease, of properties or assets by any thereof to any other thereof;

(3) any conveyance or other transfer, or lease, of any part of the properties or assets of FPL Group Capital or FPL Group, in the case of the FPL Group Capital Subordinated Indenture, or FPL Group, in the case of the FPL Group Subordinated Indenture, which does not constitute the entirety, or substantially the entirety, thereof; or

(4) the approval by FPL Group Capital or FPL Group, in the case of the FPL Group Capital Subordinated Indenture, or FPL Group, in the case of the FPL Group Subordinated Indenture, of or the consent by FPL Group Capital or FPL Group, in the case of the FPL Group Capital Subordinated Indenture, or FPL Group, in the case of the FPL Group Subordinated Indenture, to any consolidation or merger to which any direct or indirect subsidiary or affiliate of FPL Group may be a party, or any conveyance, transfer or lease by any such subsidiary or affiliate of any or all of its properties or assets. (Subordinated Indenture, Section 1103).

Events of Default. Each of the following is an event of default under the Subordinated Indenture with respect to the Subordinated Indenture Securities of any series:

(1) failure to pay interest on the Subordinated Indenture Securities of that series within 30 days after it is due (provided, however, that a valid extension of the interest period will not constitute an event of default),

(2) failure to pay principal or premium, if any, on the Subordinated Indenture Securities of that series when it is due,

(3) failure to comply with any other covenant in the Subordinated Indenture, other than a covenant that does not relate to that series of Subordinated Indenture Securities, that continues for 90 days after FPL Group Capital and FPL Group, in the case of the FPL Group Capital Subordinated Indenture, or FPL Group, in the case of the FPL Group Subordinated Indenture, receive written notice of such failure to comply from the Subordinated Indenture Trustee, or FPL Group Capital, in the case of the FPL Group

Capital Subordinated Indenture, FPL Group and the Subordinated Indenture Trustee receive written notice of such failure to comply from the registered owners of at least 33% in principal amount of the Subordinated Indenture Securities of that series,

(4) certain events of bankruptcy, insolvency or reorganization of FPL Group Capital or FPL Group in the case of the FPL Group Capital Subordinated Indenture, or FPL Group in the case of the FPL Group Subordinated Indenture,

(5) with certain exceptions, the Subordinated Guarantee ceases to be effective, is found by a judicial proceeding to be unenforceable or invalid or is denied or disaffirmed by FPL Group, and

(6) any other event of default specified with respect to the Subordinated Indenture Securities of that series. (Subordinated Indenture, Section 801).

In the case of the third event of default listed above, the Subordinated Indenture Trustee may extend the grace period. In addition, if holders of a particular series have given a notice of default, then holders of at least the same percentage of Junior Subordinated Debentures of that series, together with the Subordinated Indenture Trustee, may also extend the grace period. The grace period will be automatically extended if FPL Group Capital or FPL Group, in the case of the FPL Group Capital Subordinated Indenture, or FPL Group, in the case of the FPL Group Subordinated Indenture, has initiated and is diligently pursuing corrective action in good faith. (Subordinated Indenture, Section 801). An event of default with respect to the Subordinated Indenture Securities of a particular series will not necessarily constitute an event of default with respect to Subordinated Indenture Securities of any other series issued under the Subordinated Indenture.

Remedies. If an event of default applicable to the Subordinated Indenture Securities of one or more series, but not applicable to all outstanding Subordinated Indenture Securities, exists, then either the Subordinated Indenture Trustee or the registered owners of at least 33% in aggregate principal amount of the Subordinated Indenture Securities of each of the affected series may declare the principal of and accrued but unpaid interest on all the Subordinated Indenture Securities of that series to be due and payable immediately. (Subordinated Indenture, Section 802).

If the event of default is applicable to all outstanding Subordinated Indenture Securities, then only the Subordinated Indenture Trustee or the registered owners of at least 33% in aggregate principal amount of all outstanding Subordinated Indenture Securities of all series, voting as one class, and not the registered owners of any one series, may make a declaration of acceleration. (Subordinated Indenture, Section 802). However, the event of default giving rise to the declaration relating to any series of Subordinated Indenture Securities will be automatically waived, and that declaration and its consequences will be automatically rescinded and annulled, if, at any time after that declaration and before a judgment or decree for payment of the money due has been obtained:

(1) FPL Group Capital or FPL Group in the case of the FPL Group Capital Subordinated Indenture, or FPL Group in the case of the FPL Group Subordinated Indenture, deposits with the Subordinated Indenture Trustee a sum sufficient to pay:

(a) all overdue interest on all Subordinated Indenture Securities of that series,

(b) the principal of and any premium on any Subordinated Indenture Securities of that series that have become due for reasons other than that declaration, and interest that is then due,

(c) interest on overdue interest for that series, and

(d) all amounts due to the Subordinated Indenture Trustee under the Subordinated Indenture, and

(2) any other event of default with respect to the Subordinated Indenture Securities of that series has been cured or waived as provided in the Subordinated Indenture. (Subordinated Indenture, Section 802).

Other than its obligations and duties in case of an event of default under the Subordinated Indenture, the Subordinated Indenture Trustee is not obligated to exercise any of its rights or powers under the Subordinated Indenture at the request or direction of any of the registered owners of the Subordinated Indenture Securities, unless those registered owners offer reasonable indemnity to the Subordinated Indenture Trustee. (Subordinated Indenture, Section 903). If they provide this reasonable indemnity, the registered owners of a majority in principal amount of any series of Subordinated Indenture Securities will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Subordinated Indenture Trustee, or exercising any trust or power conferred on the Subordinated Indenture Trustee, with respect to the Subordinated Indenture Securities of that series. However, if an event of default under the Subordinated Indenture relates to more than one series of Subordinated Indenture Securities, only the registered owners of a majority in aggregate principal amount of all affected series of Subordinated Indenture Securities, considered as one class, will have the right to make that direction. Also, the direction must not violate any law or the Subordinated Indenture, and may not expose the Subordinated Indenture Trustee to personal liability in circumstances where its indemnity would not, in the Subordinated Indenture Trustee's sole discretion, be adequate. (Subordinated Indenture, Section 812).

No registered owner of Subordinated Indenture Securities of any series will have any right to institute any proceeding under the Subordinated Indenture, or exercise any remedy under the Subordinated Indenture, unless:

(1) that registered owner has previously given to the Subordinated Indenture Trustee written notice of a continuing event of default with respect to the Subordinated Indenture Securities of that series,

(2) the registered owners of a majority in aggregate principal amount of the outstanding Subordinated Indenture Securities of all series in respect of which an event of default under the Subordinated Indenture exists, considered as one class, have made written request to the Subordinated Indenture Trustee, and have offered reasonable indemnity to the Subordinated Indenture Trustee to institute that proceeding in its own name as trustee, and

(3) the Subordinated Indenture Trustee has failed to institute any proceeding, and has not received from the registered owners of a majority in aggregate principal amount of the outstanding Subordinated Indenture Securities of all series in respect of which an event of default under the Subordinated Indenture exists, considered as one class, a direction inconsistent with that request, within 60 days after that notice, request and offer. (Subordinated Indenture, Section 807).

However, these limitations do not apply to a suit instituted by a registered owner of a Subordinated Indenture Security for the enforcement of payment of the principal of or any premium, if any, or interest on that Subordinated Indenture Security on or after the applicable due date specified in that Subordinated Indenture Security. (Subordinated Indenture, Section 808).

Each of FPL Group Capital and FPL Group in the case of the FPL Group Capital Subordinated Indenture, and FPL Group in the case of the FPL Group Subordinated Indenture, is required to deliver to the Subordinated Indenture Trustee an annual statement as to its compliance with all conditions and covenants applicable to it under the Subordinated Indenture. (Subordinated Indenture, Section 606).

Enforcement of Certain Rights by Holders of Preferred Trust Securities. If the Junior Subordinated Debentures were issued in connection with the issuance of Trust Securities and if there is an event of default with respect to Junior Subordinated Debentures held by the Trust, then the holders of Preferred Trust Securities issued by the Trust will rely on the Property Trustee or the Subordinated Indenture Trustee, acting for the benefit of the Property Trustee, to enforce the Property Trustee's rights against FPL Group Capital and FPL Group in the case of the FPL Group Capital Subordinated Indenture, or FPL Group in the case of the FPL Group Subordinated Indenture, as a holder of the Junior Subordinated Debentures. However, in such a situation, a holder of Preferred Trust Securities may enforce the Subordinated Indenture directly against FPL Group Capital in the case of the FPL Group Capital Subordinated Indenture, or FPL Group, in the case of the FPL Group Subordinated Indenture, to the same extent, and upon the same conditions, as if the holder of Preferred Trust Securities held a principal amount of Junior Subordinated Debentures equal to the aggregate liquidation amount of its Preferred Trust Securities. (Subordinated Indenture, Section 610).

Subject to their right to bring suit to enforce their right to payment, the holders of Preferred Trust Securities would not be able to institute any proceeding with respect to the Subordinated Indenture unless the Subordinated Indenture Trustee has failed to do so for 60 days after a request of the holders of at least a majority of the aggregate liquidation amount of outstanding Preferred Trust Securities. Upon such failure, the holders of a majority of the aggregate liquidation amount of the outstanding Preferred Trust Securities would have the right to directly institute proceedings for enforcement of all other rights of the Subordinated Indenture Trustee against FPL Group Capital in the case of the FPL Group Capital Subordinated Indenture, or FPL Group in the case of the FPL Group Subordinated Indenture, to the fullest extent permitted by law. (Subordinated Indenture, Sections 807, 808 and 812).

Modification and Waiver. Without the consent of any registered owner of Subordinated Indenture Securities, FPL Group, the Subordinated Indenture Trustee and, in the case of the FPL Group Capital Subordinated Indenture, FPL Group Capital, may amend or supplement the Subordinated Indenture for any of the following purposes:

(1) to provide for the assumption by any permitted successor to FPL Group Capital or FPL Group of FPL Group Capital's or FPL Group's, in the case of the FPL Group Capital Subordinated Indenture, or by any permitted successor to FPL Group of FPL Group's, in the case of the FPL Group Subordinated Indenture, obligations with respect to the Subordinated Indenture and the Subordinated Indenture Securities in the case of a merger or consolidation or a conveyance, transfer or lease of its properties and assets substantially as an entirety,

(2) to add covenants of FPL Group Capital or FPL Group in the case of the FPL Group Capital Subordinated Indenture, or FPL Group in the case of the FPL Group Subordinated Indenture, or to surrender any right or power conferred upon FPL Group Capital, in the case of the FPL Group Capital Subordinated Indenture, or FPL Group by the Subordinated Indenture,

(3) to add any additional events of default,

(4) to change, eliminate or add any provision of the Subordinated Indenture, provided that if that change, elimination or addition will materially adversely affect the interests of the registered owners of Subordinated Indenture Securities of any series or tranche, that change, elimination or addition will become effective with respect to that series or tranche only

  (a) when the required consent of the registered owners of Subordinated Indenture Securities of that series or tranche has been obtained, or

  (b) when no Subordinated Indenture Securities of that series or tranche remain outstanding under the Subordinated Indenture,

(5) to provide collateral security for all but not a part of the Subordinated Indenture Securities,

(6) to establish the form or terms of Subordinated Indenture Securities of any other series or tranche,

(7) to provide for the authentication and delivery of bearer securities and the related coupons and for other matters relating to those bearer securities,

(8) to accept the appointment of a successor Subordinated Indenture Trustee or co-trustee with respect to the Subordinated Indenture Securities of one or more series and to change any of the provisions of the Subordinated Indenture as necessary to provide for the administration of the trusts under the Subordinated Indenture by more than one trustee,

(9) to add procedures to permit the use of a non-certificated system of registration for the Subordinated Indenture Securities of all or any series or tranche,

(10) to change any place where

(a) the principal of and premium, if any, and interest on all or any series or tranche of Subordinated Indenture Securities are payable,

(b) all or any series or tranche of Subordinated Indenture Securities may be transferred or exchanged, and

(c) notices and demands to or upon FPL Group Capital or FPL Group in the case of the FPL Group Capital Subordinated Indenture, or FPL Group in the case of the FPL Group Subordinated Indenture, in respect of Subordinated Indenture Securities and the Subordinated Indenture may be served, or

(11) to cure any ambiguity or inconsistency or to add or change any other provisions with respect to matters and questions arising under the Subordinated Indenture, provided those changes or additions may not materially adversely affect the interests of the registered owners of Subordinated Indenture Securities of any series or tranche. (Subordinated Indenture, Section 1201).

The registered owners of a majority in aggregate principal amount of the Subordinated Indenture Securities of all series then outstanding may waive compliance by FPL Group Capital or FPL Group in the case of the FPL Group Capital Subordinated Indenture, or by FPL Group in the case of the FPL Group Subordinated Indenture, with certain restrictive provisions of the Subordinated Indenture. (Subordinated Indenture, Section 607). The registered owners of a majority in principal amount of the outstanding Subordinated Indenture Securities of any series may waive any past default under the Subordinated Indenture with respect to that series, except a default in the payment of principal, premium, if any, or interest and a default with respect to certain restrictive covenants or provisions of the Subordinated Indenture that cannot be modified or amended without the consent of the registered owner of each outstanding Subordinated Indenture Security of that series affected. (Subordinated Indenture, Section 813). If the Trust holds Subordinated Indenture Securities of any series, the Trust may not waive compliance, or any default in compliance, by FPL Group Capital or FPL Group with any covenant or term contained in, or any past default under, the Subordinated Indenture or the Subordinated Indenture Securities of such series, without the approval of at least a majority (or such greater percentage required by the Trust Agreement) in aggregate liquidation preference amount of the outstanding Preferred Trust Securities. (Subordinated Indenture, Sections 607 and 813).

In addition to any amendments described above, if the Trust Indenture Act of 1939 is amended after the date of either Subordinated Indenture in a way that requires changes to the Subordinated Indenture or in a way that permits changes to, or the elimination of, provisions that were previously required by the Trust Indenture Act of 1939, the Subordinated Indenture will be deemed to be amended to conform to that amendment of the Trust Indenture Act of 1939 or to make those changes, additions or eliminations. FPL Group Capital and FPL Group in the case of the FPL Group Capital Subordinated Indenture, or FPL Group in the case of the FPL Group Subordinated Indenture, and the Subordinated Indenture Trustee may, without the consent of any registered owners, enter into supplemental indentures to make that amendment. (Subordinated Indenture, Section 1201).

Except for any amendments described above, the consent of the registered owners of a majority in aggregate principal amount of the Subordinated Indenture Securities of all series then outstanding, considered as one class, is required for all other modifications to the Subordinated Indenture. However, if less than all of the series of Subordinated Indenture Securities outstanding are directly affected by a proposed supplemental indenture, then the consent only of the registered owners of a majority in aggregate principal amount of outstanding Subordinated Indenture Securities of all directly affected series, considered as one class, is required. But, if FPL Group Capital or FPL Group, as the case may be, issues any series of Subordinated Indenture Securities in more than one tranche and if the proposed supplemental indenture directly affects the rights of the registered owners of Subordinated Indenture Securities of less than all of those tranches, then the consent only of the registered owners of a majority in aggregate principal amount of the outstanding Subordinated Indenture Securities of all directly affected tranches, considered as one class, will be required. However, none of those amendments or modifications may:

(1) change the dates on which the principal of or interest (except as described above under "—Option to Defer Interest Payments") on a Subordinated Indenture Security is due without the consent of the registered owner of that Subordinated Indenture Security,

(2) reduce any Subordinated Indenture Security's principal amount or rate of interest (or the amount of any installment of that interest) or change the method of calculating that rate without the consent of the registered owner of that Subordinated Indenture Security,

(3) reduce any premium payable upon the redemption of a Subordinated Indenture Security without the consent of the registered owner of that Subordinated Indenture Security,

(4) change the currency (or other property) in which a Subordinated Indenture Security is payable without the consent of the registered owner of that Subordinated Indenture Security,

(5) impair the right to sue to enforce payments on any Subordinated Indenture Security on or after the date that it states that the payment is due (or, in the case of redemption, on or after the redemption date) without the consent of the registered owner of that Subordinated Indenture Security,

(6) in the case of FPL Group Capital Subordinated Indenture, impair the right to receive payments under the Subordinated Guarantee or to institute suit for enforcement of any such payment under the Subordinated Guarantee,

(7) reduce the percentage in principal amount of the outstanding Subordinated Indenture Securities of any series or tranche whose owners must consent to an amendment, supplement or waiver without the consent of the registered owner of each outstanding Subordinated Indenture Security of that series or tranche,

(8) reduce the requirements for quorum or voting of any series or tranche without the consent of the registered owner of each outstanding Subordinated Indenture Security of that series or tranche, or

(9) modify certain of the provisions of the Subordinated Indenture relating to supplemental indentures, waivers of certain covenants and waivers of past defaults with respect to the Subordinated Indenture Securities of any series or tranche, without the consent of the registered owner of each outstanding Subordinated Indenture Security affected by the modification.

A supplemental indenture that changes or eliminates any provision of the Subordinated Indenture that has expressly been included only for the benefit of one or more particular series or tranches of Subordinated Indenture Securities, or that modifies the rights of the registered owners of Subordinated Indenture Securities of that series or tranche with respect to that provision, will not affect the rights under the Subordinated Indenture of the registered owners of the Subordinated Indenture Securities of any other series or tranche. If Junior Subordinated Debentures were issued in connection with the issuance of Trust Securities, so long as any Preferred Trust Securities are outstanding, the Subordinated Indenture Trustee may not consent to any supplemental indenture without the prior consent of the holders of a majority in aggregate liquidation preference of all outstanding Preferred Trust Securities affected or, in the case of changes described in clauses (1) through (9) immediately above, 100% in aggregate liquidation preference of all such outstanding Preferred Trust Securities affected. (Subordinated Indenture, Section 1202).

Each Subordinated Indenture provides that, in order to determine whether the registered owners of the required principal amount of the outstanding Subordinated Indenture Securities have given any request, demand, authorization, direction, notice, consent or waiver under the Subordinated Indenture, or whether a quorum is present at the meeting of the registered owners of Subordinated Indenture Securities, (a) in the case of the FPL Group Capital Subordinated Indenture, Subordinated Indenture Securities owned by FPL Group Capital, FPL Group or any other obligor upon the Subordinated Indenture Securities or any affiliate of FPL Group Capital, FPL Group or of that other obligor (unless FPL Group Capital, FPL Group, that affiliate or that obligor owns all Subordinated Indenture Securities outstanding under the Subordinated Indenture, determined without regard to this provision) and (b) in the case of the FPL Group Subordinated Indenture, Subordinated Indenture Securities owned by FPL Group or any other obligor upon the Subordinated Indenture Securities or any affiliate of FPL Group or of that other obligor (unless FPL Group, that affiliate or that obligor owns all Subordinated Indenture Securities outstanding under the

Subordinated Indenture, determined without regard to this provision), will be disregarded and deemed not to be outstanding. (Subordinated Indenture, Section 101).

If FPL Group Capital, in the case of the FPL Group Capital Subordinated Indenture, or FPL Group solicits any action under the Subordinated Indenture from registered owners of Subordinated Indenture Securities, each of FPL Group Capital or FPL Group in the case of the FPL Group Capital Subordinated Indenture, or FPL Group in the case of the FPL Group Subordinated Indenture, may, at its option, by signing a written request to the Subordinated Indenture Trustee, fix in advance a record date for determining the registered owners of Subordinated Indenture Securities entitled to take that action. However, neither FPL Group Capital nor FPL Group will be obligated to do this. If FPL Group Capital or FPL Group in the case of the FPL Group Capital Subordinated Indenture, or FPL Group in the case of the FPL Group Subordinated Indenture, as the case may be, fixes such a record date, that action may be taken before or after that record date, but only the registered owners of record at the close of business on that record date will be deemed to be registered owners of Subordinated Indenture Securities for the purposes of determining whether registered owners of the required proportion of the outstanding Subordinated Indenture Securities have authorized that action. For these purposes, the outstanding Subordinated Indenture Securities will be computed as of the record date. Any action of a registered owner of any Subordinated Indenture Security under the Subordinated Indenture will bind every future registered owner of that Subordinated Indenture Security, or any Subordinated Indenture Security replacing that Subordinated Indenture Security, with respect to anything that the Subordinated Indenture Trustee, FPL Group Capital or FPL Group in the case of the FPL Group Capital Subordinated Indenture, or FPL Group in the case of the FPL Group Subordinated Indenture, do, fail to do, or allow to be done in reliance on that action, whether or not that action is noted upon that Subordinated Indenture Security. (Subordinated Indenture, Section 104).

Resignation and Removal of Subordinated Indenture Trustee. The Subordinated Indenture Trustee may resign at any time with respect to any series of Subordinated Indenture Securities by giving written notice of its resignation to FPL Group Capital and FPL Group in the case of the FPL Group Capital Subordinated Indenture, or FPL Group in the case of the FPL Group Subordinated Indenture. Also, the registered owners of a majority in principal amount of the outstanding Subordinated Indenture Securities of one or more series of Subordinated Indenture Securities may remove the Subordinated Indenture Trustee at any time with respect to the Subordinated Indenture Securities of that series, by delivering an instrument evidencing this action to the Subordinated Indenture Trustee, FPL Group Capital and FPL Group in the case of the FPL Group Capital Subordinated Indenture, and to FPL Group in the case of the FPL Group Subordinated Indenture. However, if Junior Subordinated Debentures were issued in connection with the issuance of Trust Securities, so long as any Preferred Trust Securities remain outstanding, the Trust cannot deliver an instrument evidencing this action without the consent of the holders of a majority in aggregate liquidation preference of Preferred Trust Securities outstanding. (Subordinated Indenture, Section 910). The resignation or removal of the Subordinated Indenture Trustee and the appointment of a successor trustee will not become effective until a successor trustee accepts its appointment.

Except with respect to a Subordinated Indenture Trustee appointed by the registered owners of Subordinated Indenture Securities, the Subordinated Indenture Trustee will be deemed to have resigned and the successor will be deemed to have been appointed as trustee in accordance with the Subordinated Indenture if:

(1) no event of default under the Subordinated Indenture or event that, after notice or lapse of time, or both, would become an event of default under the Subordinated Indenture exists, and

(2) FPL Group Capital and FPL Group in the case of the FPL Group Capital Subordinated Indenture, or FPL Group in the case of the FPL Group Subordinated Indenture, have delivered to the Subordinated Indenture Trustee resolutions of their Boards of Directors appointing a successor trustee and that successor trustee has accepted that appointment in accordance with the terms of the Subordinated Indenture. (Subordinated Indenture, Section 910).

Notices. Notices to registered owners of Subordinated Indenture Securities will be sent by mail to the addresses of those registered owners as they appear in the security register for those Subordinated Indenture Securities. (Subordinated Indenture, Section 106).

Title. The person in whose name a Subordinated Indenture Security is registered may be treated as the absolute owner of that Subordinated Indenture Security, whether or not that Subordinated Indenture Security is overdue, for the purpose of making payments and for all other purposes, regardless of any notice to the contrary. (Subordinated Indenture, Section 308).

Governing Law. The Subordinated Indenture and the Subordinated Indenture Securities will be governed by, and construed in accordance with, the laws of the State of New York, without regard to New York's conflict of law principles, except to the extent that the law of any other jurisdiction is mandatorily applicable. (Subordinated Indenture, Section 112).

INFORMATION CONCERNING THE TRUSTEES

FPL Group and its subsidiaries, including FPL Group Capital, also maintain various banking and trust relationships with The Bank of New York. In addition to acting as Subordinated Indenture Trustee, security registrar and paying agent under the FPL Group Capital Subordinated Indenture, The Bank of New York acts, or would act, as (i) Indenture Trustee, security registrar and paying agent under the Indenture described under "Description of FPL Group Capital Senior Debt Securities" above, (ii) Guarantee Trustee under the Guarantee Agreement described under "Description of the FPL Group Capital Senior Debt Securities Guarantee" above, (iii) purchase contract agent under a purchase contract agreement described under "Description of Stock Purchase Contracts and Stock Purchase Units" above, (iv) Preferred Trust Securities Guarantee Trustee under the Preferred Trust Securities Guarantee Agreement described under "Description of the Preferred Trust Securities Guarantee" above, (v) Property Trustee under the Trust Agreement and (vi) Subordinated Indenture Trustee, security registrar and paying agent under the FPL Group Subordinated Indenture. In addition, The Bank of New York acts as preferred trust securities trustee and property trustee with respect to FPL Group Capital Trust I's preferred trust securities. The Bank of New York (Delaware) acts as the Delaware Trustee under the Trust Agreement and as Delaware trustee under the Trust Agreement entered into in connection with FPL Group Capital Trust I's preferred trust securities.

PLAN OF DISTRIBUTION

FPL Group, FPL Group Capital and the Trust may sell the securities offered pursuant to this prospectus ("Offered Securities"):

(1) through underwriters or dealers,

(2) through agents, or

(3) directly to one or more purchasers.

Through Underwriters or Dealers. If FPL Group, FPL Group Capital and/or the Trust uses underwriters in the sale of the Offered Securities, the underwriters will acquire the Offered Securities for their own account. The underwriters may resell the Offered Securities 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 Offered Securities directly or through underwriting syndicates represented by managing underwriters. Unless otherwise stated in the prospectus supplement relating to the Offered Securities, the obligations of the underwriters to purchase those Offered Securities will be subject to certain conditions, and the underwriters will be obligated to purchase all of those Offered Securities if they purchase any of them. If FPL Group, FPL Group Capital and/or the Trust uses a dealer in the sale, FPL Group, FPL Group Capital and/or the Trust will sell the Offered Securities to the dealer as principal. The dealer may then resell those Offered Securities 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 Group, FPL Group Capital and/or the Trust may designate one or more agents to sell the Offered Securities. 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 Group, FPL Group Capital and/or the Trust may sell the Offered Securities 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 Group, FPL Group Capital and/or the Trust from the sale of the Offered Securities, any initial public offering price and other terms of the offering of those Offered Securities.

FPL Group, FPL Group Capital and/or the Trust may authorize underwriters, dealers or agents to solicit offers by certain institutions to purchase the Offered Securities from FPL Group, FPL Group Capital and/or the Trust 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.

The Offered Securities may also be offered and sold, if so indicated in the applicable prospectus supplement, in connection with a remarketing upon their purchase, in accordance with a redemption or repayment pursuant to their terms, or otherwise, by one or more firms, which are referred to herein as the "remarketing firms," acting as principals for their own accounts or as our agent or the applicable trust's agents, as applicable. Any remarketing firm will be identified and the terms of its agreement, if any, with FPL Group, FPL Group Capital and/or the Trust and its compensation will be described in the applicable prospectus supplement. Remarketing firms may be deemed to be underwriters, as that term is defined in the Securities Act of 1933, in connection with the securities remarketed thereby.

FPL Group, FPL Group Capital and/or the Trust may enter into derivative transactions with third parties, or sell securities not covered by this prospectus to third parties in privately negotiated transactions. If the applicable prospectus supplement indicates, in connection with those derivatives, the third parties may sell securities covered by this prospectus and the applicable prospectus supplement, including in short sale transactions. If so, the third party may use securities pledged by FPL Group, FPL Group Capital and/or the Trust or borrowed from any of them or others to settle those sales or to close out any related open borrowings of securities, and may use securities received from FPL Group, FPL Group Capital and/or the Trust in settlement of those derivatives to close out any related open borrowings of securities. The third party in such sale transactions will be an underwriter and, if not identified in this prospectus, will be identified in the applicable prospectus supplement.

FPL Group, FPL Group Capital and/or the Trust 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 and management's report on the effectiveness of internal control over financial reporting incorporated in this prospectus by reference from FPL Group's Annual Report on Form 10-K for the year ended December 31, 2005, have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

LEGAL OPINIONS

Squire, Sanders & Dempsey L.L.P., Miami, Florida, and Thelen Reid & Priest LLP, New York, New York, co-counsel to FPL Group, FPL Group Capital and the Trust, will pass upon the legality of the Offered Securities for FPL Group, FPL Group Capital and the Trust. Hunton & Williams LLP, New York, New York, will pass upon the legality of the Offered Securities for any underwriter, dealer or agent. Certain matters of Delaware law relating to the validity of the Preferred Trust Securities, the enforceability of the Trust Agreement and the creation of the Trust

will be passed upon by Morris, James, Hitchens & Williams LLP, special Delaware counsel to FPL Group, FPL Group Capital and the Trust. Thelen Reid & Priest LLP and Hunton & Williams LLP may rely as to all matters of Florida law upon the opinion of Squire, Sanders & Dempsey L.L.P., and on the opinion of Morris, James, Hitchens & Williams LLP, as to matters involving the law of the State of Delaware in connection with the Preferred Trust Securities. Squire, Sanders & Dempsey L.L.P. may rely as to all matters of New York law upon the opinion of Thelen Reid & Priest LLP, and on the opinion of Morris, James, Hitchens & Williams LLP, as to matters involving the law of the State of Delaware in connection with the Preferred Trust Securities.

You should rely only on the information incorporated by reference or provided in this prospectus or any prospectus supplement or in any written communication from FPL Group, FPL Group Capital or the Trust specifying the final terms of a particular offering of securities. Neither FPL Group, FPL Group Capital nor the Trust has authorized anyone else to provide you with additional or different information. Neither FPL Group, FPL Group Capital nor the Trust 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 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.

PROSPECTUS

FLORIDA POWER & LIGHT COMPANY

First Mortgage Bonds,
and
Junior Subordinated Debentures

FLORIDA POWER & LIGHT COMPANY TRUST I
FLORIDA POWER & LIGHT COMPANY TRUST II

Preferred Trust Securities

Guaranteed as described in this prospectus by

FLORIDA POWER & LIGHT COMPANY

Each of Florida Power & Light Company, Florida Power & Light Company Trust I and Florida Power & Light Company Trust II may offer any combination of the securities described in this prospectus in one or more offerings from time to time in amounts authorized from time to time.

Florida Power & Light Company, Florida Power & Light Company Trust I and Florida Power & Light Company Trust II will provide specific terms of the securities, including the 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, Florida Power & Light Company Trust I and Florida Power & Light Company Trust II 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 36 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 purchasing any of the securities being offered.

Florida Power & Light Company's, Florida Power & Light Company Trust I's and Florida Power & Light Company Trust II's principal executive offices are located at 700 Universe Boulevard, Juno Beach, Florida 33408, telephone number (561) 694-4000, and their 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.

September 5, 2006

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that Florida Power & Light Company ("FPL"), Florida Power & Light Company Trust I and Florida Power & Light Company Trust II, among other registrants, have filed with the Securities and Exchange Commission ("SEC") using a "shelf" registration process. Florida Power & Light Company Trust I and Florida Power & Light Company Trust II are each referred to in this prospectus as the "Trust."

Under this shelf registration process, FPL and/or the Trust may issue and sell any combination of the securities described in this prospectus in one or more offerings from time to time. As of the date of this prospectus, FPL and/or the Trust are each authorized to issue securities up to a maximum aggregate offering price of $700,000,000, provided that the aggregate amount of all such securities or combinations of such securities offered by FPL and the Trust under the registration statement as of this date may not exceed $700,000,000. The aggregate amount of securities which FPL and/or the Trust are authorized to issue pursuant to this registration statement may be increased in the future. FPL may offer first mortgage bonds, junior subordinated debentures and guarantees related to the preferred trust securities which the Trust may offer and the Trust may offer preferred trust securities.

This prospectus provides you with a general description of the securities that FPL and/or the Trust may offer. Each time FPL and/or the Trust sells securities, FPL and/or the Trust will provide a prospectus supplement that will contain specific information about the terms of that offering. Material United States federal income tax considerations applicable to the offered securities will be discussed in the applicable prospectus supplement if necessary. 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 risk factors and 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 as well as changing governmental policies and regulatory actions, including initiatives regarding deregulation and restructuring of the energy industry. FPL holds franchise agreements with local municipalities and counties, and must renegotiate expiring agreements. These factors may have a negative impact on the business and results of operations of FPL.

FPL is subject to complex laws and regulations, and to changes in laws or regulations, including the Public Utility Regulatory Policies Act of 1978, the Public Utility Holding Company Act of 2005, the Federal Power Act, the Atomic Energy Act of 1954, the Energy Policy Act of 2005 and certain sections of the Florida statutes relating to public utilities, 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 by FPL of any and all 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 as well as the effect of changes in or additions to applicable 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 operates in a changing market environment influenced by various legislative and regulatory initiatives regarding deregulation, regulation or restructuring of the energy industry, including deregulation or restructuring of the production and sale of electricity. FPL will need to adapt to these changes and may face increasing competitive pressure.

FPL's results of operations could be affected by its ability to renegotiate franchise agreements with municipalities and counties in Florida.

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, including the supply and transportation of fuel, 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'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, the potential payment of significant retrospective insurance premiums, 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 adversely 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 within established budgets 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 and forwards to manage its commodity and financial market 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 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 Florida Public Service Commission.

FPL Group, Inc.'s proposed merger with Constellation Energy Group, Inc. is subject to receipt of consents or approvals from governmental entities that could delay or prevent the completion of the merger or impose conditions that could have a material adverse effect on the combined company or that could cause abandonment of the merger.

Completion of the proposed merger between FPL Group, Inc. ("FPL Group") and Constellation Energy Group, Inc. ("Constellation Energy") is conditioned upon the receipt of consents, orders, approvals or clearances, as required, from the Federal Energy Regulatory Commission and the public service commissions or similar entities in several of the states in which Constellation Energy and/or FPL Group operate electric and/or gas businesses, including the state of Maryland. Among other things, governmental entities could condition their approval of the merger upon Constellation Energy and/or FPL Group entering into agreements to restrict the operations of the combined businesses in accordance with specified business conduct rules to divest generation facilities or to take other actions which governmental entities deem necessary or desirable in the public interest. The terms of any such conditions that may be imposed, if any, are not known by FPL Group as of the date hereof. If those approvals are not received, or they are not received on terms that satisfy the conditions set forth in the merger agreement, then neither Constellation Energy nor FPL Group will be required to complete the merger. Recently adopted energy legislation in Maryland requires the appointment of a new group of commissioners at the Maryland Public Service Commission ("MPSC") and directs the MPSC to complete a prompt and comprehensive review of the merger pursuant to new standards. These changes have created additional uncertainty about the MPSC approval process and may result in substantial delay in the timing of required MPSC approval of the merger or the imposition of terms and conditions that are unfavorable to the combined company, such as a requirement to share expected merger savings with utility customers. In addition, one lawsuit has been filed challenging the constitutionality of certain provisions of the new legislation, and additional lawsuits may be filed in the future. The outcome of such litigation and the additional uncertainty that could result cannot be predicted. A substantial delay in obtaining required approvals or the imposition of unfavorable terms or conditions in connection with such approvals could have a material adverse effect on the business, financial condition or results of operations of FPL Group, FPL or the combined company. In addition, delays or unfavorable terms could lead Constellation Energy or FPL Group to become involved in litigation with one or more governmental entities or may cause the abandonment of the merger.

FPL will be subject to business uncertainties and contractual restrictions while the merger is pending that could adversely affect its business.

Uncertainty about the effect of the merger on employees and customers may have an adverse effect on FPL regardless of whether the merger is eventually completed. Although FPL has taken steps designed to reduce any adverse effects, these uncertainties may impair FPL's ability to attract, retain and motivate key personnel until the merger is completed, or the merger agreement is terminated, and for a period of time thereafter. These uncertainties also could cause customers, suppliers and others that deal with FPL to seek to change existing business relationships with FPL.

Employee retention and recruitment may be particularly challenging during the pendency of the merger, as employees and prospective employees may be uncertain about their future roles with the combined company. If, despite FPL's retention and recruiting efforts, key employees depart or fail to accept employment with either of the companies because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with the combined company, FPL's business could be seriously harmed.

The pursuit of the merger and the preparation for the integration of Constellation Energy and FPL Group place a significant burden on management and internal resources. The diversion of management attention away from day-to-day business concerns and any difficulties encountered in the transition and integration process could harm FPL's business, financial condition and operating results, regardless of whether the merger is eventually completed.

In addition, the merger agreement restricts FPL Group and its subsidiaries, including FPL, without Constellation Energy's consent, from making certain acquisitions and taking other specified actions until the merger occurs or the merger agreement terminates. These restrictions may prevent FPL from pursuing otherwise attractive business opportunities and making other changes to its business prior to completion of the merger or termination of the merger agreement.

Because FPL and FPL Group rely on access to capital markets, the inability to maintain current credit ratings and 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, 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.

Customer growth in FPL's service area affects its results of operations.

FPL's results of operations are affected by the growth in customer accounts in FPL's service area. Customer growth can be affected by population growth as well as economic factors in Florida, including job and income growth, housing starts and new home prices. Customer growth directly influences the demand for electricity and the need for additional power generation and power delivery facilities at FPL.

Weather affects FPL's results of operations.

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. FPL's results of operations can be affected by the impact of severe weather which can be destructive, causing outages and/or property damage, may affect fuel supply, and could require additional costs to be incurred. Recovery of these costs is subject to Florida Public Service Commission approval.

FPL is subject to costs and other effects of legal proceedings as well as changes in or additions to applicable tax laws, rates or 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 laws, rates or policies, rates of inflation, accounting standards, securities laws and 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.

FPL's ability to obtain insurance and the terms of any available insurance coverage could be affected by national, state or local events 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, state or local 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 and work stoppage that could affect the business and financial condition of FPL.

FLORIDA POWER & LIGHT COMPANY

FPL was incorporated under the laws of Florida in 1925 and is a rate-regulated utility engaged primarily 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 more than 8 million. During 2005, FPL served approximately 4.3 million customer accounts. FPL is a wholly-owned subsidiary of FPL Group, Inc.

FLORIDA POWER & LIGHT COMPANY TRUST I AND FLORIDA POWER & LIGHT COMPANY TRUST II

Florida Power & Light Company Trust I and Florida Power & Light Company Trust II are Delaware statutory trusts created pursuant to separate trust agreements among FPL as depositor of the Trust, The Bank of New York as the Property Trustee, The Bank of New York (Delaware) as the Delaware Trustee and one or more Administrative Trustees appointed by FPL. The trust agreements will be amended and restated substantially in the form filed as an exhibit to the registration statement. Each trust agreement, as so amended and restated, is referred to in this prospectus as the "Trust Agreement." The Trust exists only to issue its preferred trust securities and common trust securities and to hold the junior subordinated debentures of FPL as trust assets. All of the common trust securities will be owned by FPL. Unless otherwise stated in a prospectus supplement, the common trust securities will represent at least 3% of the total capital of the Trust. Payments on any distribution payment date or redemption date will be made on the common trust securities pro rata with the preferred trust securities, except that the common trust securities' right to payment will be subordinated to the rights of the preferred trust securities if there is a default under the Trust Agreement. The Trust will have a term as stated in the applicable prospectus supplement, but may dissolve earlier as provided in the Trust Agreement.

The Trust's business and affairs will be conducted by its Administrative Trustees. The office of the Delaware Trustee in the State of Delaware is White Clay Center, Route 273, Newark, Delaware 19711. The principal place of business of the Trust is 700 Universe Boulevard, Juno Beach, Florida 33408, and the telephone number is (561) 694-4000.

USE OF PROCEEDS

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

The Trust will use the proceeds from the sale of preferred trust securities and common trust securities to invest in junior subordinated debentures issued by FPL. FPL will add the net proceeds from the sale of such junior subordinated debentures to its general funds, which will be used as described above.

CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES AND RATIO OF EARNINGS TO COMBINED FIXED CHARGES PLUS PREFERRED DIVIDENDS

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

Years Ended December 31,				
2005	2004	2003	2002	2001
5.74	6.74	7.23	7.47	6.44

The following table shows FPL's consolidated ratio of earnings to combined fixed charges and preferred stock dividends for each of its last five fiscal years:

Years Ended December 31,				
2005	2004	2003	2002	2001
5.74	6.67	6.52	6.61	5.77

FPL's consolidated ratio of earnings to fixed charges and consolidated ratio of earnings to combined fixed charges and preferred stock dividends for the six months ended June 30, 2006 was 4.04.

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 100 F Street, N.E., 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 (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 (www.fpl.com).

No separate financial statements of the Trust are included in this prospectus. FPL and the Trust do not consider those financial statements to be material to holders of the preferred trust securities because (1) the Trust is a special purpose entity and has no operating history or independent operations, and (2) the Trust is not engaged in and does not propose to engage in any activity other than holding as trust assets the junior subordinated debentures of FPL and issuing its preferred trust securities and common trust securities. FPL and the Trust do not expect the Trust to file periodic reports under Sections 13 or 15(d) of the Securities Exchange Act of 1934.

INCORPORATION BY REFERENCE

The SEC allows FPL and the Trust to "incorporate by reference" the information that FPL files with the SEC, which means that FPL and the Trust 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 and the Trust are 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 after the date of this prospectus until FPL and/or the Trust sell all of these securities:

(1) FPL's Annual Report on Form 10-K for the year ended December 31, 2005;

(2) FPL's Quarterly Report on Form 10-Q for the quarters ended March 31, 2006 and June 30, 2006; and

(3) FPL's Current Reports on Form 8-K filed with the SEC on January 5, 2006, April 24, 2006, May 19, 2006 and May 26, 2006.

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.

FORWARD-LOOKING STATEMENTS

In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, FPL and the Trust are 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 and the Trust 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," "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 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 have a significant impact on FPL's operations and financial results, and could cause FPL's actual results to differ materially from those contained in forward-looking statements made by or on behalf of FPL or the Trust.

Any forward-looking statement speaks only as of the date on which that statement is made, and neither FPL nor the Trust undertakes any obligation to update any forward-looking statement to reflect events or circumstances, including unanticipated events, after the date on which that statement is made. 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 herein by reference 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 first mortgage bonds, 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, may be supplemented prior to the issuance of these first mortgage bonds, and which will be supplemented again by one or more supplemental indentures relating to these first mortgage bonds. This Mortgage and Deed of Trust, as amended and supplemented, is referred to in this prospectus as the "Mortgage." These first mortgage bonds 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.

All Bonds of one series need not be issued at the same time, and a series may be re-opened for issuances of additional Bonds of such series. This means that FPL may from time to time, without notice to, or the consent of the existing holders of the Bonds of a particular series, create and issue additional Bonds of such series. Such additional Bonds will have the same terms as the Bonds of such series in all respects (except for the payment of interest accruing prior to the issue date of the additional Bonds or except for the first payments of interest following the issue date of the additional Bonds) so that the additional Bonds may be consolidated and form a single series with the Bonds of such series.

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 for such reason at the redemption prices applicable to those First Mortgage Bonds. If any Bonds are so 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 June 30, 2006, FPL could have issued under the Mortgage in excess of $5.8 billion of additional First Mortgage Bonds based on unfunded Property Additions and in excess of $5.5 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 June 30, 2006, 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. 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.

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.

DESCRIPTION OF PREFERRED TRUST SECURITIES

General. The Trust may issue preferred trust securities and common trust securities under the Trust Agreement. The terms of the agreements pursuant to which the preferred trust securities of the Trust will be issued are substantially the same; each of these agreements is referred to in this prospectus as the "Trust Agreement." The preferred trust securities and common trust securities issued by the Trust are referred to in this prospectus as "Preferred Trust Securities" and "Common Trust Securities," respectively, and collectively as "Trust Securities." These Trust Securities will represent undivided beneficial interests in the assets of the Trust. The Junior Subordinated Debentures (as defined below under "Description of Junior Subordinated Debentures") will be held by the Trust. This section briefly summarizes some of the provisions of the Trust Agreement. This summary does not contain a complete description of the Trust Agreement. You should read this summary together with the Trust Agreement for a complete understanding of all the provisions. The form of the Trust Agreement has been previously filed with the SEC and is an exhibit to the registration statement filed with the SEC of which this prospectus is a part. In addition, each Trust Agreement will be 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.

In this section, any discussion of the Trust, Preferred Trust Securities and Common Trust Securities relate only to the applicable Trust. Holders of Preferred Trust Securities of the Trust will be entitled to any of the benefits and protections contained in the Trust Agreement applicable to the particular Trust which issued the relevant Trust Securities and not with respect to any other Trust.

The Preferred Trust Securities and Common Trust Securities issued by the Trust will be substantially the same except that, if there is an event of default under the Trust Agreement, as described below, that results from an event of default under the Subordinated Indenture (as such term is defined below under "Description of the Junior Subordinated Debentures—General"), the right of FPL, as holder of the Common Trust Securities, to payment of distributions and upon liquidation or redemption will be subordinated to the rights of the holders of the Preferred Trust Securities. (Trust Agreement, Section 4.03). All of the Common Trust Securities will be owned by FPL. (Trust Agreement, Section 5.10).

FPL will fully and unconditionally guarantee payments due on the Preferred Trust Securities issued by the Trust through a combination of the following:

(1) FPL's obligations under the Junior Subordinated Debentures;

(2) the rights of holders of Preferred Trust Securities to enforce those obligations;

(3) FPL's agreement to pay the expenses of the Trust; and

(4) FPL's guarantee of payments due on the Preferred Trust Securities to the extent of the Trust's legally available assets (referred to in this prospectus as the "Preferred Trust Securities Guarantee").

No single one of the documents listed above standing alone or operating in conjunction with fewer than all of the other documents constitutes the guarantee by FPL. It is only the combined operation of these documents that has the effect of providing a full and unconditional, but subordinated, guarantee as to payment by FPL of the Preferred Trust Securities.

The Trust will use the proceeds from its sale of the Trust Securities to purchase Junior Subordinated Debentures from FPL. (Trust Agreement, Section 2.05). The Junior Subordinated Debentures will be issued under a subordinated indenture between FPL and The Bank of New York, as trustee. The Junior Subordinated Debentures will be held in trust for the benefit of holders of the applicable Preferred Trust Securities and Common Trust Securities. (Trust Agreement, Section 2.09).

A prospectus supplement relating to the Preferred Trust Securities will include specific terms of those securities and of the Junior Subordinated Debentures issued in connection therewith. For a description of some specific terms that will affect both the Preferred Trust Securities and the Junior Subordinated Debentures, and holders' rights under each, see "Description of the Junior Subordinated Debentures" below.

Distributions. The only income of the Trust available for distribution to the holders of Preferred Trust Securities will be payments on the applicable Junior Subordinated Debentures. (Trust Agreement, Section 8.01). If FPL does not make interest payments on the Junior Subordinated Debentures, the Trust will not have funds available to pay distributions on Preferred Trust Securities. The payment of distributions, if and to the extent the Trust has sufficient funds available for the payment of such distributions, is guaranteed on a limited basis by FPL as described under "Description of the Preferred Trust Securities Guarantee."

Unless otherwise provided in the related prospectus supplement, FPL may have the option to defer the payment of interest from time to time on the Junior Subordinated Debentures for one or more periods, in which case, distributions on the Preferred Trust Securities would be deferred during any such period. Unless otherwise provided in the related prospectus supplement, distributions would, however, continue to accumulate. (Trust Agreement, Section 4.01). Unless otherwise provided in a related prospectus supplement, during any optional deferral period, or for so long as an "Event of Default" under the Subordinated Indenture resulting from a payment default or a payment default under the Preferred Trust Securities Guarantee has occurred and is continuing, FPL may not:

(1) declare or pay any dividend or distribution on its capital stock;

(2) redeem, purchase, acquire or make a liquidation payment with respect to any of its capital stock;

(3) pay any principal, interest or premium on, or repay, repurchase or redeem any debt securities that are equal or junior in right of payment with the Junior Subordinated Debentures; or

(4) make any payments with respect to any guarantee of debt securities if such guarantee is equal or junior in right of payment to the Junior Subordinated Debentures,

other than

(1) purchases, redemptions or other acquisitions of its capital stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or agents or a stock purchase or dividend reinvestment plan, or the satisfaction of its obligations pursuant to any contract or security outstanding on the date that the interest payment period is extended requiring it to purchase, redeem or acquire its capital stock;

(2) any payment, repayment, redemption, purchase, acquisition or declaration of dividend listed as restricted payments in clauses (1) and (2) above as a result of a reclassification of its capital stock or the exchange or conversion of all or a portion of one class or series of its capital stock for another class or series of its capital stock;

(3) the purchase of fractional interests in shares of its capital stock pursuant to the conversion or exchange provisions of its capital stock or the security being converted or exchanged, or in connection with the settlement of stock purchase contracts;

(4) dividends or distributions paid or made in its capital stock (or rights to acquire its capital stock), or repurchases, redemptions or acquisitions of capital stock in connection with the issuance or exchange of capital stock (or of securities convertible into or exchangeable for shares of its capital stock and distributions in connection with the settlement of stock purchase contracts);

(5) redemptions, exchanges or repurchases of, or with respect to, any rights outstanding under a shareholder rights plan or the declaration or payment thereunder of a dividend or distribution of or with respect to rights in the future; or

(6) payments under any preferred trust securities guarantee or guarantee of junior subordinated debentures executed and delivered by FPL concurrently with the issuance by a trust of any preferred trust securities, so long as the amount of payments made on any preferred trust securities or junior subordinated debentures (as the case may be) is paid on all preferred trust securities or junior subordinated debentures (as the case may be) then outstanding on a pro rata basis in proportion to the full distributions to which each series of preferred trust securities or junior subordinated debentures (as the case may be) is then entitled if paid in full.

Unless otherwise provided in the related prospectus supplement, before an optional deferral period ends, FPL may further defer the payment of interest. Unless otherwise provided in the related prospectus supplement, no optional deferral period may exceed the period of time specified in that prospectus supplement. After any optional deferral period and the payment of all amounts then due, FPL may select a new optional deferral period. No interest period may be deferred beyond the maturity of the Junior Subordinated Debentures.

Redemption. Whenever Junior Subordinated Debentures are repaid, whether at maturity or earlier redemption, the Property Trustee will apply the proceeds to redeem a like amount of Preferred Trust Securities and Common Trust Securities. (Trust Agreement, Section 4.02(a)).

Preferred Trust Securities will be redeemed at the redemption price plus accrued and unpaid distributions with the proceeds from the contemporaneous redemption or repayment of Junior Subordinated Debentures. Redemptions of the Preferred Trust Securities will be made on a redemption date only if the Trust has funds available for the payment of the redemption price plus accrued and unpaid distributions. (Trust Agreement, Section 4.02(c)).

Holders of Preferred Trust Securities will be given not less than 30 nor more than 60 days' notice of any redemption. (Trust Agreement, Section 4.02(b)). On or before the redemption date, the Trust will irrevocably deposit with the paying agent for Preferred Trust Securities sufficient funds and will give the paying agent irrevocable instructions and authority to pay the redemption price plus accrued and unpaid distributions to the holders upon surrender of their Preferred Trust Securities. Distributions payable on or before a redemption date will be payable to the holders on the record date for the distribution payment. If notice is given and funds are deposited as required, then on the redemption date all rights of holders of the Preferred Trust Securities called for redemption will cease, except the right of the holders to receive the redemption price plus accrued and unpaid distributions, and the Preferred Trust Securities will cease to be outstanding. No interest will accrue on amounts payable on the redemption date. In the event that any date fixed for redemption of Preferred Trust Securities is not a business day, then payment will be made on the next business day, except that, if such business day falls in the next calendar year, then payment will be made on the immediately preceding business day. No interest will be payable because of any such delay. If payment of Preferred Trust Securities called for redemption is improperly withheld or refused and not paid either by the Trust or by FPL pursuant to the Preferred Trust Securities Guarantee, distributions on such Preferred Trust Securities will continue to accrue to the date of payment. In that event, the actual payment date will be considered the date fixed for redemption for purposes of calculating the redemption price plus accrued and unpaid distributions. (Trust Agreement, Section 4.02(d)).

Subject to applicable law, including United States federal securities laws, FPL or its affiliates may at any time and from time to time purchase outstanding Preferred Trust Securities by tender, in the open market or by private agreement.

If Preferred Trust Securities are partially redeemed on a redemption date, a corresponding percentage of the Common Trust Securities will be redeemed. The particular Preferred Trust Securities to be redeemed will be selected not more than 60 days prior to the redemption date by the Property Trustee by such method as the Property Trustee shall deem fair, taking into account the denominations in which they were issued. The Property Trustee will promptly notify the Preferred Trust Security registrar in writing of the Preferred Trust Securities selected for redemption and, where applicable, the partial amount to be redeemed. (Trust Agreement, Section 4.02(f)).

Subordination of Common Trust Securities. Payment of distributions on, and the redemption price, plus accrued and unpaid distributions, of, the Preferred Trust Securities and Common Trust Securities shall be made pro rata based on the liquidation preference amount of such securities. However, if on any distribution payment date or redemption date an event of default under the Trust Agreement resulting from an event of default under the related Subordinated Indenture has occurred and is continuing, no payment on any Common Trust Security shall be made until all payments due on the Preferred Trust Securities have been made. In that case, funds available to the Property Trustee shall first be applied to the payment in full of all distributions on, or the redemption price plus accrued and unpaid distributions of, Preferred Trust Securities then due and payable. (Trust Agreement, Section 4.03(a)).

If an event of default under the Trust Agreement results from an event of default under the related Subordinated Indenture, the holder of Common Trust Securities cannot take action with respect to the Trust Agreement default until the effect of all defaults with respect to the Preferred Trust Securities has been cured, waived or otherwise eliminated. Until the event of default under the Trust Agreement with respect to Preferred Trust Securities has been cured, waived or otherwise eliminated, the Property Trustee shall, to the fullest extent permitted by law, act solely on behalf of the holders of Preferred Trust Securities and not the holder of the Common Trust Securities, and only the holders of Preferred Trust Securities will have the right to direct the Property Trustee to act on their behalf. (Trust Agreement, Section 4.03(b)).

Liquidation Distribution upon Dissolution. The Trust will be dissolved and liquidated by the Property Trustee on the first to occur of:

(1) the expiration of the term of the Trust;

(2) the bankruptcy, dissolution or liquidation of FPL;

(3) the redemption of all of the Preferred Trust Securities of the Trust;

(4) the entry of an order for dissolution of the Trust by a court of competent jurisdiction; or

(5) at any time, at the election of FPL. (Trust Agreement, Sections 9.01 and 9.02).

If a dissolution of the Trust occurs, the Trust will be liquidated by the Property Trustee as expeditiously as the Property Trustee determines to be appropriate. If a dissolution of the Trust occurs other than by redemption of all the Preferred Trust Securities, the Property Trustee will provide for the satisfaction of liabilities of creditors, if any, and distribute to each holder of the Preferred Trust Securities and Common Trust Securities a proportionate amount of Junior Subordinated Debentures. If a distribution of Junior Subordinated Debentures is determined by the Property Trustee not to be practical, holders of Preferred Trust Securities will be entitled to receive, out of the assets of the Trust after adequate provision for the satisfaction of liabilities of creditors, if any, an amount equal to the aggregate liquidation preference of the Preferred Trust Securities plus accrued and unpaid distributions thereon to the date of payment. If this liquidation distribution can be paid only in part because the Trust has insufficient assets available to pay in full the aggregate liquidation distribution, then the amounts payable by the Trust on the Preferred Trust Securities shall be paid on a pro rata basis. FPL, as holder of the Common Trust Securities, will be entitled to receive distributions upon any dissolution pro rata with the holders of the Preferred Trust Securities, except that if an event of default (or event that, with the lapse of time or giving of notice, would become such an event of default) has occurred and is continuing under the related Subordinated Indenture, the Preferred Trust Securities will have a preference over the Common Trust Securities. (Trust Agreement, Section 9.04).

Events of Default; Notice. Any one of the following events will be an event of default under the Trust Agreement whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body:

(1) the occurrence of an event of default as described in the related Subordinated Indenture;

(2) default by the Trust in the payment of any distribution when it becomes due and payable, and continuation of that default for a period of 30 days;

(3) default by the Trust in the payment of any redemption price, plus accrued and unpaid distributions, of any Preferred Trust Security or Common Trust Security when it becomes due and payable;

(4) default in the performance, or breach, in any material respect, of any covenant or warranty of the trustees in the Trust Agreement which is not dealt with above, and continuation of that default or breach for a period of 90 days after written notice to the Trust, the defaulting trustee under the Trust Agreement and FPL by the holders of Preferred Trust Securities having at least 33% of the total liquidation preference amount of the outstanding Preferred Trust Securities. However, the holders of Preferred Trust Securities will be deemed to have agreed to an extension of the 90 day period if corrective action is initiated by any of the trustees within such period and is diligently pursued in good faith; or

(5) the occurrence of certain events of bankruptcy or insolvency with respect to the Trust. (Trust Agreement, Section 1.01).

Within 90 days after the occurrence of any default known to the Property Trustee, the Property Trustee shall transmit to the holders of Preferred Trust Securities, FPL and the Administrative Trustees notice of any such default, unless that default shall have been cured or waived. (Trust Agreement, Section 8.02).

A holder of Preferred Trust Securities may directly institute a proceeding to enforce payment when due to the holder of the Preferred Trust Securities of the principal of or interest on Junior Subordinated Debentures having a principal amount equal to the aggregate liquidation preference amount of the holder's Preferred Trust Securities. The holders of Preferred Trust Securities have no other rights to exercise directly any other remedies available to the holder of the Junior Subordinated Debentures unless the trustees under the Trust Agreement fail to do so. (Trust Agreement, Section 6.01(a)).

Removal of Trustees. Unless an event of default under the related Subordinated Indenture has occurred and is continuing, the holder of the Common Trust Securities may remove any trustee under the Trust Agreement at any time. If an event of default under the Subordinated Indenture has occurred and is continuing, the holders of a majority of the total liquidation preference amount of the outstanding Preferred Trust Securities may remove the Property Trustee or the Delaware Trustee, or both of them. The holder of the Common Trust Securities may remove any Administrative Trustee at any time. Any resignation or removal of a trustee under the Trust Agreement will take effect only on the acceptance of appointment by the successor trustee. (Trust Agreement, Section 8.10).

Holders of Preferred Trust Securities will have no right to appoint or remove the Administrative Trustees of the Trust, who may be appointed, removed or replaced solely by FPL as the holder of the Common Trust Securities. (Trust Agreement, Section 8.10).

Voting Rights. Except as provided below and under "Description of the Preferred Trust Securities Guarantee—Modification and Assignment," and as otherwise required by law or the Trust Agreement, the holders of Preferred Trust Securities will have no voting rights.

While Junior Subordinated Debentures are held by the Property Trustee, the Property Trustee shall not:

(1) direct the time, method and place to conduct any proceeding for any remedy available to the Subordinated Indenture Trustee (as such term is defined below under "Description of the Junior Subordinated Debentures—General"), or execute any trust or power conferred on the Subordinated Indenture Trustee with respect to the Junior Subordinated Debentures;

(2) waive any past default under the related Subordinated Indenture;

(3) exercise any right to rescind or annul a declaration that the principal of all the Junior Subordinated Debentures will be due and payable; or

(4) consent to any amendment, modification or termination of the related Subordinated Indenture or the Junior Subordinated Debentures, where that consent will be required,

without, in each case, obtaining the prior approval of the holders of Preferred Trust Securities having at least a majority of the aggregate liquidation preference amount of all outstanding Preferred Trust Securities of the Trust. Where a consent of each holder of Junior Subordinated Debentures affected is required, no consent shall be given by the Property Trustee without the prior consent of each holder of the Preferred Trust Securities affected. The Property Trustee shall not revoke any action previously authorized or approved by a vote of the holders of Preferred Trust Securities, except pursuant to the subsequent vote of the holders of Preferred Trust Securities. (Trust Agreement, Section 6.01(b)). If the Property Trustee fails to enforce its rights, as holder, under the Junior Subordinated Debentures or the Trust Agreement, a holder of the Preferred Trust Securities may institute a legal proceeding directly against FPL to enforce the Property Trustee's rights under the Junior Subordinated Debentures or the Trust Agreement without first instituting any legal proceeding against the Property Trustee or anyone else. (Trust Agreement, Section 6.01(a)). The Property Trustee shall notify all holders of Preferred Trust Securities of any notice of default received from the Subordinated Indenture Trustee. The Property Trustee shall not take any action approved by the consent of the holders of Preferred Trust Securities without an opinion of counsel experienced in those matters to the effect that the Trust will be classified as a grantor trust and not as an association taxable as a corporation for United States federal income tax purposes on account of that action. (Trust Agreement, Section 6.01(b)).

Holders of Preferred Trust Securities may give any required approval at a meeting convened for such purpose or by written consent without prior notice. (Trust Agreement, Section 6.06). The Administrative Trustees will give notice of any meeting at which holders of Preferred Trust Securities are entitled to vote. (Trust Agreement, Section 6.02).

No vote or consent of the holders of Preferred Trust Securities will be required for the Trust to redeem and cancel Preferred Trust Securities in accordance with the Trust Agreement.

Notwithstanding that holders of Preferred Trust Securities are entitled to vote or consent under any of the circumstances described above, any Preferred Trust Securities that are owned by FPL, any Administrative Trustee or any affiliate of any of them, shall be treated as if they were not outstanding for purposes of such vote or consent. (Trust Agreement, Section 1.01).

Amendments. The Trust Agreement may be amended from time to time by a majority of its Administrative Trustees and FPL, without the consent of any holders of Preferred Trust Securities or the other trustees under the Trust Agreement in order to:

(1) cure any ambiguity; correct or supplement any provision that may be inconsistent with any other provision of the Trust Agreement or amendment to the Trust Agreement; or make any other provisions with respect to matters or questions arising under the Trust Agreement;

(2) change the name of the Trust; or

(3) modify, eliminate or add to any provisions of the Trust Agreement to the extent necessary to ensure that the Trust will not be classified for United States federal income tax purposes other than as a grantor trust (and not an association taxable as a corporation) at any time that any Preferred Trust Securities and Common Trust Securities are outstanding or to ensure the Trust's exemption from the status of an "investment company" under the Investment Company Act of 1940.

No amendment described above may materially adversely affect the interests of any holder of Preferred Trust Securities or Common Trust Securities without the applicable consents required pursuant to the following two paragraphs. Any of the amendments of the Trust Agreement described in paragraph (1) above shall become effective when notice of the amendment is given to the holders of Preferred Trust Securities and Common Trust Securities in accordance with the provisions of the Trust Agreement. (Trust Agreement, Section 10.03(a)).

Except as provided below, any provision of the Trust Agreement may be amended by the Administrative Trustees and FPL with:

(1) the consent of holders of Preferred Trust Securities and Common Trust Securities representing not less than a majority in aggregate liquidation preference amount of the Preferred Trust Securities and Common Trust Securities then outstanding; and

(2) receipt by the trustees of an opinion of counsel to the effect that such amendment or the exercise of any power granted to the trustees in accordance with the amendment will not affect the Trust's status as a grantor trust for federal income tax purposes (and not an association taxable as a corporation) or affect the Trust's exemption from the status of an "investment company" under the Investment Company Act of 1940. (Trust Agreement, Section 10.03(b)).

Each affected holder of Preferred Trust Securities must consent to any amendment to the Trust Agreement that:

(1) adversely changes the amount or timing of any distribution with respect to Preferred Trust Securities or otherwise adversely affects the amount of any distribution required to be made in respect of Preferred Trust Securities as of a specified date;

(2) restricts the right of a holder of Preferred Trust Securities to institute suit for the enforcement of any such payment on or after that date; or

(3) modify the provisions described in clauses (1) and (2) above. (Trust Agreement, Section 10.03(c)).

Form, Exchange and Transfer. Preferred Trust Securities may be exchanged for other Preferred Trust Securities in any authorized denomination and of like tenor and aggregate liquidation preference. (Trust Agreement, Section 5.04).

Subject to the terms of the Trust Agreement, Preferred Trust Securities may be presented for exchange as provided above or for registration of transfer, duly endorsed or accompanied by a duly executed instrument of transfer, at the office of the Preferred Trust Security registrar. The Administrative Trustees may designate FPL or any affiliate of FPL as the Preferred Trust Security registrar. The Property Trustee will initially act as the Preferred Trust Security registrar and transfer agent. (Trust Agreement, Section 5.08). No service charge will be made for any registration of transfer or exchange of Preferred Trust Securities, but the Preferred Trust Security registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange. A transfer or exchange will be made when the Preferred Trust Security registrar and Administrative Trustees are satisfied with the documents of title and identity of the person making the request. (Trust Agreement, Section 5.04). The Administrative Trustees may at any time designate another transfer agent and registrar or rescind the designation of any transfer agent and registrar or approve a change in the office through which any transfer agent and registrar acts, except that FPL will, or will cause the Preferred Trust Security registrar to, maintain an office or agency in The City of New York where Preferred Trust Securities may be transferred or exchanged. (Trust Agreement, Sections 2.07(a) and 5.08).

The Trust will not be required to:

(1) issue, register the transfer of, or exchange any Preferred Trust Securities during the period beginning at the opening of business 15 calendar days before the mailing of a notice of redemption of any Preferred Trust Securities called for redemption and ending at the close of business on the day the notice is mailed; or

(2) register the transfer of or exchange any Preferred Trust Securities so selected for redemption, in whole or in part, except the unredeemed portion of any Preferred Trust Securities being redeemed in part. (Trust Agreement, Section 5.04).

Payment on Preferred Trust Securities and Paying Agent. Unless otherwise stated in a prospectus supplement, payments in respect of the Preferred Trust Securities will be made on the applicable distribution dates by check mailed to the address of the holder entitled thereto as such address appears on the Preferred Trust Security register. (Trust Agreement, Section 4.04). The paying agent shall initially be the Property Trustee and any co-paying agent chosen by the Property Trustee that is acceptable to the Administrative Trustees and FPL. The paying agent may resign upon 30 days' written notice to the Administrative Trustees, the Property Trustee and FPL. In the event that the Property Trustee shall no longer be the paying agent, the Administrative Trustees shall appoint a successor, which shall be a bank, trust company or affiliate of FPL reasonably acceptable to the Property Trustee and FPL, to act as paying agent. (Trust Agreement, Section 5.09).

Duties of the Trustees. The Delaware Trustee will act as the resident trustee in the State of Delaware and will have no other significant duties. The Property Trustee will hold the Junior Subordinated Debentures on behalf of the Trust and will maintain a payment account with respect to the Preferred Trust Securities and Common Trust Securities, and will also act as trustee under the Trust Agreement for the purposes of the Trust Indenture Act of 1939. (Trust Agreement, Sections 2.06 and 2.07(b)).

The Administrative Trustees of the Trust are authorized and directed to conduct the affairs of the Trust and to operate the Trust so that

(1) the Trust will not be deemed to be an "investment company" required to be registered under the Investment Company Act of 1940,

(2) the Trust will not be taxed as a corporation, and

(3) the Junior Subordinated Debentures will be treated as indebtedness of FPL for United States federal income tax purposes.

In this regard, FPL and the Administrative Trustees are authorized to take any action, not inconsistent with applicable law, the certificate of trust or the Trust Agreement, that FPL and the Administrative Trustees determine in

their discretion to be necessary or desirable for those purposes, as long as the action does not materially adversely affect the interests of the holders of the Preferred Trust Securities. (Trust Agreement, Section 2.07(d)).

Miscellaneous. Holders of the Preferred Trust Securities have no preemptive or similar rights. (Trust Agreement, Section 5.13).

Notices. Notices to holders of Preferred Trust Securities will be sent by mail to the addresses of those holders as they appear in the security register for those Preferred Trust Securities. (Trust Agreement, Section 6.02).

Title. The Property Trustee, the Delaware Trustee, the Administrative Trustees, and the Preferred Trust Security registrar and transfer agent, and any agent of the Property Trustee, the Delaware Trustee, the Administrative Trustees, or the Preferred Trust Security registrar and transfer agent, may treat the person in whose name a Preferred Trust Security is registered as the absolute owner of that Preferred Trust Security for the purpose of receiving distributions and all other purposes, regardless of any notice to the contrary. (Trust Agreement, Section 5.06).

Governing Law. The Trust Agreement, the Preferred Trust Securities and the Common Trust Securities will be governed by and construed in accordance with the laws of the State of Delaware, without regard to conflict of laws principles thereunder, except to the extent that the law of any other jurisdiction is mandatorily applicable. (Trust Agreement, Section 10.05).

DESCRIPTION OF THE PREFERRED TRUST SECURITIES GUARANTEE

General. This section briefly summarizes some of the provisions of the Preferred Trust Securities Guarantee Agreement that FPL will execute and deliver for the benefit of the holders of the Preferred Trust Securities issued by the Trust. The terms of these agreements are substantially the same, and they are referred to in this prospectus as the "Preferred Trust Securities Guarantee Agreement." This summary does not contain a complete description of the Preferred Trust Securities Guarantee Agreement. You should read this summary together with the Preferred Trust Securities Guarantee Agreement for a complete understanding of all the provisions. The form of the Preferred Trust Securities Guarantee Agreement has been previously filed with the SEC and is an exhibit to the registration statement filed with the SEC of which this prospectus is a part. In addition, the Preferred Trust Securities Guarantee Agreement will be 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.

The Bank of New York will act as Preferred Trust Securities Guarantee Trustee under the Preferred Trust Securities Guarantee Agreement and will hold the Preferred Trust Securities Guarantee for the benefit of the holders of the Preferred Trust Securities.

General Terms of the Preferred Trust Securities Guarantee. FPL will absolutely, irrevocably and unconditionally agree to make the guarantee payments listed below in full to the holders of the Preferred Trust Securities if they are not made by the Trust, as and when due, regardless of any defense, right of set-off or counterclaim that the Trust may have or assert. (Preferred Trust Securities Guarantee Agreement, Section 5.01). The following payments will be subject to the Preferred Trust Securities Guarantee (without duplication):

(1) any accrued and unpaid distributions required to be paid on Preferred Trust Securities, to the extent the Trust has funds in the payment account maintained by the Property Trustee legally available for these payments at such time;

(2) the redemption price, plus all accrued and unpaid distributions to the redemption date, for any Preferred Trust Securities called for redemption by the Trust, to the extent the Trust has funds in the payment account maintained by the Property Trustee legally available for these payments at such time; and

(3) upon a voluntary or involuntary dissolution, winding-up or termination of the Trust (except in connection with the distribution of Junior Subordinated Debentures to the holders in exchange for

Preferred Trust Securities as provided in the Trust Agreement or upon a redemption of all of the Preferred Trust Securities upon maturity or redemption of the Junior Subordinated Debentures as provided in the Trust Agreement), the lesser of:

(a) the aggregate of the liquidation preference amount and all accrued and unpaid distributions on Preferred Trust Securities to the date of payment, to the extent the Trust has funds in the payment account maintained by the Property Trustee legally available for these payments at such time; and

(b) the amount of assets of the Trust remaining available for distribution to holders of Preferred Trust Securities in liquidation of the Trust after satisfaction of liabilities to creditors of the Trust as required by applicable law.

(Preferred Trust Securities Guarantee Agreement, Section 1.01). FPL's obligation to make a guarantee payment may be satisfied by either making a direct payment of the required amounts by FPL to the holders of Preferred Trust Securities or causing the Trust to pay such amounts to those holders. (Preferred Trust Securities Guarantee Agreement, Section 5.01).

The Preferred Trust Securities Guarantee will be a guarantee, subject to certain subordination provisions, as to payment with respect to the Preferred Trust Securities, but will not apply to any payment of distributions if and to the extent that the Trust does not have funds legally available to make those payments. (Preferred Trust Securities Guarantee Agreement, Sections 1.01 and 5.05). If FPL does not make interest payments on the Junior Subordinated Debentures held by a Trust, the applicable Trust will not have funds available to pay distributions on the Preferred Trust Securities.

FPL will fully and unconditionally guarantee payments due on the Preferred Trust Securities issued by the Trust through a combination of the following:

(1) FPL's obligations under Junior Subordinated Debentures;

(2) the rights of holders of Preferred Trust Securities to enforce those obligations;

(3) FPL's agreement to pay the expenses of the Trust; and

(4) the Preferred Trust Securities Guarantee.

No single one of the documents listed above standing alone or operating in conjunction with fewer than all of the other documents constitutes the guarantee by FPL. It is only the combined operation of these documents that has the effect of providing a full and unconditional, but subordinated, guarantee as to payment by FPL of the Preferred Trust Securities.

Except as otherwise stated in the related prospectus supplement, the covenants in the Preferred Trust Securities Guarantee Agreement would not give holders of the Preferred Trust Securities protection in the event of a highly-leveraged transaction involving FPL.

Security and Ranking. The Preferred Trust Securities Guarantee will be an unsecured obligation of FPL and will rank:

(1) subordinate and junior in right of payment to all other liabilities of FPL (except those made pari passu or subordinate by their terms);

(2) equal in right of payment with the most senior preferred or preference stock that may be issued by FPL and with any guarantee that may be entered into by FPL in respect of any preferred or preference stock of any affiliate of FPL; and

(3) senior to FPL common stock. (Preferred Trust Securities Guarantee Agreement, Section 6.01).

The Preferred Trust Securities Guarantee Agreement does not limit the amount of other indebtedness, including guarantees, that FPL may issue or incur or the amount of preferred or preference stock it may issue.

The Trust Agreement provides that by accepting Preferred Trust Securities, a holder agrees to the subordination provisions and other terms of the Preferred Trust Securities Guarantee. (Trust Agreement, Section 5.02).

The Preferred Trust Securities Guarantee will be a guarantee of payment and not of collection, that is, the guaranteed party may institute a legal proceeding directly against FPL to enforce its rights under the Preferred Trust Securities Guarantee without first instituting a legal proceeding against anyone else. (Preferred Trust Securities Guarantee Agreement, Sections 5.04 and 5.05).

Events of Default. An event of default under the Preferred Trust Securities Guarantee Agreement will occur upon failure of FPL to perform any of its payment obligations under the Preferred Trust Securities Guarantee Agreement, which failure has not been cured within 90 days of receipt of notice thereof. (Preferred Trust Securities Guarantee Agreement, Section 1.01). Upon an event of default, the holders of the Preferred Trust Securities having a majority of the aggregate liquidation preference of the Preferred Trust Securities have the right to:

(1) direct the time, method and place of conducting any proceeding for any remedy available to the Preferred Trust Securities Guarantee Trustee under the Preferred Trust Securities Guarantee Agreement, or

(2) direct the exercise of any trust or power conferred upon the Preferred Trust Securities Guarantee Trustee under the Preferred Trust Securities Guarantee Agreement. (Preferred Trust Securities Guarantee Agreement, Section 5.04).

Any holder of the Preferred Trust Securities may enforce the Preferred Trust Securities Guarantee, or institute a legal proceeding directly against FPL to enforce the Preferred Trust Securities Guarantee Trustee's rights under the Preferred Trust Securities Guarantee Agreement without first instituting a legal proceeding against the Trust, the Preferred Trust Securities Guarantee Trustee or anyone else. (Preferred Trust Securities Guarantee Agreement, Section 5.04). The holders of the Preferred Trust Securities having a majority of the aggregate liquidation preference of the Preferred Trust Securities may waive any past event of default and its consequences. (Preferred Trust Securities Guarantee Agreement, Section 2.06).

FPL will be required to deliver to the Preferred Trust Securities Guarantee Trustee an annual statement as to its compliance with all conditions under the Preferred Trust Securities Guarantee Agreement. (Preferred Trust Securities Guarantee Agreement, Section 2.04).

Modification and Assignment. No consent of holders of Preferred Trust Securities is required for changes to the Preferred Trust Securities Guarantee Agreement that do not materially adversely affect their rights. Except as provided below, changes to the Preferred Trust Securities Guarantee Agreement that materially adversely affect the rights of Preferred Trust Securities require the prior approval of the holders of Preferred Trust Securities having at least a majority of the aggregate liquidation preference amount of the outstanding Preferred Trust Securities. Each affected holder of Preferred Trust Securities must consent to any amendment to the Preferred Trust Securities Guarantee Agreement that impairs the right of such holder to receive guarantee payments under the Preferred Trust Securities Guarantee Agreement or to institute suit for enforcement of any such payment. (Preferred Trust Securities Guarantee Agreement, Section 8.01).

All guarantees and agreements contained in the Preferred Trust Securities Guarantee Agreement will bind the successors, assigns, receivers, trustees and representatives of FPL and will inure to the benefit of the holders of the Preferred Trust Securities then outstanding. (Preferred Trust Securities Guarantee Agreement, Section 8.02).

Termination of the Preferred Trust Securities Guarantee. The Preferred Trust Securities Guarantee Agreement will terminate and be of no further force and effect upon:

(1) full payment of the redemption price, plus accrued and unpaid distributions to the redemption date, for all the Preferred Trust Securities;

(2) the distribution of Junior Subordinated Debentures to holders of the Preferred Trust Securities in exchange for all of the Preferred Trust Securities; or

(3) full payment of the amounts payable upon liquidation of the Trust.

However, the Preferred Trust Securities Guarantee will continue to be effective or will be reinstated, as the case may be, if at any time, as result of the subordination provisions or any mistake or any judicial proceeding or otherwise, any holder of Preferred Trust Securities must return any sums paid under the Preferred Trust Securities or the Preferred Trust Securities Guarantee. (Preferred Trust Securities Guarantee Agreement, Section 7.01).

Governing Law. The Preferred Trust Securities Guarantee Agreement provides that it is to be governed by and construed in accordance with the laws of the State of New York, without regard to conflict of laws principles thereunder, except to the extent that the law of any other jurisdiction is mandatorily applicable. (Preferred Trust Securities Guarantee Agreement, Section 8.06).

DESCRIPTION OF THE JUNIOR SUBORDINATED DEBENTURES

General. The junior subordinated debentures issued by FPL are referred to in this prospectus as the "Junior Subordinated Debentures." The Junior Subordinated Debentures, which the Property Trustee will hold on behalf of the Trust as trust assets, will be issued by FPL in one or more series under one or more indentures between FPL and The Bank of New York, as trustee. This indenture or indentures pursuant to which Junior Subordinated Debentures may be issued, as it may be amended and supplemented from time to time, is referred to in this prospectus as the "Subordinated Indenture." The Bank of New York, as trustee under the Subordinated Indenture, is referred to in this prospectus as the "Subordinated Indenture Trustee." The Subordinated Indenture provides for the issuance from time to time of subordinated debt in an unlimited amount. The Junior Subordinated Debentures and all other subordinated debt issued previously or hereafter under the Subordinated Indenture are collectively referred to in this prospectus as the "Subordinated Indenture Securities."

This section briefly summarizes some of the terms of the Junior Subordinated Debentures and some of the provisions of the Subordinated Indenture. This summary does not contain a complete description of the Junior Subordinated Debentures or the Subordinated Indenture. You should read this summary together with the Subordinated Indenture and the officer's certificates or other documents establishing the Junior Subordinated Debentures for a complete understanding of all the provisions and for the definitions of some terms used in this summary. The form of Subordinated Indenture, the form of officer's certificate that may be used to establish a series of Junior Subordinated Debentures and a form of the Junior Subordinated Debentures have been previously filed with the SEC, and are exhibits to the registration statement. In addition, the Subordinated Indenture will be qualified 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.

The Junior Subordinated Debentures issued by FPL to the Trust will constitute a separate series under the Subordinated Indenture and the principal amount of each series will be limited to the sum of the aggregate liquidation preference amount of the related Preferred Trust Securities and the consideration paid by FPL for the related Common Trust Securities.

The Junior Subordinated Debentures will be unsecured, subordinated obligations of FPL which rank junior to all of FPL's Senior Indebtedness. The term "Senior Indebtedness" will be defined in the related prospectus supplement. All Junior Subordinated Debentures issued under the Subordinated Indenture will rank equally and ratably with all other Junior Subordinated Debentures issued under the Subordinated Indenture, except to the extent that FPL elects to provide security with respect to any series of Junior Subordinated Debentures without providing that security to all outstanding Junior Subordinated Debentures as allowed under the Subordinated Indenture.

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

(1) the title of those Junior Subordinated Debentures,

(2) any limit upon the aggregate principal amount of those Junior Subordinated Debentures,

(3) the date(s) on which the principal will be paid,

(4) the rate(s) of interest on those Junior Subordinated Debentures, or how the rate(s) of interest will be determined, the date(s) from which interest will accrue, the dates on which interest will be paid and the record date for any interest payable on any interest payment date,

(5) the person to whom interest will be paid on any interest payment date, if other than the person in whose name those Junior Subordinated Debentures are registered at the close of business on the record date for that interest payment,

(6) the place(s) at which or methods by which payments will be made on those Junior Subordinated Debentures and the place(s) at which or methods by which the registered owners of those Junior Subordinated Debentures may transfer or exchange those Junior Subordinated Debentures and serve notices and demands to or upon FPL,

(7) the security registrar and any paying agent or agents for those Junior Subordinated Debentures,

(8) any date(s) on which, the price(s) at which and the terms and conditions upon which FPL may, at its option, redeem those Junior Subordinated Debentures, in whole or in part, and any restrictions on those redemptions,

(9) any sinking fund or other provisions or options held by the registered owners of those Junior Subordinated Debentures that would obligate FPL to repurchase or redeem those Junior Subordinated Debentures,

(10) the denominations in which those Junior Subordinated Debentures may be issued, if other than denominations of $25 and any integral multiple of $25,

(11) the currency or currencies in which the principal of or premium, if any, or interest on those Junior Subordinated Debentures may be paid (if other than in U.S. dollars),

(12) if FPL or a registered owner may elect to pay, or receive, principal of or premium, if any, or interest on those Junior Subordinated Debentures in a currency other than that in which those Junior Subordinated Debentures are stated to be payable, the terms and conditions upon which that election may be made,

(13) if the principal of or premium, if any, or interest on those Junior Subordinated Debentures may be paid in securities or other property, the type and amount of those securities or other property and the terms and conditions upon which FPL or a registered owner may elect to pay or receive those payments,

(14) if the amount payable in respect of principal of or premium, if any, or interest on those Junior Subordinated Debentures may be determined by reference to an index or other fact or event ascertainable outside of the Subordinated Indenture, the manner in which those amounts will be determined,

(15) the portion of the principal amount of the Junior Subordinated Debentures that FPL will pay upon declaration of acceleration of the maturity of those Junior Subordinated Debentures, if other than the entire principal amount of those Junior Subordinated Debentures,

(16) any events of default with respect to those Junior Subordinated Debentures and any covenants of FPL for the benefit of the registered owners of those Junior Subordinated Debentures, other than those specified in the Subordinated Indenture,

(17) the terms, if any, pursuant to which those Junior Subordinated Debentures may be exchanged for shares of capital stock or other securities of any other entity,

(18) a definition of "Eligible Obligations" under the Subordinated Indenture with respect to the Junior Subordinated Debentures denominated in a currency other than U.S. dollars, and any other provisions for the reinstatement of FPL's indebtedness in respect of those Junior Subordinated Debentures after their satisfaction and discharge,

(19) if those Junior Subordinated Debentures will be issued in global form, necessary information relating to the issuance of those Junior Subordinated Debentures in global form,

(20) if those Junior Subordinated Debentures will be issued as bearer securities, necessary information relating to the issuance of those Junior Subordinated Debentures as bearer securities,

(21) any limits on the rights of the registered owners of those Junior Subordinated Debentures to transfer or exchange those Junior Subordinated Debentures or to register their transfer, and any related service charges,

(22) any exceptions to the provisions governing payments due on legal holidays or any variations in the definition of business day with respect to those Junior Subordinated Debentures,

(23) any collateral security, assurance, or guarantee for those Junior Subordinated Debentures,

(24) the designation of the trust to which the Junior Subordinated Debentures are to be issued,

(25) the terms relating to any additional interest that may be payable as a result of any tax, assessment or governmental charges, and

(26) any other terms of those Junior Subordinated Debentures that are not inconsistent with the provisions of the Subordinated Indenture. (Subordinated Indenture, Section 301).

Except as otherwise stated in the related prospectus supplement, the covenants in the Subordinated Indenture would not give registered owners of Junior Subordinated Debentures protection in the event of a highly-leveraged transaction involving FPL.

Subordination. The Junior Subordinated Debentures will be subordinate and junior in right of payment to all Senior Indebtedness of FPL. (Subordinated Indenture, Article Fourteen). No payment of the principal (including redemption and sinking fund payments) of, or interest, or premium, if any, on the Junior Subordinated Debentures may be made by FPL until all holders of Senior Indebtedness of FPL have been paid in full (or provision has been made for such payment), if any of the following occurs:

(1) certain events of bankruptcy, insolvency or reorganization of FPL;

(2) any Senior Indebtedness of FPL is not paid when due (after the expiration of any applicable grace period) and that default continues without waiver; or

(3) any other default has occurred and continues without waiver (after the expiration of any applicable grace period) pursuant to which the holders of Senior Indebtedness of FPL are permitted to accelerate the maturity of such Senior Indebtedness. (Subordinated Indenture, Section 1402).

Upon any distribution of assets of FPL to creditors in connection with any insolvency, bankruptcy or similar proceeding, all principal of, and premium, if any, and interest due or to become due on all Senior Indebtedness of FPL must be paid in full before the holders of the Junior Subordinated Debentures are entitled to receive or retain any payment from such distribution. (Subordinated Indenture, Section 1402).

Payment and Paying Agents. Except as stated in the related prospectus supplement, on each interest payment date FPL will pay interest on each Junior Subordinated Debenture to the person in whose name that Junior Subordinated Debenture is registered as of the close of business on the record date relating to that interest payment date. However, on the date that the Junior Subordinated Debentures mature, FPL will pay the interest to the person to whom it pays the principal. Also, if FPL has defaulted in the payment of interest on any Junior Subordinated Debenture, it may pay that defaulted interest to the registered owner of that Junior Subordinated Debenture:

(1) as of the close of business on a date that the Subordinated Indenture Trustee selects, which may not be more than 15 days or less than 10 days before the date that FPL proposes to pay the defaulted interest, or

(2) in any other lawful manner that does not violate the requirements of any securities exchange on which that Junior Subordinated Debenture is listed and that the Subordinated Indenture Trustee believes is acceptable. (Subordinated Indenture, Section 307).

Unless otherwise stated in the related prospectus supplement, the principal, premium, if any, and interest on the Junior Subordinated Debentures at maturity will be payable when such Junior Subordinated Debentures are presented at the main corporate trust office of The Bank of New York, as paying agent, in The City of New York. FPL may change the place of payment on the Junior Subordinated Debentures, appoint one or more additional paying agents, including itself, and remove any paying agent. (Subordinated Indenture, Section 602).

Transfer and Exchange. Unless otherwise stated in the related prospectus supplement, Junior Subordinated Debentures may be transferred or exchanged at the main corporate trust office of The Bank of New York, as security registrar, in The City of New York. FPL may change the place for transfer and exchange of the Junior Subordinated Debentures and may designate one or more additional places for that transfer and exchange.

Except as otherwise stated in the related prospectus supplement, there will be no service charge for any transfer or exchange of the Junior Subordinated Debentures. However, FPL may require payment of any tax or other governmental charge in connection with any transfer or exchange of the Junior Subordinated Debentures.

FPL will not be required to transfer or exchange any Junior Subordinated Debenture selected for redemption. Also, FPL will not be required to transfer or exchange any Junior Subordinated Debenture during a period of 15 days before selection of Junior Subordinated Debentures to be redeemed. (Subordinated Indenture, Section 305).

Unless otherwise stated in the related prospectus supplement, if Junior Subordinated Debentures are distributed to holders of Preferred Trust Securities in a dissolution of the Trust, the Junior Subordinated Debentures will be issued in fully registered certificated form in the denominations and integral multiples thereof in which the Preferred Trust Securities have been issued, and they may be transferred or exchanged as described above. (Trust Agreement, Section 9.04).

Defeasance. FPL may, at any time, elect to have all of its obligations discharged with respect to all or a portion of any Subordinated Indenture Securities (including the Junior Subordinated Debentures). To do so, FPL must irrevocably deposit with the Subordinated Indenture Trustee or any paying agent, in trust:

(1) money in an amount that will be sufficient to pay all or that portion of the principal, premium, if any, and interest due and to become due on those Subordinated Indenture Securities, on or prior to their maturity, or

(2) in the case of a deposit made prior to the maturity of that series of Subordinated Indenture Securities,

(a) direct obligations of, or obligations unconditionally guaranteed by, the United States and entitled to the benefit of its full faith and credit that do not contain provisions permitting their redemption or other prepayment at the option of their issuer, and

(b) certificates, depositary receipts or other instruments that evidence a direct ownership interest in those obligations or in any specific interest or principal payments due in respect of those obligations that do not contain provisions permitting their redemption or other prepayment at the option of their issuer, the principal of and the interest on which, when due, without any regard to reinvestment of that principal or interest, will provide money that, together with any money deposited with or held by the Subordinated Indenture Trustee, will be sufficient to pay all or that portion of the principal, premium, if any, and interest due and to become due on those Subordinated Indenture Securities, on or prior to their maturity, or

(3) a combination of (1) and (2) that will be sufficient to pay all or that portion of the principal, premium, if any, and interest due and to become due on those Subordinated Indenture Securities, on or prior to their maturity. (Subordinated Indenture, Section 701).

Option to Defer Interest Payments. Unless otherwise provided in a related prospectus supplement, FPL may have the option to defer the payment of interest from time to time on the Junior Subordinated Debentures for one or more periods. As a consequence, distributions on the Preferred Trust Securities would be deferred during any optional deferral period. Interest would, however, continue to accrue on the Junior Subordinated Debentures. Unless otherwise provided in a related prospectus supplement, during any optional deferral period, or for so long as an "Event of Default" under the Subordinated Indenture resulting from a payment default or a payment default under the Preferred Trust Securities Guarantee has occurred and is continuing, FPL may not:

(1) declare or pay any dividend or distribution on its capital stock;

(2) redeem, purchase, acquire or make a liquidation payment with respect to any of its capital stock;

(3) pay any principal, interest or premium on, or repay, repurchase or redeem any debt securities that are equal or junior in right of payment with the Junior Subordinated Debentures; or

(4) make any payments with respect to any guarantee of debt securities if such guarantee is equal or junior in right of payment to the Junior Subordinated Debentures,

other than

(1) purchases, redemptions or other acquisitions of its capital stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or agents or a stock purchase or dividend reinvestment plan, or the satisfaction of its obligations pursuant to any contract or security outstanding on the date that the interest payment period is extended requiring it to purchase, redeem or acquire its capital stock;

(2) any payment, repayment, redemption, purchase, acquisition or declaration of dividend listed as restricted payments in clauses (1) and (2) above as a result of a reclassification of its capital stock or the exchange or conversion of all or a portion of one class or series of its capital stock for another class or series of its capital stock;

(3) the purchase of fractional interests in shares of its capital stock pursuant to the conversion or exchange provisions of its capital stock or the security being converted or exchanged, or in connection with the settlement of stock purchase contracts;

(4) dividends or distributions paid or made in its capital stock (or rights to acquire its capital stock), or repurchases, redemptions or acquisitions of capital stock in connection with the issuance or exchange

of capital stock (or of securities convertible into or exchangeable for shares of its capital stock and distributions in connection with the settlement of stock purchase contracts);

(5) redemptions, exchanges or repurchases of, or with respect to, any rights outstanding under a shareholder rights plan or the declaration or payment thereunder of a dividend or distribution of or with respect to rights in the future; or

(6) payments under any preferred trust securities guarantee or guarantee of junior subordinated debentures executed and delivered by FPL concurrently with the issuance by a trust of any preferred trust securities, so long as the amount of payments made on any preferred trust securities or junior subordinated debentures (as the case may be) is paid on all preferred trust securities or junior subordinated debentures (as the case may be) then outstanding on a pro rata basis in proportion to the full distributions to which each series of preferred trust securities or junior subordinated debentures (as the case may be) is then entitled if paid in full. (Subordinated Indenture, Section 608).

Unless otherwise provided in a related prospectus supplement, before an optional deferral period ends, FPL may further defer the payment of interest. Unless otherwise specified in the related prospectus supplement, no optional deferral period may exceed the period of time specified in that prospectus supplement. After any optional deferral period and the payment of all amounts then due, FPL may select a new optional deferral period. No interest period may be deferred beyond the maturity of the Junior Subordinated Debentures. FPL will give the Trust and the Subordinated Indenture Trustee notice of its election of an optional deferral period prior to the earlier of (i) one business day before the record date for the distribution on the Preferred Trust Securities which would occur if FPL did not make the election to defer or (ii) the date the Administrative Trustees are required to give notice to any securities exchange or any other applicable self-regulatory organization of the record date for such a distribution. The Property Trustee shall send notice of that election to the holders of Preferred Trust Securities.

Additional Interest. So long as any Preferred Trust Securities remain outstanding, if the Trust is required to pay any taxes, duties, assessments or governmental charges imposed by the United States or any other taxing authority on income derived from the interest payments on the Junior Subordinated Debentures, then FPL will pay as interest on the Junior Subordinated Debentures any additional interest that may be necessary in order that the net amounts received and retained by the Trust after the payment of those taxes, duties, assessments or governmental charges will be the same as the Trust would have had in the absence of such payment. (Subordinated Indenture, Section 313).

Redemption. For so long as the Trust is the holder of all of the related Junior Subordinated Debentures, the proceeds of any redemption of Junior Subordinated Debentures will used by the Trust to redeem Preferred Trust Securities and Common Trust Securities in accordance with their terms. (Trust Agreement, Section 4.02(a)). The redemption terms of the Junior Subordinated Debentures, if any, will be set forth in a prospectus supplement. Unless set forth differently in a prospectus supplement, and except with respect to Junior Subordinated Debentures redeemable at the option of the holder, Junior Subordinated Debentures will be redeemable upon notice between 30 and 60 days prior to the redemption date. If less than all of the Junior Subordinated Debentures of any series or any tranche thereof are to be redeemed, the Subordinated Indenture Trustee will select the Junior Subordinated Debentures to be redeemed. In the absence of any provision for selection, the Subordinated Indenture Trustee will choose a method of random selection as it deems fair and appropriate. (Subordinated Indenture, Sections 403 and 404).

Junior Subordinated Debentures selected for redemption will cease to bear interest on the redemption date. The paying agent will pay the redemption price and any accrued interest once the Junior Subordinated Debentures are surrendered for redemption. (Subordinated Indenture, Section 405). If only part of a Junior Subordinated Debenture is redeemed, the Subordinated Indenture Trustee will deliver a new Junior Subordinated Debenture of the same series for the remaining portion without charge. (Subordinated Indenture, Section 406).

Any redemption at the option of FPL may be conditional upon the receipt by the paying agent, on or prior to the date fixed for redemption, of money sufficient to pay the redemption price. If the paying agent has not received such money by the date fixed for redemption, FPL will not be required to redeem such Junior Subordinated Debentures. (Subordinated Indenture, Section 404).

Subject to applicable law, including United States federal securities laws, FPL or its affiliates may at any time and from time to time purchase outstanding Junior Subordinated Debentures by tender, in the open market or by private agreement.

Consolidation, Merger, and Sale of Assets. Under the Subordinated Indenture, FPL may not consolidate with or merge into any other entity or convey, transfer or lease its properties and assets substantially as an entirety to any entity, unless:

(1) the entity formed by that consolidation, or the entity into which FPL is merged, or the entity that acquires or leases FPL's property and assets, is an entity organized and existing under the laws of the United States, any state or the District of Columbia and that entity expressly assumes FPL's obligations on all Subordinated Indenture Securities and under the Subordinated Indenture,

(2) immediately after giving effect to the transaction, no event of default under the Subordinated Indenture and no event that, after notice or lapse of time or both, would become an event of default under the Subordinated Indenture exists, and

(3) FPL delivers an officer's certificate and an opinion of counsel to the Subordinated Indenture Trustee, as provided in the Subordinated Indenture. (Subordinated Indenture, Section 1101).

The Subordinated Indenture does not prevent or restrict:

(1) any consolidation or merger after the consummation of which FPL would be the surviving or resulting entity;

(2) any consolidation of FPL with any entity all of the outstanding voting securities of which are owned, directly or indirectly, by FPL, or any merger of any such entity into any other of such entities, or any conveyance or other transfer, or lease, of properties or assets by any thereof to any other thereof;

(3) any conveyance or other transfer, or lease, of any part of the properties or assets of FPL which does not constitute the entirety, or substantially the entirety, thereof; or

(4) the approval by FPL of, or the consent by FPL to any consolidation or merger to which any direct or indirect subsidiary or affiliate of FPL may be a party, or any conveyance, transfer or lease by any such subsidiary or affiliate of any or all of its properties or assets. (Subordinated Indenture, Section 1103).

Events of Default. Each of the following is an event of default under the Subordinated Indenture with respect to the Subordinated Indenture Securities of any series:

(1) failure to pay interest on the Subordinated Indenture Securities of that series within 30 days after it is due (provided, however, that a valid extension of the interest period by FPL will not constitute an event of default),

(2) failure to pay principal or premium, if any, on the Subordinated Indenture Securities of that series when it is due,

(3) failure to comply with any other covenant in the Subordinated Indenture, other than a covenant that does not relate to that series of Subordinated Indenture Securities, that continues for 90 days after FPL receive written notice of such failure to comply from the Subordinated Indenture Trustee, or FPL and the Subordinated Indenture Trustee receive written notice of such failure to comply from the registered owners of at least 33% in principal amount of the Subordinated Indenture Securities of that series,

(4) certain events of bankruptcy, insolvency or reorganization of FPL and

(5) any other event of default specified with respect to the Subordinated Indenture Securities of that series. (Subordinated Indenture, Section 801).

In the case of the third event of default listed above, the Subordinated Indenture Trustee may extend the grace period. In addition, if holders of a particular series have given a notice of default, then holders of at least the same percentage of Junior Subordinated Debentures of that series, together with the Subordinated Indenture Trustee, may also extend the grace period. The grace period will be automatically extended if FPL has initiated and is diligently pursuing corrective action in good faith. (Subordinated Indenture, Section 801). An event of default with respect to the Subordinated Indenture Securities of a particular series will not necessarily constitute an event of default with respect to Subordinated Indenture Securities of any other series issued under the Subordinated Indenture.

Remedies. If an event of default applicable to the Subordinated Indenture Securities of one or more series, but not applicable to all outstanding Subordinated Indenture Securities, exists, then either the Subordinated Indenture Trustee or the registered owners of at least 33% in aggregate principal amount of the Subordinated Indenture Securities of each of the affected series may declare the principal of and accrued but unpaid interest on all the Subordinated Indenture Securities of that series to be due and payable immediately. (Subordinated Indenture, Section 802).

If the event of default is applicable to all outstanding Subordinated Indenture Securities, then only the Subordinated Indenture Trustee or the registered owners of at least 33% in aggregate principal amount of all outstanding Subordinated Indenture Securities of all series, voting as one class, and not the registered owners of any one series, may make a declaration of acceleration. (Subordinated Indenture, Section 802). However, the event of default giving rise to the declaration relating to any series of Subordinated Indenture Securities will be automatically waived, and that declaration and its consequences will be automatically rescinded and annulled, if, at any time after that declaration and before a judgment or decree for payment of the money due has been obtained:

(1) FPL deposits with the Subordinated Indenture Trustee a sum sufficient to pay:

(a) all overdue interest on all Subordinated Indenture Securities of that series,

(b) the principal of and any premium on any Subordinated Indenture Securities of that series that have become due for reasons other than that declaration, and interest that is then due,

(c) interest on overdue interest for that series, and

(d) all amounts due to the Subordinated Indenture Trustee under the Subordinated Indenture, and

(2) any other event of default with respect to the Subordinated Indenture Securities of that series has been cured or waived as provided in the Subordinated Indenture. (Subordinated Indenture, Section 802).

Other than its obligations and duties in case of an event of default under the Subordinated Indenture, the Subordinated Indenture Trustee is not obligated to exercise any of its rights or powers under the Subordinated Indenture at the request or direction of any of the registered owners of the Subordinated Indenture Securities, unless those registered owners offer reasonable indemnity to the Subordinated Indenture Trustee. (Subordinated Indenture, Section 903). If they provide this reasonable indemnity, the registered owners of a majority in principal amount of any series of Subordinated Indenture Securities will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Subordinated Indenture Trustee, or exercising any trust or power conferred on the Subordinated Indenture Trustee, with respect to the Subordinated Indenture Securities of that series. However, if an event of default under the Subordinated Indenture relates to more than one series of Subordinated Indenture Securities, only the registered owners of a majority in aggregate principal amount of all affected series of Subordinated Indenture Securities, considered as one class, will have the right to make that direction. Also, the direction must not violate any law or the Subordinated Indenture, and may not expose the Subordinated Indenture Trustee to personal liability in circumstances where its indemnity would not, in the Subordinated Indenture Trustee's sole discretion, be adequate. (Subordinated Indenture, Section 812).

No registered owner of Subordinated Indenture Securities of any series will have any right to institute any proceeding under the Subordinated Indenture, or exercise any remedy under the Subordinated Indenture, unless:

(1) that registered owner has previously given to the Subordinated Indenture Trustee written notice of a continuing event of default with respect to the Subordinated Indenture Securities of that series,

(2) the registered owners of a majority in aggregate principal amount of the outstanding Subordinated Indenture Securities of all series in respect of which an event of default under the Subordinated Indenture exists, considered as one class, have made written request to the Subordinated Indenture Trustee, and have offered reasonable indemnity to the Subordinated Indenture Trustee to institute that proceeding in its own name as trustee, and

(3) the Subordinated Indenture Trustee has failed to institute any proceeding, and has not received from the registered owners of a majority in aggregate principal amount of the outstanding Subordinated Indenture Securities of all series in respect of which an event of default under the Subordinated Indenture exists, considered as one class, a direction inconsistent with that request, within 60 days after that notice, request and offer. (Subordinated Indenture, Section 807).

However, these limitations do not apply to a suit instituted by a registered owner of a Subordinated Indenture Security for the enforcement of payment of the principal of or any premium, if any, or interest on that Subordinated Indenture Security on or after the applicable due date specified in that Subordinated Indenture Security. (Subordinated Indenture, Section 808).

FPL is required to deliver to the Subordinated Indenture Trustee an annual statement as to its compliance with all conditions and covenants applicable to it under the Subordinated Indenture. (Subordinated Indenture, Section 606).

Enforcement of Certain Rights by Holders of Preferred Trust Securities. If there is an event of default with respect to Junior Subordinated Debentures held by the Trust, then the holders of Preferred Trust Securities issued by the Trust will rely on the Property Trustee or the Subordinated Indenture Trustee, acting for the benefit of the Property Trustee, to enforce the Property Trustee's rights against FPL as a holder of the Junior Subordinated Debentures. However, a holder of Preferred Trust Securities may enforce the Subordinated Indenture directly against FPL to the same extent, and upon the same conditions, as if the holder of Preferred Trust Securities held a principal amount of Junior Subordinated Debentures equal to the aggregate liquidation amount of its Preferred Trust Securities. (Subordinated Indenture, Section 610).

Subject to their right to bring suit to enforce their right to payment, the holders of Preferred Trust Securities would not be able to institute any proceeding with respect to the Subordinated Indenture unless the Subordinated Indenture Trustee has failed to do so for 60 days after a request of the holders of at least a majority of the aggregate liquidation amount of outstanding Preferred Trust Securities. Upon such failure, the holders of a majority of the aggregate liquidation amount of the outstanding Preferred Trust Securities would have the right to directly institute proceedings for enforcement of all other rights of the Subordinated Indenture Trustee against FPL to the fullest extent permitted by law. (Subordinated Indenture, Sections 807, 808 and 812).

Modification and Waiver. Without the consent of any registered owner of Subordinated Indenture Securities, FPL and the Subordinated Indenture Trustee may amend or supplement the Subordinated Indenture for any of the following purposes:

(1) to provide for the assumption by any permitted successor to FPL of FPL's obligations with respect to the Subordinated Indenture and the Subordinated Indenture Securities in the case of a merger or consolidation or a conveyance, transfer or lease of its properties and assets substantially as an entirety,

(2) to add covenants of FPL or to surrender any right or power conferred upon FPL by the Subordinated Indenture,

(3) to add any additional events of default,

(4) to change, eliminate or add any provision of the Subordinated Indenture, provided that if that change, elimination or addition will materially adversely affect the interests of the registered owners of Subordinated Indenture Securities of any series or tranche, that change, elimination or addition will become effective with respect to that series or tranche only

(a) when the required consent of the registered owners of Subordinated Indenture Securities of that series or tranche has been obtained, or

(b) when no Subordinated Indenture Securities of that series or tranche remain outstanding under the Subordinated Indenture,

(5) to provide collateral security for all but not a part of the Subordinated Indenture Securities,

(6) to establish the form or terms of Subordinated Indenture Securities of any other series or tranche,

(7) to provide for the authentication and delivery of bearer securities and the related coupons and for other matters relating to those bearer securities,

(8) to accept the appointment of a successor Subordinated Indenture Trustee or co-trustee with respect to the Subordinated Indenture Securities of one or more series and to change any of the provisions of the Subordinated Indenture as necessary to provide for the administration of the trusts under the Subordinated Indenture by more than one trustee,

(9) to add procedures to permit the use of a non-certificated system of registration for the Subordinated Indenture Securities of all or any series or tranche,

(10) to change any place where

(a) the principal of and premium, if any, and interest on all or any series or tranche of Subordinated Indenture Securities are payable,

(b) all or any series or tranche of Subordinated Indenture Securities may be transferred or exchanged, and

(c) notices and demands to or upon FPL in respect of Subordinated Indenture Securities and the Subordinated Indenture may be served, or

(11) to cure any ambiguity or inconsistency or to add or change any other provisions with respect to matters and questions arising under the Subordinated Indenture, provided those changes or additions may not materially adversely affect the interests of the registered owners of Subordinated Indenture Securities of any series or tranche. (Subordinated Indenture, Section 1201).

The registered owners of a majority in aggregate principal amount of the Subordinated Indenture Securities of all series then outstanding may waive compliance by FPL with certain restrictive provisions of the Subordinated Indenture. (Subordinated Indenture, Section 607). The registered owners of a majority in principal amount of the outstanding Subordinated Indenture Securities of any series may waive any past default under the Subordinated Indenture with respect to that series, except a default in the payment of principal, premium, if any, or interest and a default with respect to certain restrictive covenants or provisions of the Subordinated Indenture that cannot be modified or amended without the consent of the registered owner of each outstanding Subordinated Indenture Security of that series affected. (Subordinated Indenture, Section 813). If the Trust holds Subordinated Indenture Securities of any series, the Trust may not waive compliance, or any default in compliance, by FPL with any covenant or term contained in, or any past default under, the Subordinated Indenture or the Subordinated Indenture Securities of such series, without the approval of at least a majority (or such greater percentage required by the Trust

Agreement) in aggregate liquidation preference amount of the outstanding Preferred Trust Securities. (Subordinated Indenture, Sections 607 and 813).

In addition to any amendments described above, if the Trust Indenture Act of 1939 is amended after the date of the Subordinated Indenture in a way that requires changes to the Subordinated Indenture or in a way that permits changes to, or the elimination of, provisions that were previously required by the Trust Indenture Act of 1939, the Subordinated Indenture will be deemed to be amended to conform to that amendment of the Trust Indenture Act of 1939 or to make those changes, additions or eliminations. FPL and the Subordinated Indenture Trustee may, without the consent of any registered owners, enter into supplemental indentures to make that amendment. (Subordinated Indenture, Section 1201).

Except for any amendments described above, the consent of the registered owners of a majority in aggregate principal amount of the Subordinated Indenture Securities of all series then outstanding, considered as one class, is required for all other modifications to the Subordinated Indenture. However, if less than all of the series of Subordinated Indenture Securities outstanding are directly affected by a proposed supplemental indenture, then the consent only of the registered owners of a majority in aggregate principal amount of outstanding Subordinated Indenture Securities of all directly affected series, considered as one class, is required. But, if FPL issues any series of Subordinated Indenture Securities in more than one tranche and if the proposed supplemental indenture directly affects the rights of the registered owners of Subordinated Indenture Securities of less than all of those tranches, then the consent only of the registered owners of a majority in aggregate principal amount of the outstanding Subordinated Indenture Securities of all directly affected tranches, considered as one class, will be required. However, none of those amendments or modifications may:

(1) change the dates on which the principal of or interest (except as described above under "—Option to Defer Interest Payments") on a Subordinated Indenture Security is due without the consent of the registered owner of that Subordinated Indenture Security,

(2) reduce any Subordinated Indenture Security's principal amount or rate of interest (or the amount of any installment of that interest) or change the method of calculating that rate without the consent of the registered owner of that Subordinated Indenture Security,

(3) reduce any premium payable upon the redemption of a Subordinated Indenture Security without the consent of the registered owner of that Subordinated Indenture Security,

(4) change the currency (or other property) in which a Subordinated Indenture Security is payable without the consent of the registered owner of that Subordinated Indenture Security,

(5) impair the right to sue to enforce payments on any Subordinated Indenture Security on or after the date that it states that the payment is due (or, in the case of redemption, on or after the redemption date) without the consent of the registered owner of that Subordinated Indenture Security,

(6) reduce the percentage in principal amount of the outstanding Subordinated Indenture Securities of any series or tranche whose owners must consent to an amendment, supplement or waiver without the consent of the registered owner of each outstanding Subordinated Indenture Security of that series or tranche,

(7) reduce the requirements for quorum or voting of any series or tranche without the consent of the registered owner of each outstanding Subordinated Indenture Security of that series or tranche, or

(8) modify certain of the provisions of the Subordinated Indenture relating to supplemental indentures, waivers of certain covenants and waivers of past defaults with respect to the Subordinated Indenture Securities of any series or tranche, without the consent of the registered owner of each outstanding Subordinated Indenture Security affected by the modification.

A supplemental indenture that changes or eliminates any provision of the Subordinated Indenture that has expressly been included only for the benefit of one or more particular series or tranches of Subordinated Indenture Securities, or that modifies the rights of the registered owners of Subordinated Indenture Securities of that series or tranche with respect to that provision, will not affect the rights under the Subordinated Indenture of the registered owners of the Subordinated Indenture Securities of any other series or tranche. So long as any Preferred Trust Securities are outstanding, the Subordinated Indenture Trustee may not consent to any supplemental indenture without the prior consent of the holders of a majority in aggregate liquidation preference of all outstanding Preferred Trust Securities affected or, in the case of changes described in clauses (1) through (8) immediately above, 100% in aggregate liquidation preference of all such outstanding Preferred Trust Securities affected. (Subordinated Indenture, Section 1202).

The Subordinated Indenture provides that, in order to determine whether the registered owners of the required principal amount of the outstanding Subordinated Indenture Securities have given any request, demand, authorization, direction, notice, consent or waiver under the Subordinated Indenture, or whether a quorum is present at the meeting of the registered owners of Subordinated Indenture Securities, Subordinated Indenture Securities owned by FPL or any other obligor upon the Subordinated Indenture Securities or any affiliate of FPL or of that other obligor (unless FPL, that affiliate or that obligor owns all Subordinated Indenture Securities outstanding under the Subordinated Indenture, determined without regard to this provision) will be disregarded and deemed not to be outstanding. (Subordinated Indenture, Section 101).

If FPL solicits any action under the Subordinated Indenture from registered owners of Subordinated Indenture Securities, FPL may, at its option, by signing a written request to the Subordinated Indenture Trustee, fix in advance a record date for determining the registered owners of Subordinated Indenture Securities entitled to take that action. However, FPL will not be obligated to do this. If FPL fixes such a record date, that action may be taken before or after that record date, but only the registered owners of record at the close of business on that record date will be deemed to be registered owners of Subordinated Indenture Securities for the purposes of determining whether registered owners of the required proportion of the outstanding Subordinated Indenture Securities have authorized that action. For these purposes, the outstanding Subordinated Indenture Securities will be computed as of the record date. Any action of a registered owner of any Subordinated Indenture Security under the Subordinated Indenture will bind every future registered owner of that Subordinated Indenture Security, or any Subordinated Indenture Security replacing that Subordinated Indenture Security, with respect to anything that the Subordinated Indenture Trustee or FPL do, fail to do, or allow to be done in reliance on that action, whether or not that action is noted upon that Subordinated Indenture Security. (Subordinated Indenture, Section 104).

Resignation and Removal of Subordinated Indenture Trustee. The Subordinated Indenture Trustee may resign at any time with respect to any series of Subordinated Indenture Securities by giving written notice of its resignation to FPL. Also, the registered owners of a majority in principal amount of the outstanding Subordinated Indenture Securities of one or more series of Subordinated Indenture Securities may remove the Subordinated Indenture Trustee at any time with respect to the Subordinated Indenture Securities of that series, by delivering an instrument evidencing this action to the Subordinated Indenture Trustee and FPL. However, so long as any Preferred Trust Securities remain outstanding, the Trust cannot deliver an instrument evidencing this action without the consent of the holders of a majority in aggregate liquidation preference of Preferred Trust Securities outstanding. (Subordinated Indenture, Section 910). The resignation or removal of the Subordinated Indenture Trustee and the appointment of a successor trustee will not become effective until a successor trustee accepts its appointment.

Except with respect to a Subordinated Indenture Trustee appointed by the registered owners of Subordinated Indenture Securities, the Subordinated Indenture Trustee will be deemed to have resigned and the successor will be deemed to have been appointed as trustee in accordance with the Subordinated Indenture if:

(1) no event of default under the Subordinated Indenture or event that, after notice or lapse of time, or both, would become an event of default under the Subordinated Indenture exists, and

(2) FPL has delivered to the Subordinated Indenture Trustee resolutions of its Board of Directors appointing a successor trustee and that successor trustee has accepted that appointment in accordance with the terms of the Subordinated Indenture. (Subordinated Indenture, Section 910).

Notices. Notices to registered owners of Subordinated Indenture Securities will be sent by mail to the addresses of those registered owners as they appear in the security register for those Subordinated Indenture Securities. (Subordinated Indenture, Section 106).

Title. The person in whose name a Subordinated Indenture Security is registered may be treated as the absolute owner of that Subordinated Indenture Security, whether or not that Subordinated Indenture Security is overdue, for the purpose of making payments and for all other purposes, regardless of any notice to the contrary. (Subordinated Indenture, Section 308).

Governing Law. The Subordinated Indenture and the Subordinated Indenture Securities will be governed by, and construed in accordance with, the laws of the State of New York, without regard to New York's conflict of law principles, except to the extent that the law of any other jurisdiction is mandatorily applicable. (Subordinated Indenture, Section 112).

INFORMATION CONCERNING THE TRUSTEES

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

FPL and its affiliates, including FPL Group and FPL Group Capital Inc, also maintain various banking and trust relationships with The Bank of New York. In addition to acting as Subordinated Indenture Trustee, security registrar and paying agent under the Subordinated Indenture, The Bank of New York would act as (i) Preferred Trust Securities Guarantee Trustee under the Preferred Trust Securities Guarantee Agreement described under "Description of the Preferred Trust Securities Guarantee" above and (ii) Property Trustee under the Trust Agreement. The Bank of New York (Delaware) acts as the Delaware Trustee under the Trust Agreement.

PLAN OF DISTRIBUTION

FPL and the Trust may sell the securities offered pursuant to this prospectus ("Offered Securities"):

(1) through underwriters or dealers,

(2) through agents, or

(3) directly to one or more purchasers.

Through Underwriters or Dealers. If FPL and/or the Trust uses underwriters in the sale of the Offered Securities, the underwriters will acquire the Offered Securities for their own account. The underwriters may resell the Offered Securities 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 Offered Securities directly or through underwriting syndicates represented by managing underwriters. Unless otherwise stated in the prospectus supplement relating to the Offered Securities, the obligations of the underwriters to purchase those Offered Securities will be subject to certain conditions, and the underwriters will be obligated to purchase all of those Offered Securities if they purchase any of them. If FPL and/or the Trust uses a dealer in the sale, FPL and/or the Trust will sell the Offered Securities to the dealer as principal. The dealer may then resell those Offered Securities 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 and/or the Trust may designate one or more agents to sell the Offered Securities. 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 and/or the Trust may sell the Offered Securities 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 and/or the Trust from the sale of the Offered Securities, any initial public offering price and other terms of the offering of those Offered Securities.

FPL and/or the Trust may authorize underwriters, dealers or agents to solicit offers by certain institutions to purchase the Offered Securities from FPL and/or the Trust 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.

The Offered Securities may also be offered and sold, if so indicated in the applicable prospectus supplement, in connection with a remarketing upon their purchase, in accordance with a redemption or repayment pursuant to their terms, or otherwise, by one or more firms, which are referred to herein as the "remarketing firms," acting as principals for their own accounts or as our agent or the applicable trust's agents, as applicable. Any remarketing firm will be identified and the terms of its agreement, if any, with FPL and/or the Trust and its compensation will be described in the applicable prospectus supplement. Remarketing firms may be deemed to be underwriters, as that term is defined in the Securities Act of 1933, in connection with the securities remarketed thereby.

FPL and/or the Trust may enter into derivative transactions with third parties, or sell securities not covered by this prospectus to third parties in privately negotiated transactions. If the applicable prospectus supplement indicates, in connection with those derivatives, the third parties may sell securities covered by this prospectus and the applicable prospectus supplement, including in short sale transactions. If so, the third party may use securities pledged by FPL and/or the Trust or borrowed from any of them or others to settle those sales or to close out any related open borrowings of securities, and may use securities received from FPL and/or the Trust in settlement of those derivatives to close out any related open borrowings of securities. The third party in such sale transactions will be an underwriter and, if not identified in this prospectus, will be identified in the applicable prospectus supplement.

FPL and/or the Trust 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 and management's report on the effectiveness of internal control over financial reporting incorporated in this prospectus by reference from FPL's Annual Report on Form 10-K for the year ended December 31, 2005, have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

LEGAL OPINIONS

Squire, Sanders & Dempsey L.L.P., Miami, Florida, and Thelen Reid & Priest LLP, New York, New York, co-counsel to FPL and the Trust, will pass upon the legality of the Offered Securities for FPL and the Trust. Hunton & Williams LLP, New York, New York, will pass upon the legality of the Offered Securities for any underwriter, dealer or agent. Certain matters of Delaware law relating to the validity of the Preferred Trust Securities, the enforceability of the Trust Agreement and the creation of the Trust will be passed upon by Morris, James, Hitchens & Williams LLP, special Delaware counsel to FPL and the Trust. Thelen Reid & Priest LLP and Hunton & Williams LLP may rely as to all matters of Florida law upon the opinion of Squire, Sanders & Dempsey L.L.P., and on the opinion of Morris, James, Hitchens & Williams LLP, as to matters involving the law of the State of Delaware in connection with the Preferred Trust Securities. Squire, Sanders & Dempsey L.L.P. may rely as to all matters of

New York law upon the opinion of Thelen Reid & Priest LLP, and on the opinion of Morris, James, Hitchens & Williams LLP, as to matters involving the law of the State of Delaware in connection with the Preferred Trust Securities.

You should rely only on the information incorporated by reference or provided in this prospectus or any prospectus supplement or in any written communication from FPL or the Trust specifying the final terms of a particular offering of securities. Neither FPL nor the Trust has authorized anyone else to provide you with additional or different information. Neither FPL nor the Trust 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 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	$ *
Legal and Accounting Fees	750,000**
Printing (S-3, prospectus, prospectus supplement, etc.)	50,000**
Fees of the trustees	30,000**
Listing Fee	***
Rating Agencies' Fees	2,800,000**
Miscellaneous	20,000**
Total	$4,350,000

* Under Rules 456(b) and 457(r) under the Securities Act, the SEC registration fee will be paid at the time of any particular offering of securities under this registration statement, and is therefore not currently determinable.

** Because an indeterminate amount of securities is covered by this registration statement, the expenses in connection with the issuance and distribution of the securities are therefore not currently determinable. The amounts shown are estimates of expenses for the amount of securities which the registrants are currently authorized to issue, but do not limit the amount of securities that may be offered.

*** The listing fee is based upon the principal amount of securities listed, if any, and is therefore not currently determinable.

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

Section 607.0850 of the Florida Statutes generally permits FPL Group, FPL Group Capital and Florida Power & Light Company (each, a "Corporation") to indemnify its directors, officers, employees or other agents who are subject to any third-party actions because of their service to the Corporation 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 the Corporation. If the proceeding is a criminal one, such person must also have had no reasonable cause to believe his conduct was unlawful. In addition, each Corporation 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 the Corporation. 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 each Corporation 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 such 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 a corporation 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 the corporation to procure a judgment in its favor or by or in the right of a shareholder, conscious disregard for the best interest of the corporation, or willful misconduct, or (v) in a proceeding by or in the right of someone other than the corporation 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.

Each Corporation's bylaws provide generally that such Corporation shall, to the fullest extent permitted by law, indemnify all directors and officers of such Corporation, directors, officers, or other employees serving as a fiduciary of an employee benefit plan of such Corporation, as well as any employees or agents of such Corporation or other persons serving at the request of such Corporation in any capacity with any entity or enterprise other than such Corporation to whom such Corporation 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 Group on behalf of each Corporation 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.

Pursuant to Section 10 of each Trust Agreement, FPL Group (with respect to FPL Group Capital Trust II, FPL Group Capital Trust III, FPL Group Trust I and FPL Group Trust II) and FPL (with respect to Florida Power & Light Company Trust I and Florida Power & Light Company Trust II) has agreed to indemnify and hold harmless each Trustee, any affiliate of each Trustee and any officer, director, shareholder, member, partner or employee of each Trustee, and any employee of the Trust (each such person, a "Trust Agreement Indemnified Person") from and against any loss, liability, expense, damage or claim incurred by such Trust Agreement Indemnified Person without negligence (gross negligence, in the case of any Administrative Trustee or the Delaware Trustee or other person who is a Trust Agreement Indemnified Person by virtue of the relationship thereto), bad faith or willful misconduct on the part of the Trust Agreement Indemnified Person, or in the case of any such affiliate, officer, director, shareholder, member, partner or employee, on the part of the related Trustee, arising out of or in connection with the acceptance or administration of the trust or trusts thereunder or by reason of any act or omission performed or omitted by such Trust Agreement Indemnified Person in good faith on behalf of the Trust and in a manner such Trust Agreement Indemnified Person reasonably believed to be within the scope of authority conferred on such Trust Agreement Indemnified Person by the Trust Agreement. In addition, the Board of Directors of FPL Group has authorized FPL Group to indemnify each of the officers or employees of FPL Group (or any of its affiliates) who serve as an Administrative Trustee of FPL Group Capital Trust II, FPL Group Capital Trust III, FPL Group Trust I and FPL Group Trust II, in accordance with the bylaws provisions described above, and each such person will be an Indemnified Person as defined in the second preceding paragraph. In addition, the Board of Directors of FPL has authorized FPL to indemnify each of the officers or employees of FPL (or any of its affiliates) who serve as an Administrative Trustee of Florida Power & Light Company Trust I and Florida Power & Light Company Trust II, in accordance with the bylaws provisions described above, and each such person will be an Indemnified Person as defined in the second preceding paragraph.

Item 16. ***Exhibits.***

1(a) - Form of Underwriting Agreement for the Offered Securities of FPL Group and FPL Group Capital (other than Preferred Trust Securities of FPL Group Trust and FPL Group Capital Trust and related securities).

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 the corporation to procure a judgment in its favor or by or in the right of a shareholder, conscious disregard for the best interest of the corporation, or willful misconduct, or (v) in a proceeding by or in the right of someone other than the corporation 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.

Each Corporation's bylaws provide generally that such Corporation shall, to the fullest extent permitted by law, indemnify all directors and officers of such Corporation, directors, officers, or other employees serving as a fiduciary of an employee benefit plan of such Corporation, as well as any employees or agents of such Corporation or other persons serving at the request of such Corporation in any capacity with any entity or enterprise other than such Corporation to whom such Corporation 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 Group on behalf of each Corporation 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.

Pursuant to Section 10 of each Trust Agreement, FPL Group (with respect to FPL Group Capital Trust II, FPL Group Capital Trust III, FPL Group Trust I and FPL Group Trust II) and FPL (with respect to Florida Power & Light Company Trust I and Florida Power & Light Company Trust II) has agreed to indemnify and hold harmless each Trustee, any affiliate of each Trustee and any officer, director, shareholder, member, partner or employee of each Trustee, and any employee of the Trust (each such person, a "Trust Agreement Indemnified Person") from and against any loss, liability, expense, damage or claim incurred by such Trust Agreement Indemnified Person without negligence (gross negligence, in the case of any Administrative Trustee or the Delaware Trustee or other person who is a Trust Agreement Indemnified Person by virtue of the relationship thereto), bad faith or willful misconduct on the part of the Trust Agreement Indemnified Person, or in the case of any such affiliate, officer, director, shareholder, member, partner or employee, on the part of the related Trustee, arising out of or in connection with the acceptance or administration of the trust or trusts thereunder or by reason of any act or omission performed or omitted by such Trust Agreement Indemnified Person in good faith on behalf of the Trust and in a manner such Trust Agreement Indemnified Person reasonably believed to be within the scope of authority conferred on such Trust Agreement Indemnified Person by the Trust Agreement. In addition, the Board of Directors of FPL Group has authorized FPL Group to indemnify each of the officers or employees of FPL Group (or any of its affiliates) who serve as an Administrative Trustee of FPL Group Capital Trust II, FPL Group Capital Trust III, FPL Group Trust I and FPL Group Trust II, in accordance with the bylaws provisions described above, and each such person will be an Indemnified Person as defined in the second preceding paragraph. In addition, the Board of Directors of FPL has authorized FPL to indemnify each of the officers or employees of FPL (or any of its affiliates) who serve as an Administrative Trustee of Florida Power & Light Company Trust I and Florida Power & Light Company Trust II, in accordance with the bylaws provisions described above, and each such person will be an Indemnified Person as defined in the second preceding paragraph.

Item 16. Exhibits.

1(a) - Form of Underwriting Agreement for the Offered Securities of FPL Group and FPL Group Capital (other than Preferred Trust Securities of FPL Group Trust and FPL Group Capital Trust and related securities).

1(b) - Form of Underwriting Agreement with respect to Preferred Trust Securities of FPL Group Trust and FPL Group Capital Trust and related securities.

1(c) - Form of Underwriting Agreement with respect to Florida Power & Light Company's Bonds.

1(d) - Form of Distribution Agreement with respect to Florida Power & Light Company's Bonds.

1(e) - Form of Underwriting Agreement with respect to Preferred Trust Securities of Florida Power & Light Company Trust I and Florida Power & Light Company Trust II and related securities.

*4(a) - Restated Articles of Incorporation of FPL Group dated December 31, 1984, as amended through March 10, 2005 (filed as Exhibit 3(i) to Form S-4, File No. 333-124438).

*4(b) - Amendment to FPL Group's Restated Articles of Incorporation dated July 3, 2006 (filed as Exhibit 3(i) to Form 8-K dated June 30, 2006, File No. 1-8841).

*4(c) - Amended and Restated Bylaws of FPL Group (as amended through May 26, 2006) (filed as Exhibit 3(ii)a to Form 10-Q for the quarter ended June 30, 2006, File No. 1-8841).

*4(d) - Articles of Incorporation of FPL Group Capital dated July 31, 1985 (filed as Exhibit 3.1 to Registration Statement No. 33-6215).

*4(e) - Amendment to FPL Group Capital's Articles of Incorporation, dated May 27, 2004 (filed as Exhibit 4(i) to Form S-3, File Nos. 333-116209, 333-116209-01, 333-116209-02, 333-116209-03, 333-116209-04 and 333-116209-05).

*4(f) - Bylaws of FPL Group Capital dated January 4, 1988 (filed as Exhibit 4(b) to Registration Statement No. 33-69786).

*4(g) - Restated Articles of Incorporation of Florida Power & Light Company 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(h) - Amendment to Florida Power & Light Company'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(i) - Amendment to Florida Power & Light Company'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(j) - Amendment to Florida Power & Light Company'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(k) - Amendment to Florida Power & Light Company'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(l) - Amendment to Florida Power & Light Company'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(m) - Amendment to Florida Power & Light Company'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(n) - Amendment to Florida Power & Light Company's Restated Articles of Incorporation dated January 20, 2004 (filed as Exhibit 3(i)j to Form 10-K for the year ended December 31, 2003, File No. 1-3545).

*4(o) - Amendment to Florida Power & Light Company's Restated Articles of Incorporation dated January 20, 2004 (filed as Exhibit 3(i)k to Form 10-K for the year ended December 31, 2003, File No. 1-3545).

*4(p) - Amendment to Florida Power & Light Company's Restated Articles of Incorporation dated February 11, 2005 (filed as Exhibit 3(i)m to Form 10-K for the year ended December 31, 2004, File No. 2-27612).

*4(q) - Bylaws of Florida Power & Light Company dated May 11, 1992 (filed as Exhibit 3 to Form 8-K dated May 1, 1992, File No. 1-3545).

*4(r) - Mortgage and Deed of Trust dated as of January 1, 1944, and One hundred and ten Supplements thereto, between Florida Power & Light Company 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; 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; Exhibit 4(m) to Post-Effective Amendment No. 3 to Form S-3, File No. 333-102172); Exhibit 4(a) to Form 10-Q for the quarter ended September 30, 2004, File No. 2-27612); Exhibit 4(f) to Amendment No. 1 to Form S-3, File No. 333-125275); Exhibit 4(y) to Post-Effective Amendment No. 2 to Form S-3, File Nos. 333-116300, 333-116300-01 and 333-116300-02; Exhibit 4(z) to Post-Effective Amendment No. 3 to Form S-3, File Nos. 333-116300, 333-116300-01 and 333-116300-02); and Exhibit 4(b) to Form 10-Q for the quarter ended March 31, 2006, File No. 1-3545.

*4(s) - 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).

*4(t) - 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).

*4(u) - 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).

*4(v) - 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).

*4(w) - 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).

*4(x) - 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).

*4(y) - 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).

*4(z) - 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).

*4(aa) - 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).

*4(ab) - Officer's Certificate of FPL Group Capital, dated August 18, 2006, creating the 5 5/8% Debentures, Series due September 1, 2011 (filed as Exhibit 4 to Form 8-K dated August 18, 2006, File No. 1-8841).

*4(ac) - 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).

*4(ad) - Preferred Trust Securities Guarantee Agreement between FPL Group (as Guarantor) and The Bank of New York (as Guarantee Trustee) relating to FPL Group Capital Trust I, 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).

*4(ae) - 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 Nos. 333-102173, 333-102173-01, 333-102173-02 and 333-102173-03).

*4(af) - 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 Nos. 333-102173, 333-102173-01, 333-102173-02 and 333-102173-03).

*4(ag) - Trust Agreement and Certificate of Trust of FPL Group Capital Trust II (filed as Exhibit 4(ah) to Amendment No. 1 to Form S-3, File Nos. 333-102173, 333-102173-01, 333-102173-02 and 333-102173-03).

*4(ah) - Trust Agreement and Certificate of Trust of FPL Group Capital Trust III (filed as Exhibit 4(at) to Form S-3, File Nos. 333-116209, 333-116209-01, 333-116209-02, 333-116209-03, 333-116209-04 and 333-116209-05).

*4(ai) - Trust Agreement and Certificate of Trust of FPL Group Trust I (filed as Exhibit 4(au) to Form S-3, File Nos. 333-116209, 333-116209-01, 333-116209-02, 333-116209-03, 333-116209-04 and 333-116209-05).

*4(aj) - Trust Agreement and Certificate of Trust of FPL Group Trust II (filed as Exhibit 4(av) to Form S-3, File Nos. 333-116209, 333-116209-01, 333-116209-02, 333-116209-03, 333-116209-04 and 333-116209-05).

*4(ak) - Trust Agreement and Certificate of Trust of Florida Power & Light Company Trust I (filed as Exhibit 4(m) to Form S-3, File Nos. 333-116300, 333-116300-01 and 333-116300-02).

*4(al) - Trust Agreement and Certificate of Trust of Florida Power & Light Company Trust II (filed as Exhibit 4(n) to Form S-3, File Nos. 333-116300, 333-116300-01 and 333-116300-02).

*4(am) - Form of Amended and Restated Trust Agreement with respect to FPL Group Capital Trust and FPL Group Trust (filed as Exhibit 4(aw) to Form S-3, File Nos. 333-116209, 333-116209-01, 333-116209-02, 333-116209-03, 333-116209-04 and 333-116209-05).

*4(an) - Form of Amended and Restated Trust Agreement for Florida Power & Light Company Trust I and Florida Power & Light Company Trust II (filed as Exhibit 4(o) to Form S-3, File Nos. 333-116300, 333-116300-01 and 333-116300-02).

*4(ao) - Form of Preferred Trust Securities Guarantee Agreement relating to the FPL Group Trust and FPL Group Capital Trust Preferred Trust Securities (filed as Exhibit 4(ba) to Form S-3, File Nos. 333-116209, 333-116209-01, 333-116209-02, 333-116209-03, 333-116209-04 and 333-116209-05).

*4(ap) - Form of Preferred Trust Securities Guarantee Agreement relating to the Preferred Trust Securities of Florida Power & Light Company Trust I and Florida Power & Light Company Trust II (filed as Exhibit 4(r), File Nos. 333-116300, 333-116300-01 and 333-116300-02).

*4(aq) - Form of Agreement as to Expenses and Liabilities relating to FPL Group Trust and FPL Group Capital Trust (filed as Exhibit D of Exhibit 4(aw) to Form S-3, File Nos. 333-116209, 333-116209-01, 333-116209-02, 333-116209-03, 333-116209-04 and 333-116209-05).

*4(ar) - Form of Agreement as to Expenses and Liabilities relating to Florida Power & Light Company Trust I and Florida Power & Light Company Trust II (filed as Exhibit D of Exhibit 4(o) to Form S-3, File Nos. 333-116300, 333-116300-01 and 333-116300-02).

*4(as) - Form of Preferred Trust Securities for FPL Group Trust and FPL Group Capital Trust (filed as Exhibit C of Exhibit 4(aw) to Form S-3. File Nos. 333-116209, 333-116209-01, 333-116209-02, 333-116209-03, 333-116209-04 and 333-116209-05).

*4(at) - Form of Preferred Trust Securities for Florida Power & Light Company Trust I and Florida Power & Light Company Trust II (filed as Exhibit C of Exhibit 4(o) to Form S-3, File Nos. 333-116300, 333-116300-01 and 333-116300-02).

4(au) - Form of Indenture relating to FPL Group's Senior Debt Securities and Junior Subordinated Debentures.

4(av) - Form of Officer's Certificate relating to FPL Group's Senior Debt Securities, including form of Senior Debt Security.

4(aw) - Form of Officer's Certificate relating to FPL Group's Junior Subordinated Debentures, including form of Junior Subordinated Debentures.

4(ax) - Form of Subordinated Indenture relating to FPL Group Capital's Junior Subordinated Debentures.

4(ay) - Form of Officer's Certificate relating to FPL Group Capital's Junior Subordinated Debentures, including form of Junior Subordinated Debentures.

4(az) - Form of Officer's Certificate relating to FPL Group Capital's Senior Debt Securities, including form of Senior Debt Securities.

4(ba) - Form of Supplemental Indenture relating to Florida Power & Light Company's Bonds.

4(bb) - Form of Subordinated Indenture relating to the Junior Subordinated Debentures of Florida Power & Light Company.

4(bc) - Form of Officer's Certificate relating to Florida Power & Light Company's Junior Subordinated Debentures, including form of Junior Subordinated Debentures.

5(a) - Opinion and Consent, dated September 5, 2006, of Squire, Sanders & Dempsey L.L.P., counsel to FPL Group, FPL Group Capital, Florida Power & Light Company, FPL Group Capital Trust II, FPL Group Capital Trust III, FPL Group Trust I, FPL Group Trust II, Florida Power & Light Company Trust I and Florida Power & Light Company Trust II.

5(b) - Opinion and Consent, dated September 5, 2006, of Thelen Reid & Priest LLP, counsel to FPL Group, FPL Group Capital, Florida Power & Light Company, FPL Group Capital Trust II, FPL Group Capital Trust III, FPL Group Trust I, FPL Group Trust II, Florida Power & Light Company Trust I and Florida Power & Light Company Trust II.

5(c) - Opinion and Consent, dated September 5, 2006, of Morris, James, Hitchens & Williams LLP, special Delaware counsel to FPL Group, FPL Group Capital and FPL Group Capital Trust II.

5(d) - Opinion and Consent, dated September 5, 2006, of Morris, James, Hitchens & Williams LLP, special Delaware counsel to FPL Group, FPL Group Capital and FPL Group Capital Trust III.

5(e) - Opinion and Consent, dated September 5, 2006, of Morris, James, Hitchens & Williams LLP, special Delaware counsel to FPL Group and FPL Group Trust I.

5(f) - Opinion and Consent, dated September 5, 2006, of Morris, James, Hitchens & Williams LLP, special Delaware counsel to FPL Group and FPL Group Trust II.

5(g) - Opinion and Consent, dated September 5, 2006, of Morris, James, Hitchens & Williams LLP, special Delaware counsel to Florida Power & Light Company and Florida Power & Light Company Trust I.

5(h) - Opinion and Consent, dated September 5, 2006, of Morris, James, Hitchens & Williams LLP, special Delaware counsel to Florida Power & Light Company and Florida Power & Light Company Trust II.

*12(a) - Computation of Ratio of Earnings to Fixed Charges and Ratio of Earnings to Fixed Charges Plus Preferred Dividends of FPL Group (filed as Exhibit 12(a) to Form 10-K of FPL Group for the year ended December 31, 2005, File No. 1-8841 and Exhibit 12(a) to Form 10-Q of FPL Group for the quarter ended June 30, 2006, File No. 1-8841).

*12(b) - Computation of Ratio of Earnings to Fixed Charges and Ratio of Earnings to Fixed Charges Plus Preferred Dividends of FPL (filed as Exhibit 12(b) to Form 10-K of FPL for the year ended December 31, 2005, File No. 2-27612 and Exhibit 12(b) to Form 10-Q of FPL for the quarter ended June 30, 2006, File No. 2-27612).

23(a) - Consent of Deloitte & Touche LLP, an independent registered public accounting firm.

23(b) - Consent of Squire, Sanders & Dempsey L.L.P. (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)).

23(d) - Consent of Morris, James, Hitchens & Williams LLP (included in opinion, attached hereto as Exhibit 5(c)).

23(e) - Consent of Morris, James, Hitchens & Williams LLP (included in opinion, attached hereto as Exhibit 5(d)).

23(f) - Consent of Morris, James, Hitchens & Williams LLP (included in opinion, attached hereto as Exhibit 5(e)).

23(g) - Consent of Morris, James, Hitchens & Williams LLP (included in opinion, attached hereto as Exhibit 5(f)).

23(h) - Consent of Morris, James, Hitchens & Williams LLP (included in opinion, attached hereto as Exhibit 5(g)).

23(i) - Consent of Morris, James, Hitchens & Williams LLP (included in opinion, attached hereto as Exhibit 5(h)).

24 - Powers of Attorney (included on the signature pages of this registration statement).

25(a) - Statement of Eligibility on Form T-1 of The Bank of New York, as Guarantee Trustee with respect to FPL Group's Guarantee of FPL Group Capital's Senior Debt Securities.

25(b) - Statement of Eligibility on Form T-1 of The Bank of New York, as Indenture Trustee with respect to FPL Group Capital's Senior Debt Securities.

25(c) - Statement of Eligibility on Form T-1 of The Bank of New York, as trustee with respect to FPL Group's Senior Debt Securities.

25(d) - Statement of Eligibility on Form T-1 of The Bank of New York, as Subordinated Indenture Trustee with respect to FPL Group Capital's Junior Subordinated Debentures.

25(e) - Statement of Eligibility on Form T-1 of The Bank of New York, as Subordinated Indenture Trustee with respect to FPL Group's Junior Subordinated Debentures.

25(f) - Statement of Eligibility on Form T-1 of The Bank of New York, as Property Trustee, with respect to the Amended and Restated Trust Agreement of FPL Group Capital Trust II.

25(g) - Statement of Eligibility on Form T-1 of The Bank of New York, as Property Trustee, with respect to the Amended and Restated Trust Agreement of FPL Group Capital Trust III.

25(h) - Statement of Eligibility on Form T-1 of The Bank of New York, as Property Trustee, with respect to the Amended and Restated Trust Agreement of FPL Group Trust I.

25(i) - Statement of Eligibility on Form T-1 of The Bank of New York, as Property Trustee, with respect to the Amended and Restated Trust Agreement of FPL Group Trust II.

25(j) - Statement of Eligibility on Form T-1 of The Bank of New York, as Preferred Trust Securities Guarantee Trustee, with respect to the Preferred Trust Securities Guarantee Agreement of FPL Group Capital Trust II.

25(k) - Statement of Eligibility on Form T-1 of The Bank of New York, as Preferred Trust Securities Guarantee Trustee, with respect to the Preferred Trust Securities Guarantee Agreement of FPL Group Capital Trust III.

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25(m) - Statement of Eligibility on Form T-1 of The Bank of New York, as Preferred Trust Securities Guarantee Trustee, with respect to the Preferred Trust Securities Guarantee Agreement of FPL Group Trust II.

25(n) - Statement of Eligibility on Form T-1 of Deutsche Bank Trust Company Americas with respect to the Mortgage.

25(o) - Statement of Eligibility on Form T-1 of The Bank of New York, as Subordinated Indenture Trustee with respect to the Junior Subordinated Debentures of FPL.

25(p) - Statement of Eligibility on Form T-1 of The Bank of New York, as Property Trustee, with respect to the Amended and Restated Trust Agreement of Florida Power & Light Company Trust I.

25(q) - Statement of Eligibility on Form T-1 of The Bank of New York, as Property Trustee, with respect to the Amended and Restated Trust Agreement of Florida Power & Light Company Trust II.

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25(s) - Statement of Eligibility on Form T-1 of The Bank of New York, as Preferred Trust Securities Guarantee Trustee, with respect to the Preferred Trust Securities Guarantee Agreement of Florida Power & Light Company Trust II.

*Incorporated herein by reference as indicated.

Item 17. Undertakings.

The undersigned registrants hereby undertake:

(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 subsections (i), (ii) and (iii) do not apply if the registration statement is on Form S-3 and the information required to be contained in a post-effective amendment by those subsections is contained in reports filed with or furnished to the SEC by the registrants pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of 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 the purpose of determining liability under the Securities Act to any purchaser:

(i) Each prospectus filed by the registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and

(ii) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5), or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(x) for the purpose of providing the information required by Section 10(a) of the Securities Act shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which that prospectus relates, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof,

provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date.

(5) That, for the purpose of determining liability of the registrant under the Securities Act to any purchaser in the initial distribution of the securities, the undersigned registrants undertake that in a primary offering of securities of the undersigned registrants pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrants will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

(6) To file, if applicable, an application for the purpose of determining the eligibility of the trustee to act under subsection (a) of Section 310 of the Trust Indenture Act of 1939 in accordance with the rules and regulations prescribed by the SEC under Section 305(b)(2) of the Trust Indenture Act of 1939.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrants pursuant to the provisions described under Item 15 of this

registration statement, or otherwise, the registrants have 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 any registrant of expenses incurred or paid by a director, officer or controlling person of such 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 against which the claim is asserted 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, FPL Group, Inc. 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 5th day of September, 2006.

FPL GROUP, INC.

By: _____
Lewis Hay, III
Chairman of the Board, President, Chief Executive Officer 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, President, Chief Executive Officer and Director (Principal Executive Officer)	September 5, 2006
_____ Moray P. Dewhurst	Vice President, Finance and Chief Financial Officer (Principal Financial Officer)	September 5, 2006
_____ K. Michael Davis	Controller and Chief Accounting Officer (Principal Accounting Officer)	September 5, 2006
_____ H. Jesse Arnelle	Director	September 5, 2006
_____ Sherry S. Barrat	Director	September 5, 2006
_____ Robert M. Beall, II	Director	September 5, 2006

Signature	Title	Date
J. Hyatt Brown	Director	September 5, 2006
James L. Camaren	Director	September 5, 2006
J. Brian Ferguson	Director	September 5, 2006
Rudy E. Schupp	Director	September 5, 2006
Michael H. Thaman	Director	September 5, 2006
Hansel E. Tookes, II	Director	September 5, 2006
Paul R. Tregurtha	Director	September 5, 2006
Frank G. Zarb	Director	September 5, 2006

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, Florida Power & Light Company certifies that it has reasonable grounds to believe that it meets all 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 5th day of September, 2006.

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)	September 5, 2006
_____ Moray P. Dewhurst	Senior Vice President, Finance and Chief Financial Officer and Director (Principal Financial Officer)	September 5, 2006
_____ K. Michael Davis	Vice President, Accounting, Controller and Chief Accounting Officer (Principal Accounting Officer)	September 5, 2006
_____ Armando J. Olivera	Director	September 5, 2006
_____ Antonio Rodriguez	Director	September 5, 2006
_____ John A. Hall	Director	September 5, 2006
_____ Edward F. Tancer	Director	September 5, 2006

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, FPL Group Capital Inc certifies that it has reasonable grounds to believe that it meets all 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 5th of September, 2006.

FPL GROUP CAPITAL INC

By: _____
Lewis Hay, III
President, Chief Executive Officer 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	President, Chief Executive Officer and Director (Principal Executive Officer)	September 5, 2006
_____ Moray P. Dewhurst	Senior Vice President, Finance, Chief Financial Officer and Director (Principal Financial Officer)	September 5, 2006
_____ K. Michael Davis	Controller and Chief Accounting Officer (Principal Accounting Officer)	September 5, 2006
_____ Paul I. Cutler	Director	September 5, 2006

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, FPL Group Capital Trust II 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 5th day of September, 2006.

FPL GROUP CAPITAL TRUST II

By: _____
Name: Paul I. Cutler
Title: Administrative Trustee

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, FPL Group Capital Trust III 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 5th day of September, 2006.

FPL GROUP CAPITAL TRUST III

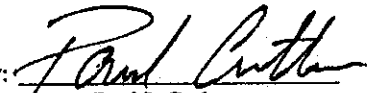
By: _____

Name: Paul I. Cutler
Title: Administrative Trustee

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, FPL Group Trust I 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 5th day of September, 2006.

FPL GROUP TRUST I

By: 

Name: Paul I. Cutler
Title: Administrative Trustee

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, FPL Group Trust II 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 5th day of September, 2006.

FPL GROUP TRUST II

By: 

Name: Paul I. Cutler
Title: Administrative Trustee

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Florida Power & Light Company Trust I 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 5th day of September, 2006.

FLORIDA POWER & LIGHT COMPANY TRUST I

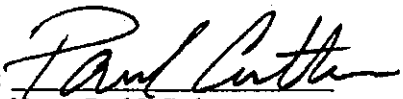
By: 

Name: Paul I. Cutler
Title: Administrative Trustee

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Florida Power & Light Company Trust II 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 5th day of September, 2006.

FLORIDA POWER & LIGHT COMPANY TRUST II

By: 

Name: Paul I. Cutler
Title: Administrative Trustee

Exhibit Index

1(a)	Form of Underwriting Agreement for the Offered Securities of FPL Group and FPL Group Capital (other than Preferred Trust Securities of FPL Group Trust and FPL Group Capital Trust and related securities).
1(b)	Form of Underwriting Agreement with respect to Preferred Trust Securities of FPL Group Trust and FPL Group Capital Trust and related securities.
1(c)	Form of Underwriting Agreement with respect to Florida Power & Light Company's Bonds.
1(d)	Form of Distribution Agreement with respect to Florida Power & Light Company's Bonds.
1(e)	Form of Underwriting Agreement with respect to Preferred Trust Securities of Florida Power & Light Company Trust I and Florida Power & Light Company Trust II and related securities.
4(au)	Form of Indenture relating to FPL Group's Senior Debt Securities and Junior Subordinated Debentures.
4(av)	Form of Officer's Certificate relating to FPL Group's Senior Debt Securities, including form of Senior Debt Security.
4(aw)	Form of Officer's Certificate relating to FPL Group's Junior Subordinated Debentures, including form of Junior Subordinated Debentures.
4(ax)	Form of Subordinated Indenture relating to FPL Group Capital's Junior Subordinated Debentures.
4(ay)	Form of Officer's Certificate relating to FPL Group Capital's Junior Subordinated Debentures, including form of Junior Subordinated Debentures.
4(az)	Form of Officer's Certificate relating to FPL Group Capital's Senior Debt Securities, including form of Senior Debt Securities.
4(ba)	Form of Supplemental Indenture relating to Florida Power & Light Company's Bonds.
4(bb)	Form of Subordinated Indenture relating to the Junior Subordinated Debentures of Florida Power & Light Company.
4(bc)	Form of Officer's Certificate relating to Florida Power & Light Company's Junior Subordinated Debentures, including form of Junior Subordinated Debentures.
5(a)	Opinion and Consent, dated September 5, 2006, of Squire, Sanders & Dempsey L.L.P., counsel to FPL Group, FPL Group Capital, Florida Power & Light Company, FPL Group Capital Trust II, FPL Group Capital Trust III, FPL Group Trust I, FPL Group Trust II, Florida Power & Light Company Trust I and Florida Power & Light Company Trust II.
5(b)	Opinion and Consent, dated September 5, 2006, of Thelen Reid & Priest LLP, counsel to FPL Group, FPL Group Capital, Florida Power & Light Company, FPL Group Capital Trust II, FPL Group Capital Trust III, FPL Group Trust I, FPL Group Trust II, Florida Power & Light Company Trust I and Florida Power & Light Company Trust II.
5(c)	Opinion and Consent, dated September 5, 2006, of Morris, James, Hitchens & Williams LLP, special Delaware counsel to FPL Group, FPL Group Capital and FPL Group Capital Trust II.
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25(j) Statement of Eligibility on Form T-1 of The Bank of New York, as Preferred Trust Securities Guarantee Trustee, with respect to the Preferred Trust Securities Guarantee Agreement of FPL Group Capital Trust II.

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Exhibit 1(a)

Exhibit 1(a)

[Name of Issuer]

[Name of Security]

UNDERWRITING AGREEMENT

[Date]

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

Ladies and Gentlemen:

1. Introductory. [[1]FPL Group Capital Inc, a Florida corporation ("FPL Group Capital") and a wholly-owned subsidiary of FPL Group, Inc., a Florida corporation ("FPL Group"), proposes to issue and sell its debt securities of the series designation[s], with the terms and in the principal amount[s] specified in Schedule I hereto (the "Debentures"). The Debentures will be absolutely, irrevocably and unconditionally guaranteed by FPL Group pursuant to and in accordance with the terms of the Guarantee Agreement (as hereinafter defined).] [[2]FPL Group, Inc., a Florida corporation ("FPL Group"), proposes to issue and sell its debt securities of the series designation[s], with the terms and in the principal amount[s] specified in Schedule I hereto (the "Debentures").] [[1]Each of] FPL Group [[1]and FPL Group Capital] 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 6 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

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[1] For use in connection with Debt Securities of FPL Group Capital

[2] For use in connection with Debt Securities of FPL Group

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 Securities. [[1]The Debentures [of each series] will be a series of debentures issued by FPL Group Capital under an Indenture, dated as of [June 1, 1999] [_____], to The Bank of New York, as Trustee, a copy of which has been heretofore delivered to the Representatives (together with any amendments or supplements thereto, the "Indenture"). The Debentures will be absolutely, irrevocably and unconditionally guaranteed by FPL Group [pursuant to, and in accordance with, the terms of a Guarantee Agreement, dated as of June 1, 1999, between FPL Group, as Guarantor, and The Bank of New York, as Guarantee Trustee, a copy of which has been heretofore delivered to the Representatives (the "Guarantee Agreement")] [on a subordinated basis by FPL Group, as set forth in the Indenture]. The term "Guarantee" as used in this agreement shall refer to the guarantee [pursuant to the Guarantee Agreement relating to the Debentures] [of FPL Group pursuant to the Indenture].] [[2]The Debentures [of each series] will be a series of debentures issued by FPL Group under an Indenture, dated as of _____, to The Bank of New York, as Trustee, a copy of which has been heretofore delivered to the Representatives (together with any amendments or supplements thereto, the "Indenture").]

3. [[1]Representations and Warranties of FPL Group Capital. FPL Group Capital represents and warrants to the several Underwriters that:

(a) FPL Group Capital has filed with the Securities and Exchange Commission (the "Commission") a joint registration statement with FPL Group, FPL Group Capital Trust II, FPL Group Capital Trust III (together with FPL Group Capital Trust II, "FPL Group Capital Trust"), FPL Group Trust I, FPL Group Trust II (together with FPL Group Trust I, "FPL Group Trust"), Florida Power & Light Company, Florida Power & Light Company Trust I and Florida Power & Light Company Trust II (together with Florida Power & Light Company Trust I, "Florida Power & Light Company Trust", and together with FPL Group Capital Trust II, FPL Group Capital Trust III, FPL Group Trust I and FPL Group Trust II, collectively the "Trusts") on Form S-3, including a prospectus (Registration Statement Nos. 333-_____, 333-_____-01, 333-_____-02, 333-_____-03, 333-_____-04, 333-_____-05, 333-_____-06, 333-_____-07 and 333-_____-08) ("Registration Statement No. 333-_____"), for the registration under the Securities Act of 1933, as amended (the "Securities Act"), of (a) an unspecified aggregate amount of (i) debt securities of FPL Group Capital ("FPL Group Capital Senior Debt Securities"), (ii) junior subordinated debt securities of FPL Group Capital ("FPL Group Capital Junior Subordinated Debentures"), (iii) junior subordinated debt securities of FPL Group ("FPL Group Junior Subordinated Debentures"), (iv) debt securities of FPL Group ("FPL Group Senior Debt Securities"), (v) preferred trust securities of FPL Group Capital Trust II and FPL Group Capital Trust III ("FPL Group Capital Trust Preferred Trust Securities") and (vi) preferred trust securities of FPL Group Trust I and FPL Group Trust II ("FPL Group Trust Preferred Trust Securities"), (b) FPL Group's guarantees related to FPL Group Capital Senior Debt Securities, FPL Group Capital Junior Subordinated Debentures, FPL Group Capital Trust Preferred Trust Securities and FPL Group Trust Preferred Trust Securities, (c) an unspecified aggregate amount of (i) Florida Power & Light Company's first mortgage bonds ("Bonds"), (ii) Florida Power

& Light Company's junior subordinated debentures ("Florida Power & Light Company Junior Subordinated Debentures"), and (iii) preferred trust securities of Florida Power & Light Company Trust I and Florida Power & Light Company Trust II ("Florida Power & Light Company Trust Preferred Trust Securities"), and (d) Florida Power & Light Company's guarantee of the Florida Power & Light Company Trust Preferred Trust Securities (the "Florida Power & Light Company Trust Guarantee"). Such registration statement has become effective 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 Group Capital, threatened by the Commission. References herein to the term "Registration Statement" as of any given time shall mean Registration Statement No. 333-_____, as amended or supplemented to such time, including all documents incorporated by reference therein as of such time pursuant to Item 12 of Form S-3 ("Incorporated Documents") and any prospectus, preliminary prospectus supplement or prospectus supplement relating to the Debentures deemed to be a part thereof pursuant to Rule 430B that has not been superseded or modified. References herein to the term "Registration Statement" without reference to a time means the Registration Statement as of ____ [A.M./P.M.], New York City time, on [_____] [the date of this agreement] (which date and time is the earlier of the date and time of (x) the first use of the preliminary prospectus supplement relating to the Debentures and (y) the first contract of sale of the Debentures), which time shall be considered the "Effective Date" of the Registration Statement. For purposes of the definitions of "Registration Statement" in the preceding two sentences, information contained in any prospectus, preliminary prospectus supplement or prospectus supplement that is deemed retroactively to be a part of the Registration Statement pursuant to Rule 430B shall be considered to be included in the Registration Statement as of the time specified in Rule 430B. References herein to the term "Pricing Prospectus" shall mean the prospectus relating to FPL Group, FPL Group Capital, FPL Group Trust and FPL Group Capital Trust forming a part of Registration Statement No. 333-_____ (the "Base Prospectus"), including all Incorporated Documents and any prospectus or prospectus supplement relating to the Debentures deemed to be a part of such registration statement that has not been superseded or modified. For purposes of the definition of "Pricing Prospectus" with respect to a particular offering of Debentures, information contained in a prospectus or prospectus supplement (other than a prospectus or prospectus supplement that relates only to securities issued by Florida Power & Light Company or Florida Power & Light Company Trust) that is deemed retroactively to be a part of the Registration Statement pursuant to Rule 430B shall be considered to be included in the Pricing Prospectus as of the time that form of prospectus or prospectus supplement is filed with the Commission pursuant to Rule 424 of the general rules and regulations of the Securities Act ("Rule 424"). References herein to the term "Prospectus" means the Pricing Prospectus that discloses the public offering price and other final terms of the Debentures and otherwise satisfies Section 10(a) of the Securities Act. The prospectus supplement relating to the Debentures 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. Each of the Underwriters acknowledges that on or subsequent to the Closing Date, FPL Group Capital may file a post-effective amendment to the Registration Statement pursuant to Rule 462(d) under the Securities Act or FPL

Group may file a Current Report on Form 8-K in order to file one or more unqualified opinions of counsel.

(b) The Registration Statement constitutes an "automatic shelf registration statement" (as defined in Rule 405 under the Securities Act) filed within three years of the date hereof; no notice of objection of the Commission with respect to the use of the Registration Statement pursuant to Rule 401(g)(2) under the Securities Act has been received by FPL Group Capital; and with respect to the Debentures FPL Group Capital is a "well-known seasoned issuer" within the meaning of subparagraph (1)(ii) of the definition of "well-known seasoned issuer" in Rule 405 under the Securities Act.

(c) The Registration Statement at the Effective Date fully complied, and the Prospectus, both at the date and time it is filed with the Commission pursuant to Rule 424 (such date and time, the "424 Date") and at the Closing Date, and the Registration Statement and the Indenture 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 the Registration Statement 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, both at 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; provided, that the foregoing representations and warranties in this subsection (c) shall not apply to statements or omissions made in reliance upon and in conformity with information furnished in writing to FPL Group or FPL Group Capital 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 Statements of Eligibility on Form T-1, or amendments thereto, filed as exhibits to the Registration Statement (collectively, the "Statements of Eligibility") or to any statements or omissions made in the Registration Statement or the Prospectus relating to The Depository Trust Company ("DTC") Book-Entry-Only System that are based solely on information contained in published reports of DTC.

(d) As of the Applicable Time (as defined below), the Pricing Disclosure Package (as defined below) did not contain 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; provided, that the foregoing representations and warranties in this subsection (d) shall not apply to statements or omissions made in reliance upon and in conformity with information furnished in writing to FPL Group or FPL Group Capital by or on behalf of any Underwriter through the Representatives expressly for use in connection with the preparation of the Registration Statement, the Pricing Prospectus, any preliminary prospectus supplement or any Issuer Free Writing Prospectus (as defined below), or to any statements in or omissions from the Statements of Eligibility or to any statements or

omissions made in the Registration Statement, the Pricing Prospectus, any preliminary prospectus supplement or any Issuer Free Writing Prospectus relating to the DTC Book-Entry-Only System that are based solely on information contained in published reports of DTC. References to the term "Pricing Disclosure Package" shall mean the documents listed in Schedule III, taken together as a whole. References to the term "Issuer Free Writing Prospectus" shall mean an issuer free writing prospectus, as defined in Rule 433 under the Securities Act. References to the term "Free Writing Prospectus" shall mean a free writing prospectus, as defined in Rule 405 under the Securities Act. References to the term "Applicable Time" means ____ [A.M./P.M.] on the date hereof. If there occurs an event or development as a result of which the Pricing Disclosure Package would include an untrue statement of a material fact or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances then prevailing, not misleading, FPL Group Capital promptly will notify the Representatives so that any use of the Pricing Disclosure Package may cease until it is amended or supplemented.

(e) As of the Applicable Time, no Issuer Free Writing Prospectus includes any information that conflicts with the information contained in the Registration Statement, the Prospectus or the Pricing Prospectus, including any document incorporated by reference therein that has not been superseded or modified.

(f) The execution and delivery of this agreement and the consummation of the transactions herein contemplated by FPL Group Capital, and the fulfillment of the terms hereof on the part of FPL Group Capital to be fulfilled have been duly authorized by all necessary corporate action of FPL Group Capital in accordance with the provisions of its Articles of Incorporation, as amended (the "FPL Group Capital Charter"), by-laws and applicable law, and the Debentures when issued and delivered by FPL Group Capital as provided herein will constitute valid and binding obligations of FPL Group Capital enforceable against FPL Group Capital in accordance with their terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity. The execution and delivery by FPL Group Capital of the Debentures [and the Indenture] and the performance by FPL Group Capital of its obligations thereunder do not require any consent, approval, authorization, registration or qualification of or by any governmental agency or body other than those consents, approvals, authorizations, registrations or qualifications as have already been obtained.

(g) The execution and delivery of this agreement and the consummation of the transactions herein contemplated by FPL Group Capital, the fulfillment of the terms hereof on the part of FPL Group Capital to be fulfilled, and the compliance by FPL Group Capital with all the terms and provisions of the Indenture will not result in a breach of any of the terms or provisions of, or constitute a default under, the FPL Group Capital Charter or by-laws, or any indenture, mortgage, deed of trust or other agreement or instrument to which FPL Group Capital is now a party, or violate any law or any order, rule, decree or regulation applicable to FPL Group Capital of any federal or state court, regulatory board or body or administrative agency having jurisdiction over FPL Group Capital 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 Group Capital and its subsidiaries taken as a whole.

(h) FPL Group Capital or one or more of its direct or indirect subsidiaries owns all of the ownership interests of [Insert names of significant subsidiaries] free and clear of all liens, encumbrances and adverse claims, except such as do not materially affect the value thereof.

(i) FPL Group Capital and each of its direct and indirect significant subsidiaries (as defined in Regulation S-X (17 CFR Part 210)) has been duly organized, is validly existing and is in good standing under the laws of its respective jurisdiction of organization, and is duly qualified to do business and is in good standing as a foreign corporation or other entity in each jurisdiction in which its respective ownership of properties or the conduct of its respective businesses requires such qualification, except where the failure so to qualify would not have a material adverse effect on the business, properties or financial condition of FPL Group Capital and its subsidiaries taken as a whole, and has the power and authority as a corporation or other entity necessary to own or hold its respective properties and to conduct the businesses in which it is engaged.

(j) The Debentures conform in all material respects to the description thereof in the Prospectus.

(k) The Indenture (i) has been duly authorized by FPL Group Capital by all necessary corporate action, [has been duly] [and, when] executed and delivered by FPL Group Capital, and [is] [will be] a valid and binding instrument enforceable against FPL Group Capital in accordance with its terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity and (ii) conforms in all material respects to the description thereof in the Prospectus.

(l) FPL Group Capital is not, and after giving effect to the offering and sale of the Debentures and the application of the proceeds thereof as described in the Pricing Disclosure Package and the Prospectus will not be, an "investment company" within the meaning of the Investment Company Act of 1940, as amended ("1940 Act").]

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

(a) FPL Group, together with FPL Group Capital [[2]Inc], Florida Power & Light Company [[1]and the Trusts] [[2], FPL Group Capital Trust II, FPL Group Capital Trust III, FPL Group Trust I, FPL Group Trust I, Florida Power & Light Company Trust I and Florida Power & Light Company Trust II] filed with the [[2]Securities and Exchange ("] Commission [[2]")] [[1]Registration Statement No. 333-_____] [[2]a joint registration statement on Form S-3, including a prospectus (Registration Statement Nos. 333-_____, 333-_____-01, 333-_____-02, 333-_____-03, 333-_____-04, 333-_____-05, 333-_____-06, 333-_____-07 and 333-_____-08) ("Registration Statement No. 333-_____")] for the registration under the Securities Act of (a) an unspecified

aggregate amount of (i) [[1]FPL Group Capital Senior Debt Securities] [[2]debt securities of FPL Group Capital ("FPL Group Capital Senior Debt Securities")], (ii) [[1]FPL Group Capital Junior Subordinated Debentures] [[2]junior subordinated debt securities of FPL Group Capital ("FPL Group Capital Junior Subordinated Debentures")], (iii) [[1]FPL Group Junior Subordinated Debentures] [[2]junior subordinated debentures of FPL Group ("FPL Group Junior Subordinated Debentures")], (iv) [[1]FPL Group Senior Debt Securities] [[2]debt securities of FPL Group ("FPL Group Senior Debt Securities")], (v) [[1]FPL Group Capital Trust Preferred Trust Securities] [[2]preferred trust securities of FPL Group Capital Trust II and FPL Group Capital Trust III ("FPL Group Capital Trust Preferred Trust Securities")], (vi) [[1]FPL Group Trust Preferred Trust Securities] [[2]preferred trust securities of FPL Group Trust I and FPL Group Trust II ("FPL Group Trust Preferred Trust Securities")], (b) FPL Group's guarantees related to FPL Group Capital Senior Debt Securities, FPL Group Capital Junior Subordinated Debentures, FPL Group Capital Trust Preferred Trust Securities and FPL Group Trust Preferred Trust Securities, (c) an unspecified aggregate amount of (i) [[1]Bonds] [[2]Florida Power & Light Company's first mortgage bonds ("Bonds")], (ii) [[1]Florida Power & Light Company Junior Subordinated Debentures] [[2]Florida Power & Light Company's junior subordinated debentures ("Florida Power & Light Company Junior Subordinated Debentures")], and (iii) [[1]Florida Power & Light Company Trust Preferred Trust Securities] [[2]preferred trust securities of Florida Power & Light Company Trust I and Florida Power & Light Company Trust II ("Florida Power & Light Company Trust Preferred Trust Securities")], and (d) [[1]the Florida Power & Light Company Guarantee] [[2]Florida Power & Light Company's guarantee of the Florida Power & Light Company Trust Preferred Trust Securities (the "Florida Power & Light Company Trust Guarantee")]. Such registration statement has become effective 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 Group, threatened by the Commission. [[2]References herein to the term "Registration Statement" as of any given time shall mean Registration Statement No. 333-_____, as amended or supplemented to such time, including all documents incorporated by reference therein as of such time pursuant to Item 12 of Form S-3 ("Incorporated Documents") and any prospectus, preliminary prospectus supplement or prospectus supplement relating to the Debentures deemed to be a part thereof pursuant to Rule 430B that has not been superseded or modified. References herein to the term "Registration Statement" without reference to a time means the Registration Statement as of ____ [A.M./P.M.], New York City time, on [_____] [the date of this agreement] (which date and time is the earlier of the date and time of (x) the first use of the preliminary prospectus supplement relating to the Debentures and (y) the first contract of sale of the Debentures), which time shall be considered the "Effective Date" of the Registration Statement. For purposes of the definitions of "Registration Statement" in the preceding two sentences, information contained in any prospectus, preliminary prospectus supplement or prospectus supplement that is deemed retroactively to be a part of the Registration Statement pursuant to Rule 430B shall be considered to be included in the Registration Statement as of the time specified in Rule 430B. References herein to the term "Pricing Prospectus" shall mean the prospectus relating to FPL Group, FPL Group Capital, FPL Group Trust and FPL Group Capital Trust forming a part of Registration

Statement No. 333-_____ (the "Base Prospectus"), including all Incorporated Documents and any prospectus or prospectus supplement relating to the Debentures deemed to be a part of such registration statement that has not been superseded or modified. For purposes of the definition of "Pricing Prospectus" with respect to a particular offering of Debentures, information contained in a prospectus or prospectus supplement (other than a prospectus or prospectus supplement that relates only to securities issued by Florida Power & Light Company or Florida Power & Light Company Trust) that is deemed retroactively to be a part of the Registration Statement pursuant to Rule 430B shall be considered to be included in the Pricing Prospectus as of the time that form of prospectus or prospectus supplement is filed with the Commission pursuant to Rule 424 of the general rules and regulations of the Securities Act ("Rule 424"). References herein to the term "Prospectus" means the Pricing Prospectus that discloses the public offering price and other final terms of the Debentures and otherwise satisfies Section 10(a) of the Securities Act.] The prospectus supplement relating to the Debentures 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. Each of the Underwriters acknowledges that on or subsequent to the Closing Date, FPL Group may file a post-effective amendment to the Registration Statement pursuant to Rule 462(d) under the Securities Act or a Current Report on Form 8-K in order to file one or more unqualified opinions of counsel.

(b) The Registration Statement constitutes an "automatic shelf registration statement" (as defined in Rule 405 under the Securities Act) filed within three years of the date hereof; no notice of objection of the Commission with respect to the use of the Registration Statement pursuant to Rule 401(g)(2) under the Securities Act has been received by FPL Group; and FPL Group is a "well-known seasoned issuer" and is not an "ineligible issuer" (in each case as defined in Rule 405 under the Securities Act).

(c) The Registration Statement at the Effective Date fully complied, and the Prospectus, both at the [[1]424 Date] [[2]both at the date and time it is filed with the Commission pursuant to Rule 424 (such date and time, the "424 Date")] and at the Closing Date, and the Registration Statement [[1] and the [Guarantee Agreement] [Indenture]] [[2]and the Indenture] at the Closing Date, will fully comply, in all material respects with the applicable provisions of the Securities Act and the [[1]1939 Act] [[2]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, the Registration Statement 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, both at 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 (c) shall not apply to statements or omissions made in reliance upon and in conformity with information furnished in writing to FPL Group [[1]or FPL Group Capital] 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 Statements of Eligibility [[2]on Form T-1, or amendments thereto, filed as exhibits to the Registration Statement (collectively, the "Statements of Eligibility")] or to any statements or omissions made in the Registration Statement or Prospectus relating to [[2]The Depository Trust Company (") [[1]the DTC] [[2]")]Book-Entry-Only System that are based solely on information contained in published reports of DTC.

(d) As of the Applicable Time [[2](as defined below)], the Pricing Disclosure Package [[2](as defined below)] did not contain 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; provided, that the foregoing representations and warranties in this subsection (d) shall not apply to statements or omissions made in reliance upon and in conformity with information furnished in writing to FPL Group [[1]or FPL Group Capital] by or on behalf of any Underwriter through the Representatives expressly for use in connection with the preparation of the Registration Statement, the Pricing Prospectus, any preliminary prospectus supplement or any Issuer Free Writing Prospectus [[2](as defined below)], or to any statements in or omissions from the Statements of Eligibility or to any statements or omissions made in the Registration Statement, the Pricing Prospectus, any preliminary prospectus supplement or any Issuer Free Writing Prospectus relating to the DTC Book-Entry-Only System that are based solely on information contained in published reports of DTC. [[2]References to the term "Pricing Disclosure Package" shall mean the documents listed in Schedule III, taken together as a whole. References to the term "Issuer Free Writing Prospectus" shall mean an issuer free writing prospectus, as defined in Rule 433 under the Securities Act. References to the term "Free Writing Prospectus" shall mean a free writing prospectus, as defined in Rule 405 under the Securities Act. References to the term "Applicable Time" means ____ [A.M./P.M.] on the date hereof.] If there occurs an event or development as a result of which the Pricing Disclosure Package would include an untrue statement of a material fact or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances then prevailing, not misleading, FPL Group promptly will notify the Representatives so that any use of the Pricing Disclosure Package may cease until it is amended or supplemented.

(e) As of the Applicable Time, no Issuer Free Writing Prospectus includes any information that conflicts with the information contained in the Registration Statement, the Prospectus or the Pricing Prospectus, including any document incorporated by reference therein that has not been superseded or modified.

(f) The financial statements included as part of or incorporated by reference in the Pricing Disclosure Package, the Prospectus and the Registration Statement present fairly the consolidated financial condition and results of operations of FPL Group 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 Pricing Disclosure Package and the Registration Statement; and Deloitte & Touche LLP, who has audited the audited financial statements of FPL Group, is an independent registered public accounting firm as required by the Securities Act and the Exchange Act and the rules and regulations of the Commission thereunder.

(g) Except as reflected in or contemplated by the Pricing Disclosure Package, since the respective most recent times as of which information is given in the Pricing Disclosure Package, there has not been any material adverse change in the business, properties or financial condition of FPL Group 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 Group or any of its subsidiaries that is material to FPL Group and its subsidiaries taken as a whole, other than changes and transactions contemplated by the Pricing Disclosure Package, and transactions in the ordinary course of business. FPL Group and its subsidiaries have no contingent obligation material to FPL Group and its subsidiaries taken as a whole, which is not disclosed in or contemplated by the Pricing Disclosure Package.

(h) The execution and delivery of this agreement and the consummation of the transactions herein contemplated by FPL Group, 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 (the "FPL Group Charter"), by-laws and applicable law, and the [[1][Guarantee Agreement] [Indenture]] [[2]Indenture] when issued and delivered by FPL Group as provided herein will constitute a valid and binding obligation of FPL Group enforceable against FPL Group in accordance with its terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity. The execution and delivery by FPL Group of the [[1][Guarantee Agreement] [Indenture]] [[2]Indenture] did not require, and the performance by FPL Group of its obligations thereunder with respect to the Debentures does not require, any consent, approval, authorization, registration or qualification of or by any governmental agency or body other than those consents, approvals, authorizations, registrations or qualifications as have already been obtained.

(i) The execution and delivery of this agreement and the consummation of the transactions herein contemplated by FPL Group, the fulfillment of the terms hereof on the part of FPL Group to be fulfilled and the compliance by FPL Group with all the terms and provisions of the [[1][Guarantee Agreement] [Indenture applicable to it]] [[2]Indenture] will not result in a breach of any of the terms or provisions of, or constitute a default under, the FPL Group Charter or by-laws, or any indenture, mortgage, deed of trust or other agreement or instrument to which FPL Group or any of its subsidiaries is now a party, or violate any law or any order, rule, decree or regulation applicable to FPL Group or any of its subsidiaries of any federal or state court, regulatory board or body or administrative agency having jurisdiction over FPL Group 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 Group and its subsidiaries taken as a whole.

(j) FPL Group or one or more of its direct or indirect subsidiaries owns all of the common stock (with respect to those subsidiaries which are organized as corporations) or other ownership interests (with respect to those subsidiaries which are organized as limited liability companies) of FPL Group's direct or indirect significant subsidiaries (as defined in Regulation S-X) free and clear of all liens, encumbrances and adverse claims, except such as do not materially affect the value thereof. FPL Group's direct and indirect significant subsidiaries (as defined in Regulation S-X) are [insert names of significant subsidiaries].

(k) FPL Group and each of its direct and indirect significant subsidiaries (as defined in Regulation S-X) has been duly organized, is validly existing and is in good standing under the laws of its respective jurisdiction of organization, and is duly qualified to do business and is in good standing as a foreign corporation or other entity in each jurisdiction in which its respective ownership of properties or the conduct of its respective businesses requires such qualification, except where the failure so to qualify would not have a material adverse effect on the business, properties or financial condition of FPL Group and its subsidiaries taken as a whole, and has the power and authority as a corporation or other entity necessary to own or hold its respective properties and to conduct the businesses in which it is engaged.

(l) The [[1][Guarantee Agreement] [Indenture]] [[2]Indenture] (i) has been duly authorized by FPL Group by all necessary corporate action, [and when] [has been] duly executed and delivered by FPL Group [and is] [will be] a valid and binding instrument enforceable against FPL Group in accordance with its terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity and (ii) conforms in all material respects to the description thereof in the Prospectus.

(m) [[2]The Debentures conform in all material respects to the description thereof in the Prospectus.]

(n) FPL Group is not, and after giving effect to the offering and sale of the Debentures and the application of the proceeds thereof as described in the Pricing Disclosure Package and the Prospectus will not be, an "investment company" within the meaning of the [[1]1940 Act] [[2]Investment Company Act of 1940, as amended ("1940 Act")].

5. Purchase and Sale. On the basis of the representations and warranties herein contained, and subject to the terms and conditions in this agreement, FPL Group [[1]and FPL Group Capital agree] [[2]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 Group [[1]and FPL Group Capital] the respective principal amounts of the Debentures set forth opposite their respective names in Schedule II hereto at the purchase

price[s] for those Debentures [[1](including the related Guarantee)] set forth in Schedule I hereto as the Purchase Price.

The Underwriters agree to make a *bona fide* public offering of the Debentures [[1]and the related Guarantee], as set forth in the Pricing Disclosure Package, 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 [[1]FPL Group Capital] [[2]FPL Group] that the Debentures [[1](including the related Guarantee)] will be offered to the public at the amount per Debenture [of each series] 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. Such dealers' concession may not be in excess of _____% of the principal amount per Debenture under the Price to Public.

Each Underwriter agrees that (i) no information that is presented by it to investors has been or will be inconsistent with the information contained in the Pricing Disclosure Package as it may then be amended or supplemented and (ii) it will make no offer that would constitute a Free Writing Prospectus that is required to be filed by the FPL Group [[1] or FPL Group Capital] pursuant to Rule 433 under the Securities Act other than an Issuer Free Writing Prospectus in accordance with Section [8(h)].

6. Time, Date and Place of Closing, Default of Underwriter. Delivery of the Debentures [of each series] and payment therefor by wire transfer in federal funds shall be made at ___ A.M., New York City time, on the closing date set forth on Schedule I, at the offices of Thelen Reid & Priest LLP, 875 Third Avenue, New York, New York 10022, or at such other time, date or place as may be agreed upon in writing by [[2]FPL Group[,]] [[1]FPL Group Capital] and the Representatives. The time and date of such delivery and payment are herein called the "Closing Date."

The Debentures 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 Debentures shall be made through the facilities of DTC unless the Representatives and [[1]FPL Group Capital] [[2]FPL Group] shall otherwise agree. For the purpose of expediting the checking of the Debentures by the Representatives on behalf of the Underwriters, [[1]FPL Group Capital] [[2]FPL Group] agrees to make such Debentures 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 [[1] FPL Group Capital] [[2]FPL Group] and the Representatives.

If any Underwriter shall fail to purchase and pay for the principal amount of the Debentures [of each series] which such Underwriter has agreed to purchase and pay for hereunder (otherwise than by reason of any failure on the part of FPL Group [[1]or FPL Group Capital] 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 Debentures [of each series] set forth opposite their respective names in Schedule II hereto) the principal amount of the Debentures [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 Debentures [of the 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 Debentures [of each series] which the defaulting Underwriter or Underwriters agreed but failed to purchase, or (ii) to substitute another Underwriter or Underwriters, satisfactory to [[1]FPL Group Capital and FPL Group] [[2]FPL Group], to purchase and pay for the remaining principal amount of the Debentures [of each series] which the defaulting Underwriter or Underwriters agreed but failed to purchase. If any of the Debentures would still remain unpurchased, then [[1]FPL Group Capital] [[2]FPL Group] 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 Debentures on the terms herein set forth. In the event that, within the respective prescribed periods, (i) the non-defaulting Underwriters notify [[1]FPL Group Capital] [[2]FPL Group] that they have arranged for the purchase of such Debentures or (ii) [[1]FPL Group Capital] [[2]FPL Group] notifies the non-defaulting Underwriters that it has arranged for the purchase of such Debentures, the non-defaulting Underwriters or [[1]FPL Group Capital] [[2]FPL Group] 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 [[1]FPL Group Capital] [[2]FPL Group] has arranged for the purchase of such Debentures by another party or parties as above provided, then this agreement shall terminate without any liability on the part of FPL Group [[1]or FPL Group Capital] 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 Debentures which such Underwriter has agreed to purchase as provided in Section [5] hereof), except as otherwise provided in Section [10 and] subsections (d) and (f) of Section [7] hereof.

7. Covenants of FPL Group [[1]and FPL Group Capital]. FPL Group [[1]and FPL Group Capital agree] [[2]agrees] with the several Underwriters that:

(a) FPL Group [[1]and FPL Group Capital] will timely file the Prospectus with the Commission pursuant to Rule 424 under the Securities Act. FPL Group [[1]and FPL Group Capital] have complied and will comply with Rule 433 under the Securities Act in connection with the offering and sale of the Debentures, including applicable provisions in respect of timely filing with the Commission, legending and record-keeping.

(b) FPL Group [[1]and FPL Group Capital] will prepare a final term sheet, containing a description of the pricing terms of the Debentures, substantially in the form of Schedule I hereto and approved by the Representatives and will timely file such term sheet with the Commission pursuant to Rule 433 under the Securities Act.

(c) [[1]FPL Group Capital] [[2]FPL Group] 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 [[1]FPL Group Capital] [[2]FPL Group] to be in the form as originally filed, including all Incorporated Documents and exhibits, except those incorporated by reference, which relate to the Debentures, 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, [[1]FPL Group Capital] [[2]FPL Group] 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.

(d) [[1]FPL Group Capital] [[2]FPL Group] has paid or cause to be paid or will pay or cause to be paid all expenses in connection with the (i) preparation and filing of the Registration Statement, any preliminary prospectus, the Prospectus and any Issuer Free Writing Prospectus, (ii) issuance and delivery of the Debentures as provided in Section [6] hereof, and (iii) printing and delivery to the Representatives for the account of the Underwriters, in reasonable quantities, of copies of the Registration Statement, any preliminary prospectus, the Prospectus, any Issuer Free Writing Prospectus [[1]the Guarantee Agreement] and the Indenture. [[1]FPL Group Capital] [[2]FPL Group] [will pay or cause to be paid all taxes, if any (but not including any transfer taxes), on the issuance of the Debentures. [[1]FPL Group Capital] [[2]FPL Group] 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 [8], [9] [or] [11] hereof, [[1]FPL Group Capital] [[2]FPL Group] 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 [[1]FPL Group Capital] [[2]FPL Group] shall reimburse or cause to be reimbursed 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 for such out-of-pocket expenses. [[1]Neither] FPL Group [[1]nor FPL Group Capital] shall [[2]not] in any event be liable to any of the several Underwriters for damages on account of loss of anticipated profits.

(e) During a period of nine months after the date of this agreement, if any event relating to or affecting FPL Group [[1]or FPL Group Capital] shall occur which, in the opinion of FPL Group [[1]or FPL Group Capital], should be set forth in a supplement to or an amendment of the Prospectus (including an Issuer Free Writing Prospectus) in order to make the Prospectus not misleading in the light of the circumstances when it is delivered to a purchaser, [[1]FPL Group Capital] [[2]FPL Group] will forthwith at its expense prepare, file with the Commission, if required, and furnish to the Representatives a reasonable number of copies of such supplement or supplements or amendment or amendments to the Prospectus (including an Issuer Free Writing 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, [[1]FPL Group Capital] [[2]FPL Group] 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.

(f) [[1]FPL Group Capital] [[2]FPL Group] will furnish such proper information as may be lawfully required and otherwise cooperate in qualifying the Debentures [[1](and the related Guarantee)] for offer and sale under the blue sky laws of such United States 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 [[1]neither] FPL Group [[1]nor FPL Group Capital] shall [[2]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 Group [[1]or FPL Group Capital] to be unduly burdensome.

(g) FPL Group 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 Debentures) 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.

(h) Prior to the termination of the offering of the Debentures, FPL Group [[2]and FPL Group Capital] will not file any amendment to the Registration Statement or any amendment or supplement to the Prospectus or any amendment or supplement to the Pricing Disclosure Package 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. [[1]Neither] FPL Group [[1]nor FPL Group Capital have] [[2]has not] made any offer relating to the Debentures that would constitute an Issuer Free Writing Prospectus or that would otherwise constitute a Free Writing Prospectus required to be filed by FPL Group [[1]or FPL Group Capital] with the Commission or retained by FPL Group [[1]or FPL Group Capital] under Rule 433 under the Securities Act, other than a pricing term sheet substantially in the form as set forth on Schedule I, and will not make any such offer without prior notice to the Representatives and to Counsel for the Underwriters, or any such offer to which the Representatives shall reasonably object in writing, or which shall be unsatisfactory to Counsel for the Underwriters.

(i) FPL Group [[1]and FPL Group Capital] will advise the Representatives promptly of the filing of the Prospectus pursuant to Rule 424, of the filing of any material pursuant to Rule 433 and of any amendment or supplement to the Pricing Disclosure Package or the Registration Statement or, prior to the termination of the offering of the Debentures hereunder, of official notice of the institution of proceedings for, or the entry

of, a stop order suspending the effectiveness of the Registration Statement, of receipt from the Commission of any notice of objection to the use of the Registration Statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) under the Securities Act has been received by FPL Group [[1]or FPL Group Capital], and, if such a stop order should be entered, or notice of objection should be received, use every commercially reasonable effort to obtain the prompt removal thereof.

8. Conditions of Underwriters' Obligations to Purchase and Pay for the Debentures. The several obligations of the Underwriters to purchase and pay for the Debentures shall be subject to the performance by FPL Group [[1]and FPL Group Capital] of [[1]their] [[2]its] obligations to be performed hereunder on or prior to the Closing Date and to the following conditions:

(a) The [[1]respective] representations and warranties made by FPL Group [[1]and FPL Group Capital] herein and qualified by materiality shall be true and correct in all respects and the representations and warranties made by FPL Group [[1]and FPL Group Capital] herein that are not qualified by materiality shall be true and correct in all material respects as of the Closing Date, in each case, as if made on and as of such date and the Representatives shall have received, prior to payment for the Debentures, a certificate from [[1]each of] FPL Group [[1]and FPL Group Capital] dated the Closing Date and signed by an officer of FPL Group [[1]and FPL Group Capital, as the case may be,] 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 no notice of objection by the Commission to the use of the Registration Statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) under the Securities Act shall have been received by FPL Group [[1]or FPL Group Capital]; and the Representatives shall have received, prior to payment for the Debentures, a certificate from [[1]each of] FPL Group [[1]and FPL Group Capital] dated the Closing Date and signed by an officer of FPL Group [[1]and FPL Group Capital, as the case may be,] 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 Group [[1]and FPL Group Capital] threatened by, the Commission.

(c) On the Closing Date, the Representatives shall have received from Squire, Sanders & Dempsey L.L.P., counsel to FPL Group [[1]and FPL Group Capital], Thelen Reid & Priest LLP, counsel to FPL Group [[1]and FPL Group Capital], 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 IV, V and VI hereto (i) with such changes therein as may be agreed upon by FPL Group [[1], FPL Group Capital] and the Representatives, with the approval of Counsel for the Underwriters, and (ii) if the Prospectus relating to the Debentures 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.

(d) On the date of this agreement and on the Closing Date, the Representatives shall have received from Deloitte & Touche LLP a letter or letters (which may refer to letters previously delivered to the Representatives) (with copies thereof for each of the Underwriters) dated the respective dates of delivery thereof to the effect that (i) they are an independent registered public accounting firm with respect to FPL Group 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 of FPL Group audited by them and incorporated by reference in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, 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. 100, Interim Financial Information, on the unaudited condensed consolidated financial statements of FPL Group, if any, incorporated by reference in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, a reading of the latest available interim unaudited [condensed] consolidated financial statements of FPL Group, if any, since the close of FPL Group's most recent audited fiscal year, reading the minutes and consents of the Board of Directors and the Finance & Investment Committee of the Board of Directors and of the shareholders of FPL Group since the end of the most recent audited fiscal year, and inquiries of officials of FPL Group who have responsibility for financial and accounting matters (it being understood that the foregoing procedures do not constitute an audit made in accordance with standards of the Public Company Accounting Oversight Board (United States) 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 Group, if any, incorporated by reference in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, (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 Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, 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 Group incorporated by reference in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable; (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 such letter, there was any change in the capital stock or increase in long-term debt including current maturities and excluding fair value swaps and amortization of the unamortized premiums and discount on long-term debt of FPL Group and its subsidiaries, or decrease in FPL Group's common shareholders' equity, in each case as compared with amounts shown in the most recent [condensed] consolidated balance sheet incorporated by reference in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, except in all instances for changes, increases or decreases which the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, discloses have occurred or may occur, or as occasioned by the

declaration, provision for, or payment of dividends, or as occasioned by the sale of common stock pursuant to any employee or director benefit or compensation plan or the dividend reinvestment plan or the repurchase of common stock by FPL Group 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 Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, 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 such letter, there were any decreases, as compared with the corresponding period in the preceding year, in total consolidated operating revenues or in net income, except in all instances for decreases which the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, 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 Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, and Exhibit 12(a) to the Registration Statement and such other items as the Representatives may reasonably request.

(e) Since the respective most recent times as of which information is given in the Pricing Disclosure Package, and up to the Closing Date, (i) there shall have been no material adverse change in the business, properties or financial condition of [[1](a) FPL Group Capital and its subsidiaries taken as a whole or (b)] FPL Group and its subsidiaries taken as a whole, except [[1]in each case] as disclosed in or contemplated by the Pricing Disclosure Package, and (ii) there shall have been no transaction entered into by [[1](a) FPL Group Capital or any of its subsidiaries that is material to FPL Group Capital and its subsidiaries taken as a whole or (b)] FPL Group or any of its subsidiaries that is material to FPL Group and its subsidiaries taken as a whole, [[1]in each case] other than transactions disclosed in or contemplated by the Pricing Disclosure Package, and transactions in the ordinary course of business; and at the Closing Date, the Representatives shall have received a certificate to such effect from [[1]each of FPL Group Capital and] FPL Group signed by an officer of [[2]FPL Group Capital or] FPL Group[[1], as the case may be].

(f) All legal proceedings to be taken in connection with the issuance and sale of the Debentures [[1](including the related Guarantee)] shall have been satisfactory in form and substance to Counsel for the Underwriters.

In case any of the conditions specified above in this Section [8] shall not have been fulfilled, this agreement may be terminated by the Representatives upon mailing or delivering written notice thereof to FPL Group [[1]and FPL Group Capital]. Any such termination shall be without liability of any party to any other party except as otherwise provided in subsections (d) and (f) of Section [7] hereof.

9. Condition of FPL Group's [[1]and FPL Group Capital's] Obligations. The obligation of [[1]FPL Group Capital] [[2]FPL Group] to deliver the Debentures [[1]and the obligation of FPL Group to deliver the related Guarantee] shall be subject to the following condition:

(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, no proceedings for either such purpose shall be pending before, or threatened by, the Commission on such date; and no notice of objection by the Commission to the use of the Registration Statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) under the Securities Act shall have been received by FPL Group [[1]or FPL Group Capital].

In case the condition specified above in this Section [9] shall not have been fulfilled, this agreement may be terminated by FPL Group [[1]and FPL Group Capital] 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 [7] hereof.

10. Indemnification.

(a) FPL Group [[1]and FPL Group Capital, jointly and severally, agree] [[2]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, the Pricing Prospectus, the Prospectus or any Issuer Free Writing 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 [10] 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 Group [[1]or FPL Group Capital] by or on behalf of any Underwriter, through the Representatives, expressly for use in connection with the preparation of any preliminary prospectus, the Registration Statement, the Pricing Prospectus, the Prospectus or any Issuer Free Writing Prospectus or any amendment or supplement to any thereof, or arising out of, or based upon, statements in or omissions from the Statements of Eligibility; and provided, further, that the indemnity agreement contained in this subsection (a) of Section [10] in respect of any preliminary prospectus, the Pricing Prospectus, any Issuer Free Writing Prospectus or 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 Debentures [of any series] to

any person in respect of any preliminary prospectus, the Pricing Prospectus, any Issuer Free Writing Prospectus or the Prospectus, each as may be then supplemented or amended, furnished by such Underwriter to a person to whom any of the Debentures were sold (excluding in all cases, however, any document then incorporated by reference therein), insofar as such indemnity relates to any untrue or misleading statement or omission made in such preliminary prospectus, Pricing Prospectus, Prospectus or Issuer Free Writing Prospectus, if a copy of a supplement or amendment to such preliminary prospectus, Pricing Prospectus, Prospectus, or Issuer Free Writing Prospectus (excluding in all cases, however, any document then incorporated by reference therein) (i) is furnished on a timely basis by FPL Group [[1]or FPL Group Capital] to the Underwriter, (ii) is required to have been conveyed to such person by or on behalf of such Underwriter, at or prior to the entry into the contract of sale of the Debentures with such person, but was not so conveyed (which conveyance may be oral (if permitted by law) or written) by or on behalf of such Underwriter and (iii) would have cured the defect giving rise to such loss, claim, damage or liability. The indemnity agreement of FPL Group [[1]and FPL Group Capital] contained in this subsection (a) of Section [10] and the representations and warranties of FPL Group [[1]and FPL Group Capital] contained in [[1]Sections 3 and 4] [[2]Section 3] hereof, [[1]respectively,] 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 Debentures [of each series]. The Underwriters agree promptly to notify [[1]each of] FPL Group [[1]and FPL Group Capital], 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 Debentures [of any series].

(b) Each Underwriter, severally and not jointly, agrees to indemnify and hold harmless [[1]each of] FPL Group [[1]and FPL Group Capital], [[1]their respective] [[2]its] officers and directors, and each person who controls FPL Group [[1]or FPL Group Capital, as the case may be] 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 any preliminary prospectus, the Registration Statement, the Pricing Prospectus, the Prospectus or any Issuer Free Writing 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 Group [[1]or FPL Group Capital] by or on behalf of such Underwriter, through the Representatives, expressly for use in connection with the preparation of any preliminary prospectus, the Registration Statement, the Pricing Prospectus, the Prospectus or any Issuer Free Writing Prospectus or any amendment or supplement to any thereof. The Underwriters hereby furnish to FPL

Group [[1]and FPL Group Capital] in writing expressly for use in the preliminary prospectus, the Registration Statement, the Pricing Prospectus, the Prospectus and any Issuer Free Writing Prospectus [insert information provided by the Underwriters]. FPL Group [[1]and FPL Group Capital each acknowledge] [[2]acknowledges] that the statements set forth in the preceding sentence constitutes the only information furnished in writing by or on behalf of the several Underwriters expressly for inclusion in any preliminary prospectus, the Registration Statement, the Pricing Prospectus, the Prospectus or any Issuer Free Writing Prospectus. The indemnity agreement of the respective Underwriters contained in this subsection (b) of Section [10] shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of FPL Group [[1],FPL Group Capital] or any of [[1]their respective] [[2]its] officers or directors or any such other Underwriter or any such controlling person, and shall survive the delivery of the Debentures [of each series]. FPL Group [[1]and FPL Group Capital agree] [[2]agrees] promptly to notify the Representatives of the commencement of any litigation or proceedings against FPL Group [[1], FPL Group Capital] (or any controlling person [[1]of either] thereof) or any of [[1]their respective] [[2]its] officers or directors in connection with the issuance and sale of the Debentures [of any series].

(c) FPL Group [[1], FPL Group Capital] 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 [10], 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 this 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 or parties shall elect not to assume the defense of such action, such indemnifying party or parties 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 involved 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 Group [[1], FPL Group Capital] 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 [10], 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 Group [[1]and FPL Group Capital] 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 Group [[1]and FPL Group Capital] on the one hand and the Underwriters on the other hand from the offering of the Debentures 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 Group [[1]and FPL Group Capital] 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 Group [[1], FPL Group Capital] 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 Debentures 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 Debentures is to the total principal amount of the Debentures set forth in Schedule II hereto.

11. Termination. This agreement may be terminated by the Representatives by delivering written notice thereof to FPL Group and [[1]FPL Group Capital], 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 Group [[1]or FPL Group Capital] 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 Debentures as contemplated in the Pricing Disclosure Package or for the Underwriters to enforce contracts for the sale of the Debentures; or

(b) (i) there shall have been any downgrading or any notice of any intended or potential downgrading in the ratings accorded to the Debentures or any securities of [[1]FPL Group Capital] [[2]FPL Group] which are of the same class as the Debentures 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 Debentures [of each series] or any securities of [[1]FPL Group Capital] [[2]FPL Group] which are of the same class as the Debentures [of each series], 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 Debentures as contemplated in the Pricing Disclosure Package or for the Underwriters to enforce contracts for the sale of the Debentures.

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 or any Issuer Free Writing Prospectus prepared and furnished by FPL Group [[1]and FPL Group Capital] after the date hereof reflects a material adverse change in the business, properties or financial condition of FPL Group and its subsidiaries taken as a whole [[1]or FPL Group Capital 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 Debentures [of any series] to be purchased hereunder. Any termination of this agreement pursuant to this Section [11] shall be without liability of any party to any other party except as otherwise provided in subsections (d) and (f) of Section [7] hereof.

12. Miscellaneous.

(a) The validity and interpretation of this agreement shall be governed by the laws of the State of New York without regard to conflicts of law principles thereunder. This agreement shall inure to the benefit of, and be binding upon, FPL Group [[1], FPL Group

Capital], the several Underwriters and, with respect to the provisions of Section [10] hereof, each officer, director or controlling person referred to in said Section [10], 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 Debentures from any of the several Underwriters.

(b) FPL Group [[1]and FPL Group Capital each] acknowledges and agrees that the Underwriters are acting solely in the capacity of arm's length contractual counterparties to FPL Group [[1]and FPL Group Capital] with respect to the offering of the Debentures as contemplated by this agreement and not as financial advisors or fiduciaries to FPL Group [[1]or FPL Group Capital] in connection herewith. Additionally, none of the Underwriters is advising FPL Group [[1]or FPL Group Capital] as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction in connection with the offering of the Debentures as contemplated by this agreement. Any review by the Underwriters of FPL Group [[1]and FPL Group Capital] in connection with the offering of the Debentures contemplated by this agreement and the transactions contemplated by this agreement will not be performed on behalf of FPL Group [[1]and FPL Group Capital].

13. 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 II hereto, or if to FPL Group [[1]or FPL Group Capital], shall be mailed or delivered to it at 700 Universe Boulevard, Juno Beach, Florida 33408, Attention: Treasurer.

14. Counterparts. This agreement may be executed in any number of counterparts by the parties hereto on separate counterparts, each of which, when so executed and delivered, shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

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,

FPL Group, Inc.

By: _____
Name:
Title:

[[1]FPL Group Capital Inc

By: _____
Name:
Title:]

Accepted and delivered as of
the date first above written:

By: _____
Name:
Title:

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

SCHEDULE I

[Name of Issuer]

Pricing Term Sheet

[Date]

Issuer:

Underwriting Agreement dated

Representatives:

Debentures:

Designation:
Principal Amount:
Date of Maturity:
Interest Rate:
Price to Public:
Treasury Benchmark:
Benchmark Price:
Benchmark Yield:
Spread to Benchmark Treasury:
Purchase Price:
Proceeds to FPL Group [[1]Capital] (before expenses):
Closing Date:
CUSIP/ ISIN Number:
Expected Credit Ratings*:

*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.

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling _____ toll-free _____ or _____ toll-free _____.

SCHEDULE II

Representatives	**Addresses**

Underwriter	**Principal Amount of Debentures**
Total.....	

SCHEDULE III

PRICING DISCLOSURE PACKAGE

(1) Prospectus, dated _____

(2) Preliminary Prospectus Supplement dated _____ (which shall be deemed to include the Incorporated Documents)

(3) Issuer Free Writing Prospectuses

(a) Pricing Term Sheet attached as Schedule I hereto

SCHEDULE IV

[LETTERHEAD OF SQUIRE, SANDERS & DEMPSEY L.L.P.]

SCHEDULE V

[LETTERHEAD OF THELEN REID & PRIEST LLP]

SCHEDULE VI

[LETTERHEAD OF HUNTON & WILLIAMS LLP]

Exhibit 1(b)

FPL Group, Inc.
[FPL Group Capital Inc]
[FPL Group Capital Trust __]
[FPL Group Trust __]

Preferred Trust Securities

UNDERWRITING AGREEMENT

[Date]

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

Ladies and Gentlemen:

1. Introductory. FPL Group, Inc., a Florida corporation ("FPL Group"), [[1]FPL Group Capital Inc, a Florida corporation and a [wholly-owned] subsidiary of FPL Group ("FPL Group Capital"),] and FPL Group [[1]Capital] Trust __, a statutory trust formed under the Delaware Statutory Trust Act (the "Trust" or "FPL Group [[1]Capital] Trust __," and hereinafter, together with FPL Group [[1]and FPL Group Capital], the "Offerors"), confirm their agreement with respect to the issue and sale by the Trust and the purchase by the Underwriters (as defined below) of the Trust's [__] Preferred Trust Securities, [of the series designation[s], with the terms and in the liquidation amount[s] specified in Schedule I hereto] (the "Preferred Trust Securities").

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 [7] 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

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[1] For use with Preferred Trust Securities including FPL Group Capital Subordinated Debentures.

[2] For use with Preferred Trust Securities including FPL Group Subordinated Debentures.

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 Securities. Each of the Preferred Trust Securities represents a preferred undivided beneficial interest in the assets of the Trust. The Preferred Trust Securities will be issued pursuant to an Amended and Restated Trust Agreement, dated as of _____, among The Bank of New York, as Property Trustee (the "Property Trustee"), The Bank of New York (Delaware), as Delaware Trustee (the "Delaware Trustee"), certain employees of FPL Group or its affiliates, as Administrative Trustees (the "Administrative Trustees"), FPL Group, as depositor, and the several Holders (as defined therein), in substantially the form heretofore delivered to you as the Representatives, said agreement being hereinafter referred to as the "Trust Agreement." The Preferred Trust Securities will be guaranteed on a subordinated basis by FPL Group as to the payment of distributions and payments upon liquidation or redemption, as and to the extent set forth in the Preferred Trust Securities Guarantee Agreement dated as of _____ (the "Guarantee Agreement"), between FPL Group and The Bank of New York, as trustee (the "Trust Guarantee").

The proceeds from the sale of the Preferred Trust Securities to the public will be combined with the proceeds from the sale by the Trust to FPL Group of its common securities, representing common undivided beneficial interests in the assets of the Trust (the "Common Securities"), and will be used by the Trust to purchase the subordinated debt securities of the series designation, with the terms and in the principal amount specified in Schedule I hereto to be issued by FPL Group [[1]Capital] (the "FPL Group [[1]Capital] Subordinated Debentures"). The FPL Group [[1]Capital] Subordinated Debentures will be issued pursuant to an Indenture (For Unsecured Subordinated Debt Securities [relating to Trust Securities]) [[2]between] [[1]among] FPL Group [[1]Capital,] [[2]and] The Bank of New York, as trustee ("Subordinated Indenture Trustee") [[1], and FPL Group, as guarantor] (together with any amendments or supplements thereto, the "Subordinated Indenture"). [[1]The FPL Group Capital Subordinated Debentures will be fully and unconditionally guaranteed on a subordinated basis by FPL Group, as set forth in the Subordinated Indenture. The term "Subordinated Guarantee" as used in this agreement shall refer to the guarantee of FPL Group pursuant to the Subordinated Indenture relating to the FPL Group Capital Subordinated Debentures. The Subordinated Guarantee, together with the Trust Guarantee, are referred to herein as the "Guarantees").] The Preferred Trust Securities and [[1]the Guarantees] [[2]the Trust Guarantee], together with the FPL Group [[1]Capital] Subordinated Debentures, are referred to herein as the "Offered Securities."

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

(a) The Trust has filed with the Securities and Exchange Commission (the "Commission") a joint registration statement with FPL Group, FPL Group Capital [[2]Inc, ("FPL Group Capital")], FPL Group Capital Trust __ (together with _____, "FPL Group Capital Trust"), [FPL Group [[1]Capital] Trust __], FPL Group Trust __ (together with _____, "FPL Group Trust"), Florida Power & Light Company, Florida Power & Light Company Trust I and Florida Power & Light Company Trust II on Form S-3, including a prospectus (Registration Statement Nos. 333-_____, 333-_____-01, 333-_____-02, 333-_____-03, 333-_____-04, 333-_____-05, 333-_____-06,

333-_____-07 and 333-_____-08) ("Registration Statement No. 333-_____"), for the registration under the Securities Act of 1933, as amended (the "Securities Act"), of (a) an unspecified aggregate amount of (i) debt securities of FPL Group Capital ("FPL Group Capital Senior Debt Securities"), (ii) junior subordinated debt securities of FPL Group Capital ("FPL Group Capital Junior Subordinated Debentures"), (iii) junior subordinated debt securities of FPL Group ("FPL Group Junior Subordinated Debentures"), (iv) debt securities of FPL Group ("FPL Group Senior Debt Securities"), (v) preferred trust securities of FPL Group Capital Trust II and FPL Group Capital Trust III ("FPL Group Capital Trust Preferred Trust Securities") and (vi) preferred trust securities of FPL Group Trust I and FPL Group Trust II ("FPL Group Trust Preferred Trust Securities"), (b) FPL Group's guarantees related to the FPL Group Capital Senior Debt Securities, FPL Group Capital Junior Subordinated Debentures, FPL Group Capital Trust Preferred Trust Securities and FPL Group Trust Preferred Trust Securities, (c) an unspecified aggregate amount of (i) Florida Power & Light Company's first mortgage bonds ("Bonds"), (ii) Florida Power & Light Company's junior subordinated debentures ("Florida Power & Light Company Junior Subordinated Debentures"), and (iii) preferred trust securities of Florida Power & Light Company Trust I and Florida Power & Light Company Trust II ("Florida Power & Light Company Trust Preferred Trust Securities"), and (d) Florida Power & Light Company's guarantee of the Florida Power & Light Company Trust Preferred Trust Securities (the "Florida Power & Light Company Trust Guarantee"). Such registration statement has become effective 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 the Trust, threatened by the Commission. References herein to the term "Registration Statement" as of any given time shall mean Registration Statement No. 333-_____, as amended or supplemented to such time, including all documents incorporated by reference therein as of such time pursuant to Item 12 of Form S-3 ("Incorporated Documents") and any prospectus, preliminary prospectus supplement or prospectus supplement relating to the Preferred Trust Securities deemed to be a part thereof pursuant to Rule 430B that has not been superseded or modified. References herein to the term "Registration Statement" without reference to a time means the Registration Statement as of ____ [A.M./P.M.], New York City time, [_____] [on the date of this agreement] (which date and time is the earlier of the date and time of (x) the first use of the preliminary prospectus supplement relating to the Preferred Trust Securities and (y) the first contract of sale of the Preferred Trust Securities), which time shall be considered the "Effective Date" of the Registration Statement. For purposes of the definitions of "Registration Statement" in the preceding two sentences, information contained in any prospectus, preliminary prospectus supplement or prospectus supplement that is deemed retroactively to be a part of the Registration Statement pursuant to Rule 430B shall be considered to be included in the Registration Statement as of the time specified in Rule 430B. References herein to the term "Pricing Prospectus" shall mean the prospectus relating to FPL Group, FPL Group Capital, FPL Group Trust and FPL Group Capital Trust forming a part of Registration Statement No. 333-_____ (the "Base Prospectus"), including all Incorporated Documents and any prospectus or prospectus supplement relating to the Preferred Trust Securities deemed to be a part of such registration statement that has not been superseded or modified. For purposes of the definition of

"Pricing Prospectus" with respect to a particular offering of Preferred Trust Securities, information contained in a prospectus or prospectus supplement (other than a prospectus or prospectus supplement that relates only to securities issued by Florida Power & Light Company or Florida Power & Light Company Trust) that is deemed retroactively to be a part of the Registration Statement pursuant to Rule 430B shall be considered to be included in the Pricing Prospectus as of the time that form of prospectus or prospectus supplement is filed with the Commission pursuant to Rule 424 of the general rules and regulations of the Securities Act ("Rule 424"). References herein to the term "Prospectus" means the Pricing Prospectus that discloses the public offering price and other final terms of the Preferred Trust Securities and otherwise satisfies Section 10(a) of the Securities Act. The prospectus supplement relating to the Preferred Trust Securities 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. Each of the Underwriters acknowledges that on or subsequent to the Closing Date, the Trust may file a post-effective amendment to the Registration Statement pursuant to Rule 462(d) under the Securities Act or FPL Group may file a Current Report on Form 8-K in order to file one or more unqualified opinions of counsel.

(b) The Registration Statement constitutes an "automatic shelf registration statement" (as defined in Rule 405 under the Securities Act) filed within three years of the date hereof; no notice of objection of the Commission with respect to the use of the Registration Statement pursuant to Rule 401(g)(2) under the Securities Act has been received by the Trust; and with respect to the Preferred Trust Securities, the Trust is a "well-known seasoned issuer" within the meaning of subparagraph (1)(ii) of the definition of "well known seasoned issuer" in Rule 405 under the Securities Act.

(c) The Registration Statement at the Effective Date fully complied, and the Prospectus, both at the date and time it is filed with the Commission pursuant to Rule 424 (such date and time, the "424 Date") and at the Closing Date, and the Registration Statement and the Trust Agreement, 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 the Registration Statement 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, both at 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; provided, that the foregoing representations and warranties in this subsection (c) shall not apply to statements or omissions made in reliance upon and in conformity with information furnished in writing to FPL Group [[1], FPL Group Capital] or the Trust 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 Statements of Eligibility on Form T-1, or amendments thereto, filed as exhibits to the Registration Statement (collectively, the "Statements of Eligibility") or to any statements or omissions made in the Registration

Statement or the Prospectus relating to The Depository Trust Company ("DTC") Book-Entry-Only System that are based solely on information contained in published reports of DTC.

(d) As of the Applicable Time (as defined below), the Pricing Disclosure Package (as defined below) did not contain 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; provided, that the foregoing representations and warranties in this subsection (d) shall not apply to statements or omissions made in reliance upon and in conformity with information furnished in writing to FPL Group [[1], FPL Group Capital] or the Trust by or on behalf of any Underwriter through the Representatives expressly for use in connection with the preparation of the Registration Statement, the Pricing Prospectus, any preliminary prospectus supplement or any Issuer Free Writing Prospectus (as defined below), or to any statements in or omissions from the Statements of Eligibility or to any statements or omissions made in the Registration Statement, the Pricing Prospectus, any preliminary prospectus supplement or any Issuer Free Writing Prospectus relating to the DTC Book-Entry-Only System that are based solely on information contained in published reports of DTC. References to the term "Pricing Disclosure Package" shall mean the documents listed in Schedule III, taken together as a whole. References to the term "Issuer Free Writing Prospectus" shall mean an issuer free writing prospectus, as defined in Rule 433 under the Securities Act. References to the term "Free Writing Prospectus" shall mean a free writing prospectus, as defined in Rule 405 under the Securities Act. References to the term "Applicable Time" means ____[A.M./P.M.] on the date hereof. If there occurs an event or development as a result of which the Pricing Disclosure Package would include an untrue statement of a material fact or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances then prevailing, not misleading, the Trust will promptly notify the Representatives so that any use of the Pricing Disclosure Package may cease until it is amended or supplemented.

(e) As of the Applicable Time, no Issuer Free Writing Prospectus includes any information that conflicts with the information contained in the Registration Statement, the Prospectus or the Pricing Prospectus, including any document incorporated by reference therein that has not been superseded or modified.

(f) The execution and delivery of this agreement and the consummation of the transactions herein contemplated by the Trust, and the fulfillment of the terms hereof on the part of Trust to be fulfilled have been duly authorized by all necessary trust action of the Trust in accordance with the provisions of its certificate of trust, trust agreement or other organizational documents (collectively, the "Trust Charter Documents") and applicable law, and the Preferred Trust Securities when issued and delivered as provided herein will constitute valid and binding obligations of the Trust enforceable against it in accordance with their terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity. The performance by the Trust of its obligations under the Trust Agreement does not require any consent, approval, authorization, registration or qualification of or by any governmental agency or body

other than those consents, approvals, authorizations, registrations or qualifications as have already been obtained.

(g) The execution and delivery of this agreement and the consummation of the transactions herein contemplated by the Trust, and the fulfillment of the terms hereof on the part of the Trust to be fulfilled will not result in a breach of any of the terms or provisions of, or constitute a default under, the Trust Charter Documents, or any indenture, mortgage, deed of trust or other agreement or instrument to which the Trust is now a party, or violate any law or any order, rule, decree or regulation applicable to the Trust of any federal or state court, regulatory board or body or administrative agency having jurisdiction over the Trust 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 the Trust.

(h) The Trust is not, and after giving effect to the offering and sale of the Preferred Trust Securities and the application of the proceeds thereof as described in the Pricing Disclosure Package and the Prospectus will not be, an "investment company" within the meaning of the Investment Company Act of 1940, as amended ("1940 Act").

4. [[1]Representations and Warranties of FPL Group Capital. FPL Group Capital represents and warrants to the several Underwriters that:

(a) FPL Group Capital has filed, together with FPL Group, the Trust, FPL Group Capital Trust __, FPL Group Trust __ and FPL Group Trust __, with the Commission Registration Statement No. 333-_____ for the registration under the Securities Act of (a) an unspecified aggregate amount of (i) FPL Group Capital Senior Debt Securities, (ii) FPL Group Capital Junior Subordinated Debentures, (iii) FPL Group Junior Subordinated Debentures, (iv) FPL Group Senior Debt Securities, (v) FPL Group Capital Trust Preferred Trust Securities, and (vi) FPL Group Trust Preferred Trust Securities, (b) FPL Group's guarantees related to the FPL Group Capital Senior Debt Securities, FPL Group Capital Junior Subordinated Debentures, FPL Group Capital Preferred Stock, FPL Group Capital Trust Preferred Trust Securities and FPL Group Trust Preferred Trust Securities, (c) an unspecified aggregate amount of (i) Florida Power & Light Company's Bonds, (ii) shares of Florida Power & Light Company Preferred Stock, (iii) Florida Power & Light Company Junior Subordinated Debentures, and (iv) Florida Power & Light Company Trust Preferred Trust Securities, and (d) the Florida Power & Light Company Trust Guarantee. Such registration statement has become effective 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 Group Capital, threatened by the Commission. The prospectus supplement relating to the Preferred Trust Securities 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. Each of the Underwriters acknowledges that on or subsequent to the Closing Date, FPL Group Capital may file a post-effective amendment to the Registration Statement pursuant to Rule 462(d) under the Securities Act or FPL Group may file a Current Report on Form 8-K in order to file one or more unqualified opinions of counsel.

(b) The Registration Statement constitutes an "automatic shelf registration statement" (as defined in Rule 405 under the Securities Act) filed within three years of the date hereof; no notice of objection of the Commission with respect to the use of the Registration Statement pursuant to Rule 401(g)(2) under the Securities Act has been received by FPL Group Capital; and with respect to the FPL Group Capital Subordinated Debentures, FPL Group Capital is a "well-known seasoned issuer" within the meaning of subparagraph (1)(ii) of the definition of "well-known seasoned issuer" in Rule 405 under the Securities Act.

(c) The Registration Statement at the Effective Date fully complied, and the Prospectus, both at the 424 Date and at the Closing Date, and the Registration Statement and the Subordinated Indenture, at the Closing Date, will fully comply, in all material respects with the applicable provisions of the Securities Act and 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 the Registration Statement 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, both at 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; provided, that the foregoing representations and warranties in this subsection (c) shall not apply to statements or omissions made in reliance upon and in conformity with information furnished in writing to the Offerors 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 Statements of Eligibility or to any statements or omissions made in the Registration Statement or the Prospectus relating to the DTC Book-Entry-Only System that are based solely on information contained in published reports of DTC.

(d) As of the Applicable Time, the Pricing Disclosure Package did not contain 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; provided, that the foregoing representations and warranties in this subsection (d) shall not apply to statements or omissions made in reliance upon and in conformity with information furnished in writing to the Offerors by or on behalf of any Underwriter through the Representatives expressly for use in connection with the preparation of the Registration Statement, the Pricing Prospectus, any preliminary prospectus or any Issuer Free Writing Prospectus, or to any statements in or omissions from the Statements of Eligibility or to any statements or omissions made in the Registration Statement, the Pricing Prospectus or any Issuer Free Writing Prospectus relating to the DTC Book-Entry-Only System that are based solely on information contained in published reports of DTC. If there occurs an event or development as a result of which the Pricing Disclosure Package would include an untrue statement of a material fact or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances then prevailing, not misleading, FPL

Group Capital promptly will notify the Representatives so that any use of the Pricing Disclosure Package may cease until it is amended or supplemented.

(e) As of the Applicable Time, no Issuer Free Writing Prospectus includes any information that conflicts with the information contained in the Registration Statement, the Prospectus or the Pricing Prospectus, including any document incorporated by reference therein that has not been superseded or modified.

(f) The execution and delivery of this agreement and the consummation of the transactions herein contemplated by FPL Group Capital, and the fulfillment of the terms hereof on the part of FPL Group Capital to be fulfilled have been duly authorized by all necessary corporate action of FPL Group Capital in accordance with the provisions of its Articles of Incorporation, as amended (the "FPL Group Capital Charter"), by-laws and applicable law, and the FPL Group Capital Junior Subordinated Debentures when issued and delivered by FPL Group Capital as provided herein will constitute valid and binding obligations of FPL Group Capital enforceable against FPL Group Capital in accordance with their terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity. The execution and delivery by FPL Group Capital of the FPL Group Capital Junior Subordinated Debentures and the Subordinated Indenture and the performance by FPL Group Capital of its obligations thereunder do not require any consent, approval, authorization, registration or qualification of or by any governmental agency or body other than those consents, approvals, authorizations, registrations or qualifications as have already been obtained.

(g) The execution and delivery of this agreement and the consummation of the transactions herein contemplated by FPL Group Capital, the fulfillment of the terms hereof on the part of FPL Group Capital to be fulfilled, and the compliance by FPL Group Capital with all the terms and provisions of the Subordinated Indenture will not result in a breach of any of the terms or provisions of, or constitute a default under, the FPL Group Capital Charter or by-laws, or any indenture, mortgage, deed of trust or other agreement or instrument to which FPL Group Capital is now a party, or violate any law or any order, rule, decree or regulation applicable to FPL Group Capital of any federal or state court, regulatory board or body or administrative agency having jurisdiction over FPL Group Capital 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 Group Capital and its subsidiaries taken as a whole.

(h) FPL Group Capital or one or more of its direct or indirect subsidiaries owns all of the ownership interests of [insert names of significant subsidiaries] free and clear of all liens, encumbrances and adverse claims, except such as do not materially affect the value thereof.

(i) FPL Group Capital and each of its direct and indirect significant subsidiaries (as defined in Regulation S-X (17 CFR Part 210)) has been duly organized, is validly existing and is in good standing under the laws of its respective jurisdiction of organization, and is duly qualified to do business and is in good standing as a foreign

corporation or other entity in each jurisdiction in which its respective ownership of properties or the conduct of its respective businesses requires such qualification, except where the failure so to qualify would not have a material adverse effect on the business, properties or financial condition of FPL Group Capital and its subsidiaries taken as a whole, and has the power and authority as a corporation or other entity necessary to own or hold its respective properties and to conduct the businesses in which it is engaged.

(j) The FPL Group Capital Junior Subordinated Debentures conform in all material respects to the description thereof in the Prospectus.

(k) The Subordinated Indenture (i) has been duly authorized by FPL Group Capital by all necessary corporate action, [has been duly executed and delivered by FPL Group Capital, and is] [and, when executed and delivered by FPL Group Capital, will be] a valid and binding instrument enforceable against FPL Group Capital in accordance with its terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity and (ii) conforms in all material respects to the description thereof in the Prospectus.

(l) FPL Group Capital is not, and after giving effect to the offering and sale of the FPL Group Capital Subordinated Debentures and the application of the proceeds thereof as described in the Pricing Disclosure Package and the Prospectus will not be, an "investment company" within the meaning of the 1940 Act.]

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

(a) FPL Group has, together with FPL Group Capital, the Trust, FPL Group Capital Trust __, FPL Group [[1]Capital] Trust __ and FPL Group Trust __, Florida Power & Light Company, Florida Power & Light Company Trust I and Florida Power & Light Company Trust II filed with the Commission Registration Statement No. 333-_____ for the registration under the Securities Act of (a) an unspecified aggregate amount of (i) FPL Group Capital Senior Debt Securities, (ii) FPL Group Capital Junior Subordinated Debentures, (iii) FPL Group Junior Subordinated Debentures, (iv) FPL Group Senior Debt Securities, (v) FPL Group Capital Trust Preferred Trust Securities and (vi) FPL Group Trust Preferred Trust Securities, (b) FPL Group's guarantees related to the FPL Group Capital Senior Debt Securities, FPL Group Capital Junior Subordinated Debentures, FPL Group Capital Trust Preferred Trust Securities and FPL Group Trust Preferred Trust Securities, (c) an unspecified aggregate amount of (i) Florida Power & Light Company's Bonds, (ii) Florida Power & Light Company Junior Subordinated Debentures, and (iii) Florida Power & Light Company Trust Preferred Trust Securities, and (d) the Florida Power & Light Company Trust Guarantee. Such registration statement has become effective 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 Group, threatened by the Commission. Each of the Underwriters acknowledges that on or subsequent to the Closing Date, FPL Group may file a post-effective amendment to the Registration Statement pursuant to Rule

462(d) under the Securities Act or a Current Report on Form 8-K in order to file one or more unqualified opinions of counsel.

(b) The Registration Statement constitutes an "automatic shelf registration statement" (as defined in Rule 405 under the Securities Act) filed within three years of the date hereof; no notice of objection of the Commission with respect to the use of the Registration Statement pursuant to Rule 401(g)(2) under the Securities Act has been received by FPL Group; and FPL Group is a "well known seasoned issuer" and is not an "ineligible issuer" (in each case as defined in Rule 405 under the Securities Act).

(c) The Registration Statement at the Effective Date fully complied, and the Prospectus, both at the 424 Date and at the Closing Date, and the Registration Statement, and the Trust Agreement, the Subordinated Indenture, the [[2] and the Trust Guarantee] [[1]and the Guarantees], at the Closing Date, will fully comply, in all material respects with the applicable provisions of the Securities Act and 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 the Registration Statement 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, both at 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 (c) shall not apply to statements or omissions made in reliance upon and in conformity with information furnished in writing to the Offerors 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 Statements of Eligibility or to any statements or omissions made in the Registration Statement or the Prospectus relating to the DTC Book-Entry-Only System that are based solely on information contained in published reports of DTC.

(d) As of the Applicable Time, the Pricing Disclosure Package did not contain 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; provided, that the foregoing representations and warranties in this subsection (d) shall not apply to statements or omissions made in reliance upon and in conformity with information furnished in writing to the Offerors by or on behalf of any Underwriter through the Representatives expressly for use in connection with the preparation of the Registration Statement, the Pricing Prospectus, any preliminary prospectus supplement or any Issuer Free Writing Prospectus, or to any statements in or omissions from the Statements of Eligibility or to any statements or omissions made in the Registration Statement, the Pricing Prospectus, any preliminary prospectus

supplement or any Issuer Free Writing Prospectus relating to the DTC Book-Entry-Only System that are based solely on information contained in published reports of DTC. If there occurs an event or development as a result of which the Pricing Disclosure Package would include an untrue statement of a material fact or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances then prevailing, not misleading, FPL Group promptly will notify the Representatives so that any use of the Pricing Disclosure Package may cease until it is amended or supplemented.

(e) As of the Applicable Time, no Issuer Free Writing Prospectus includes any information that conflicts with the information contained in the Registration Statement, the Prospectus or the Pricing Prospectus, including any document incorporated by reference therein that has not been superseded or modified.

(f) The financial statements included as part of or incorporated by reference in the Pricing Disclosure Package, the Prospectus and the Registration Statement present fairly the consolidated financial condition and results of operations of FPL Group 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 Pricing Disclosure Package and the Registration Statement; and Deloitte & Touche LLP, who has audited the audited financial statements of FPL Group, is an independent registered public accounting firm as required by the Securities Act and the Exchange Act and the rules and regulations of the Commission thereunder.

(g) Except as reflected in or contemplated by the Pricing Disclosure Package, since the respective most recent times as of which information is given in the Pricing Disclosure Package, there has not been any material adverse change in the business, properties or financial condition of FPL Group 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 Group or any of its subsidiaries that is material to FPL Group and its subsidiaries taken as a whole, other than changes and transactions contemplated by the Pricing Disclosure Package, and transactions in the ordinary course of business. FPL Group and its subsidiaries have no contingent obligation material to FPL Group and its subsidiaries taken as a whole, which is not disclosed in or contemplated by the Pricing Disclosure Package.

(h) The execution and delivery of this agreement and the consummation of the transactions herein contemplated by FPL Group, 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 (the "FPL Group Charter"), by-laws and applicable law, and the [[2]Trust Guarantee] [[1]Guarantees] when issued and delivered by FPL Group as provided herein will constitute valid and binding obligation[s] of FPL Group enforceable against FPL Group in accordance with [[2]its] [[1]their respective] terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other

laws affecting creditors' rights and remedies generally and general principles of equity. [[2]The execution and delivery of the FPL Group Subordinated Debentures, the Guarantee Agreement and the Subordinated Indenture] [[1]The execution and delivery of the Guarantee Agreement and the Subordinated Indenture] by FPL Group did not require, and the performance by FPL Group of its obligations thereunder with respect to the Preferred Trust Securities and the FPL Group [[1]Capital] Subordinated Debentures does not require any consent, approval, authorization, registration or qualification of or by any governmental agency or body other than those consents, approvals, authorizations, registrations or qualifications as have already been obtained.

(i) The execution and delivery of this agreement and the consummation of the transactions herein contemplated by FPL Group, the fulfillment of the terms hereof on the part of FPL Group to be fulfilled, and the compliance by FPL Group with (i) all the terms and provisions of the Guarantee Agreement and (ii) [[2]all] the terms and provisions of the FPL Group [[1]Capital] Subordinated Indenture, the Trust Guarantee and the Trust Agreement [[1]applicable to it], will not result in a breach of any of the terms or provisions of, or constitute a default under, the FPL Group Charter or by-laws, or any indenture, mortgage, deed of trust or other agreement or instrument to which FPL Group or any of its subsidiaries is now a party, or violate any law or any order, rule, decree or regulation applicable to FPL Group or any of its subsidiaries of any federal or state court, regulatory board or body or administrative agency having jurisdiction over FPL Group 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 Group and its subsidiaries taken as a whole.

(j) FPL Group or one or more of its direct or indirect subsidiaries owns all of the common stock (with respect to those subsidiaries which are organized as corporations) or other ownership interests (with respect to those subsidiaries which are organized as limited liability companies) of FPL Group's direct or indirect significant subsidiaries (as defined in Regulation S-X) free and clear of all liens, encumbrances and adverse claims, except such as do not materially affect the value thereof. FPL Group's direct and indirect significant subsidiaries (as defined in Regulation S-X) are [insert names of significant subsidiaries].

(k) FPL Group and each of its direct and indirect significant subsidiaries (as defined in Regulation S-X) has been duly organized, is validly existing and is in good standing under the laws of its respective jurisdiction of organization, and is duly qualified to do business and is in good standing as a foreign corporation or other entity in each jurisdiction in which its respective ownership of properties or the conduct of its respective businesses requires such qualification, except where the failure so to qualify would not have a material adverse effect on the business, properties or financial condition of FPL Group and its subsidiaries taken as a whole, and has the power and authority as a corporation or other entity necessary to own or hold its respective properties and to conduct the businesses in which it is engaged.

(l) [[2]The FPL Group Subordinated Debentures conform in all material respects to the description thereof in the Prospectus.]

(m)[[2]The Subordinated Indenture (i) has been duly authorized by FPL Group by all necessary corporate action, and when duly executed and delivered as provided therein, will constitute a valid and binding instrument enforceable against FPL Group in accordance with its terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity and (ii) conforms in all material respects to the description thereof in the Prospectus.]

(n) Each of the Trust Agreement [[1], Subordinated Indenture] and Guarantee Agreement (i) has been duly authorized by FPL Group by all necessary corporate action and, when executed and delivered by FPL Group, will be a valid and binding instrument enforceable against FPL Group in accordance with its terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity and (ii) conforms in all material respects to the description thereof in the Prospectus.

(o) FPL Group is not, and after giving effect to the offering and sale of the Subordinated Debentures and the application of the proceeds thereof as described in the Pricing Disclosure Package and the Prospectus will not be, an "investment company" within the meaning of the 1940 Act.

6. Purchase and Sale. On the basis of the representations and warranties herein contained, and subject to the terms and conditions in this agreement, the Trust 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 the Trust the respective number of Preferred Trust Securities set forth opposite their respective names in Schedule II hereto at the purchase price for those Preferred Trust Securities set forth in Schedule I hereto as the Purchase Price.

The Underwriters agree to make a *bona fide* public offering of the Preferred Trust Securities and the Trust Guarantee as set forth in the Pricing Disclosure Package, 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 the Trust that the Preferred Trust Securities will be offered to the public at the amount per Preferred Trust Security 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. Such dealers' concession may not be in excess of the amount of $[__] per Preferred Trust Security under the Price to Public.

Each Underwriter agrees that (i) no information that is presented by it to investors has been or will be inconsistent with the information contained in the Pricing Disclosure Package as it may then be amended or supplemented and (ii) it will make no offer that would constitute a Free Writing Prospectus that is required to be filed by any of the Offerors pursuant to Rule 433 under the Securities Act other than an Issuer Free Writing Prospectus in accordance with Section [8(h)].

7. Time, Date and Place of Closing, Default of Underwriter. Delivery of the Preferred Trust Securities and payment therefor by wire transfer in federal funds shall be made at ____ A.M., New York City time, on the closing date set forth on Schedule I, at the offices of Thelen Reid & Priest LLP, 875 Third Avenue, New York, New York 10022, or at such other time, date or place as may be agreed upon in writing by FPL Group, the Trust and the Representatives. The Trust hereby directs the Underwriters to make such payment for the Preferred Trust Securities to FPL Group Capital on behalf of the Trust. The time and date of such delivery and payment are herein called the "Closing Date."

The Preferred Trust Securities 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 Preferred Trust Securities shall be made through the facilities of DTC unless FPL Group, the Trust and the Representatives shall otherwise agree. For the purpose of expediting the checking of the Preferred Trust Securities by the Representatives on behalf of the Underwriters, the Trust agrees to make such Preferred Trust Securities 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 Group, the Trust and the Representatives. In view of the fact that the proceeds of the sale of the Preferred Trust Securities will be used by the Trust to purchase FPL Group [[1]Capital] Junior Subordinated Debentures, FPL Group [[1]and FPL Group Capital] agree[[2]s] to make the Subordinated Debentures available to the Representatives for the purposes and at the place and time determined in accordance with the immediately preceding sentence.

If any Underwriter shall fail to purchase and pay for the number of the Preferred Trust Securities which such Underwriter has agreed to purchase and pay for hereunder (otherwise than by reason of any failure on the part of the Offerors 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 number of the Preferred Trust Securities set forth opposite their respective names in Schedule II hereto) the number of the Preferred Trust Securities which such defaulting Underwriter or Underwriters failed to purchase and pay for, up to a number thereof equal to, in the case of each such remaining Underwriter, ten percent (10%) of the aggregate number of the Preferred Trust Securities 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 number of the Preferred Trust Securities which the defaulting Underwriter or Underwriters agreed but failed to purchase, or (ii) substitute another Underwriter or Underwriters, satisfactory to FPL Group and the Trust, to purchase and pay for the remaining number of the Preferred Trust Securities which the defaulting Underwriter or Underwriters agreed but failed to purchase. If any of the Preferred Trust Securities still remain unpurchased, then FPL Group or the Trust 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 Preferred Trust Securities on the terms herein set forth. In the

event that, within the respective prescribed periods, (i) the non-defaulting Underwriters notify FPL Group and the Trust that they have arranged for the purchase of such Preferred Trust Securities or (ii) FPL Group or the Trust notifies the non-defaulting Underwriters that it has arranged for the purchase of such Preferred Trust Securities, the non-defaulting Underwriters or FPL Group or the Trust 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 Group or the Trust has arranged for the purchase of such Preferred Trust Securities by another party or parties as above provided, then this agreement shall terminate without any liability on the part of FPL Group, the Trust [[1]or FPL Group Capital] 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 Preferred Trust Securities which such Underwriter has agreed to purchase as provided in Section [6] hereof), except as otherwise provided in Section [11] and subsections (d) and (f) of Section [8] hereof.

8. Covenants of the Offerors. The Offerors agree with the several Underwriters that:

(a) The Offerors will timely file the Prospectus with the Commission pursuant to Rule 424 under the Securities Act. The Offerors have complied and will comply with Rule 433 under the Securities Act in connection with the offering and sale of the Preferred Trust Securities, including applicable provisions in respect of timely filing with the Commission, legending and record-keeping.

(b) The Offerors will prepare a final term sheet, containing a description of the pricing terms of the Offered Securities, substantially in the form of Schedule I hereto and approved by the Representatives and will timely file such term sheet with the Commission pursuant to Rule 433 under the Securities Act.

(c) FPL Group will deliver or cause to be delivered 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 Group to be in the form as originally filed, including all Incorporated Documents and exhibits, except those incorporated by reference, which relate to the Offered Securities, 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 Group will deliver or cause to be delivered 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.

(d) FPL Group [[1]Capital] has paid or cause to be paid or will pay or cause to be paid all expenses in connection with the (i) preparation and filing of the Registration Statement, any preliminary prospectus, the Prospectus and any Issuer Free Writing Prospectus, (ii) issuance and delivery of the Preferred Trust Securities as provided in Section [7] hereof and of the other Offered Securities as contemplated hereby, and

(iii) printing and delivery to the Representatives for the account of the Underwriters, in reasonable quantities, of copies of the Registration Statement, any preliminary prospectus, the Prospectus, any Issuer Free Writing Prospectus, the Subordinated Indenture, the Trust Agreement and the Guarantee Agreement. FPL Group [[1]Capital] will pay or cause to be paid all taxes, if any (but not including any transfer taxes), on the issuance of the Offered Securities. The Offerors 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 [9] or [10] hereof, FPL Group [[1]Capital] 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 Group [[1]and/or FPL Group Capital] shall reimburse or cause to be reimbursed 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 for such out-of-pocket expenses. None of the Offerors shall in any event be liable to any of the several Underwriters for damages on account of loss of anticipated profits.

(e) During a period of nine months after the date of this agreement, if any event relating to or affecting any of the Offerors shall occur which, in the opinion of FPL Group [[1]or FPL Group Capital], should be set forth in a supplement to or an amendment of the Prospectus (including an Issuer Free Writing Prospectus) in order to make the Prospectus not misleading in the light of the circumstances when it is delivered to a purchaser, FPL Group [[1]or FPL Group Capital] will forthwith at its expense prepare, file with the Commission, if required, and furnish to the Representatives a reasonable number of copies of such supplement or supplements or amendment or amendments to the Prospectus (including an Issuer Free Writing 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 Group [[1]or FPL Group Capital] 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.

(f) The Offerors will furnish such proper information as may be lawfully required and otherwise cooperate in qualifying the Preferred Trust Securities, the Trust Guarantee, and to the extent required or advisable, the other Offered Securities, for offer and sale under the blue sky laws of such United States 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 none of the Offerors shall 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 any Offeror to be unduly burdensome.

(g) FPL Group will timely file such reports pursuant to the Exchange Act as are necessary in order to make generally available to its security holders 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.

(h) Prior to the termination of the offering of the Preferred Trust Securities, the Offerors will not file any amendment to the Registration Statement or any amendment or supplement to the Prospectus or any amendment or supplement to the Pricing Disclosure Package 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. The Offerors have not made any offer relating to the Preferred Trust Securities that would constitute an Issuer Free Writing Prospectus or that would otherwise constitute a Free Writing Prospectus required to be filed by the Offerors with the Commission or retained by the Offerors under Rule 433 under the Securities Act, other than a pricing term sheet substantially in the form as set forth on Schedule I, and will not make any such offer without prior notice to the Representatives and to Counsel for the Underwriters, or any such offer to which the Representatives shall reasonably object in writing, or which shall be unsatisfactory to Counsel for the Underwriters.

(i) The Offerors will advise the Representatives promptly of the filing of the Prospectus pursuant to Rule 424, of the filing of any material pursuant to Rule 433 and of any amendment or supplement to the Pricing Disclosure Package or the Registration Statement or, prior to the termination of the offering of the Preferred Trust Securities hereunder, of official notice of the institution of proceedings for, or the entry of, a stop order suspending the effectiveness of the Registration Statement, of receipt from the Commission of any notice of objection to the use of the Registration Statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) under the Securities Act has been received by FPL Group [[1]or FPL Group Capital], and, if such a stop order should be entered, or notice of objection should be received, use every commercially reasonable effort to obtain the prompt removal thereof.

(j) If FPL Group [[1]Capital] Subordinated Debentures are distributed to holders of Preferred Trust Securities upon liquidation of the Trust, FPL Group [[1]Capital] will take such action as is required in order to comply with (or be exempt from) all applicable securities or blue sky laws of the various jurisdictions in the United States in connection with such distribution. The provisions of this Section [8](h) shall survive the delivery of the Preferred Trust Securities.

9. Conditions of Underwriters' Obligations to Purchase and Pay for Preferred Trust Securities. The several obligations of the Underwriters to purchase and pay for the Preferred Trust Securities shall be subject to the performance by the Offerors of their obligations to be performed hereunder on or prior to the Closing Date and to the following conditions:

(a) The representations and warranties made by the Offerors herein and qualified by materiality shall be true and correct in all respects and the representations and warranties made by the Offerors herein that are not qualified by materiality shall be true and correct in all material respects as of the Closing Date, in each case, as if made on and as of such date and the Representatives shall have received, prior to payment for the Preferred Trust Securities, a certificate from each of the Offerors dated the Closing Date and signed by an officer, in the case of FPL Group [[1]and FPL Group Capital], and by an administrative trustee or authorized representative in the case of the Trust, 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 no notice of objection by the Commission to the use of the Registration Statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) under the Securities Act shall have been received by [[2]either] [[1]any] of the Offerors; and the Representatives shall have received, prior to payment for the Preferred Trust Securities, a certificate from each of the Offerors dated the Closing Date and signed by an officer in the case of FPL Group [[1]and FPL Group Capital] and by an administrative trustee or authorized representative in the case of the Trust, 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 Group [[1], FPL Group Capital] and the Trust, as the case may be, threatened by, the Commission.

(c) On the Closing Date, the Representatives shall have received from Squire, Sanders & Dempsey L.L.P., counsel to FPL Group [[1]and FPL Group Capital], Thelen Reid & Priest LLP, counsel to FPL Group [[1]and FPL Group Capital], Hunton & Williams LLP, Counsel for the Underwriters, and Morris, James, Hitchens & Williams LLP, special Delaware counsel to FPL Group [[1], FPL Group Capital] and the Trust, opinions (with a copy for each of the Underwriters) in substantially the form and substance prescribed in Schedules IV, V, VI and VII hereto (i) with such changes therein as may be agreed upon by the Offerors and the Representatives, with the approval of Counsel for the Underwriters, and (ii) if the Prospectus relating to the Preferred Trust Securities 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.

(d) On the date of this agreement and on the Closing Date, the Representatives shall have received from Deloitte & Touche LLP a letter or letters (which may refer to letters previously delivered to the Representatives) (with copies thereof for each of the Underwriters) dated the respective dates of delivery thereof to the effect that (i) they are an independent registered public accounting firm with respect to FPL Group 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 of FPL Group audited by them and incorporated by reference in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, 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. 100, Interim Financial Information, on the unaudited condensed consolidated financial statements of FPL Group, if any, incorporated by reference in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, a reading of the latest available interim unaudited [condensed] consolidated financial statements of FPL Group, if any, since the close of FPL Group's most recent audited fiscal year, reading the minutes and consents of the Board of Directors and the Finance & Investment Committee of the Board of Directors and of the shareholders of FPL Group since the end of the most recent audited fiscal year, and inquiries of officials of FPL Group who have responsibility for financial and accounting matters (it being understood that the foregoing procedures do not constitute an audit made in accordance with standards of the Public Company Accounting Oversight Board (United States) 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 Group, if any, incorporated by reference in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, (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 Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, 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 Group incorporated by reference in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable; (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 such letter, there was any change in the capital stock or increase in long-term debt including current maturities and excluding fair value swaps and amortization of the unamortized premiums and discount on long-term debt of FPL Group and its subsidiaries, or decrease in FPL Group's common shareholders' equity, in each case as compared with amounts shown in the most recent [condensed] consolidated balance sheet incorporated by reference in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, except in all instances for changes, increases or decreases which the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, discloses have occurred or may occur, or as occasioned by the declaration, provision for, or payment of dividends, or as occasioned by the sale of common stock pursuant to any employee or director benefit or compensation plan or the dividend reinvestment plan or the repurchase of common stock by FPL Group 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 Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, 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 such letter, there were any decreases, as compared with the corresponding period in the preceding year, in total consolidated operating revenues or in

net income, except in all instances for decreases which the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, 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 Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, and Exhibit 12(a) to the Registration Statement and such other items as the Representatives may reasonably request.

(e) Since the respective most recent times as of which information is given in the Pricing Disclosure Package, and up to the Closing Date, (i) there shall have been no material adverse change in the business, properties or financial condition of [[1](a) FPL Group Capital and its subsidiaries taken as a whole or (b)] FPL Group and its subsidiaries taken as a whole, except in each case as disclosed in or contemplated by the Pricing Disclosure Package, and (ii) there shall have been no transaction entered into by [[1](a) FPL Group Capital or any of its subsidiaries that is material to FPL Group Capital and its subsidiaries taken as a whole or (b)] FPL Group or any of its subsidiaries that is material to FPL Group and its subsidiaries taken as a whole, in each case other than transactions disclosed in or contemplated by the Pricing Disclosure Package, and transactions in the ordinary course of business; and at the Closing Date, the Representatives shall have received a certificate to such effect from [[1]each of FPL Group Capital and] FPL Group signed by an officer of [[1]FPL Group Capital or] FPL Group, as the case may be.

(f) All legal proceedings to be taken in connection with the issuance and sale of the Preferred Trust Securities and the Trust Guarantee shall have been satisfactory in form and substance to Counsel for the Underwriters.

(g) [The Preferred Trust Securities shall have been approved for listing on The New York Stock Exchange, Inc. ("NYSE") upon official notice of issuance.]

In case any of the conditions specified above in this Section [9] shall not have been fulfilled, this agreement may be terminated by the Representatives upon mailing or delivering written notice thereof to the Offerors. Any such termination shall be without liability of any party to any other party except as otherwise provided in subsections (d) and (f) of Section [8] hereof.

10. Conditions of the Offerors' Obligations. The obligations of the Trust and FPL Group to deliver the Preferred Trust Securities and the Trust Guarantee, respectively, to the Representatives for the respective accounts of the Underwriters and the obligations of [[1]FPL Group Capital and] FPL Group to deliver the FPL Group [[1]Capital] Subordinated Debentures [[1]and the Subordinated Guarantee, respectively,] to the Trust 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, no proceedings for either such purpose shall be pending before, or threatened by, the Commission on such

date; and no notice of objection by the Commission to the use of the Registration Statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) under the Securities Act shall have been received by any of the Offerors.

(b) No "Tax Event" (as defined in the Trust Agreement) shall have occurred and be continuing on the Closing Date.

In case the conditions specified above in this Section [10] shall not have been fulfilled, this agreement may be terminated by the Offerors 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 (d) and (f) of Section [8] hereof.

11. Indemnification.

(a) The Offerors, jointly and severally, agree 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, the Pricing Prospectus, the Prospectus or any Issuer Free Writing 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 10 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 [[1]either] [[2]any] of the Offerors by or on behalf of any Underwriter, through the Representatives, expressly for use in connection with the preparation of any preliminary prospectus, the Registration Statement, the Pricing Prospectus, the Prospectus or any Issuer Free Writing Prospectus or any amendment or supplement to any thereof, or arising out of, or based upon, statements in or omissions from the Statements of Eligibility; and provided, further, that the indemnity agreement contained in this subsection (a) of Section 11 in respect of any preliminary prospectus, the Pricing Prospectus, any Issuer Free Writing Prospectus or 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 Preferred Trust Securities to any person in respect of any preliminary prospectus, the Pricing Prospectus, any Issuer Free Writing Prospectus or the Prospectus, each as may be then supplemented or amended, furnished by such

Underwriter to a person to whom any of the Preferred Trust Securities were sold (excluding in all cases, however, any document then incorporated by reference therein), insofar as such indemnity relates to any untrue or misleading statement or omission made in such preliminary prospectus, Pricing Prospectus, Prospectus or Issuer Free Writing Prospectus, if a copy of a supplement or amendment to such preliminary prospectus, Pricing Prospectus, Prospectus, or Issuer Free Writing Prospectus (excluding in all cases, however, any document then incorporated by reference therein) (i) is furnished on a timely basis by the Offerors to the Underwriter, (ii) is required to have been conveyed to such person by or on behalf of such Underwriter, at or prior to the entry into the contract of sale of the Preferred Trust Securities with such person, but was not so conveyed (which conveyance may be oral (if permitted by law) or written) by or on behalf of such Underwriter and (iii) would have cured the defect giving rise to such loss, claim, damage or liability. The indemnity agreement of the Offerors contained in this subsection (a) of Section [11] and the representations and warranties of the Trust[, [1]FPL Group Capital] and FPL Group contained in Sections [3], [4] and [5] hereof, respectively, 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 Preferred Trust Securities. The Underwriters agree promptly to notify each of the Offerors, 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 Preferred Trust Securities.

(b) Each Underwriter, severally and not jointly, agrees to indemnify and hold harmless each of the Offerors, their respective officers, administrative trustees and directors, and each person who controls the Trust[, [1]FPL Group Capital] or FPL Group, as the case may be, 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 any preliminary prospectus, the Registration Statement, the Pricing Prospectus, the Prospectus or any Issuer Free Writing 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 [[2]either] [[1]any] of the Offerors by or on behalf of such Underwriter, through the Representatives, expressly for use in connection with the preparation of any preliminary prospectus, the Registration Statement, the Pricing Prospectus, the Prospectus or any Issuer Free Writing Prospectus or any amendment or supplement to any thereof. The Underwriters hereby furnish to the Offerors in writing expressly for use in the preliminary prospectus, the Registration Statement, the Pricing Prospectus and the Prospectus: [insert information provided by the Underwriters]. Each of the Offerors acknowledge that the statements set forth in the preceding sentence

constitutes the only information furnished in writing by or on behalf of the several Underwriters expressly for inclusion in any preliminary prospectus, the Registration Statement, the Pricing Prospectus, the Prospectus or any Issuer Free Writing Prospectus. The indemnity agreement of the respective Underwriters contained in this subsection (b) of Section [11] shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of [[2]either] [[1]any] of the Offerors or any of their respective officers or directors or any such other Underwriter or any such controlling person, and shall survive the delivery of the Preferred Trust Securities. The Offerors agree promptly to notify the Representatives of the commencement of any litigation or proceedings against any of the Offerors (or any controlling person thereof) or any of their respective officers, administrative trustees or directors in connection with the issuance and sale of the Offered Securities.

(c) The Offerors 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 [11], 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 this 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 or parties shall elect not to assume the defense of such action, such indemnifying party or parties 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 involved 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). The Offerors 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 [11], 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 the Offerors 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 the Offerors on the one hand and the Underwriters on the other hand from the offering of the Preferred Trust 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 the Offerors 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. The Offerors 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 Preferred Trust Securities 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 Preferred Trust Securities is to the total number of Preferred Trust Securities set forth in Schedule II hereto.

12. Termination. This agreement may be terminated by the Representatives by delivering written notice thereof to the Offerors, 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 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 Group [[1]or FPL Group Capital] 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 Preferred Trust Securities as contemplated in the Pricing Disclosure Package or for the Underwriters to enforce contracts for the sale of the Preferred Trust Securities, or

(b) (i) there shall have been any downgrading or any notice of any intended or potential downgrading in the ratings accorded to the Preferred Trust Securities or the FPL Group [[1]Capital] Subordinated Debentures or any securities of FPL Group [[1]Capital] which are of the same class as the FPL Group [[1]Capital] Subordinated Debentures 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 Preferred Trust Securities or the FPL Group [[1]Capital] Subordinated Debentures or any securities of FPL Group [[1]Capital] which are of the same class as the FPL Group [[1]Capital] Subordinated Debentures, 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 Preferred Trust Securities as contemplated in the Pricing Disclosure Package or for the Underwriters to enforce contracts for the sale of the Preferred Trust Securities.

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 or any Issuer Free Writing Prospectus prepared and furnished by the Offerors after the date hereof reflects a material adverse change in the business, properties or financial condition of FPL Group and its subsidiaries taken as a whole [[1]or FPL Group Capital 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 Preferred Trust Securities to be purchased hereunder. Any termination of this agreement pursuant to this Section 12 shall be without liability of any party to any other party except as otherwise provided in subsections (d) and (f) of Section 8 hereof.

13. Miscellaneous.

(a) The validity and interpretation of this agreement shall be governed by the laws of the State of New York without regard to conflicts of law principles thereunder. This agreement shall inure to the benefit of, and be binding upon, the Offerors, the several Underwriters and, with respect to the provisions of Section [11] hereof, each officer, director or controlling person referred to in said Section [11], 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 Preferred Trust Securities from any of the several Underwriters.

(b) The Offerors each acknowledge and agree that the Underwriters are acting solely in the capacity of arm's length contractual counterparties to the Offerors with respect to the offering of the Preferred Trust Securities as contemplated by this agreement and not as financial advisors or fiduciaries to the Offerors in connection herewith. Additionally, none of the Underwriters is advising the Offerors as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction in connection with the offering of the Preferred Trust Securities as contemplated by this agreement. Any review by the Underwriters of the Offerors in connection with the offering of the Preferred Trust Securities contemplated by this agreement and the transactions contemplated by this agreement will not be performed on behalf of the Offerors.

14. 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 II hereto, or if to FPL Group[', FPL Group Capital] or the Trust, 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 by the parties hereto on separate counterparts, each of which, when so executed and delivered, shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

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,

FPL Group [[1]Capital] Trust __

By: _____
Name:
Title:

FPL Group, Inc.

By: _____
Name:
Title:

[[1]FPL Group Capital Inc]

By: _____
Name:
Title:]

Accepted and delivered as of
the date first above written:

_____

By: _____
Name:
Title:

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

SCHEDULE I

FPL Group [[1]Capital] Trust __

Pricing Term Sheet

[Date]

Issuer: FPL Group [[1]Capital] Trust __

Underwriting Agreement dated

Representatives:

Preferred Trust Securities:
- Designation:
- Number of Preferred Trust Securities:
- Aggregate Liquidation Amount:
- Date of Maturity:
- Coupon Rate:
- Price to Public:
- Treasury Benchmark:
- Benchmark Price:
- Benchmark Yield:
- Spread to Benchmark Treasury:
- Reoffer Yield:
- Purchase Price:
- Proceeds to the Trust :
- Closing Date:
- CUSIP/ ISIN Number:
- Expected Credit Ratings on Preferred Trust Securities*:

FPL Group [[1]Capital] Subordinated Debentures
- Designation:
- Principal Amount:
- Date of Maturity:
- Interest Rate:

*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.

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling _____ toll-free _____ or _____ toll-free _____.

SCHEDULE II

Representatives **Addresses**

Underwriter	**Number of Preferred Trust Securities**
Total	

SCHEDULE III

PRICING DISCLOSURE PACKAGE

(1) Prospectus, dated _____

(2) Preliminary Prospectus Supplement dated _____ (which shall be deemed to include the Incorporated Documents)

(3) Issuer Free Writing Prospectuses

(a) Pricing Term Sheet attached as Schedule I hereto

SCHEDULE IV

[LETTERHEAD OF SQUIRE, SANDERS & DEMPSEY L.L.P.]

SCHEDULE V

[LETTERHEAD OF THELEN REID & PRIEST LLP]

SCHEDULE VI

[LETTERHEAD OF HUNTON & WILLIAMS LLP]

SCHEDULE VII

[LETTERHEAD OF MORRIS, JAMES, HITCHENS & WILLIAMS LLP]

[Forms of legal opinions omitted]

Exhibit 1(c)

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 ("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 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 (the "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, together with Florida Power & Light Company Trust I, Florida Power & Light Company Trust II (together with Florida Power & Light Company Trust I, the "FPL Trusts"), FPL Group, Inc., FPL Group Capital Inc, FPL Group Capital Trust II, FPL Group Capital Trust III, FPL Group Trust I, and FPL Group Trust II filed with the Securities and Exchange Commission (the "Commission") a joint registration statement on Form S-3, including a prospectus (Registration Statement Nos. 333-_____, 333-_____-01, 333-_____-02, 333-_____-03, 333-_____-04, 333-_____-05, 333-_____-06, 333-_____-07 and 333-_____-08) ("Registration Statement No. 333-_____"), for the registration under the Securities Act of 1933, as amended (the "Securities Act"), of (a) an unspecified aggregate amount of (i) First Mortgage Bonds, (ii) FPL junior subordinated debentures ("FPL Junior Subordinated Debentures"), and (iii) preferred trust securities of the FPL Trusts ("FPL Preferred Trust Securities"), (b) FPL's guarantee of the FPL Preferred Trust Securities (the "FPL Trust Guarantee"), (c) an unspecified aggregate amount of (i) FPL Group Capital's debt securities ("FPL Group Capital Senior Debt Securities"), (ii) FPL Group Capital's junior subordinated debentures ("FPL Group Capital Junior Subordinated Debentures"), (iii) FPL Group's junior subordinated debentures, (iv) FPL Group's debt securities, (v) preferred trust securities of FPL Group Trust I and FPL Group Trust II ("FPL Group Trust Preferred Trust Securities") and (vi) preferred trust securities of FPL Group Capital Trust II and FPL Group Capital Trust III ("FPL Group Capital Trust Preferred Trust Securities"), (d) FPL Group's guarantees (the "FPL Group Guarantees") related to the FPL Group Capital Senior Debt Securities, FPL Group Capital Junior Subordinated Debentures, FPL Group Trust Preferred Trust Securities and FPL Group Capital Trust Preferred Trust Securities. Such registration statement has become effective 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 time shall mean Registration Statement No. 333-_____, as amended or supplemented to such time, including all documents incorporated by reference therein as of such time pursuant to Item 12 of Form S-3 ("Incorporated Documents") and any prospectus, preliminary prospectus supplement or prospectus supplement relating to the Bonds deemed to be a part thereof pursuant to Rule 430B that has not been superseded or modified. References herein to the term "Registration Statement" without reference to a time means the Registration Statement as of [A.M./P.M.], New York City time, [_____] [on the date of this agreement] (which date and time is the earlier of the date and time of (x) the first use of the preliminary prospectus supplement relating to the Bonds and (y) the first contract of sale of the Bonds), which time shall be considered the "Effective Date" of the Registration Statement. For purposes of the definitions of "Registration Statement" in the preceding two sentences, information contained in any prospectus, preliminary prospectus supplement or prospectus supplement that is deemed retroactively to be a part of the Registration Statement pursuant to Rule 430B shall be considered to be included in the Registration Statement as of the time specified in Rule 430B. References herein to the term "Pricing Prospectus" shall mean the prospectus relating to FPL and Florida Power & Light Company Trust forming a part of Registration

Statement No. 333-_____ (the "Base Prospectus"), including all Incorporated Documents and any prospectus or prospectus supplement relating to the Bonds deemed to be a part of such registration statement that has not been superseded or modified. For purposes of the definition of "Pricing Prospectus" with respect to a particular offering of Bonds, information contained in a prospectus or prospectus supplement (other than a prospectus or prospectus supplement that relates only to securities issued by FPL Group, FPL Group Capital, FPL Group Trust or FPL Group Capital Trust or to securities issued by FPL other than the Bonds) that is deemed retroactively to be a part of the Registration Statement pursuant to Rule 430B shall be considered to be included in the Pricing Prospectus as of the time that form of prospectus or prospectus supplement is filed with the Commission pursuant to Rule 424 of the general rules and regulations of the Securities Act ("Rule 424"). References herein to the term "Prospectus" means the Pricing Prospectus that discloses the public offering price and other final terms of the Bonds and otherwise satisfies Section 10(a) of the Securities Act. 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. Each of the Underwriters acknowledges that on or subsequent to the Closing Date, FPL may file a post-effective amendment to the Registration Statement pursuant to Rule 462(d) under the Securities Act or a Current Report on Form 8-K in order to file one or more unqualified opinions of counsel.

(b) The Registration Statement constitutes an "automatic shelf registration statement" (as defined in Rule 405 under the Securities Act) filed within three years of the date hereof; no notice of objection of the Commission with respect to the use of the Registration Statement pursuant to Rule 401(g)(2) under the Securities Act has been received by FPL; and with respect to the Bonds FPL is a "well-known seasoned issuer" within the meaning of subparagraph (1)(ii) of the definition of "well-known seasoned issuer in Rule 405 under the Securities Act.

(c) The Registration Statement at the Effective Date fully complied, and the Prospectus, both at the date and time it is filed with the Commission pursuant to Rule 424 (such date and time, 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 the Registration Statement 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, both at 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 Statements of Eligibility on Form T-1, or amendments thereto, filed as exhibits to the Registration Statement (collectively, the "Statements of Eligibility") or to any statements or omissions made in the Registration Statement or the Prospectus relating to The Depository Trust Company ("DTC") Book-Entry-Only System that are based solely on information contained in published reports of DTC.

(d) As of the Applicable Time (as defined below), the Pricing Disclosure Package (as defined below) did not contain 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; provided, that the foregoing representations and warranties in this subsection (d) 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, the Pricing Prospectus, any preliminary prospectus supplement or any Issuer Free Writing Prospectus (as defined below), or to any statements in or omissions from the Statements of Eligibility or to any statements or omissions made in the Registration Statement, the Pricing Prospectus, any preliminary prospectus supplement or any Issuer Free Writing Prospectus relating to the DTC Book-Entry-Only System that are based solely on information contained in published reports of DTC. References to the term "Pricing Disclosure Package" shall mean the documents listed in Schedule III, taken together as a whole. References to the term "Issuer Free Writing Prospectus" shall mean an issuer free writing prospectus, as defined in Rule 433 under the Securities Act. References to the term "Free Writing Prospectus" shall mean a free writing prospectus, as defined in Rule 405 under the Securities Act. References to the term "Applicable Time" means ___ [A.M./P.M.] on the date hereof. If there occurs an event or development as a result of which the Pricing Disclosure Package would include an untrue statement of a material fact or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances then prevailing, not misleading, FPL promptly will notify the Representatives so that any use of the Pricing Disclosure Package may cease until it is amended or supplemented.

(e) As of the Applicable Time, no Issuer Free Writing Prospectus includes any information that conflicts with the information contained in the Registration Statement, the Prospectus or the Pricing Prospectus, including any document incorporated by reference therein that has not been superseded or modified.

(f) The financial statements included as part of or incorporated by reference in the Pricing Disclosure Package, the Prospectus and 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 Pricing Disclosure Package and the Registration Statement; and Deloitte & Touche LLP, who has audited the audited financial statements of FPL, is an independent registered public accounting firm as required by the Securities Act and the Exchange Act and the rules and regulations of the Commission thereunder.

(g) Except as reflected in or contemplated by the Pricing Disclosure Package, since the respective most recent times as of which information is given in the Pricing Disclosure Package, 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 Pricing Disclosure Package, 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 Pricing Disclosure Package.

(h) The execution and delivery of this agreement and the consummation of the transactions herein contemplated by FPL 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 (regardless of whether enforcement is sought in a proceeding in equity or at law).

(i) The execution and delivery of this agreement and the consummation of the transactions herein contemplated by FPL and the fulfillment of the terms hereof on the part of FPL to be fulfilled, 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.

(j) FPL has no direct or indirect significant subsidiaries (as defined in Regulation S-X (17 CFR Part 210)).

(k) FPL has been duly organized, is validly existing and is in good standing under the laws of its jurisdiction of organization, and is duly qualified to do business and is in good standing as a foreign corporation in each jurisdiction in which its ownership of

properties or the conduct of its businesses requires such qualification, except where the failure so to qualify would not have a material adverse effect on the business, properties or financial condition of FPL, and has the power and authority as a corporation necessary to own or hold its properties and to conduct the businesses in which it is engaged.

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

(m) FPL is not, and after giving effect to the offering and sale of the Bonds and the application of the proceeds thereof as described in the Pricing Disclosure Package and the Prospectus will not be, 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 Pricing Disclosure Package, 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. Such dealer's concession may not be in excess of _____% of the principal amount per Bond under the Price to Public.

Each Underwriter agrees that (i) no information that is presented by it to investors has been or will be inconsistent with the information contained in the Pricing Disclosure Package as it may then be amended or supplemented and (ii) it will make no offer that would constitute a Free Writing Prospectus that is required to be filed by FPL pursuant to Rule 433 under the Securities Act other than an Issuer Free Writing Prospectus in accordance with Section 6(h).

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 ____ A.M., New York City time, on the closing date set forth on Schedule I, at the offices of Thelen Reid & Priest LLP, 875 Third Avenue, New York, New York 10022, 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 8 and subsections (d) and (f) of Section 6 hereof.

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

(a) FPL will timely file the Prospectus with the Commission pursuant to Rule 424 under the Securities Act. FPL has complied and will comply with Rule 433 under the Securities Act in connection with the offering and sale of the Bonds, including

applicable provisions in respect of timely filing with the Commission, legending and record-keeping.

(b) FPL will prepare a final term sheet, containing a description of the pricing terms of the Bonds, substantially in the form of Schedule I hereto and approved by the Representatives and will timely file such term sheet with the Commission pursuant to Rule 433 under the Securities Act.

(c) 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.

(d) FPL has paid or cause to be paid or will pay or cause to be paid all expenses in connection with the (i) preparation and filing of the Registration Statement, any preliminary prospectus, the Prospectus and any Issuer Free Writing 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, any preliminary prospectus, the Prospectus, any Issuer Free Writing 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 or cause to be reimbursed 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 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.

(e) 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 (including an Issuer Free Writing 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, file with the Commission, if required, and furnish to the Representatives a reasonable number of copies of such supplement or supplements or amendment or

amendments to the Prospectus (including an Issuer Free Writing 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.

(f) 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 United States 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.

(g) 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.

(h) 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 or any amendment or supplement to the Pricing Disclosure Package 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. FPL has not made any offer relating to the Bonds that would constitute an Issuer Free Writing Prospectus or that would otherwise constitute a Free Writing Prospectus required to be filed by FPL with the Commission or retained by FPL under Rule 433 under the Securities Act, other than a pricing term sheet substantially in the form as set forth on Schedule I, and will not make any such offer without prior notice to the Representatives and to Counsel for the Underwriters, or any such offer to which the Representatives shall reasonably object in writing, or which shall be unsatisfactory to Counsel for the Underwriters.

(i) FPL will advise the Representatives promptly of the filing of the Prospectus pursuant to Rule 424, of the filing of any material pursuant to Rule 433 and of

any amendment or supplement to the Pricing Disclosure Package or the 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, of receipt from the Commission of any notice of objection to the use of the Registration Statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) under the Securities Act has been received by FPL, and, if such a stop order should be entered, or notice of objection should be received, use every commercially reasonable effort to obtain the prompt removal thereof.

(j) 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 which is subject to the lien of the Mortgage 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 and qualified by materiality shall be true and correct in all respects and the representations and warranties made by FPL here that are not qualified by materiality shall be true and correct in all material respects as of the Closing Date, in each case 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 no notice of objection by the Commission to the use of the Registration Statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) under the Securities Act shall have been received by FPL; 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 Squire, Sanders & Dempsey L.L.P., counsel to FPL, Thelen Reid & Priest LLP, 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 IV, V and VI 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) On the date of this agreement and on the Closing Date, the Representatives shall have received from Deloitte & Touche LLP a letter or letters (which may refer to letters previously delivered to the Representatives) (with copies thereof for each of the Underwriters) dated the respective dates of delivery thereof to the effect that (i) they are an independent registered public accounting firm 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 Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, 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. 100, Interim Financial Information, on the unaudited condensed consolidated financial statements of FPL, if any, incorporated by reference in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, 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, reading 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 standards of the Public Company Accounting Oversight Board (United States) 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 Pricing Prospectus or the Pricing Prospectus and Prospectus, as applicable, (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 Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, 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 Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable; (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 such letter there was any change in the common stock or additional paid-in capital, increase in the preferred stock or long-term debt including current maturities and excluding fair value swaps and amortization of the unamortized premiums and discount on long-term debt of FPL and its subsidiaries, or decrease in FPL's common shareholders' equity, in each case as compared with amounts shown in the most recent condensed consolidated balance sheet incorporated by reference in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, except in all instances for changes, increases or decreases which the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, 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 Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, 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 such letter, 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 Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, 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 Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, and Exhibit 12(b) to the Registration Statement and such other items as the Representatives may reasonably request.

(f) Since the respective most recent times as of which information is given in the Pricing Disclosure Package, 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 Pricing Disclosure Package, and (ii) there shall have been no transaction entered into by FPL or any of its subsidiaries that is material to FPL and its subsidiaries taken as a whole, other than transactions disclosed in or contemplated by the Pricing Disclosure Package, 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 (d) and (f) 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 (d) and (f) 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, the Pricing Prospectus, the Prospectus or any Issuer Free Writing 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 any preliminary prospectus, the Registration Statement, the Pricing Prospectus, the Prospectus or any Issuer Free Writing Prospectus or any amendment or supplement to any thereof, or arising out of, or based upon, statements in or omissions from the Statements of Eligibility; and provided, further, that the indemnity agreement contained in this subsection (a) of Section 9 in respect of any preliminary prospectus, the Pricing Prospectus, any Issuer Free Writing Prospectus or 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 [of any series] to any person in respect of any preliminary prospectus, the Pricing Prospectus, any Issuer Free Writing Prospectus or the Prospectus, each as may be then supplemented or amended, furnished by such Underwriter to a person to whom any of the Bonds were sold (excluding in all cases, however, any document then incorporated by reference therein), insofar as such indemnity relates to any untrue or misleading statement or omission made in such preliminary prospectus, Pricing Prospectus, Prospectus or Issuer Free Writing Prospectus, if a copy of a supplement or amendment to such preliminary prospectus, Pricing Prospectus, Prospectus, or Issuer Free Writing Prospectus (excluding in all cases, however, any document then incorporated by reference therein) (i) is furnished on a timely basis by FPL to the Underwriter, (ii) is required to have been conveyed to such person by or on behalf of such Underwriter, at or prior to the entry into the contract of sale of the Bonds with such person, but was not so conveyed (which conveyance may be oral (if permitted by law) or written) by or on behalf of such Underwriter and (iii) would have cured the defect giving rise to such loss, claim, damage or liability. 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 [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 an untrue statement or alleged untrue statement of a material fact contained in any preliminary prospectus, the Registration Statement, the Pricing Prospectus, the Prospectus or any Issuer Free Writing 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 any preliminary prospectus, the Registration Statement, the Pricing Prospectus, the Prospectus or any Issuer Free Writing Prospectus or any amendment or supplement to any thereof. The Underwriters hereby furnish to FPL in writing expressly for use in the preliminary prospectus, the Registration Statement, the Pricing Prospectus, the Prospectus and any

Issuer Free Writing Prospectus: [insert information provided by the Underwriters]. FPL acknowledges that the statements set forth in the preceding sentence constitutes the only information furnished in writing by or on behalf of the several Underwriters expressly for inclusion in any preliminary prospectus, the Registration Statement, the Pricing Prospectus, the Prospectus or any Issuer Free Writing 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 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 this 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 or parties shall elect not to assume the defense of such action, such indemnifying party or parties 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 involved 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 [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 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 [of any series] as contemplated in the Pricing Disclosure Package or 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 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 [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 being such as to make it, in the reasonable judgment of the Representatives, impracticable or inadvisable to proceed with the offering of the Bonds [of any series] as contemplated in the Pricing Disclosure Package or for the Underwriters to enforce contracts for the sale of the Bonds [of any series].

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 or any Issuer Free Writing 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 [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 (d) and (f) of Section 6 hereof.

11. Miscellaneous.

(a) The validity and interpretation of this agreement shall be governed by the laws of the State of New York without regard to conflicts 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.

(b) FPL acknowledges and agrees that the Underwriters are acting solely in the capacity of arm's length contractual counterparties to FPL with respect to the offering of the Bonds as contemplated by this agreement and not as financial advisors or fiduciaries to FPL in connection herewith. Additionally, none of the Underwriters is advising FPL as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction in connection with the offering of the Bonds as contemplated by this agreement. Any review by the Underwriters of FPL in connection with the offering of the Bonds contemplated by this agreement and the transactions contemplated by this agreement will not be performed on behalf of FPL.

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

13. Counterparts. This agreement may be executed in any number of counterparts by the parties hereto on separate counterparts, each of which, when so executed and delivered, shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

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

SCHEDULE I

FLORIDA POWER & LIGHT COMPANY

Pricing Term Sheet

[Date]

Issuer: Florida Power & Light Company

Underwriting Agreement dated
Representatives:

Bonds:

Designation:
Principal Amount:
Date of Maturity:
Coupon Rate:
Price to Public:
Treasury Benchmark:
Benchmark Price:
Benchmark Yield:
Spread to Benchmark Treasury:
Reoffer Yield:
Purchase Price:
Proceeds to FPL (before expenses):
Closing Date:
CUSIP/ ISIN Number:
Expected Credit Ratings*:

[Discount Rate Spread Used in Calculating Redemption Make-Whole Premium:]

*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.

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov.

Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling _____ toll-free _____ or _____ toll-free _____.

SCHEDULE II

Representatives	Addresses

Underwriter	Principal Amount of Bonds

SCHEDULE III

PRICING DISCLOSURE PACKAGE

(1) Prospectus, dated _____

(2) Preliminary Prospectus Supplement dated _____ (which shall be deemed to include the Incorporated Documents)

(3) Issuer Free Writing Prospectuses

(a) Pricing Term Sheet attached as Schedule I hereto

SCHEDULE IV

[LETTERHEAD OF SQUIRE, SANDERS & DEMPSEY L.L.P.]

SCHEDULE V

[LETTERHEAD OF THELEN REID & PRIEST LLP]

SCHEDULE VI

[LETTERHEAD OF HUNTON & WILLIAMS LLP]

[Forms of legal opinions omitted]

Exhibit 1(d)

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 joint registration statement on Form S-3, including a prospectus (Registration Statement Nos. 333-_____, 333-_____-01, 333-_____-02, 333-_____-03, 333-_____-04, 333-_____-05, 333-_____-06, 333-_____-07 and 333-_____-08) ("Registration Statement No. 333-_____") with certain other registrants as described therein, for the registration under the Securities Act of 1933, as amended (the "Securities Act"), of an unspecified aggregate principal amount of its First Mortgage Bonds, among other securities. Such registration statement has become effective 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") or a post-effective amendment to Registration Statement No. 333-_____ 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 time shall mean Registration Statement No. 333-_____, as amended or supplemented to such time, including all documents incorporated by reference therein as of such time pursuant to Item 12 of Form S-3 ("Incorporated Documents") and any prospectus, preliminary prospectus supplement or prospectus supplement relating to the Securities deemed to be a part thereof pursuant to Rule 430B that has not been superseded or modified. References herein to the term "Registration Statement" without reference to a time means the Registration Statement as of such date and time as agreed to between FPL and the Agent in connection with each Settlement Date (which date and time is the earlier of the date and time of (x) the first use of the preliminary prospectus supplement relating to the Securities and (y) the first contract of sale of the Securities), which time shall be considered the "Effective Date" of the Registration Statement. 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 becomes effective, 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. For purposes of the definitions of "Registration Statement" in the preceding two sentences, information contained in any prospectus, preliminary prospectus supplement or prospectus supplement relating to FPL securities (but except as relate to securities other than the Securities) that is deemed retroactively to be a part of the Registration Statement pursuant to Rule 430B shall be considered to be included in the Registration Statement as of the time specified in Rule 430B. References herein to the term "Pricing Prospectus" shall mean the prospectus relating to FPL forming a part of Registration Statement No. 333-_____, including all Incorporated Documents and any prospectus or prospectus supplement relating to the Securities deemed to be a part of such registration statement that has not been superseded or modified. For purposes of the definition of "Pricing Prospectus" with respect to a particular offering of Securities, information contained in a prospectus or prospectus supplement (other than a prospectus or prospectus supplement that does not relate to the Securities) that is deemed retroactively to be a part of the Registration Statement pursuant to Rule 430B shall be considered to be included in the Pricing Prospectus as of the time that form of prospectus or prospectus supplement is filed with the Commission pursuant to Rule 424 of the general rules and regulations of the Securities Act ("Rule 424"). References herein to the term "Prospectus" means the Pricing Prospectus that discloses the public offering price and other final terms of the Securities and otherwise satisfies Section 10(a) of the Securities Act. References herein to the term "Prospectus" at a particular time shall mean the prospectus relating to FPL securities forming a part of Registration Statement No. 333-_____ or, after the Subsequent Registration Statement becomes effective, the prospectus or combined prospectus relating to FPL securities 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. Each of the Agents acknowledges that on or subsequent to the [Settlement Date], FPL may file a post-effective amendment to the Registration Statement pursuant to Rule 462(d) under the Securities Act or a Current Report on Form 8-K in order to file one or more unqualified opinions of counsel.

(b) The Registration Statement constitutes an "automatic shelf registration statement" (as defined in Rule 405 under the Securities Act) filed within three years of the date hereof; no notice of objection of the Commission with respect to the use of the Registration Statement pursuant to Rule 401(g)(2) under the Securities Act has been received by FPL; and with respect to the Securities FPL is a "well-known seasoned issuer" within the meaning of subparagraph (1)(ii) of the definition of "well-known seasoned issuer" in Rule 405 under the Securities Act.

(c) The Registration Statement at the Effective Date fully complied, and on each date and time the Prospectus is filed with the Commission pursuant to Rule 424 (such date and time, the "424 Date"), and on any Settlement Date, the Registration Statement 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, and on any Settlement Date, 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; on each 424 Date and on any Settlement Date, the Prospectus 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

Agents for use in connection with the preparation of the Registration Statement or the Prospectus, or to any statements in or omissions from the Statements of Eligibility on Form T-1, or amendments thereto, filed as exhibits to the Registration Statement (collectively, the "Statements of Eligibility") or to any statements or omissions made in the Registration Statement or the Prospectus relating to The Depository Trust Company ("DTC") Book-Entry Only System that are based solely on information contained in published reports of DTC.

(d) As of the Applicable Time (as defined below), the Pricing Disclosure Package (as defined below), did not contain 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; provided, that the foregoing representations and warranties in this subsection (d) 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 Agent through the Representatives expressly for use in connection with the preparation of the Registration Statement, the Pricing Prospectus, any preliminary prospectus supplement or any Issuer Free Writing Prospectus (as defined below), or to any statements in or omissions from the Statements of Eligibility or to any statements or omissions made in the Registration Statement, the Pricing Prospectus, any preliminary prospectus supplement or any Issuer Free Writing Prospectus relating to the DTC Book-Entry-Only System that are based solely on information contained in published reports of DTC. References to the term "Pricing Disclosure Package" shall mean the documents agreed to by FPL and the Agents in connection with each Settlement Date. References to the term "Issuer Free Writing Prospectus" shall mean an issuer free writing prospectus, as defined in Rule 433 under the Securities Act. References to the term "Free Writing Prospectus" shall mean a free writing prospectus, as defined in Rule 405 under the Securities Act. References to the term "Applicable Time" means a time and date with respect to each Settlement Date to be agreed upon between FPL and the Agents. If there occurs an event or development as a result of which the Pricing Disclosure Package would include an untrue statement of a material fact or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances then prevailing, not misleading, FPL promptly will notify the Representatives so that any use of the Pricing Disclosure Package may cease until it is amended or supplemented.

(e) As of the Applicable Time, no Issuer Free Writing Prospectus includes any information that conflicts with the information contained in the Registration Statement, the Prospectus or the Pricing Prospectus, including any document incorporated by reference therein that has not been superseded or modified.

(f) The financial statements included as part of or incorporated by reference in the Pricing Disclosure Package, the Prospectus and 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 Pricing Disclosure Package and the Registration Statement; and Deloitte & Touche LLP, who has audited the audited financial statements of FPL, is an independent registered public accounting firm as required by the Securities Act and the Exchange Act and the rules and regulations of the Commission thereunder.

(g) Except as reflected in or contemplated by the Pricing Disclosure Package, since the respective most recent times as of which information is given in the Pricing Disclosure Package, 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 Pricing Disclosure Package, 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 Pricing Disclosure Package.

(h) The execution and delivery of this agreement and the consummation of the transactions herein contemplated by FPL 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 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 (regardless of whether enforcement is sought in a proceeding in equity or at law).

(i) The execution and delivery of this agreement and the consummation of the transactions herein contemplated by FPL, the fulfillment of the terms hereof on the part of FPL to be fulfilled 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.

(j) FPL has no direct or indirect significant subsidiaries (as defined in Regulation S-X (17 CFR Part 210)).

(k) FPL has been duly organized, is validly existing and is in good standing under the laws of its jurisdiction of organization, and is duly qualified to do business and is in good standing as a foreign corporation in each jurisdiction in which its ownership of properties or the conduct of its businesses requires such qualification, except where the failure so to qualify would not have a material adverse effect on the business, properties or financial condition of FPL, and has the power and authority as a corporation necessary to own or hold its properties and to conduct the businesses in which it is engaged.

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

(m) 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) 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, (iv) of the receipt from the Commission of any notice of objection to the use of the Registration Statement or any post-effective amendment pursuant to Rule 401(g)(2) under the Securities Act and (v) 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 or if a notice of objection pursuant to Rule 401(g)(2) under the Securities Act has been received, 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 LLP, 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, (1) one or more unqualified opinions of counsel related to the transactions contemplated by this agreement or (2) 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 United States 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 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.

(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 all Incorporated Documents and exhibits except those incorporated by reference, which relate to the Securities, 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 furnish to the Agents 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 or any Issuer Free Writing Prospectus has been filed, as many copies of the Prospectus as then amended or supplemented or Issuer Free Writing Prospectus 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, 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 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, 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, the Prospectus and amendments and supplements thereto, any preliminary prospectus or any Issuer Free Writing Prospectus, 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 be in effect; no proceedings for either such purpose shall be pending before, or threatened by, the Commission on such date; and no notice of objection by the Commission to the use of the Registration Statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) under the Securities Act shall have been received by FPL; at the date of this agreement the Agents shall have received a certificate from 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 Squire, Sanders & Dempsey L.L.P., 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 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 (regardless of whether enforcement is sought in a proceeding in equity or at law).

(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 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 (regardless of whether enforcement is sought in a proceeding in equity or at law), 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 the Statements of Eligibility, upon which such opinion need not pass, 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, 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 the 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 and its subsidiaries, taken as a whole.

(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, upon which such opinion need not pass, nothing has come to the attention of said counsel that would lead them to believe that (1) the Registration Statement, at the Effective Date, 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, (2) the Pricing Disclosure Package, at the Applicable Time, included an untrue statement or a material fact or omitted to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, or (3) that the Prospectus, at the 424 Date and at the date of such opinion, included or includes an 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, and other than those which have been already obtained) 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, to the knowledge of said counsel 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 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 States of Georgia and New Hampshire on (i) prior opinions provided to FPL on matters of Georgia and New Hampshire law and (ii) a current opinion from Georgia and New Hampshire counsel.

(c) At the date of this agreement, the Agents shall have received from Thelen Reid & Priest 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 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 Squire, Sanders & Dempsey L.L.P., 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 LLP, 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 Squire, Sanders & Dempsey L.L.P., 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 an independent registered public accounting firm 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 Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, 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. 100, Interim Financial Information, on the unaudited condensed consolidated financial statements of FPL, if any, incorporated by reference in the Pricing Prospectus or the Pricing Prospectus and Prospectus, as applicable, 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, reading 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 standards of the Public Company Accounting Oversight Board (United States) 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, if any, incorporated by reference in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, (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 Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, 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 Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, (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 such letter there was any change in the common stock or additional paid-in capital, increase in the preferred stock or long-term debt including current maturities and excluding fair value swaps and amortization of the unamortized premiums and discount on long-term debt of FPL and its subsidiaries, or decrease in FPL's common shareholders' equity, in each case as compared with amounts shown in the most recent [condensed] consolidated balance sheet incorporated by reference in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, except in all instances for changes, increases or decreases which the Pricing Prospectus or the Pricing Prospectus and Prospectus, as applicable, 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, if any, incorporated by reference in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, 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 such letter, 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 Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, 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 Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, and Exhibit 12(b) to the Registration Statement and such other items as the Agents may reasonably request.

(f) Since the respective most recent times as of which information is given in the Pricing Disclosure Package, and up to any Settlement Date, 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 Pricing Disclosure Package, and since such times there shall have been no transaction entered into by FPL or any of its subsidiaries that is material to FPL and its subsidiaries taken as a whole, other than transactions disclosed in or contemplated by the Pricing Disclosure Package, 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, Squire, Sanders & Dempsey L.L.P. 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 in all material respects 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 in all material respects 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 Squire, Sanders & Dempsey L.L.P. 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 securities other than 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 securities other than 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 Squire, Sanders & Dempsey L.L.P. 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 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, the Pricing Prospectus, the Prospectus or any Issuer Free Writing 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 such Agent, expressly for use in connection with the preparation of any preliminary prospectus, the Registration Statement, the Pricing Prospectus, the Prospectus or any Issuer Free Writing Prospectus or any amendment or supplement to any thereof, or arising out of, or based upon, statements in or omissions from the Statements of Eligibility; and provided, further, that the indemnity agreement contained in this subsection (a) of Section 9 in respect of any preliminary prospectus, the Pricing Prospectus, any Issuer Free Writing Prospectus or the Prospectus) shall not inure to the benefit of such Agent (or of any officer or director or 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 in respect of any preliminary prospectus, the Pricing Prospectus, any Issuer Free Writing Prospectus or the Prospectus, each as may be then supplemented or amended, furnished by such Underwriter to a person to whom any of the Securities were sold (excluding in all cases, however, any document then incorporated by reference therein), insofar as such indemnity relates to any untrue or misleading statement or omission made in such preliminary prospectus, Pricing Prospectus, Prospectus or Issuer Free Writing Prospectus, if a copy of a supplement or amendment to such preliminary prospectus, Pricing Prospectus, Prospectus, or Issuer Free Writing Prospectus (excluding in all cases, however, any document then incorporated by reference therein) (i) is furnished on a timely basis by FPL to such Agent, (ii) is required to have been conveyed to such person by or on behalf of such Agent, at or prior to the entry into the contract of sale of the Securities with such person, but was not so conveyed (which conveyance may be oral (if permitted by law) or written) by or on behalf of such Agent and (iii) would have cured the defect giving rise to such loss, claim, damage or liability. 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 or any such officer, director or controlling person, and shall survive the 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 an untrue statement or alleged untrue statement of a material fact contained in any preliminary prospectus, the Registration Statement, the Pricing Prospectus, the Prospectus or any Issuer Free Writing 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 Agent, expressly for use in connection with the preparation of any preliminary prospectus, the Registration Statement, the Pricing Prospectus, the Prospectus or any Issuer Free Writing Prospectus or any amendment or supplement to any 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 this 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 or parties shall elect not to assume the defense of such action, such indemnifying party or parties 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 involved 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 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 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 the Terms 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 Agent, impractible or inadvisable to proceed with the offering of the Securities or 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 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 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 being such as to make it, in the reasonable judgment of the Agents, impracticable or inadvisable to proceed with the offering of the Securities or for the Agent to enforce contracts for the sale of 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 or any Issuer Free Writing 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 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 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.

(a) The validity and interpretation of this agreement shall be governed by the laws of the State of New York without regard to conflicts of law principles thereunder. This agreement shall inure to the benefit of, and be binding upon, 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.

(b) FPL acknowledges and agrees that the Agents are acting solely in the capacity of arm's length contractual counterparties to FPL with respect to the offering of the Securities as contemplated by this agreement and not as a financial advisors or fiduciaries to FPL in connection herewith. Additionally, none of the Agents is advising FPL as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction in connection with the offering of the Securities as contemplated by this agreement. Any review by the Agents of FPL in connection with the offering of the Securities contemplated by this agreement and the transactions contemplated by this agreement will not be performed on behalf of FPL.

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 _____, 20__ (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 _____, 20__ (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 an 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 Bankers Trust Company) to DTC dated as of June 19, 1992, and a Medium-Term Note Certificate Agreement between Deutsche Bank Trust Company Americas (formerly known as Bankers Trust Company) 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, a division of The McGraw-Hill Companies, Inc. (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 or 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, 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.

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 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 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. 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.

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 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. Squire, Sanders & Dempsey L.L.P. 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

For offers accepted by FPL, Settlement procedures "A" through "L" set forth above shall be completed to the extent possible at or before the respective times set forth below:

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 an 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 offer of a Security by such Agent.

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:

Nos. 333-_____, 333-_____-01, 333-_____-02, 333-_____-03, 333-_____-04, 333-_____-05, 333-_____-06, 333-_____-07 and 333-_____-08

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 1(e)

FLORIDA POWER & LIGHT COMPANY
FLORIDA POWER & LIGHT COMPANY TRUST __

PREFERRED TRUST SECURITIES

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") and Florida Power & Light Company Trust __, a statutory trust formed under the Delaware Statutory Trust Act (the "Trust" or "Florida Power & Light Company Trust __," and hereinafter, together with FPL, the "Offerors"), confirm their agreement with respect to the issue and sale by the Trust and the purchase by the Underwriters (as defined below) of the Trust's [__] Preferred Trust Securities, [of the series designation[s], with the terms and in the liquidation amount[s] specified in Schedule I hereto] (the "Preferred Trust Securities").

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 6 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 Securities. Each of the Preferred Trust Securities represents a preferred undivided beneficial interest in the assets of the Trust. The Preferred Trust Securities will be issued pursuant to an Amended and Restated Trust Agreement, dated as of _____, among The Bank of New York, as Property Trustee (the "Property Trustee"), The Bank of New York (Delaware), as Delaware Trustee (the "Delaware Trustee"), certain employees of FPL or its affiliates, as Administrative Trustees (the "Administrative Trustees"), FPL, as depositor, and the

several Holders (as defined therein), in substantially the form heretofore delivered to you as the Representatives, said agreement being hereinafter referred to as the "Trust Agreement." The Preferred Trust Securities will be guaranteed on a subordinated basis by FPL as to the payment of distributions and payments upon liquidation or redemption, as and to the extent set forth in the Preferred Trust Securities Guarantee Agreement dated as of _____ (the "Guarantee Agreement"), between FPL and The Bank of New York, as trustee (the "Trust Guarantee").

The proceeds from the sale of the Preferred Trust Securities to the public will be combined with the proceeds from the sale by the Trust to FPL of its common securities, representing common undivided beneficial interests in the assets of the Trust (the "Common Securities"), and will be used by the Trust to purchase the subordinated debt securities of the series designation, with the terms and in the principal amount specified in Schedule I hereto to be issued by FPL (the "Subordinated Debentures"). The Subordinated Debentures will be issued pursuant to an Indenture (For Unsecured Subordinated Debt Securities relating to Trust Securities) between FPL and The Bank of New York, as trustee ("Subordinated Indenture Trustee") (together with any amendments or supplements thereto, the "Subordinated Indenture"). The Preferred Trust Securities and the Trust Guarantee, together with the Subordinated Debentures, are referred to herein as the "Offered Securities."

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

(a) The Trust has filed with the Securities and Exchange Commission (the "Commission") a joint registration statement with FPL, Florida Power & Light Company Trust __ (and together with the Trust, the "FPL Trusts"), FPL Group, Inc. ("FPL Group"), FPL Group Capital Inc ("FPL Group Capital"), FPL Group Capital Trust II, FPL Group Capital Trust III, FPL Group Trust I, and FPL Group Trust II on Form S-3, including a prospectus (Registration Statement Nos. 333-_____, 333-_____-01, 333-_____-02, 333-_____-03, 333-_____-04, 333-_____-05, 333-_____-06, 333-_____-07 and 333-_____-08) ("Registration Statement No. 333-_____"), for the registration under the Securities Act of 1933, as amended (the "Securities Act"), of (a) an unspecified aggregate amount of (i) FPL's first mortgage bonds ("First Mortgage Bonds"), (ii) FPL's junior subordinated debentures ("FPL Junior Subordinated Debentures"), and (iii) preferred trust securities of the FPL Trusts ("FPL Preferred Trust Securities"), (b) FPL's guarantee of the FPL Preferred Trust Securities, (c) an unspecified aggregate amount of (i) debt securities of FPL Group Capital ("FPL Group Capital Senior Debt Securities"), (ii) junior subordinated debt securities of FPL Group Capital ("FPL Group Capital Junior Subordinated Debentures"), (iii) junior subordinated debt securities of FPL Group ("FPL Group Junior Subordinated Debentures"), (iv) debt securities of FPL Group ("FPL Group Senior Debt Securities"), (v) preferred trust securities of FPL Group Capital Trust II and FPL Group Capital Trust III ("FPL Group Capital Trust Preferred Trust Securities") and (vi) preferred trust securities of FPL Group Trust I and FPL Group Trust II ("FPL Group Trust Preferred Trust Securities"), (d) FPL Group's guarantees (the "FPL Group Guarantees") related to the FPL Group Capital Senior Debt Securities, FPL Group Capital Junior Subordinated Debentures, FPL Group Capital Trust Preferred Trust Securities and FPL Group Trust Preferred Trust Securities. Such registration statement has become effective 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 the Trust, threatened by the Commission. References herein to the term "Registration Statement" as of any given time shall mean Registration Statement No. 333-_____, as amended or supplemented to such time, including all documents incorporated by reference therein as of such time pursuant to Item 12 of Form S-3 ("Incorporated Documents") and any prospectus, preliminary prospectus supplement or prospectus supplement relating to the Preferred Trust Securities deemed to be a part thereof pursuant to Rule 430B that has not been superseded or modified. References herein to the term "Registration Statement" without reference to a time means the Registration Statement as of ____ [A.M./P.M.], New York City time, [_____] [on the date of this agreement] (which date and time is the earlier of the date and time of (x) the first use of the preliminary prospectus supplement relating to the Preferred Trust Securities and (y) the first contract of sale of the Preferred Trust Securities), which time shall be considered the "Effective Date" of the Registration Statement. For purposes of the definitions of "Registration Statement" in the preceding two sentences, information contained in any prospectus, preliminary prospectus supplement or prospectus supplement that is deemed retroactively to be a part of the Registration Statement pursuant to Rule 430B shall be considered to be included in the Registration Statement as of the time specified in Rule 430B. References herein to the term "Pricing Prospectus" shall mean the prospectus relating to FPL and FPL Trust forming a part of Registration Statement No. 333-_____ (the "Base Prospectus"), including all Incorporated Documents and any prospectus or prospectus supplement relating to the Preferred Trust Securities deemed to be a part of such registration statement that has not been superseded or modified. For purposes of the definition of "Pricing Prospectus" with respect to a particular offering of Preferred Trust Securities, information contained in a prospectus or prospectus supplement (other than a prospectus or prospectus supplement that relates only to securities issued by FPL Group, FPL Group Capital, FPL Group Trust or FPL Group Capital Trust) that is deemed retroactively to be a part of the Registration Statement pursuant to Rule 430B shall be considered to be included in the Pricing Prospectus as of the time that form of prospectus or prospectus supplement is filed with the Commission pursuant to Rule 424 of the general rules and regulations of the Securities Act ("Rule 424"). References herein to the term "Prospectus" means the Pricing Prospectus that discloses the public offering price and other final terms of the Preferred Trust Securities and otherwise satisfies Section 10(a) of the Securities Act. The prospectus supplement relating to the Preferred Trust Securities 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. Each of the Underwriters acknowledges that on or subsequent to the Closing Date, the Trust may file a post-effective amendment to the Registration Statement pursuant to Rule 462(d) under the Securities Act or FPL may file a Current Report on Form 8-K in order to file one or more unqualified opinions of counsel.

(b) The Registration Statement constitutes an "automatic shelf registration statement" (as defined in Rule 405 under the Securities Act) filed within three years of the date hereof; no notice of objection of the Commission with respect to the use of the Registration Statement pursuant to Rule 401(g)(2) under the Securities Act has been received by the Trust; and with respect to the Preferred Trust Securities, the Trust is a

"well-known seasoned issuer" within the meaning of subparagraph (1)(ii) of the definition of "well known seasoned issuer" in Rule 405 under the Securities Act.

(c) The Registration Statement at the Effective Date fully complied, and the Prospectus, both at the date and time it is filed with the Commission pursuant to Rule 424 (such date and time, the "424 Date") and at the Closing Date, and the Registration Statement and the Trust Agreement, 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 the Registration Statement 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, both at 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; provided, that the foregoing representations and warranties in this subsection (c) shall not apply to statements or omissions made in reliance upon and in conformity with information furnished in writing to FPL or the Trust 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 Statements of Eligibility on Form T-1, or amendments thereto, filed as exhibits to the Registration Statement (collectively, the "Statements of Eligibility") or to any statements or omissions made in the Registration Statement or the Prospectus relating to The Depository Trust Company ("DTC") Book-Entry-Only System that are based solely on information contained in published reports of DTC.

(d) As of the Applicable Time (as defined below), the Pricing Disclosure Package (as defined below) did not contain 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; provided, that the foregoing representations and warranties in this subsection (d) shall not apply to statements or omissions made in reliance upon and in conformity with information furnished in writing to FPL or the Trust by or on behalf of any Underwriter through the Representatives expressly for use in connection with the preparation of the Registration Statement, the Pricing Prospectus, any preliminary prospectus supplement or any Issuer Free Writing Prospectus (as defined below), or to any statements in or omissions from the Statements of Eligibility or to any statements or omissions made in the Registration Statement, the Pricing Prospectus, any preliminary prospectus supplement or any Issuer Free Writing Prospectus relating to the DTC Book-Entry-Only System that are based solely on information contained in published reports of DTC. References to the term "Pricing Disclosure Package" shall mean the documents listed in Schedule III, taken together as a whole. References to the term "Issuer Free Writing Prospectus" shall mean an issuer free writing prospectus, as defined in Rule 433 under the Securities Act. References to the term "Free Writing Prospectus" shall mean a free writing prospectus, as defined in Rule 405 under the Securities Act. References to the term "Applicable Time" means _____[A.M./P.M.] on the date hereof. If there occurs an event or development as a

result of which the Pricing Disclosure Package would include an untrue statement of a material fact or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances then prevailing, not misleading, the Trust will promptly notify the Representatives so that any use of the Pricing Disclosure Package may cease until it is amended or supplemented.

(e) As of the Applicable Time, no Issuer Free Writing Prospectus includes any information that conflicts with the information contained in the Registration Statement, the Prospectus or the Pricing Prospectus, including any document incorporated by reference therein that has not been superseded or modified.

(f) The execution and delivery of this agreement and the consummation of the transactions herein contemplated by the Trust, and the fulfillment of the terms hereof on the part of Trust to be fulfilled have been duly authorized by all necessary trust action of the Trust in accordance with the provisions of its certificate of trust, trust agreement or other organizational documents (collectively, the "Trust Charter Documents") and applicable law, and the Preferred Trust Securities when issued and delivered as provided herein will constitute valid and binding obligations of the Trust enforceable against it in accordance with their terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity. The performance by the Trust of its obligations under the Trust Agreement does not require any consent, approval, authorization, registration or qualification of or by any governmental agency or body other than those consents, approvals, authorizations, registrations or qualifications as have already been obtained.

(g) The execution and delivery of this agreement and the consummation of the transactions herein contemplated by the Trust, and the fulfillment of the terms hereof on the part of the Trust to be fulfilled will not result in a breach of any of the terms or provisions of, or constitute a default under, the Trust Charter Documents, or any indenture, mortgage, deed of trust or other agreement or instrument to which the Trust is now a party, or violate any law or any order, rule, decree or regulation applicable to the Trust of any federal or state court, regulatory board or body or administrative agency having jurisdiction over the Trust 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 the Trust.

(h) The Trust is not, and after giving effect to the offering and sale of the Preferred Trust Securities and the application of the proceeds thereof as described in the Pricing Disclosure Package and the Prospectus will not be, an "investment company" within the meaning of the Investment Company Act of 1940, as amended ("1940 Act").

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

(a) FPL has filed with the Commission Registration Statement No. 333-_____ for the registration under the Securities Act of (a) an unspecified aggregate amount of

(i) First Mortgage Bonds, (ii) FPL Junior Subordinated Debentures, and (iii) FPL Preferred Trust Securities, (b) FPL's guarantee of the FPL Preferred Trust Securities, (c) an unspecified aggregate amount of (i) FPL Group Capital Senior Debt Securities, (ii) FPL Group Capital Junior Subordinated Debentures, (iii) FPL Group Junior Subordinated Debentures, (iv) FPL Group Senior Debt Securities, (v) FPL Group Trust Preferred Trust Securities and (vi) FPL Group Capital Trust Preferred Trust Securities, (d) the FPL Group Guarantees. Such registration statement has become effective 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. The prospectus supplement relating to the Preferred Trust Securities 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. Each of the Underwriters acknowledges that on or subsequent to the Closing Date, FPL may file a post-effective amendment to the Registration Statement pursuant to Rule 462(d) under the Securities Act or a Current Report on Form 8-K in order to file one or more unqualified opinions of counsel.

(b) The Registration Statement constitutes an "automatic shelf registration statement" (as defined in Rule 405 under the Securities Act) filed within three years of the date hereof; no notice of objection of the Commission with respect to the use of the Registration Statement pursuant to Rule 401(g)(2) under the Securities Act has been received by FPL; and with respect to the Subordinated Debentures and the Trust Guarantee FPL is a "well known seasoned issuer" within the meaning of subparagraph (1)(ii) of the definition of "well-known seasoned issuer" in Rule 405 under the Securities Act.

(c) The Registration Statement at the Effective Date fully complied, and the Prospectus, both at the 424 Date and at the Closing Date, and the Registration Statement and the Trust Agreement, the Subordinated Indenture and the Trust Guarantee, at the Closing Date, will fully comply, in all material respects with the applicable provisions of the Securities Act and 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 the Registration Statement 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, both at 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 (c) shall not apply to statements or omissions made in reliance upon and in conformity with information furnished in writing to the Offerors 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 Statements of Eligibility or to any statements or omissions made in the Registration Statement or the Prospectus relating to the DTC Book-Entry-Only System that are based solely on information contained in published reports of DTC.

(d) As of the Applicable Time, the Pricing Disclosure Package did not contain 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; provided, that the foregoing representations and warranties in this subsection (d) shall not apply to statements or omissions made in reliance upon and in conformity with information furnished in writing to the Offerors by or on behalf of any Underwriter through the Representatives expressly for use in connection with the preparation of the Registration Statement, the Pricing Prospectus, any preliminary prospectus supplement or any Issuer Free Writing Prospectus, or to any statements in or omissions from the Statements of Eligibility or to any statements or omissions made in the Registration Statement, the Pricing Prospectus, any preliminary prospectus supplement or any Issuer Free Writing Prospectus relating to the DTC Book-Entry-Only System that are based solely on information contained in published reports of DTC. If there occurs an event or development as a result of which the Pricing Disclosure Package would include an untrue statement of a material fact or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances then prevailing, not misleading, FPL promptly will notify the Representatives so that any use of the Pricing Disclosure Package may cease until it is amended or supplemented.

(e) As of the Applicable Time, no Issuer Free Writing Prospectus includes any information that conflicts with the information contained in the Registration Statement, the Prospectus or the Pricing Prospectus, including any document incorporated by reference therein that has not been superseded or modified.

(f) The financial statements included as part of or incorporated by reference in the Pricing Disclosure Package, the Prospectus and 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 Pricing Disclosure Package and the Registration Statement; and Deloitte & Touche LLP, who has audited the audited financial statements of FPL, is an independent registered public accounting firm as required by the Securities Act and the Exchange Act and the rules and regulations of the Commission thereunder.

(g) Except as reflected in or contemplated by the Pricing Disclosure Package, since the respective most recent times as of which information is given in the Pricing Disclosure Package, 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 Pricing Disclosure Package, 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 Pricing Disclosure Package.

(h) The execution and delivery of this agreement and the consummation of the transactions herein contemplated by FPL, 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 "FPL Charter"), by-laws and applicable law, and the Trust Guarantee and the Subordinated Debentures when issued and delivered by FPL as provided herein will constitute valid and binding obligations of FPL enforceable against it in accordance with their respective terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity. The execution and delivery of the Subordinated Debentures, the Guarantee Agreement and the Subordinated Indenture and the performance by FPL of its obligations thereunder do not require any consent, approval, authorization, registration or qualification of or by any governmental agency or body other than those consents, approvals, authorizations, registrations or qualifications as have already been obtained.

(i) The execution and delivery of this agreement and the consummation of the transactions herein contemplated by FPL, the fulfillment of the terms hereof on the part of FPL to be fulfilled, and the compliance by FPL with all the terms and provisions of the Subordinated Indenture, the Trust Guarantee and the Trust Agreement applicable to it will not result in a breach of any of the terms or provisions of, or constitute a default under, the FPL 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.

(j) FPL has no direct or indirect significant subsidiaries (as defined in Regulation S-X (17 CFR Part 210)).

(k) FPL has been duly organized, is validly existing and is in good standing under the laws of its respective jurisdiction of organization, and is duly qualified to do business and is in good standing as a foreign corporation or other entity in each jurisdiction in which its respective ownership of properties or the conduct of its respective businesses requires such qualification, except where the failure so to qualify would not have a material adverse effect on the business, properties or financial condition of FPL and its subsidiaries taken as a whole, and has the power and authority as a corporation or other entity necessary to own or hold its respective properties and to conduct the businesses in which it is engaged.

(l) The Subordinated Debentures conform in all material respects to the description thereof in the Prospectus.

(m) The Subordinated Indenture (i) has been duly authorized by FPL by all necessary corporate action, and when duly executed and delivered as provided therein, will constitute a valid and binding instrument enforceable against FPL in accordance with its terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity and (ii) conforms in all material respects to the description thereof in the Prospectus.

(n) FPL is not, and after giving effect to the offering and sale of the Subordinated Debentures and the application of the proceeds thereof as described in the Pricing Disclosure Package and the Prospectus will not be, an "investment company" within the meaning of the 1940 Act.

5. Purchase and Sale. On the basis of the representations and warranties herein contained, and subject to the terms and conditions in this agreement, the Trust 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 the Trust the respective number of Preferred Trust Securities set forth opposite their respective names in Schedule II hereto at the purchase price for those Preferred Trust Securities set forth in Schedule I hereto as the Purchase Price.

The Underwriters agree to make a *bona fide* public offering of the Preferred Trust Securities and the Trust Guarantee as set forth in the Pricing Disclosure Package, 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 the Trust that the Preferred Trust Securities will be offered to the public at the amount per Preferred Trust Security 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. Such dealers' concession may not be in excess of the amount of $[__] per Preferred Trust Security under the Price to Public.

Each Underwriter agrees that (i) no information that is presented by it to investors has been or will be inconsistent with the information contained in the Pricing Disclosure Package as it may then be amended or supplemented and (ii) it will make no offer that would constitute a Free Writing Prospectus that is required to be filed by either of the Offerors pursuant to Rule 433 under the Securities Act other than an Issuer Free Writing Prospectus in accordance with Section 7(h).

6. Time, Date and Place of Closing, Default of Underwriter. Delivery of the Preferred Trust Securities and payment therefor by wire transfer in federal funds shall be made at ____ A.M., New York City time, on the closing date set forth on Schedule I, at the offices of Thelen Reid & Priest LLP, 875 Third Avenue, New York, New York 10022, or at such other time, date or place as may be agreed upon in writing by FPL, the Trust and the Representatives. The Trust hereby directs the Underwriters to make such payment for the Preferred Trust

Securities to FPL on behalf of the Trust. The time and date of such delivery and payment are herein called the "Closing Date."

The Preferred Trust Securities 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 Preferred Trust Securities shall be made through the facilities of DTC unless FPL, the Trust and the Representatives shall otherwise agree. For the purpose of expediting the checking of the Preferred Trust Securities by the Representatives on behalf of the Underwriters, the Trust agrees to make such Preferred Trust Securities 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, the Trust and the Representatives. In view of the fact that the proceeds of the sale of the Preferred Trust Securities will be used by the Trust to purchase Subordinated Debentures, FPL agrees to make the Subordinated Debentures available to the Representatives for the purposes and at the place and time determined in accordance with the immediately preceding sentence.

If any Underwriter shall fail to purchase and pay for the number of the Preferred Trust Securities which such Underwriter has agreed to purchase and pay for hereunder (otherwise than by reason of any failure on the part of the Offerors 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 number of the Preferred Trust Securities set forth opposite their respective names in Schedule II hereto) the number of the Preferred Trust Securities which such defaulting Underwriter or Underwriters failed to purchase and pay for, up to a number thereof equal to, in the case of each such remaining Underwriter, ten percent (10%) of the aggregate number of the Preferred Trust Securities 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 number of the Preferred Trust Securities which the defaulting Underwriter or Underwriters agreed but failed to purchase, or (ii) substitute another Underwriter or Underwriters, satisfactory to FPL and the Trust, to purchase and pay for the remaining number of the Preferred Trust Securities which the defaulting Underwriter or Underwriters agreed but failed to purchase. If any of the Preferred Trust Securities still remain unpurchased, then FPL or the Trust 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 Preferred Trust Securities on the terms herein set forth. In the event that, within the respective prescribed periods, (i) the non-defaulting Underwriters notify FPL and the Trust that they have arranged for the purchase of such Preferred Trust Securities or (ii) FPL or the Trust notifies the non-defaulting Underwriters that it has arranged for the purchase of such Preferred Trust Securities, the non-defaulting Underwriters or FPL or the Trust 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 or the Trust has arranged for the purchase of such Preferred Trust Securities by another party or parties as above provided, then this agreement shall terminate without any liability on the part of FPL, the Trust 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 Preferred Trust Securities which such Underwriter has agreed to purchase as provided in Section 5 hereof), except as otherwise provided in Section 10 and subsections (d) and (f) of Section 7 hereof.

7. Covenants of the Offerors. The Offerors agree with the several Underwriters that:

(a) The Offerors will timely file the Prospectus with the Commission pursuant to Rule 424 under the Securities Act. The Offerors have complied and will comply with Rule 433 under the Securities Act in connection with the offering and sale of the Preferred Trust Securities, including applicable provisions in respect of timely filing with the Commission, legending and record-keeping.

(b) The Offerors will prepare a final term sheet, containing a description of the pricing terms of the Offered Securities, substantially in the form of Schedule I hereto and approved by the Representatives and will timely file such term sheet with the Commission pursuant to Rule 433 under the Securities Act.

(c) FPL will deliver or cause to be delivered 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 Offered Securities, 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 or cause to be delivered 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.

(d) FPL has paid or cause to be paid or will pay or cause to be paid all expenses in connection with the (i) preparation and filing of the Registration Statement, any preliminary prospectus, the Prospectus and any Issuer Free Writing Prospectus, (ii) issuance and delivery of the Preferred Trust Securities as provided in Section 6 hereof and of the other Offered Securities as contemplated hereby, and (iii) printing and delivery to the Representatives for the account of the Underwriters, in reasonable quantities, of copies of the Registration Statement, any preliminary prospectus, the Prospectus, any Issuer Free Writing Prospectus, the Subordinated Indenture, the Trust Agreement and the Guarantee Agreement. FPL will pay or cause to be paid all taxes, if any (but not including any transfer taxes), on the issuance of the Offered Securities. The Offerors 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 8 or 9 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 or cause to be reimbursed 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 for such out-of-pocket expenses. Neither of the Offerors shall in any event be liable to any of the several Underwriters for damages on account of loss of anticipated profits.

(e) During a period of nine months after the date of this agreement, if any event relating to or affecting either of the Offerors shall occur which, in the opinion of FPL, should be set forth in a supplement to or an amendment of the Prospectus (including an Issuer Free Writing 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, file with the Commission, if required, and furnish to the Representatives a reasonable number of copies of such supplement or supplements or amendment or amendments to the Prospectus (including an Issuer Free Writing 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.

(f) The Offerors will furnish such proper information as may be lawfully required and otherwise cooperate in qualifying the Preferred Trust Securities, the Trust Guarantee, and to the extent required or advisable, the other Offered Securities, for offer and sale under the blue sky laws of such United States 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 neither of the Offerors shall 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 either Offeror to be unduly burdensome.

(g) FPL will timely file such reports pursuant to the Exchange Act as are necessary in order to make generally available to its security holders 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.

(h) Prior to the termination of the offering of the Preferred Trust Securities, the Offerors will not file any amendment to the Registration Statement or any amendment or supplement to the Prospectus or any amendment or supplement to the Pricing Disclosure

Package 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. The Offerors have not made any offer relating to the Preferred Trust Securities that would constitute an Issuer Free Writing Prospectus or that would otherwise constitute a Free Writing Prospectus required to be filed by the Offerors with the Commission or retained by the Offerors under Rule 433 under the Securities Act, other than a pricing term sheet substantially in the form as set forth on Schedule I, and will not make any such offer without prior notice to the Representatives and to Counsel for the Underwriters, or any such offer to which the Representatives shall reasonably object in writing, or which shall be unsatisfactory to Counsel for the Underwriters.

(i) The Offerors will advise the Representatives promptly of the filing of the Prospectus pursuant to Rule 424, of the filing of any material pursuant to Rule 433 and of any amendment or supplement to the Pricing Disclosure Package or the Registration Statement or, prior to the termination of the offering of the Preferred Trust Securities hereunder, of official notice of the institution of proceedings for, or the entry of, a stop order suspending the effectiveness of the Registration Statement, of receipt from the Commission of any notice of objection to the use of the Registration Statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) under the Securities Act has been received by FPL, and, if such a stop order should be entered, or notice of objection should be received, use every commercially reasonable effort to obtain the prompt removal thereof.

(j) If Subordinated Debentures are distributed to holders of Preferred Trust Securities upon liquidation of the Trust, FPL will take such action as is required in order to comply with (or be exempt from) all applicable securities or blue sky laws of the various jurisdictions in the United States in connection with such distribution. The provisions of this Section 7(h) shall survive the delivery of the Preferred Trust Securities.

8. Conditions of Underwriters' Obligations to Purchase and Pay for Preferred Trust Securities. The several obligations of the Underwriters to purchase and pay for the Preferred Trust Securities shall be subject to the performance by the Offerors of their obligations to be performed hereunder on or prior to the Closing Date and to the following conditions:

(a) The representations and warranties made by the Offerors herein and qualified by materiality shall be true and correct in all respects and the representations and warranties made by the Offerors herein that are not qualified by materiality shall be true and correct in all material respects as of the Closing Date, in each case, as if made on and as of such date and the Representatives shall have received, prior to payment for the Preferred Trust Securities, a certificate from each of the Offerors dated the Closing Date and signed by an officer, in the case of FPL, and by an administrative trustee or authorized representative in the case of the Trust, 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 no notice of objection by the Commission to the use of the Registration Statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) under the Securities Act shall have been received by either of the Offerors; and the Representatives shall have received, prior to payment for the Preferred Trust Securities, a certificate from each of the Offerors dated the Closing Date and signed by an officer in the case of FPL and by an administrative trustee or authorized representative in the case of the Trust, 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 and the Trust, as the case may be, 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 Offered Securities 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 Squire, Sanders & Dempsey L.L.P., counsel to FPL, Thelen Reid & Priest LLP, counsel to FPL, Hunton & Williams LLP, Counsel for the Underwriters, and Morris, James, Hitchens & Williams LLP, special Delaware counsel to FPL and the Trust, opinions (with a copy for each of the Underwriters) in substantially the form and substance prescribed in Schedules IV, V, VI and VII hereto (i) with such changes therein as may be agreed upon by the Offerors and the Representatives, with the approval of Counsel for the Underwriters, and (ii) if the Prospectus relating to the Preferred Trust Securities 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) On the date of this agreement and on the Closing Date, the Representatives shall have received from Deloitte & Touche LLP a letter or letters (which may refer to letters previously delivered to the Representatives) (with copies thereof for each of the Underwriters) dated the respective dates of delivery thereof to the effect that (i) they are an independent registered public accounting firm 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 of FPL audited by them and incorporated by reference in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, 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. 100, Interim Financial Information, on the unaudited condensed consolidated financial statements of FPL, if any, incorporated by reference in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, a

reading of the latest available interim unaudited [condensed] consolidated financial statements of FPL, if any, since the close of FPL's most recent audited fiscal year, reading 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 standards of the Public Company Accounting Oversight Board (United States) 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 Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, (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 Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, 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 Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable; (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 such letter 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 FPL's common shareholders' equity, in each case as compared with amounts shown in the most recent [condensed] consolidated balance sheet incorporated by reference in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, except in all instances for changes, increases or decreases which the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, 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 Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, 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 such letter, 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 Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, 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 Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, and Exhibit 12(b) to the Registration Statement and such other items as the Representatives may reasonably request.

(f) Since the respective most recent times as of which information is given in the Pricing Disclosure Package, 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 Pricing Disclosure Package, and (ii) there shall have been no transaction entered into by FPL or any of its subsidiaries that is material to FPL and its subsidiaries taken as a whole, other than transactions disclosed in or contemplated by the Pricing Disclosure Package, 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 Preferred Trust Securities and the Trust Guarantee shall have been satisfactory in form and substance to Counsel for the Underwriters.

(h) [The Preferred Trust Securities shall have been approved for listing on The New York Stock Exchange, Inc. ("NYSE") upon official notice of issuance.]

In case any of the conditions specified above in this Section 8 shall not have been fulfilled, this agreement may be terminated by the Representatives upon mailing or delivering written notice thereof to the Offerors. Any such termination shall be without liability of any party to any other party except as otherwise provided in subsections (d) and (f) of Section 7 hereof.

9. Condition of the Offerors' Obligations. The obligations of the Trust and FPL to deliver the Preferred Trust Securities and the Trust Guarantee, respectively, to the Representatives for the respective accounts of the Underwriters and the obligation of FPL to deliver the Subordinated Debentures to the Trust 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, no proceedings for either such purpose shall be pending before, or threatened by, the Commission on such date; and no notice of objection by the Commission to the use of the Registration Statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) under the Securities Act shall have been received by any of the Offerors.

(b) No "Tax Event" (as defined in the Trust Agreement) shall have occurred and be continuing on the Closing Date.

(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 Offered Securities 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 9 shall not have been fulfilled, this agreement may be terminated by the Offerors 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 (d) and (f) of Section 7 hereof.

10. Indemnification.

(a) The Offerors, jointly and severally, agree 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, the Pricing Prospectus, the Prospectus or any Issuer Free Writing 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 10 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 either of the Offerors by or on behalf of any Underwriter, through the Representatives, expressly for use in connection with the preparation of any preliminary prospectus, the Registration Statement, the Pricing Prospectus, the Prospectus or any Issuer Free Writing Prospectus or any amendment or supplement to any thereof, or arising out of, or based upon, statements in or omissions from the Statements of Eligibility; and provided, further, that the indemnity agreement contained in this subsection (a) of Section 10 in respect of any preliminary prospectus, the Pricing Prospectus, any Issuer Free Writing Prospectus or 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 Preferred Trust Securities to any person in respect of any preliminary prospectus, the Pricing Prospectus, any Issuer Free Writing Prospectus or the Prospectus, each as may be then supplemented or amended, furnished by such Underwriter to a person to whom any of the Preferred Trust Securities were sold (excluding in all cases, however, any document then incorporated by reference therein), insofar as such indemnity relates to any untrue or misleading statement or omission made in such preliminary prospectus, Pricing Prospectus, Prospectus or Issuer Free Writing Prospectus, if a copy of a supplement or amendment to such preliminary prospectus, Pricing Prospectus, Prospectus, or Issuer Free Writing Prospectus (excluding in all cases, however, any document then incorporated by reference therein) (i) is furnished on a

timely basis by the Offerors to the Underwriter, (ii) is required to have been conveyed to such person by or on behalf of such Underwriter, at or prior to the entry into the contract of sale of the Preferred Trust Securities with such person, but was not so conveyed (which conveyance may be oral (if permitted by law) or written) by or on behalf of such Underwriter and (iii) would have cured the defect giving rise to such loss, claim, damage or liability. The indemnity agreement of the Offerors contained in this subsection (a) of Section 10 and the representations and warranties of the Trust and FPL contained in Sections 3 and 4 hereof, respectively, 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 Preferred Trust Securities. The Underwriters agree promptly to notify each of the Offerors, 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 Preferred Trust Securities.

(b) Each Underwriter, severally and not jointly, agrees to indemnify and hold harmless each of the Offerors, their respective officers, administrative trustees and directors, and each person who controls the Trust or FPL, as the case may be, 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 any preliminary prospectus, the Registration Statement, the Pricing Prospectus, the Prospectus or any Issuer Free Writing 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 either of the Offerors by or on behalf of such Underwriter, through the Representatives, expressly for use in connection with the preparation of any preliminary prospectus, the Registration Statement, the Pricing Prospectus, the Prospectus or any Issuer Free Writing Prospectus or any amendment or supplement to any thereof. The Underwriters hereby furnish to the Offerors in writing expressly for use in the preliminary prospectus, the Registration Statement, the Pricing Prospectus and the Prospectus: [insert information provided by the Underwriters]. Each of the Offerors acknowledge that the statements set forth in the preceding sentence constitutes the only information furnished in writing by or on behalf of the several Underwriters expressly for inclusion in any preliminary prospectus, the Registration Statement, the Pricing Prospectus, the Prospectus or any Issuer Free Writing Prospectus. The indemnity agreement of the respective Underwriters contained in this subsection (b) of Section 10 shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of either of the Offerors or any of their respective officers or directors or any such other Underwriter or any such controlling person, and shall survive the delivery of the Preferred Trust Securities. The Offerors agree promptly to notify the

Representatives of the commencement of any litigation or proceedings against either of the Offerors (or any controlling person thereof) or any of their respective officers, administrative trustees or directors in connection with the issuance and sale of the Offered Securities.

(c) The Offerors 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 10, 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 this 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 or parties shall elect not to assume the defense of such action, such indemnifying party or parties 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 involved 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). The Offerors 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 10, 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 the Offerors 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 the Offerors on the one hand and the Underwriters on the other hand from the offering of the Preferred Trust 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 the Offerors 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. The Offerors 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 Preferred Trust Securities 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 Preferred Trust Securities is to the total number of Preferred Trust Securities set forth in Schedule II hereto.

11. Termination. This agreement may be terminated by the Representatives by delivering written notice thereof to the Offerors, 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 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 Preferred Trust Securities as contemplated in the Pricing Disclosure Package or for the Underwriters to enforce contracts for the sale of the Preferred Trust Securities, or

(b) (i) there shall have been any downgrading or any notice of any intended or potential downgrading in the ratings accorded to the Preferred Trust Securities or the Subordinated Debentures or any securities of FPL which are of the same class as the Subordinated Debentures 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 Preferred Trust Securities or the Subordinated Debentures or any securities of FPL which are of the same class as the Subordinated Debentures, 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 Preferred Trust Securities as contemplated in the Pricing Disclosure Package or for the Underwriters to enforce contracts for the sale of the Preferred Trust Securities.

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 or any Issuer Free Writing Prospectus prepared and furnished by the Offerors 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 Preferred Trust Securities to be purchased hereunder. Any termination of this agreement pursuant to this Section 11 shall be without liability of any party to any other party except as otherwise provided in subsections (d) and (f) of Section 7 hereof.

12. Miscellaneous.

(a) The validity and interpretation of this agreement shall be governed by the laws of the State of New York without regard to conflicts of law principles thereunder. This agreement shall inure to the benefit of, and be binding upon, the Offerors, the several Underwriters and, with respect to the provisions of Section 10 hereof, each officer, director or controlling person referred to in said Section 10, 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 Preferred Trust Securities from any of the several Underwriters.

(b) The Offerors each acknowledge and agree that the Underwriters are acting solely in the capacity of arm's length contractual counterparties to the Offerors with respect to the offering of the Preferred Trust Securities as contemplated by this agreement and not as financial advisors or fiduciaries to the Offerors in connection herewith. Additionally, none of the Underwriters is advising the Offerors as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction in connection with the offering of the Preferred Trust Securities as contemplated by this agreement. Any review by the Underwriters of the Offerors in connection with the offering of the Preferred Trust Securities contemplated by this agreement and the transactions contemplated by this agreement will not be performed on behalf of the Offerors.

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

14. Counterparts. This agreement may be executed in any number of counterparts by the parties hereto on separate counterparts, each of which, when so executed and delivered, shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

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 Trust __

By: _____
Name:
Title:

Florida Power & Light Company

By: _____
Name:
Title:

Accepted and delivered as of
the date first above written:

By: _____
Name:
Title:

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

SCHEDULE I

Florida Power & Light Company Trust __

Pricing Term Sheet

[Date]

Issuer: Florida Power & Light Company Trust __

Underwriting Agreement dated

Representatives:

Preferred Trust Securities:
Designation:
Number of Preferred Trust Securities:
Aggregate Liquidation Amount:
Date of Maturity:
Coupon Rate:
Price to Public:
Treasury Benchmark:
Benchmark Price:
Benchmark Yield:
Spread to Benchmark Treasury:
Reoffer Yield:
Purchase Price:
Proceeds to the Trust :
Closing Date:
CUSIP/ ISIN Number:
Expected Credit Ratings on Preferred Trust Securities*:

Florida Power & Light Company Subordinated Debentures
Designation:
Principal Amount:
Date of Maturity:
Interest Rate:

*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.

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling _____ toll-free _____ or _____ toll-free _____.

SCHEDULE II

Representatives	**Addresses**

Underwriter	**Number of Preferred Trust Securities**
Total.....	

SCHEDULE III

PRICING DISCLOSURE PACKAGE

(1) Prospectus, dated _____

(2) Preliminary Prospectus Supplement dated _____ (which shall be deemed to include the Incorporated Documents)

(3) Issuer Free Writing Prospectuses

(a) Pricing Term Sheet attached as Schedule I hereto

SCHEDULE IV

[LETTERHEAD OF SQUIRE, SANDERS & DEMPSEY L.L.P.]

SCHEDULE V

[LETTERHEAD OF THELEN REID & PRIEST LLP]

SCHEDULE VI

[LETTERHEAD OF HUNTON & WILLIAMS LLP]

SCHEDULE VII

[LETTERHEAD OF MORRIS, JAMES, HITCHENS & WILLIAMS LLP]

[Forms of legal opinions omitted]

FPL GROUP, INC.
Issuer

TO

The Bank of New York,
Trustee

Indenture
(For Unsecured [[1]Subordinated] Debt Securities [[2]relating to Trust Securities])

Dated as of _____, 20__

---

1 For use in connection with subordinated debt securities.

2 For use in connection with subordinated debt securities relating to trust securities, in addition to those provisions specified in 1.

3 For use in connection with senior debt securities.

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FPL GROUP, INC.

Reconciliation and tie between Trust Indenture Act of 1939 and Indenture, dated as of _____, 20__

Trust Indenture Act Section		Indenture Section
§310	(a)(1)	909
	(a)(2)	909
	(a)(3)	914(b)
	(a)(4)	Not Applicable
	(b)	908
		910
§311	(a)	913
	(b)	913
	(c)	913
§312	(a)	1001
	(b)	1001
	(c)	1001
§313	(a)	1002
	(b)	1002
	(c)	1002
	(d)	1002
§314	(a)	1002
	(a)(4)	606
	(b)	Not Applicable
	(c)(1)	102
	(c)(2)	102
	(c)(3)	Not Applicable
	(d)	Not Applicable
	(e)	102
§315	(a)	901
		903
	(b)	902
	(c)	901
	(d)	901
	(e)	814
§316	(a)	812
		813
	(a)(1)(A)	802
		812
	(a)(1)(B)	813
	(a)(2)	Not Applicable
	(b)	808
§317	(a)(1)	803
	(a)(2)	804
	(b)	603
§318	(a)	107

Note: This reconciliation and tie shall not, for any purpose, be deemed to be a part of the Indenture.

SUBORDINATED INDENTURE, dated as of _____, 20__, among **FPL GROUP, INC.**, a corporation duly organized and existing under the laws of the State of Florida (herein called the "Company"), having its principal office at 700 Universe Boulevard, Juno Beach, Florida 33408, and **THE BANK OF NEW YORK**, a New York banking corporation having its principal corporate trust office at 101 Barclay Street, Floor 8W, New York, New York 10286, as Trustee (herein called the "Trustee").

RECITAL OF THE COMPANY

The Company has duly authorized the execution and delivery of this Indenture to provide for the issuance from time to time of its unsecured ['subordinated] debentures, notes or other evidences of indebtedness (herein called the "Securities"), in an unlimited aggregate principal amount to be issued in one or more series as contemplated herein; and all acts necessary to make this Indenture a valid agreement of the Company, in accordance with its terms, have been performed.

For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires, capitalized terms used herein shall have the meanings assigned to them in Article One of this Indenture.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the Securities by the Holders thereof, it is mutually covenanted and agreed, for the equal and proportionate benefit of all Holders of the Securities or of any series thereof, as follows:

ARTICLE ONE

Definitions And Other Provisions Of General Application

SECTION 101. Definitions.

For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(a) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular;

(b) all terms used herein without definition which are defined in the Trust Indenture Act, either directly or by reference therein, have the meanings assigned to them therein;

(c) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles in the United States, and, except as otherwise herein expressly provided, the term "generally accepted accounting principles" with respect to any computation required or permitted hereunder shall mean such accounting principles as are generally accepted in the United States at the date of such computation or, at the election of the Company from time to time, at the date of the execution and delivery of this Indenture; provided, however, that in determining generally accepted accounting principles applicable to the Company, the Company shall, to the extent required, conform to any order, rule or regulation of any administrative agency, regulatory authority or other governmental body having jurisdiction over the Company;

(d) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision; and

(e) unless the context otherwise requires, any reference to an "Article" or a "Section" refers to an Article or a Section, as the case may be, of this Indenture.

Certain terms, used principally in Article Nine, are defined in that Article.

"Act," when used with respect to any Holder of a Security, has the meaning specified in Section 104.

[[2]**"Additional Interest"** has the meaning specified in Section 313.]

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, **"control"** when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms **"controlling"** and **"controlled"** have meanings correlative to the foregoing.

"Authenticating Agent" means any Person (other than the Company or an Affiliate of the Company) authorized by the Trustee pursuant to Section 915 to act on behalf of the Trustee to authenticate one or more series of Securities.

"Authorized Officer" means the Chairman of the Board, the President, any Vice President, the Treasurer, any Assistant Treasurer, the Secretary, any Assistant Secretary or any other officer or agent of the Company duly authorized by the Board of Directors to act in respect of matters relating to this Indenture.

"Board of Directors" means either the board of directors of the Company or any committee of that board duly authorized to act in respect of matters relating to this Indenture, or the equivalent governing body of an entity, or any committee, corporation, individual or group of individuals duly authorized to act for such entity in respect of matters relating to this Indenture.

"Board Resolution" means a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification, and delivered to the Trustee.

"Business Day," when used with respect to a Place of Payment or any other particular location specified in the Securities or this Indenture, means any day, other than a Saturday or Sunday, which is not a day on which banking institutions or trust companies in such Place of Payment or other location are generally authorized or required by law, regulation or executive order to remain closed, except as may be otherwise specified as contemplated by Section 301.

"Commission" means the Securities and Exchange Commission, as from time to time constituted, created under the Exchange Act, or, if at any time after the date of execution and delivery of this Indenture such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act, then the body, if any, performing such duties at such time.

[[2]"**Common Securities**" means any common trust interests issued by a Trust or similar securities issued by permitted successors to such Trust in accordance with the Trust Agreement pertaining to such Trust.]

"**Company**" means the Person named as the "Company" in the first paragraph of this Indenture until a successor Person shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Company" shall mean such successor Person.

"**Company Request**" or "**Company Order**" means a written request or order signed in the name of the Company by an Authorized Officer and delivered to the Trustee.

"**Corporate Trust Office**" means the corporate trust office of the Trustee at which, at any particular time, its corporate trust business shall be principally administered, which office at the date hereof is located at 101 Barclay Street, 8W, New York, New York 10286.

"**Corporation**" means a corporation, association, bank, company, limited liability company, joint stock company, statutory trust, or other business entity, and references to "corporate" and other derivations of "corporation" herein shall be deemed to include appropriate derivations of such entities.

"**Defaulted Interest**" has the meaning specified in Section 307.

"**Discount Security**" means any Security which provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 802. The term "**interest**" with respect to a Discount Security means interest, if any, borne by such Security at a Stated Interest Rate.

"**Dollar**" or "**$**" means a dollar or other equivalent unit in such coin or currency of the United States as at the time shall be legal tender for the payment of public and private debts.

"**Eligible Obligations**" means:

(a) with respect to Securities denominated in Dollars, Government Obligations; or

(b) with respect to Securities denominated in a currency other than Dollars or in a composite currency, such other obligations or instruments as shall be specified with respect to such Securities, as contemplated by Section 301.

"**Event of Default**" has the meaning specified in Section 801.

"**Exchange Act**" means the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder, as amended from time to time, or any successor legislation.

"**Governmental Authority**" means the government of the United States or of any State or Territory thereof or of the District of Columbia or of any county, municipality or other political subdivision of any of the foregoing, or any department, agency, authority or other instrumentality of any of the foregoing.

"**Government Obligations**" means:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States and entitled to the benefit of the full faith and credit thereof; and

(b) certificates, depositary receipts or other instruments which evidence a direct ownership interest in obligations described in clause (a) above or in any specific interest or principal payments due in respect thereof; provided, however, that the custodian of such obligations or specific interest or principal payments shall be a bank or trust company (which may include the Trustee or any Paying Agent) subject to Federal or state supervision or examination with a combined capital and surplus of at least $50,000,000; and provided, further, that except as may be otherwise required by law, such custodian shall be obligated to pay to the holders of such certificates, depositary receipts or other instruments the full amount received by such custodian in respect of such obligations or specific payments and shall not be permitted to make any deduction therefrom.

"Holder" means a Person in whose name a Security is registered in the Security Register.

"Indenture" means this instrument as originally executed and delivered and as it may from time to time be supplemented or amended by one or more indentures or other instruments supplemental hereto entered into pursuant to the applicable provisions hereof, including, for all purposes of this instrument and any such supplemental indenture or other instrument, the provisions of the Trust Indenture Act that are deemed to be a part of and govern this Indenture and any such supplemental indenture or such other instrument, respectively. The term "Indenture" shall also include the terms of particular series of Securities established as contemplated by Section 301.

"Interest Payment Date," when used with respect to any Security, means the Stated Maturity of an installment of interest on such Security.

"Maturity," when used with respect to any Security, means the date on which the principal of such Security or an installment of principal becomes due and payable as provided in such Security or in this Indenture, whether at the Stated Maturity, by declaration of acceleration, upon call for redemption or otherwise.

"Notice of Default,"means a written notice of the kind specified in Section 801(c).

"Officer's Certificate" means a certificate signed by an Authorized Officer, and delivered to the Trustee.

"Opinion of Counsel" means a written opinion of counsel, who may be counsel for the Company or an Affiliate of the Company, or an employee thereof, and who shall be reasonably acceptable to the Trustee.

"Outstanding," when used with respect to Securities, means, as of the date of determination, all Securities theretofore authenticated and delivered under this Indenture, except:

(a) Securities theretofore canceled or delivered to the Security Registrar for cancellation;

(b) Securities deemed to have been paid for all purposes of this Indenture in accordance with Section 701 (whether or not the Company's indebtedness in respect thereof shall be satisfied and discharged for any other purpose); and

(c) Securities which have been paid pursuant to Section 306 or in exchange for or in lieu of which other Securities have been authenticated and delivered pursuant to this Indenture, other than any such Securities in respect of which there shall have been presented to the Trustee proof satisfactory to it and the Company that such Securities are held by a bona fide purchaser or purchasers in whose hands such Securities are valid obligations of the Company;

provided, however, that in determining whether or not the Holders of the requisite principal amount of the Securities Outstanding under this Indenture, or the Outstanding Securities of any series or Tranche, have given any request, demand, authorization, direction, notice, consent or waiver hereunder or whether or not a quorum is present at a meeting of Holders of Securities,

(x) Securities owned by the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor (unless the Company, such Affiliate or such obligor owns all Securities Outstanding under this Indenture, or all Outstanding Securities of each such series and each such Tranche, as the case may be, determined without regard to this clause (x)) shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver or upon any such determination as to the presence of a quorum, only Securities which the Trustee knows to be so owned shall be so disregarded; provided, however, that Securities so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Securities and that the pledgee is not the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor;

(y) the principal amount of a Discount Security that shall be deemed to be Outstanding for such purposes shall be the amount of the principal thereof that would be due and payable as of the date of such determination upon a declaration of acceleration of the Maturity thereof pursuant to Section 802; and

(z) the principal amount of any Security which is denominated in a currency other than Dollars or in a composite currency that shall be deemed to be Outstanding for such purposes shall be the amount of Dollars which could have been purchased by the principal amount (or, in the case of a Discount Security, the Dollar equivalent on the date determined as set forth below of the amount determined as provided in (y) above) of such currency or composite currency evidenced by such Security, in each such case certified to the Trustee in an Officer's Certificate, based (i) on the average of the mean of the buying and selling spot rates quoted by three banks which are members of the New York Clearing House Association selected by the Company in effect at 11:00 A.M. (New York time) in The City of New York on the fifth Business Day preceding any such determination or (ii) if on such fifth Business Day it shall not be possible or practicable to obtain such quotations from such three banks, on such other quotations or alternative methods of determination which shall be as consistent as practicable with the method set forth in (i) above;

provided, further, that, in the case of any Security the principal of which is payable from time to time without presentment or surrender, the principal amount of such Security that shall be deemed to be

Outstanding at any time for all purposes of this Indenture shall be the original principal amount thereof less the aggregate amount of principal thereof theretofore paid.

"Paying Agent" means any Person, including the Company, authorized by the Company to pay the principal of and premium, if any, or interest, if any, on any Securities on behalf of the Company.

"Periodic Offering" means an offering of Securities of a series from time to time any or all of the specific terms of which Securities, including without limitation the rate or rates of interest or formula for determining the rate or rates of interest, if any, thereon, the Stated Maturity or Maturities thereof and the redemption provisions, if any, with respect thereto, are to be determined by the Company or its agents upon the issuance of such Securities.

"Person" means a legal person, including any individual, Corporation, estate, partnership, joint venture, unincorporated association or government, or any agency or political subdivision thereof or any other entity of whatever nature.

"Place of Payment," when used with respect to the Securities of any series, or any Tranche thereof, means the place or places, specified as contemplated by Section 301, at which, subject to Section 602, principal of and premium, if any, and interest, if any, on the Securities of such series or Tranche are payable.

"Predecessor Security" of any particular Security means every previous Security evidencing all or a portion of the same debt as that evidenced by such particular Security; and, for the purposes of this definition, any Security authenticated and delivered under Section 306 in exchange for or in lieu of a mutilated, destroyed, lost or stolen Security shall be deemed (to the extent lawful) to evidence the same debt as the mutilated, destroyed, lost or stolen Security.

[[2]**"Preferred Securities"** means any preferred trust interests issued by a Trust or similar securities issued by permitted successors to such Trust in accordance with the Trust Agreement pertaining to such Trust.]

"Redemption Date," when used with respect to any Security to be redeemed, means the date fixed for such redemption by or pursuant to this Indenture.

"Redemption Price," when used with respect to any Security to be redeemed, means the price at which it is to be redeemed pursuant to this Indenture.

"Regular Record Date" for the interest payable on any Interest Payment Date on the Securities of any series means the date specified for that purpose as contemplated by Section 301.

"Required Currency" has the meaning specified in Section 311.

"Responsible Officer," when used with respect to the Trustee, means any vice-president, any assistant vice-president, any assistant secretary, any assistant treasurer, any trust officer or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of that officer's knowledge of and familiarity with the particular subject and who shall have direct responsibility for the administration of this Indenture.

"Securities" has the meaning stated in the first recital of this Indenture and more particularly means any securities authenticated and delivered under this Indenture.

"Securities Act" means the Securities Act of 1933, and the rules and regulations promulgated thereunder, as amended from time to time, or any successor legislation.

"Security Register" and "Security Registrar" have the respective meanings specified in Section 305.

[[1]**"Senior Indebtedness"** – definition to be inserted, if applicable]

"Special Record Date" for the payment of any Defaulted Interest on the Securities of any series means a date fixed by the Trustee pursuant to Section 307.

"Stated Interest Rate" means a rate (whether fixed or variable) at which an obligation by its terms is stated to bear simple interest. Any calculation or other determination to be made under this Indenture by reference to the Stated Interest Rate on a Security shall be made without regard to the effective interest cost to the Company of such Security and without regard to the Stated Interest Rate on, or the effective cost to the Company of, any other indebtedness in respect of which the Company's obligations are evidenced or secured in whole or in part by such Security.

"Stated Maturity," when used with respect to any Security or any obligation or any installment of principal thereof or interest thereon, means the date on which the principal of such obligation or such installment of principal or interest is stated in such Security to be due and payable (without regard to any provisions for redemption, prepayment, acceleration, purchase or extension).

"Tranche" means a group of Securities which (a) are of the same series and (b) have identical terms except as to principal amount and/or date of issuance.

[[2]**"Trust"** means FPL Group Trust _, a statutory trust formed under the laws of the State of Delaware, or any other trust designated pursuant to Section 301 hereof or any permitted successor under the Trust Agreement pertaining to such Trust.]

[[2]**"Trust Agreement"** means the Amended and Restated Trust Agreement, dated as of _____, 20__, relating to FPL Group Trust _, or an Amended and Restated Trust Agreement relating to a Trust designated pursuant to Section 301 hereof, in each case, among the Company, as Depositor, the trustees named therein and the several holders referred to therein, as such agreement or agreements, as the case may be, may be amended from time to time.]

"Trust Indenture Act" means, as of any time, the Trust Indenture Act of 1939, as amended, or any successor statute, as in effect at such time.

[[2]**"Trust Securities Guarantee"** means the Preferred Trust Securities Guarantee Agreement between the Company, as guarantor, and a guarantee trustee for the benefit of the holders of Preferred Securities issued by such Trust.]

"Trustee" means the Person named as the "Trustee" in the first paragraph of this Indenture until a successor Trustee shall have become such with respect to one or more series of Securities pursuant to the applicable provisions of this Indenture, and thereafter "Trustee" shall mean or include each Person who is then a Trustee hereunder, and if at any time there is more than one such

Person, "Trustee" as used with respect to the Securities of any series shall mean the Trustee with respect to Securities of that series.

"United States" means the United States of America, its Territories, its possessions and other areas subject to its political jurisdiction.

SECTION 102. Compliance Certificates and Opinions.

Except as otherwise expressly provided in this Indenture, upon any application or request by the Company to the Trustee to take any action under any provision of this Indenture, the Company shall furnish to the Trustee an Officer's Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:

(a) a statement that each Person signing such certificate or opinion has read such covenant or condition and the definitions herein relating thereto;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of each such Person, such Person has made such examination or investigation as is necessary to enable such Person to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether, in the opinion of each such Person, such condition or covenant has been complied with.

SECTION 103. Form of Documents Delivered to Trustee.

In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an officer of the Company may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which such Officer's Certificate or opinion are based are erroneous. Any such certificate or Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Company stating that the information with respect to such factual matters is in the possession of the Company, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Where (i) any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, or (ii) two or more Persons are each required to make, give or execute any such application, request, consent, certificate, statement, opinion or other instrument under this Indenture, any such applications, requests, consents, certificates, statements, opinions or other instruments may, but need not, be consolidated and form one instrument.

Whenever, subsequent to the receipt by the Trustee of any Board Resolution, Officer's Certificate, Opinion of Counsel or other document or instrument, a clerical, typographical or other inadvertent or unintentional error or omission shall be discovered therein, a new document or instrument may be substituted therefor in corrected form with the same force and effect as if originally filed in the corrected form and, irrespective of the date or dates of the actual execution and/or delivery thereof, such substitute document or instrument shall be deemed to have been executed and/or delivered as of the date or dates required with respect to the document or instrument for which it is substituted. Anything in this Indenture to the contrary notwithstanding, if any such corrective document or instrument indicates that action has been taken by or at the request of the Company which could not have been taken had the original document or instrument not contained such error or omission, the action so taken shall not be invalidated or otherwise rendered ineffective but shall be and remain in full force and effect, except to the extent that such action was a result of willful misconduct or bad faith. Without limiting the generality of the foregoing, any Securities issued under the authority of such defective document or instrument shall nevertheless be the valid obligations of the Company entitled to the benefits of this Indenture equally and ratably with all other Outstanding Securities, except as aforesaid.

SECTION 104. Acts of Holders.

(a) Any request, demand, authorization, direction, notice, consent, election, waiver or other action provided by this Indenture to be made, given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by an agent duly appointed in writing or, alternatively, may be embodied in and evidenced by the record of Holders voting in favor thereof, either in person or by proxies duly appointed in writing, at any meeting of Holders duly called and held in accordance with the provisions of Article Thirteen, or a combination of such instruments and any such record. Except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments or record or both are delivered to the Trustee and, where it is hereby expressly required, to the Company. Such instrument or instruments and any such record (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders signing such instrument or instruments and so voting at any such meeting. Proof of execution of any such instrument or of a writing appointing any such agent, or of the holding by any Person of a Security, shall be sufficient for any purpose of this Indenture and (subject to Section 901) conclusive in favor of the Trustee and the Company, if made in the manner provided in this Section. The record of any meeting of Holders shall be proved in the manner provided in Section 1306.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by a certificate of a notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof or may be proved in any other manner which the Trustee and the Company deem sufficient. Where such execution is by a signer acting in a capacity other than his individual capacity, such certificate or affidavit shall also constitute sufficient proof of his authority.

(c) The principal amount (except as otherwise contemplated in clause (y) of the first proviso to the definition of Outstanding) and serial numbers of Securities held by any Person, and the date of holding the same, shall be proved by the Security Register;

(d) Any request, demand, authorization, direction, notice, consent, election, waiver or other Act of a Holder of any Security shall bind every future Holder of the same Security and the Holder of every Security issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done, omitted or suffered to be done by the Trustee or the Company in reliance thereon, whether or not notation of such action is made upon such Security.

(e) Until such time as written instruments shall have been delivered to the Trustee with respect to the requisite percentage of principal amount of Securities for the action contemplated by such instruments, any such instrument executed and delivered by or on behalf of a Holder may be revoked with respect to any or all of such Securities by written notice by such Holder or any subsequent Holder, proven in the manner in which such instrument was proven.

(f) Securities of any series, or any Tranche thereof, authenticated and delivered after any Act of Holders may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any action taken by such Act of Holders. If the Company shall so determine, new Securities of any series, or any Tranche thereof, so modified as to conform, in the opinion of the Trustee and the Company, to such action may be prepared and executed by the Company and authenticated and delivered by the Trustee in exchange for Outstanding Securities of such series or Tranche.

(g) If the Company shall solicit from Holders any request, demand, authorization, direction, notice, consent, waiver or other Act, the Company may, at its option, by Company Order, fix in advance a record date for the determination of Holders entitled to give such request, demand, authorization, direction, notice, consent, waiver or other Act, but the Company shall have no obligation to do so. If such a record date is fixed, such request, demand, authorization, direction, notice, consent, waiver or other Act may be given before or after such record date, but only the Holders of record at the close of business on the record date shall be deemed to be Holders for the purposes of determining whether Holders of the requisite proportion of the Outstanding Securities have authorized or agreed or consented to such request, demand, authorization, direction, notice, consent, waiver or other Act, and for that purpose the Outstanding Securities shall be computed as of the record date. Any such Act, given as aforesaid, shall be effective whether or not the Holders which authorized or agreed or consented to such Act remain Holders after such record date and whether or not the Securities held by such Holders remain Outstanding after such record date.

SECTION 105. Notices, etc. to Trustee and Company.

Any request, demand, authorization, direction, notice, consent, election, waiver or Act of Holders or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with, the Trustee by any Holder or by the Company, or the Company by the Trustee or by any Holder, shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if in writing and delivered personally to an officer or other responsible employee of the addressee, or transmitted by facsimile transmission or other direct written electronic means to such telephone number or other electronic communications address as the parties hereto shall from time to time designate, or transmitted by registered mail, charges prepaid, to the applicable address set opposite such party's name below or to such other address as such party hereto may from time to time designate:

If to the Trustee, to:

The Bank of New York
101 Barclay Street, Floor 8W
New York, New York 10286

Attention:
Telephone:
Facsimile:

With a copy to:

The Bank of New York Trust Company, N.A.
10161 Centurion Parkway
Jacksonville, FL 32256

Attention:
Telephone:
Facsimile:

If to the Company, to:

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

Attention: Treasurer
Telephone:
Facsimile:

Any communication contemplated herein shall be deemed to have been made, given, furnished and filed if personally delivered, on the date of delivery, if transmitted by facsimile transmission or other direct written electronic means, on the date of transmission, and if transmitted by registered mail, on the date of receipt.

SECTION 106. Notice to Holders of Securities; Waiver.

Except as otherwise expressly provided herein, where this Indenture provides for notice to Holders of any event, such notice shall be sufficiently given, and shall be deemed given, to Holders if in writing and mailed, first-class postage prepaid, to each Holder affected by such event, at the address of such Holder as it appears in the Security Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice.

In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give such notice to Holders by mail, then such notification as shall be made with the approval of the Trustee shall constitute a sufficient notification for every purpose hereunder. In any case where notice to Holders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder shall affect the sufficiency of such notice with respect to other Holders.

Any notice required by this Indenture may be waived in writing by the Person entitled to receive such notice, either before or after the event otherwise to be specified therein, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 107. Conflict with Trust Indenture Act.

If any provision of this Indenture limits, qualifies or conflicts with another provision hereof which is required or deemed to be included in this Indenture by, or is otherwise governed by, any of the provisions of the Trust Indenture Act, such other provision shall control; and if any provision hereof otherwise conflicts with the Trust Indenture Act, the Trust Indenture Act shall control.

SECTION 108. Effect of Headings and Table of Contents.

The Article and Section headings in this Indenture and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 109. Successors and Assigns.

All covenants and agreements in this Indenture by the Company and Trustee shall bind their respective successors and assigns, whether so expressed or not.

SECTION 110. Separability Clause.

In case any provision in this Indenture or the Securities shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 111. Benefits of Indenture.

Nothing in this Indenture or the Securities, express or implied, shall give to any Person, other than the parties hereto, their successors hereunder, [[3]and] the Holders [[1]and, so long as the notice described in Section 1413 hereof has not been given, the holders of Senior Indebtedness], any benefit or any legal or equitable right, remedy or claim under this Indenture[[2], provided, however, that for so long as any Preferred Securities remain outstanding, the holders of such Preferred Securities, subject to certain limitations set forth in this Indenture, may enforce the Company's obligations hereunder, directly against the Company, as third party beneficiaries of this Indenture without proceeding against the Trust issuing such Preferred Securities].

SECTION 112. Governing Law.

This Indenture and the Securities shall be governed by and construed in accordance with the laws of the State of New York, without regard to conflict of laws principles thereunder, except to the extent that the law of any other jurisdiction shall be mandatorily applicable.

SECTION 113. Legal Holidays.

In any case where any Interest Payment Date, Redemption Date or Stated Maturity of any Security shall not be a Business Day at any Place of Payment, then (notwithstanding any other provision of this Indenture or of the Securities other than a provision in Securities of any series, or any Tranche

thereof, or in an indenture supplemental hereto, or in the Board Resolution or Officer's Certificate which establishes the terms of the Securities of such series or Tranche, which specifically states that such provision shall apply in lieu of this Section) payment of interest or principal and premium, if any, need not be made at such Place of Payment on such date, but may be made on the next succeeding Business Day at such Place of Payment, [except that if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case] with the same force and effect, and in the same amount, as if made on the Interest Payment Date or Redemption Date, or at the Stated Maturity, as the case may be, and, if such payment is made or duly provided for on such Business Day, no interest shall accrue on the amount so payable for the period from and after such Interest Payment Date, Redemption Date or Stated Maturity, as the case may be, to such Business Day.

ARTICLE TWO

Security Forms

SECTION 201. Forms Generally.

The definitive Securities of each series shall be in substantially the form or forms thereof established in the indenture supplemental hereto establishing such series or in a Board Resolution establishing such series, or in an Officer's Certificate pursuant to such supplemental indenture or Board Resolution, in each case with such appropriate terms, insertions, omissions, substitutions and other variations as are required or permitted by this Indenture, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange or as may, consistently herewith, be determined by the officers executing such Securities, as evidenced by their execution thereof. If the form or forms of Securities of any series are established in a Board Resolution or in an Officer's Certificate pursuant to a Board Resolution, such Board Resolution and Officer's Certificate, if any, shall be delivered to the Trustee at or prior to the delivery of the Company Order contemplated by Section 303 for the authentication and delivery of such Securities.

Unless otherwise specified as contemplated by Sections 301 or 1201(g), the Securities of each series shall be issuable in registered form without coupons. The definitive Securities shall be produced in such manner as shall be determined by the officers executing such Securities, as evidenced by their execution thereof.

SECTION 202. Form of Trustee's Certificate of Authentication.

The Trustee's certificate of authentication shall be in substantially the form set forth below:

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

THE BANK OF NEW YORK, as Trustee

By: _____
Authorized Signatory

ARTICLE THREE

The Securities

SECTION 301. Amount Unlimited; Issuable in Series.

The aggregate principal amount of Securities which may be authenticated and delivered under this Indenture is unlimited [[2]; provided, however, that all Securities shall be issued to a Trust to evidence the acquisition of Securities by a Trust with the proceeds of the issuance of Preferred Securities and Common Securities of such Trust].

The Securities may be issued in one or more series. Subject to the last paragraph of this Section, prior to the authentication and delivery of Securities of any series there shall be established by specification in a supplemental indenture or in a Board Resolution, or in an Officer's Certificate (which need not comply with Section 102) pursuant to a supplemental indenture or a Board Resolution:

(a) the title of the Securities of such series (which shall distinguish the Securities of such series from Securities of all other series);

(b) any limit upon the aggregate principal amount of the Securities of such series which may be authenticated and delivered under this Indenture (except for Securities authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Securities of such series pursuant to Section 304, 305, 306, 406 or 1206 and, except for any Securities which, pursuant to Section 303, are deemed never to have been authenticated and delivered hereunder);

(c) the Person or Persons (without specific identification) to whom interest on Securities of such series, or any Tranche thereof, shall be payable on any Interest Payment Date, if other than the Persons in whose names such Securities (or one or more Predecessor Securities) are registered at the close of business on the Regular Record Date for such interest;

(d) the date or dates on which the principal of the Securities of such series or any Tranche thereof, is payable or any formulary or other method or other means by which such date or dates shall be determined, by reference to an index or other fact or event ascertainable outside of this Indenture or otherwise (without regard to any provisions for redemption, prepayment, acceleration, purchase or extension);

(e) the rate or rates at which the Securities of such series, or any Tranche thereof, shall bear interest, if any (including the rate or rates at which overdue principal shall bear interest, if different from the rate or rates at which such Securities shall bear interest prior to Maturity, and, if applicable, the rate or rates at which overdue premium or interest shall bear interest, if any), or any formulary or other method or other means by which such rate or rates shall be determined, by reference to an index or other fact or event ascertainable outside of this Indenture or otherwise; the date or dates from which such interest shall accrue; the Interest Payment Dates on which such interest shall be payable and the Regular Record Date, if any, for the interest payable on such Securities on any Interest Payment Date; [[1]the right of the Company, if any, to extend the interest payment periods and the duration of any such extension as contemplated by Section 312;] and the basis of computation of interest, if other than as provided in Section 310;

(f) the place or places at which or methods (if other than as provided elsewhere in this Indenture) by which (1) the principal of and premium, if any, and interest, if any, on

Securities of such series, or any Tranche thereof, shall be payable, (2) registration of transfer of Securities of such series, or any Tranche thereof, may be effected, (3) exchanges of Securities of such series, or any Tranche thereof, may be effected and (4) notices and demands to or upon the Company in respect of the Securities of such series, or any Tranche thereof, and this Indenture may be served; the Security Registrar and any Paying Agent or Agents for such series or Tranche; and if such is the case, that the principal of such Securities shall be payable without presentment or surrender thereof;

(g) the period or periods within which, or the date or dates on which, the price or prices at which and the terms and conditions upon which the Securities of such series, or any Tranche thereof, may be redeemed, in whole or in part, at the option of the Company and any restrictions on such redemptions, including but not limited to a restriction on a partial redemption by the Company of the Securities of any series, or any Tranche thereof, resulting in delisting of such Securities from any national exchange, the Nasdaq national market or such other interdealer quotation system or self-regulatory organization upon which Securities are listed or traded;

(h) the obligation or obligations, if any, of the Company to redeem or purchase or repay the Securities of such series, or any Tranche thereof, pursuant to any sinking fund or other mandatory redemption provisions or at the option of a Holder thereof and the period or periods within which or the date or dates on which, the price or prices at which and the terms and conditions upon which such Securities shall be redeemed or purchased or repaid, in whole or in part, pursuant to such obligation, and applicable exceptions to the requirements of Section 404 in the case of mandatory redemption or redemption or repayment at the option of the Holder;

(i) the denominations in which Securities of such series, or any Tranche thereof, shall be issuable if other than denominations of [$1,000] [$25] and any integral multiple thereof;

(j) the currency or currencies, including composite currencies, in which payment of the principal of and premium, if any, and interest, if any, on the Securities of such series, or any Tranche thereof, shall be payable (if other than in Dollars) and the manner in which the equivalent of the principal amount thereof in Dollars is to be determined for any purpose, including for the purpose of determining the principal amount deemed to be Outstanding at any time;

(k) if the principal of or premium, if any, or interest, if any, on the Securities of such series, or any Tranche thereof, are to be payable, at the election of the Company or a Holder thereof, in a coin or currency other than that in which the Securities are stated to be payable, the period or periods within which, and the terms and conditions upon which, such election may be made;

(l) if the principal of or premium, if any, or interest, if any, on the Securities of such series, or any Tranche thereof, are to be payable, or are to be payable at the election of the Company or a Holder thereof, in securities or other property, the type and amount of such securities or other property, or the formulary or other method or other means by which such amount shall be determined, and the period or periods within which, and the terms and conditions upon which, any such election may be made;

(m) if the amount payable in respect of principal of or premium, if any, or interest, if any, on the Securities of such series, or any Tranche thereof, may be determined with reference to an index or other fact or event ascertainable outside of this Indenture, the manner in which such amounts shall be determined to the extent not established pursuant to clause (e) of this paragraph;

(n) if other than the entire principal amount thereof, the portion of the principal amount of Securities of such series, or any Tranche thereof, which shall be payable upon declaration of acceleration of the Maturity thereof pursuant to Section 802;

(o) any Events of Default, in addition to those specified in Section 801, or any exceptions to those specified in Section 801 with respect to the Securities of such series, and any covenants of the Company for the benefit of the Holders of the Securities of such series, or any Tranche thereof, in addition to those set forth in Article Six, or any exceptions to those set forth in Article Six;

(p) the terms, if any, pursuant to which the Securities of such series, or any Tranche thereof, may be converted into or exchanged for shares of capital stock or other securities of the Company or any other Person;

(q) the obligations or instruments, if any, which shall be considered to be Eligible Obligations in respect of the Securities of such series, or any Tranche thereof, denominated in a currency other than Dollars or in a composite currency, and any additional or alternative provisions for the reinstatement of the Company's indebtedness in respect of such Securities after the satisfaction and discharge thereof as provided in Sections 701 and 702 (or any exceptions to those set forth in Sections 701 and 702);

(r) if the Securities of such series, or any Tranche thereof, are to be issued in global form, (i) any limitations on the rights of the Holder or Holders of such Securities to transfer or exchange the same or to obtain the registration of transfer thereof, (ii) any limitations on the rights of the Holder or Holders thereof to obtain certificates therefor in definitive form in lieu of global form and (iii) any and all other matters incidental to such Securities;

(s) if the Securities of such series, or any Tranche thereof, are to be issuable as bearer securities, any and all matters incidental thereto which are not specifically addressed in a supplemental indenture as contemplated by clause (g) of Section 1201;

(t) to the extent not established pursuant to clause (r) of this paragraph, any limitations on the rights of the Holders of the Securities of such Series, or any Tranche thereof, to transfer or exchange such Securities or to obtain the registration of transfer thereof; and if a service charge will be made for the registration of transfer or exchange of Securities of such series, or any Tranche thereof, the amount or terms thereof;

(u) any exceptions to Section 113, or variation in the definition of Business Day, with respect to the Securities of such series, or any Tranche thereof;

(v) any collateral security, assurance or guarantee for the Securities of such series, or any Tranche thereof;

(w) [[2]the designation of the Trust to which Securities of such series are to be issued;]

(x) [[2]the terms, if any, relating to any Additional Interest that may limit or restrict payments of Additional Interest;]

(y) [[3]any non-applicability of Section [608] [Limitation on Liens] to the Securities of such series or any exceptions or modifications of Section [608] with respect to the Securities of such series;]

(z) [[1]any modifications of subordination provisions contained in Article Fourteen with respect to Securities of such series;] and

(aa) any other terms of the Securities of such series, or any Tranche thereof, not inconsistent with the provisions of this Indenture.

With respect to Securities of a series subject to a Periodic Offering, the indenture supplemental hereto or the Board Resolution which establishes such series, or the Officer's Certificate pursuant to such supplemental indenture or Board Resolution, as the case may be, may provide general terms or parameters for Securities of such series and provide either that the specific terms of Securities of such series, or any Tranche thereof, shall be specified in a Company Order or that such terms shall be determined by the Company or its agents in accordance with procedures specified in a Company Order as contemplated by clause (b) of Section 303.

All Securities of any one series shall be substantially identical, except as to principal amount and date of issue and except as may be set forth in the terms of such series as contemplated above. The Securities of each series shall be subordinated in right of payment to Senior Indebtedness as provided in Article Fourteen.

Unless otherwise provided with respect to a series of Securities as contemplated in Section 301(b), the aggregate principal amount of a series of Securities may be increased and additional Securities of such series may be issued up to the maximum aggregate principal amount authorized with respect to such series as increased.

SECTION 302. Denominations.

Unless otherwise provided as contemplated by Section 301 with respect to any series of Securities, or any Tranche thereof, the Securities of each series shall be issuable in denominations of $25 and any integral multiple thereof.

SECTION 303. Execution, Authentication, Delivery and Dating.

Unless otherwise provided as contemplated by Section 301 with respect to any series of Securities, or any Tranche thereof, the Securities shall be executed on behalf of the Company by an Authorized Officer and may have the corporate seal of the Company affixed thereto or reproduced thereon and attested by any other Authorized Officer. The signature of any or all of these officers on the Securities may be manual or facsimile.

Securities bearing the manual or facsimile signatures of individuals who were at the time of execution Authorized Officers shall bind the Company, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Securities or did not hold such offices at the date of such Securities.

The Trustee shall authenticate and deliver Securities of a series, for original issue, at one time or from time to time in accordance with the Company Order referred to below, upon receipt by the Trustee of:

(a) the instrument or instruments establishing the form or forms and terms of the Securities of such series, as provided in Sections 201 and 301;

(b) a Company Order requesting the authentication and delivery of such Securities and to the extent that the terms of such Securities shall not have been established in an indenture supplemental hereto or in a Board Resolution, or in an Officer's Certificate pursuant to a supplemental indenture or Board Resolution, all as contemplated by Sections 201 and 301, either (i) establishing such terms or (ii) in the case of Securities of a series subject to a Periodic Offering, specifying procedures, acceptable to the Trustee, by which such terms are to be established (which procedures may provide, to the extent acceptable to the Trustee, for authentication and delivery pursuant to oral or electronic instructions from the Company or any agent or agents thereof, which oral instructions are to be promptly confirmed electronically or in writing), in either case in accordance with the instrument or instruments delivered pursuant to clause (a) above;

(c) the Securities of such series, each executed on behalf of the Company by an Authorized Officer;

(d) an Opinion of Counsel to the effect that:

(i) (A) the form or forms of such Securities have been duly authorized by the Company, and (B) the form or forms of the Securities have been established in conformity with the provisions of this Indenture;

(ii) (A) the terms of such Securities have been duly authorized by the Company, and (B) the terms of the Securities have been established in conformity with the provisions of this Indenture; and

(iii) such Securities, when authenticated and delivered by the Trustee and issued and delivered by the Company in the manner and subject to any conditions specified in such Opinion of Counsel, will have been duly issued under this Indenture and will constitute valid and legally binding obligations of the Company, entitled to the benefits provided by this Indenture, and enforceable in accordance with their terms, subject, as to enforcement, to laws relating to or affecting generally the enforcement of creditors' rights, including, without limitation, bankruptcy and insolvency laws and to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law);

provided, however, that, with respect to Securities of a series subject to a Periodic Offering, the Trustee shall be entitled to receive such Opinion of Counsel only once at or prior to the time of the first authentication and delivery of Securities of such series, and that in lieu of the opinions described in clauses (ii) and (iii) above such Opinion of Counsel may, alternatively, state, respectively,

(x) that, when the terms of such Securities shall have been established pursuant to a Company Order or Orders, or pursuant to such procedures (acceptable to the Trustee) as may be specified from time to time by a Company Order or Orders, all as contemplated by and in accordance with the instrument or instruments delivered pursuant to clause (a) above, such terms will have been duly authorized by the Company, and will have been established in conformity with the provisions of this Indenture; and

(y) that such Securities when (1) executed by the Company, (2) authenticated and delivered by the Trustee in accordance with this Indenture, (3) issued and delivered by the Company in the manner and subject to any conditions specified in such Opinion of Counsel and (4) in the case of Securities, paid for, all as contemplated by and in accordance with the aforesaid Company Order or Orders or specified procedures

referred to in paragraph (x) above, as the case may be, will have been duly issued under this Indenture and will constitute valid and legally binding obligations of the Company, entitled to the benefits provided by the Indenture, and enforceable in accordance with their terms, subject, as to enforcement, to laws relating to or affecting generally the enforcement of creditors' rights, including, without limitation, bankruptcy and insolvency laws and to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

With respect to Securities of a series subject to a Periodic Offering, the Trustee may conclusively rely, as to the authorization by the Company of any of such Securities, the forms and terms thereof and the legality, validity, binding effect and enforceability thereof, upon the Opinion of Counsel and other documents delivered pursuant to Sections 201 and 301 and this Section, as applicable, at or prior to the time of the first authentication of Securities of such series, unless and until such opinion or other documents have been superseded or revoked or expire by their terms. In connection with the authentication and delivery of Securities of a series pursuant to a Periodic Offering, the Trustee shall be entitled to assume that the Company's instructions to authenticate and deliver such Securities do not violate any applicable law or any applicable rule, regulation or order of any Governmental Authority having jurisdiction over the Company.

If the forms or terms of the Securities of any series have been established by or pursuant to a Board Resolution or an Officer's Certificate as permitted by Sections 201 or 301, the Trustee shall not be required to authenticate such Securities if the issuance of such Securities pursuant to this Indenture will materially or adversely affect the Trustee's own rights, duties or immunities under the Securities and this Indenture or otherwise in a manner which is not reasonably acceptable to the Trustee.

Unless otherwise specified as contemplated by Section 301 with respect to any series of Securities, or any Tranche thereof, each Security shall be dated the date of its authentication.

Unless otherwise specified as contemplated by Section 301 with respect to any series of Securities, or any Tranche thereof, no Security shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Security a certificate of authentication substantially in the form provided for herein executed by the Trustee or an Authenticating Agent by manual signature of an authorized officer hereof, and such certificate upon any Security shall be conclusive evidence, and the only evidence, that such Security has been duly authenticated and delivered hereunder and is entitled to the benefits of this Indenture. Notwithstanding the foregoing, if any Security shall have been authenticated and delivered hereunder to the Company, or any Person acting on its behalf, but shall never have been issued and sold by the Company, and the Company shall deliver such Security to the Security Registrar for cancellation as provided in Section 309 together with a written statement (which need not comply with Section 102 and need not be accompanied by an Officer's Certificate and an Opinion of Counsel) stating that such Security has never been issued and sold by the Company, for all purposes of this Indenture such Security shall be deemed never to have been authenticated and delivered hereunder and shall never be entitled to the benefits hereof.

SECTION 304. Temporary Securities.

Pending the preparation of definitive Securities of any series, or any Tranche thereof, the Company may execute, and upon Company Order the Trustee shall authenticate and deliver, temporary Securities which are printed, lithographed, typewritten, mimeographed or otherwise produced, in any authorized denomination, substantially of the tenor of the definitive Securities in lieu of which they are issued with such appropriate insertions, omissions, substitutions and other variations as the officers executing such Securities may determine, as evidenced by their execution of such Securities; provided,

however, that temporary Securities need not recite specific redemption, sinking fund, conversion or exchange provisions.

Unless otherwise specified as contemplated by Section 301 with respect to the Securities of any series, or any Tranche thereof, after the preparation of definitive Securities of such series or Tranche, the temporary Securities of such series or Tranche shall be exchangeable, without charge to the Holder thereof, for definitive Securities of such series or Tranche upon surrender of such temporary Securities at the office or agency of the Company maintained pursuant to Section 602 in a Place of Payment for such Securities. Upon such surrender of temporary Securities, the Company shall, except as aforesaid, execute and the Trustee shall authenticate and deliver in exchange therefor definitive Securities of the same series and Tranche, of authorized denominations and of like tenor and aggregate principal amount.

Until exchanged in full as hereinabove provided, temporary Securities shall in all respects be entitled to the same benefits under this Indenture as definitive Securities of the same series and Tranche and of like tenor authenticated and delivered hereunder.

SECTION 305. Registration, Registration of Transfer and Exchange.

The Company shall cause to be kept in each office designated pursuant to Section 602, with respect to the Securities of each series or any Tranche thereof, a register (all registers kept in accordance with this Section being collectively referred to as the "Security Register") in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of Securities of such series or Tranche and the registration of transfer thereof. The Company shall designate one Person to maintain the Security Register for the Securities of each series on a consolidated basis, and such Person is referred to herein, with respect to such series, as the "Security Registrar." Anything herein to the contrary notwithstanding, the Company may designate one or more of its offices or an office of any Affiliate as an office in which a register with respect to the Securities of one or more series, or any Tranche or Tranches thereof, shall be maintained, and the Company may designate itself or any Affiliate as the Security Registrar with respect to one or more of such series. The Security Register shall be open for inspection by the Trustee and the Company at all reasonable times.

Except as otherwise specified as contemplated by Section 301 with respect to the Securities of any series, or any Tranche thereof, upon surrender for registration of transfer of any Security of such series or Tranche at the office or agency of the Company maintained pursuant to Section 602 in a Place of Payment for such series or Tranche, the Company shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Securities of the same series and Tranche, of authorized denominations and of like tenor and aggregate principal amount.

Except as otherwise specified as contemplated by Section 301 with respect to the Securities of any series, or any Tranche thereof, any Security of such series or Tranche may be exchanged at the option of the Holder, for one or more new Securities of the same series and Tranche, of authorized denominations and of like tenor and aggregate principal amount, upon surrender of the Securities to be exchanged at any such office or agency. Whenever any Securities are so surrendered for exchange, the Company shall execute, and the Trustee shall authenticate and deliver, the Securities which the Holder making the exchange is entitled to receive.

All Securities delivered upon any registration of transfer or exchange of Securities shall be valid obligations of the Company evidencing the same obligation, and entitled to the same benefits under this Indenture, as the Securities surrendered upon such registration of transfer or exchange.

Every Security presented or surrendered for registration of transfer or for exchange shall (if so required by the Company, the Trustee or the Security Registrar) be duly endorsed or shall be accompanied by a written instrument of transfer in form satisfactory to the Company, the Trustee or the Security Registrar, as the case may be, duly executed by the Holder thereof or his attorney duly authorized in writing.

Unless otherwise specified as contemplated by Section 301 with respect to Securities of any series, or any Tranche thereof, no service charge shall be made for any registration of transfer or exchange of Securities, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Securities, other than exchanges pursuant to Section 304, 406 or 1206 not involving any transfer.

The Company shall not be required to execute or to provide for the registration of transfer of or the exchange of (a) Securities of any series, or any Tranche thereof, during a period of 15 days immediately preceding the date notice is to be given identifying the serial numbers of the Securities of such series or Tranche called for redemption or (b) any Security so selected for redemption in whole or in part, except the unredeemed portion of any Security being redeemed in part.

SECTION 306. Mutilated, Destroyed, Lost and Stolen Securities.

If any mutilated Security is surrendered to the Trustee, the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor a new Security of the same series and Tranche, and of like tenor and principal amount and bearing a number not contemporaneously outstanding.

If there shall be delivered to the Company and the Trustee (a) evidence to their satisfaction of the ownership of and the destruction, loss or theft of any Security and (b) such security or indemnity as may be reasonably required by them to save each of them and any agent of either of them harmless, then, in the absence of notice to the Company or the Trustee that such Security is held by a Person purporting to be the owner of such Security, the Company shall execute and the Trustee shall authenticate and deliver, in lieu of any such destroyed, lost or stolen Security, a new Security of the same series and Tranche, and of like tenor and principal amount and bearing a number not contemporaneously outstanding.

Notwithstanding the foregoing, in case any such mutilated, destroyed, lost or stolen Security has become or is about to become due and payable, the Company in its discretion may, instead of issuing a new Security, pay such Security.

Upon the issuance of any new Security under this Section, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other reasonable expenses (including the fees and expenses of the Trustee) in connection therewith.

Every new Security of any series issued pursuant to this Section in lieu of any destroyed, lost or stolen Security shall constitute an original additional contractual obligation of the Company, whether or not the destroyed, lost or stolen Security shall be at any time enforceable by anyone other than the Holder of such new Security, and any such new Security shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Securities of such series duly issued hereunder.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities.

SECTION 307. Payment of Interest; Interest Rights Preserved.

Unless otherwise specified as contemplated by Section 301 with respect to the Securities of any series, or any Tranche thereof, interest on any Security which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest.

[[1]Subject to Section 312, any] [Any] interest on any Security of any series which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the Holder on the related Regular Record Date by virtue of having been such Holder, and such Defaulted Interest may be paid by the Company, at its election in each case, as provided in clause (a) or (b) below:

(a) The Company may elect to make payment of any Defaulted Interest to the Persons in whose names the Securities of such series (or their respective Predecessor Securities) are registered at the close of business on a date (herein called a "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Security of such series and the date of the proposed payment, and at the same time the Company shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this clause provided. Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 days and not less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Company of such Special Record Date and, in the name and at the expense of the Company, shall promptly cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Holder of Securities of such series at the address of such Holder as it appears in the Security Register, not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been so mailed, such Defaulted Interest shall be paid to the Persons in whose names the Securities of such series (or their respective Predecessor Securities) are registered at the close of business on such Special Record Date.

(b) The Company may make payment of any Defaulted Interest on the Securities of any series in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Securities may be listed, and upon such notice as may be required by such exchange, if, after notice given by the Company to the Trustee of the proposed payment pursuant to this clause, such manner of payment shall be deemed practicable by the Trustee.

Subject to the foregoing provisions of this Section and Section 305, each Security delivered under this Indenture upon registration of transfer of or in exchange for or in lieu of any other Security shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Security.

SECTION 308. Persons Deemed Owners.

Prior to the due presentment of a Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name such Security is registered as the absolute owner of such Security for the purpose of receiving payment of principal of and premium, if any, and (subject to Sections 305 and 307) interest, if any, on such Security and for all other purposes whatsoever, whether or not such Security be overdue, and none of the Company, the Trustee or any agent of the Company or the Trustee shall be affected by notice to the contrary.

SECTION 309. Cancellation by Security Registrar.

All Securities surrendered for payment, redemption, registration of transfer or exchange or credit against any sinking fund payment shall, if surrendered to any Person other than the Security Registrar, be delivered to the Security Registrar and, if not theretofore canceled, shall be promptly canceled by the Security Registrar. The Company may at any time deliver to the Security Registrar for cancellation any Securities previously authenticated and delivered hereunder which the Company may have acquired in any manner whatsoever or which the Company shall not have issued and sold, and all Securities so delivered shall be promptly canceled by the Security Registrar. No Securities shall be authenticated in lieu of or in exchange for any Securities canceled as provided in this Section, except as expressly permitted by this Indenture. All canceled Securities held by the Security Registrar shall be disposed of in accordance with the customary procedures of the Security Registrar as at the time of disposition shall be in effect, and the Security Registrar shall promptly deliver a certificate of disposition to the Trustee and the Company unless, by a Company Order delivered to the Security Registrar and the Trustee, the Company shall direct that canceled Securities be returned to it. The Security Registrar shall promptly deliver evidence of any cancellation of a Security in accordance with this Section 309 to the Trustee and the Company.

SECTION 310. Computation of Interest.

Except as otherwise specified as contemplated by Section 301 for Securities of any series, or any Tranche thereof, interest on the Securities of each series shall be computed on the basis of a 360-day year consisting of twelve 30-day months and for any period shorter than a full calendar month, on the basis of the actual number of days elapsed during such period.

SECTION 311. Payment to Be in Proper Currency.

In the case of the Securities of any series, or any Tranche thereof, denominated in any currency other than Dollars or in a composite currency (the "Required Currency"), except as otherwise specified with respect to such Securities as contemplated by Section 301, the obligation of the Company to make any payment of the principal thereof, or the premium, if any, or interest, if any, thereon, shall not be discharged or satisfied by any tender by the Company, or recovery by the Trustee, in any currency other than the Required Currency, except to the extent that such tender or recovery shall result in the Trustee timely holding the full amount of the Required Currency then due and payable. If any such tender or recovery is in a currency other than the Required Currency, the Trustee may take such actions as it considers appropriate to exchange such currency for the Required Currency. The costs and risks of any such exchange, including without limitation the risks of delay and exchange rate fluctuation, shall be borne by the Company, the Company shall remain fully liable for any shortfall or delinquency in the full amount of Required Currency then due and payable, and in no circumstances shall the Trustee be liable therefor except in the case of its negligence or willful misconduct.

SECTION 312. [[1]Extension of Interest Payment.

The Company shall have the right at any time, so long as no Event of Default hereunder has occurred and is continuing with respect to the Securities of any series, to extend interest payment periods from time to time on all Securities of such series, if so specified as contemplated by Section 301 with respect to such Securities and upon such terms as may be specified as contemplated by Section 301 with respect to such Securities.]

SECTION 313. [[2]Additional Interest.

So long as any Preferred Securities remain outstanding, if the Trust which issued such Preferred Securities shall be required to pay, with respect to its income derived from the interest payments on the Securities of any series, any amounts for or on account of any taxes, duties, assessments or governmental charges of whatever nature imposed by the United States, or any other taxing authority, then, in any such case, the Company will pay as interest on such series such additional interest ("Additional Interest") as may be necessary in order that the net amounts received and retained by such Trust after the payment of such taxes, duties, assessments or governmental charges shall result in such Trust's having such funds as it would have had in the absence of any such payments.

Whenever in this Indenture there is mentioned, in any context, the payment of interest on the Securities, such mention shall be deemed to include the payment of Additional Interest to the extent that, in such context, Additional Interest is, was or would be payable in respect thereof.]

ARTICLE FOUR

Redemption Of Securities

SECTION 401. Applicability of Article.

Securities of any series, or any Tranche thereof, which are redeemable before their Stated Maturity shall be redeemable in accordance with their terms and (except as otherwise specified as contemplated by Section 301 for Securities of such series or Tranche) in accordance with this Article.

SECTION 402. Election to Redeem; Notice to Trustee.

The election of the Company to redeem any Securities shall be evidenced by a Board Resolution or an Officer's Certificate. The Company shall, at least 45 days prior to the Redemption Date fixed by the Company (unless a shorter notice shall be satisfactory to the Trustee), notify the Trustee [[2]and in the case of Securities of a series held by a Trust, the Property Trustee under the related Trust Agreement], in writing of such Redemption Date and of the principal amount of such Securities to be redeemed. In the case of any redemption of Securities (a) prior to the expiration of any restriction on such redemption provided in the terms of such Securities or elsewhere in this Indenture or (b) pursuant to an election of the Company which is subject to a condition specified in the terms of such Securities or elsewhere in this Indenture, the Company shall furnish the Trustee with an Officer's Certificate evidencing compliance with such restriction or condition.

SECTION 403. Selection of Securities to Be Redeemed.

If less than all the Securities of any series, or any Tranche thereof, are to be redeemed, the particular Securities to be redeemed shall be selected by the Trustee from the Outstanding Securities of such series or Tranche not previously called for redemption, by such method as shall be provided for

any particular series or Tranche, or, in the absence of any such provision, by such method as the Trustee shall deem fair and appropriate and which may, in any case, provide for the selection for redemption of portions (equal to the minimum authorized denomination for Securities of such series or Tranche or any integral multiple thereof) of the principal amount of Securities of such series or Tranche of a denomination larger than the minimum authorized denomination for Securities of such series or Tranche; provided, however, that if, as indicated in an Officer's Certificate, the Company shall have offered to purchase all or any principal amount of the Securities then Outstanding of any series, or any Tranche thereof, and less than all of such Securities as to which such offer was made shall have been tendered to the Company for such purchase, the Trustee, if so directed by Company Order, shall select for redemption all or any principal amount of such Securities which have not been so tendered.

The Trustee shall promptly notify the Company and the Security Registrar in writing of the Securities selected for redemption and, in the case of any Securities selected to be redeemed in part, the principal amount thereof to be redeemed.

For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Securities shall relate, in the case of any Securities redeemed or to be redeemed only in part, to the portion of the principal amount of such Securities which has been or is to be redeemed.

SECTION 404. Notice of Redemption.

Notice of redemption shall be given in the manner provided in Section 106 to the Holders of the Securities to be redeemed not less than 30 nor more than 60 days prior to the Redemption Date.

Except as otherwise specified as contemplated by Section 301 for Securities of any series, or any Tranche thereof, all notices of redemption shall state:

(a) the Redemption Date,

(b) the Redemption Price, or the formula pursuant to which the Redemption Price is to be determined if the Redemption Price cannot be determined at the time the notice is given,

(c) if less than all the Outstanding Securities of any series or Tranche are to be redeemed, the identification of the particular Securities to be redeemed and the portion of the principal amount of any Security to be redeemed in part,

(d) that on the Redemption Date the Redemption Price, together with accrued interest, if any, to the Redemption Date, will become due and payable upon each such Security to be redeemed and, if applicable, that interest thereon will cease to accrue on and after said date,

(e) the place or places where such Securities are to be surrendered for payment of the Redemption Price and accrued interest, if any, unless it shall have been specified as contemplated by Section 301 with respect to such Securities that such surrender shall not be required,

(f) that the redemption is for a sinking or other fund, if such is the case,

(g) the CUSIP numbers, if any, assigned to such Securities; provided however, that such notice may state that no representation is made as to the correctness of CUSIP numbers, and the redemption of such Securities shall not be affected by any defect in or omission of such numbers, and

(h) such other matters as the Company shall deem desirable or appropriate.

Unless otherwise specified with respect to any Securities in accordance with Section 301, with respect to any notice of redemption of Securities at the election of the Company, unless, upon the giving of such notice, such Securities shall be deemed to have been paid in accordance with Section 701, such notice may state that such redemption shall be conditional upon the receipt by the Paying Agent or Agents for such Securities, on or prior to the date fixed for such redemption, of money sufficient to pay the principal of and premium, if any, and interest, if any, on such Securities and that if such money shall not have been so received such notice shall be of no force or effect and the Company shall not be required to redeem such Securities. In the event that such notice of redemption contains such a condition and such money is not so received, the redemption shall not be made and within a reasonable time thereafter notice shall be given, in the manner in which the notice of redemption was given, that such money was not so received and such redemption was not required to be made, and the Paying Agent or Agents for the Securities otherwise to have been redeemed shall promptly return to the Holders thereof any of such Securities which had been surrendered for payment upon such redemption.

Notice of redemption of Securities to be redeemed at the election of the Company, and any notice of non-satisfaction of a condition for redemption as aforesaid, shall be given by the Company or, at the Company's request, by the Trustee in the name and at the expense of the Company. Notice of mandatory redemption of Securities shall be given by the Trustee in the name and at the expense of the Company.

SECTION 405. Securities Payable on Redemption Date.

Notice of redemption having been given as aforesaid, and the conditions, if any, set forth in such notice having been satisfied, the Securities or portions thereof so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless, in the case of an unconditional notice of redemption, the Company shall default in the payment of the Redemption Price and accrued interest, if any) such Securities or portions thereof, if interest-bearing, shall cease to bear interest. Upon surrender of any such Security for redemption in accordance with such notice, such Security or portion thereof shall be paid by the Company at the Redemption Price, together with accrued interest, if any, to the Redemption Date; provided, however, that no such surrender shall be a condition to such payment if so specified as contemplated by Section 301 with respect to such Security; and provided, further, that except as otherwise specified as contemplated by Section 301 with respect to such Security, any installment of interest on any Security the Stated Maturity of which installment is on or prior to the Redemption Date shall be payable to the Holder of such Security, or one or more Predecessor Securities, registered as such at the close of business on the related Regular Record Date according to the terms of such Security and subject to the provisions of Section 307.

SECTION 406. Securities Redeemed in Part.

Upon the surrender of any Security which is to be redeemed only in part at a Place of Payment therefor (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or his attorney duly authorized in writing), the Company shall execute, and the Trustee shall authenticate and deliver to the Holder of such Security, without service charge, a new Security or Securities of the same series and Tranche, of any authorized denomination requested by such Holder and of like tenor and in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Security so surrendered.

ARTICLE FIVE

Sinking Funds

SECTION 501. Applicability of Article.

The provisions of this Article shall be applicable to any sinking fund for the retirement of the Securities of any series, or any Tranche thereof, except as otherwise specified as contemplated by Section 301 for Securities of such series or Tranche.

The minimum amount of any sinking fund payment provided for by the terms of Securities of any series, or any Tranche thereof, is herein referred to as a "mandatory sinking fund payment", and any payment in excess of such minimum amount provided for by the terms of Securities of any series, or any Tranche thereof, is herein referred to as an "optional sinking fund payment". If provided for by the terms of Securities of any series, or any Tranche thereof, the cash amount of any sinking fund payment may be subject to reduction as provided in Section 502. Each sinking fund payment shall be applied to the redemption of Securities of the series or Tranche in respect of which it was made as provided for by the terms of such Securities.

SECTION 502. Satisfaction of Sinking Fund Payments with Securities.

The Company (a) may deliver to the Trustee Outstanding Securities (other than any previously called for redemption) of a series or Tranche in respect of which a mandatory sinking fund payment is to be made and (b) may apply as a credit Securities of such series or Tranche which have been (i) redeemed either at the election of the Company pursuant to the terms of such Securities or through the application of permitted optional sinking fund payments pursuant to the terms of such Securities or (ii) repurchased by the Company in the open market, by tender offer or otherwise, in each case in satisfaction of all or any part of such mandatory sinking fund payment; provided, however, that no Securities shall be applied in satisfaction of a mandatory sinking fund payment if such Securities shall have been previously so applied. Securities so applied shall be received and credited for such purpose by the Trustee at the Redemption Price specified in such Securities for redemption through operation of the sinking fund and the amount of such mandatory sinking fund payment shall be reduced accordingly.

SECTION 503. Redemption of Securities for Sinking Fund.

Not less than 45 days prior to each sinking fund payment date for the Securities of any series, or any Tranche thereof, the Company shall deliver to the Trustee an Officer's Certificate specifying:

(a) the amount of the next succeeding mandatory sinking fund payment for such series or Tranche;

(b) the amount, if any, of the optional sinking fund payment to be made together with such mandatory sinking fund payment;

(c) the aggregate sinking fund payment;

(d) the portion, if any, of such aggregate sinking fund payment which is to be satisfied by the payment of cash; and

(e) the portion, if any, of such aggregate sinking fund payment which is to be satisfied by delivering and crediting Securities of such series or Tranche pursuant to Section 502 and stating the basis for such credit and that such Securities have not previously been so credited, and the Company shall also deliver to the Trustee not later than 45 days prior to such sinking fund payment date, any Securities to be so delivered.

If the Company shall not deliver such Officer's Certificate, the next succeeding sinking fund payment for such series or Tranche shall be made entirely in cash in the amount of the mandatory sinking fund payment. Not less than 40 days before each such sinking fund payment date, the Trustee shall select the Securities to be redeemed upon such sinking fund payment date in the manner specified in Section 403 and cause notice of the redemption thereof to be given in the name of and at the expense of the Company in the manner provided in Section 404. Such notice having been duly given, the redemption of such Securities shall be made upon the terms and in the manner stated in Sections 405 and 406.

ARTICLE SIX

Covenants

SECTION 601. Payment of Principal, Premium and Interest.

The Company shall pay the principal of and premium, if any, and interest, if any [[2](including Additional Interest, if any)], on the Securities of each series in accordance with the terms of such Securities and this Indenture.

SECTION 602. Maintenance of Office or Agency.

The Company shall maintain in each Place of Payment for the Securities of each series, or any Tranche thereof, an office or agency where payment of such Securities shall be made or such Securities shall be surrendered for payment, where the registration of transfer or exchange of such Securities may be effected and where notices and demands to or upon the Company in respect of such Securities and this Indenture may be served. The Company shall give prompt written notice to the Trustee of the location, and any change in the location, of each such office or agency and prompt notice to the Holders of any such change in the manner specified in Section 106. If at any time the Company shall fail to maintain any such required office or agency in respect of Securities of any series, or any Tranche thereof, or shall fail to furnish the Trustee with the address thereof, payment of such Securities may be made, registration of transfer or exchange thereof may be effected and notices and demands in respect thereof may be served at the Corporate Trust Office of the Trustee, and the Company hereby appoints the Trustee as its agent for all such purposes in any such event.

The Company may also from time to time designate one or more other offices or agencies with respect to the Securities of one or more series, or any Tranche thereof, for any or all of the foregoing purposes and may from time to time rescind such designations; provided, however, that, unless otherwise specified as contemplated by Section 301 with respect to the Securities of such series or Tranche, no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency for such purposes in each Place of Payment for such Securities in accordance with the requirements set forth above. The Company shall give prompt written notice to the Trustee, and prompt notice to the Holders in the manner specified in Section 106, of any such designation or rescission and of any change in the location of any such other office or agency.

Anything herein to the contrary notwithstanding, any office or agency required by this Section may be maintained at an office of the Company or any Affiliate of the Company, in which event

the Company or such Affiliate, as the case may be, shall perform all functions to be performed at such office or agency.

SECTION 603. Money for Securities Payments to Be Held in Trust.

If the Company shall at any time act as its own Paying Agent with respect to the Securities of any series, or any Tranche thereof, it shall, on or before each due date of the principal of and premium, if any, and interest, if any, on any of such Securities, segregate and hold in trust for the benefit of the Persons entitled thereto a sum sufficient to pay the principal and premium, if any, or interest so becoming due until such sums shall be paid to such Persons or otherwise disposed of as herein provided. The Company shall promptly notify the Trustee of any failure by the Company (or any other obligor on such Securities) to make any payment of principal of or premium, if any, or interest, if any, on such Securities.

Whenever the Company shall have one or more Paying Agents for the Securities of any series, or any Tranche thereof, it shall, on or before each due date of the principal of and premium, if any, and interest, if any, on such Securities, deposit with such Paying Agents sums sufficient (without duplication) to pay the principal and premium or interest so becoming due, such sums to be held in trust for the benefit of the Persons entitled to such principal, premium or interest, and (unless such Paying Agent is the Trustee) the Company shall promptly notify the Trustee of any failure by it so to act.

The Company shall cause each Paying Agent for the Securities of any series, or any Tranche thereof, other than the Company or the Trustee, to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section, that such Paying Agent shall:

(a) hold all sums held by it for the payment of the principal of and premium, if any, or interest, if any, on such Securities in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided;

(b) give the Trustee notice of any failure by the Company (or any other obligor upon such Securities) to make any payment of principal of or premium, if any, or interest, if any, on such Securities; and

(c) at any time during the continuance of any such failure, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such Paying Agent and furnish to the Trustee such information as it possesses regarding the names and addresses of the Persons entitled to such sums.

The Company may at any time pay, or by Company Order direct any Paying Agent to pay, to the Trustee all sums held in trust by the Company or such Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which such sums were held by the Company or such Paying Agent and, if so stated in a Company Order delivered to the Trustee, in accordance with the provisions of Article Seven; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such money.

Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of and premium, if any, or interest, if any, on any Security and remaining unclaimed for two years after such principal and premium, if any, or interest, if any, has become due and payable shall be paid to the Company on Company Request, or, if then held by the Company, shall be discharged from such trust; and, upon such payment or discharge, the Holder of

such Security shall, as an unsecured general creditor and not as a Holder of an Outstanding Security, look only to the Company for payment of the amount so due and payable and remaining unpaid, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease; provided, however, that the Trustee or such Paying Agent, before being required to make any such payment to the Company, may at the expense of the Company cause to be mailed, on one occasion only, notice to such Holder that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such mailing, any unclaimed balance of such money then remaining will be paid to the Company.

SECTION 604. Corporate Existence.

Subject to the rights of the Company under Article Eleven, the Company shall do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence.

SECTION 605. Maintenance of Properties.

The Company shall cause (or, with respect to property owned in common with others, make reasonable effort to cause) all its properties used or useful in the conduct of its business to be maintained and kept in good condition, repair and working order and shall cause (or, with respect to property owned in common with others, make reasonable effort to cause) to be made all necessary repairs, renewals, replacements, betterments and improvements thereof, all as, in the judgment of the Company, may be necessary so that the business carried on in connection therewith may be properly conducted; provided, however, that nothing in this Section shall prevent the Company from discontinuing, or causing the discontinuance of, the operation and maintenance of any of its properties if such discontinuance is, in the judgment of the Company, desirable in the conduct of its business.

SECTION 606. Annual Officer's Certificate as to Compliance.

Not later than April 1 in each year, commencing April 1, ____, the Company shall deliver to the Trustee an Officer's Certificate which need not comply with Section 102, executed by the principal executive officer, principal financial officer or the principal accounting officer of the Company, as to such officer's knowledge of the Company's compliance with all conditions and covenants under this Indenture, such compliance to be determined without regard to any period of grace or requirement of notice under this Indenture.

SECTION 607. Waiver of Certain Covenants.

The Company may omit in any particular instance to comply with any term, provision or condition set forth in (a) Sections 602 [[2], 608, 609] or any additional covenant or restriction specified with respect to the Securities of any series, or any Tranche thereof, as contemplated by Section 301 or by clause (b) of Section 1201 if before the time for such compliance the Holders of a majority in aggregate principal amount of the Outstanding Securities of all series and Tranches with respect to which compliance with Section 602 [[2], 608, 609] or such additional covenant or restriction is to be omitted, considered as one class, shall, by Act of such Holders, either waive such compliance in such instance or generally waive compliance with such term, provision or condition and (b) Section 604, 605 or Article Eleven if before the time for such compliance the Holders of a majority in aggregate principal amount of Securities Outstanding under this Indenture shall, by Act of such Holders, either waive such compliance in such instance or generally waive compliance with such term, provision or condition; but, in the case of (a) or (b), no such waiver shall extend to or affect such term, provision or condition except to the extent so expressly waived, and, until such waiver shall become effective, the obligations of the Company and the duties of the Trustee in respect of any such term, provision or condition shall remain in full force and

effect [[2]; provided, however, so long as a Trust holds Securities of any series, such Trust may not waive compliance or waive any default in compliance by the Company with any covenant or other term contained in this Indenture or the Securities of such series without the approval of the holders of a majority (or such greater percentage as shall be required by the Trust Agreement pertaining to such Trust) in aggregate liquidation preference of the outstanding Preferred Securities issued by such Trust affected, obtained as provided in the Trust Agreement pertaining to such Trust].

SECTION 608. [[2]Restrictions on Dividends and Debt Payments.

So long as any Preferred Securities of any series remain outstanding, if at such time (a) there shall have occurred and be continuing an Event of Default (whether before or after expiration of any period of grace) resulting from a payment default hereunder or (b) the Company shall have elected to extend any interest payment period as provided in Section 312, and any such period, or any extension thereof, shall be continuing, then the Company shall not (i) declare or pay any dividends or distributions on its capital stock, (ii) redeem, purchase, acquire or make a liquidation payment with respect to any of its capital stock, (iii) pay any principal, interest or premium on, or repay, repurchase or redeem any debt securities that are equal or junior in right of payment to the Securities, or (iv) make any payments with respect to any guarantee of debt securities if such guarantee is equal or junior in right of payment to the Securities.

The foregoing provisions do not prevent or restrict the Company from making: (1) purchases, redemptions or other acquisitions of its capital stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or agents or a stock purchase or dividend reinvestment plan, or the satisfaction of its obligations pursuant to any contract or security outstanding on the date that the interest payment period is extended requiring it to purchase, redeem or acquire its capital stock, (2) any payment, repayment, redemption, purchase, acquisition or declaration of dividend described in clauses (i) and (ii) above as a result of a reclassification of its capital stock, or the exchange or conversion of all or a portion of one class or series of its capital stock for another class or series of its capital stock, (3) the purchase of fractional interests in shares of its capital stock pursuant to the conversion or exchange provisions of its capital stock or the security being converted or exchanged, or in connection with the settlement of stock purchase contracts, (4) dividends or distributions paid or made in its capital stock (or rights to acquire its capital stock), or repurchases, redemptions or acquisitions of capital stock in connection with the issuance or exchange of capital stock (or of securities convertible into or exchangeable for shares of its capital stock and distributions in connection with the settlement of stock purchase contracts), (5) redemptions, exchanges or repurchases of, or with respect to, any rights outstanding under a shareholder rights plan or the declaration or payment thereunder of a dividend or distribution of or with respect to rights in the future, (6) payments under any preferred trust securities guarantee or guarantee of junior subordinated debentures executed and delivered by the Company concurrently with the issuance by a trust of any preferred trust securities, so long as the amount of payments made on any preferred trust securities or junior subordinated debentures (as the case may be) is paid on all preferred trust securities or junior subordinated debentures that are equal or senior in right of payment to the Securities (as the case may be) then outstanding on a pro rata basis in proportion to the full distributions to which each series of preferred trust securities or junior subordinated debentures (as the case may be) is then entitled if paid in full.]

SECTION 609. [[2]Maintenance of Trust Existence.

So long as Preferred Securities of any series remain outstanding, the Company shall (i) maintain direct or indirect ownership of all interests in the Trust which issued such Preferred Securities, other than such Preferred Securities, (ii) not voluntarily (to the extent permitted by law) dissolve, liquidate or wind up such Trust, except in connection with a distribution of the Securities to the holders of

the Preferred Securities in liquidation of such Trust, (iii) remain the sole Depositor under the Trust Agreement (the "Depositor") of such Trust and timely perform in all material respects all of its duties as Depositor of such Trust, and (iv) use reasonable efforts to cause such Trust to remain a statutory trust and otherwise continue to be treated as a grantor trust for Federal income tax purposes, provided that any permitted successor to the Company under this Indenture may succeed to the Company as Depositor of such Trust; and provided further that the Company may permit such Trust to consolidate or merge with or into another statutory or business trust or other permitted successor under the Trust Agreement pertaining to such Trust so long as the Company (or such permitted successor) agrees to comply with this Section 609 with respect to such successor statutory or business trust or other permitted successor.]

SECTION 610. [[2]Rights of Holders of Preferred Securities.

The Company agrees that, for so long as any Preferred Securities remain outstanding, its obligations under this Indenture will also be for the benefit of the holders from time to time of Preferred Securities, and the Company acknowledges and agrees that such holders will be entitled to enforce this Indenture, as third party beneficiaries, directly against the Company to the same extent as if such holders of Preferred Securities held a principal amount of Securities equal to the stated liquidation amount of the Preferred Securities held by such holders.]

SECTION 611. [[3]Limitation on Liens.

(a) Except as otherwise specified as contemplated by Section 301 for Securities of any series or Tranche, so long as any Securities of any series are Outstanding, the Company will not pledge, mortgage, hypothecate or grant a security interest in, or permit any mortgage, pledge, security interest or other lien upon, any capital stock of any Subsidiary (hereinafter defined) which capital stock is now or hereafter directly owned by the Company, to secure any Indebtedness (hereinafter defined) without concurrently making effective provision whereby the Outstanding Securities shall (so long as such other Indebtedness shall be so secured) be equally and ratably secured with any and all such other Indebtedness and any other Indebtedness similarly entitled to be equally and ratably secured; provided, however, that this restriction shall not apply to nor prevent the creation or existence of:

(1) any mortgage, pledge, security interest, lien or encumbrance upon any such capital stock created at the time of the acquisition of such capital stock by the Company, or within 270 days after such time, to secure all or a portion of the purchase price for such capital stock;

(2) any mortgage, pledge, security interest, lien or encumbrance upon any such capital stock existing thereon at the time of the acquisition thereof by the Company (whether or not the obligations secured thereby are assumed by the Company and whether or not such mortgage, pledge, security interest, lien or encumbrance was created in contemplation of such acquisition);

(3) any extension, renewal or replacement of any mortgage, pledge, security interest, lien or encumbrance permitted by Subsection (1) or (2) above, or of any Indebtedness secured thereby; provided that the principal amount of Indebtedness so secured immediately following the time of such extension, renewal or replacement shall not exceed the principal amount of Indebtedness so secured immediately preceding the time of such extension, renewal or replacement, and that such extension, renewal or replacement mortgage, pledge, security interest, lien or encumbrance shall be limited to no more than the same proportion of all shares of capital stock as were covered by the mortgage, pledge, security interest, lien or encumbrance that was extended, renewed or replaced; or

(4) any judgment, levy, execution, attachment or other similar lien arising in connection with court proceedings, provided that either

(ii) the execution or enforcement of each such lien is effectively stayed within __ days after entry of the corresponding judgment (or the corresponding judgment has been discharged within such __ day period) and the claims secured thereby are being contested in good faith by appropriate proceedings timely commenced and diligently prosecuted;

(iii) the payment of each such lien is covered in full by insurance and the insurance company has not denied or contested coverage thereof; or

(iv) so long as each such lien is adequately bonded, any appropriate legal proceedings that may have been duly initiated for the review of the corresponding judgment, decree or order shall not have been fully terminated or the period within which such proceedings may be initiated shall not have expired.

For purposes of this Section [611], "Indebtedness" means all indebtedness, whether or not represented by bonds, debentures, notes or other securities, created or assumed by the Company for the repayment of money borrowed. All indebtedness for money borrowed secured by a lien upon capital stock of any Subsidiary owned by the Company and upon which indebtedness for money borrowed the Company customarily pays interest, although the Company has not assumed or become liable for the payment of such indebtedness for money borrowed, shall for purposes of this Section [611] be deemed to be Indebtedness of the Company. All indebtedness of others for money borrowed, which is guaranteed as to payment of principal by the Company or in effect guaranteed by the Company through a contingent agreement to purchase such indebtedness for money borrowed, shall for purposes of this Section [611] be deemed to be Indebtedness of the Company, but no other guarantee or contingent obligation of the Company in respect of indebtedness for money borrowed or other obligations incurred by others shall for purposes of this Section [611] be deemed to be Indebtedness of the Company.

In case the Company shall propose to pledge, mortgage, hypothecate or grant a security interest in any capital stock of any Subsidiary owned by the Company to secure any Indebtedness, other than as permitted by Subsections (a)(1) to (a)(4), inclusive, of this Section [611], the Company will prior thereto give written notice thereof to the Trustee, and the Company will prior to or simultaneously with such pledge, mortgage, hypothecation or grant of security interest, by supplemental indenture executed to the Trustee (or to the extent legally necessary to another trustee or an additional or separate trustee), in form satisfactory to the Trustee, effectively secure (for so long as such other Indebtedness shall be so secured) all the Outstanding Securities equally and ratably with such Indebtedness and with any other indebtedness for money borrowed similarly entitled to be equally and ratably secured.

(b) Except as otherwise specified as contemplated by Section 301 for Securities of any series or Tranche, the provisions of Subsection (a) of this Section [611] shall not apply to the extent that the Company creates any Restricted Liens to secure Indebtedness that, together with all other Indebtedness secured by Restricted Liens, does not at the time exceed 5% of Consolidated Capitalization.

For purposes of this Section [611]:

(1) The term "Consolidated Capitalization" – definition to be inserted.

(2) The term "Consolidated Shareholders' Equity" – definition to be inserted.

(3) The term "Consolidated Subsidiary" – definition to be inserted.

(4) The "Assets" of any Person – definition to be inserted.

(5) The term "Consolidated Indebtedness" – definition to be inserted.

(6) The term "Restricted Liens" – definition to be inserted.

(7) The term "Subsidiary" – definition to be inserted.]

ARTICLE SEVEN

Satisfaction And Discharge

SECTION 701. Satisfaction and Discharge of Securities.

Any Security or Securities, or any portion of the principal amount thereof, shall be deemed to have been paid for all purposes of this Indenture, and the entire indebtedness of the Company in respect thereof shall be deemed to have been satisfied and discharged, if there shall have been irrevocably deposited with the Trustee or any Paying Agent (other than the Company), in trust:

(a) money in an amount which shall be sufficient, or

(b) in the case of a deposit made prior to the Maturity of such Securities or portions thereof, Eligible Obligations, which shall not contain provisions permitting the redemption or other prepayment thereof at the option of the issuer thereof, the principal of and the interest on which when due, without any regard to reinvestment thereof, will provide moneys which, together with the money, if any, deposited with or held by the Trustee or such Paying Agent, shall be sufficient, or

(c) a combination of (a) or (b) which shall be sufficient,

to pay when due the principal of and premium, if any, and interest [[2](including any Additional Interest)], if any, due and to become due on such Securities or portions thereof on or prior to Maturity; provided, however, that in the case of the provision for payment or redemption of less than all the Securities of any series or Tranche, such Securities or portions thereof shall have been selected by the Trustee as provided herein and, in the case of a redemption, the notice requisite to the validity of such redemption shall have been given or irrevocable authority shall have been given by the Company to the Trustee to give such notice, under arrangements satisfactory to the Trustee; and provided, further, that the Company shall have delivered to the Trustee and such Paying Agent:

(x) if such deposit shall have been made prior to the Maturity of such Securities, a Company Order stating that the money and Eligible Obligations deposited in accordance with this Section shall be held in trust, as provided in Section 703;

(y) if Eligible Obligations shall have been deposited, an Opinion of Counsel that the obligations so deposited constitute Eligible Obligations and do not contain provisions permitting the redemption or other prepayment at the option of the issuer thereof, and an opinion of an independent public accountant of nationally recognized standing, selected by the Company, to the effect that the requirements set forth in clause (b) above have been satisfied; and

(z) if such deposit shall have been made prior to the Maturity of such Securities, an Officer's Certificate stating the Company's intention that, upon delivery of such Officer's Certificate, its indebtedness in respect of such Securities or portions thereof will have been satisfied and discharged as contemplated in this Section.

Upon the deposit of money or Eligible Obligations, or both, in accordance with this Section, together with the documents required by clauses (x), (y) and (z) above, the Trustee shall, upon receipt of a Company Request, acknowledge in writing that the Security or Securities or portions thereof with respect to which such deposit was made are deemed to have been paid for all purposes of this Indenture and that the entire indebtedness of the Company in respect thereof has been satisfied and discharged as contemplated in this Section. In the event that all of the conditions set forth in the preceding paragraph shall have been satisfied in respect of any Securities or portions thereof except that, for any reason, the Officer's Certificate specified in clause (z) (if otherwise required) shall not have been delivered, such Securities or portions thereof shall nevertheless be deemed to have been paid for all purposes of this Indenture, and the Holders of such Securities or portions thereof shall nevertheless be no longer entitled to the benefits of this Indenture or of any of the covenants of the Company under Article Six (except the covenants contained in Sections 602 and 603) or any other covenants made in respect of such Securities or portions thereof as contemplated by Section 301 or Section 1201(b), but the indebtedness of the Company in respect of such Securities or portions thereof shall not be deemed to have been satisfied and discharged prior to Maturity for any other purpose, and the Holders of such Securities or portions thereof shall continue to be entitled to look to the Company for payment of the indebtedness represented thereby; and, upon Company Request, the Trustee shall acknowledge in writing that such Securities or portions thereof are deemed to have been paid for all purposes of this Indenture.

If payment at Stated Maturity of less than all of the Securities of any series, or any Tranche thereof, is to be provided for in the manner and with the effect provided in this Section, the Trustee shall select such Securities, or portions of principal amount thereof, in the manner specified by Section 403 for selection for redemption of less than all the Securities of a series or Tranche.

In the event that Securities which shall be deemed to have been paid for purposes of this Indenture, and, if such is the case, the Company's indebtedness in respect thereof shall have been satisfied and discharged, all as provided in this Section do not mature and are not to be redeemed within the 60 day period commencing with the date of the deposit of moneys or Eligible Obligations, as aforesaid, the Company shall, as promptly as practicable, give a notice, in the same manner as a notice of redemption with respect to such Securities, to the Holders of such Securities to the effect that such deposit has been made and the effect thereof.

Notwithstanding that any Securities shall be deemed to have been paid for purposes of this Indenture, as aforesaid, the obligations of the Company and the Trustee in respect of such Securities under Sections 304, 305, 306, 403, 404, 406, 503 (as to notice of redemption), 602, 603, 907, 909, 910 and 915 and this Article Seven shall survive.

The Company shall pay, and shall indemnify the Trustee or any Paying Agent with which Eligible Obligations shall have been deposited as provided in this Section against, any tax, fee or other charge imposed on or assessed against such Eligible Obligations or the principal or interest received in respect of such Eligible Obligations, including, but not limited to, any such tax payable by any entity deemed, for tax purposes, to have been created as a result of such deposit.

Anything herein to the contrary notwithstanding, (a) if, at any time after a Security would be deemed to have been paid for purposes of this Indenture, and, if such is the case, the Company's indebtedness in respect thereof would be deemed to have been satisfied or discharged, pursuant to this

Section (without regard to the provisions of this paragraph), the Trustee or any Paying Agent, as the case may be, (i) shall be required to return the money or Eligible Obligations, or combination thereof, deposited with it as aforesaid to the Company or its representative under any applicable Federal or State bankruptcy, insolvency or other similar law, or (ii) are unable to apply any money in accordance with this Article with respect to any Securities by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, such Security shall thereupon be deemed retroactively not to have been paid and any satisfaction and discharge of the Company's indebtedness in respect thereof shall retroactively be deemed not to have been effected, and such Security shall be deemed to remain Outstanding and (b) any satisfaction and discharge of the Company's indebtedness in respect of any Security shall be subject to the provisions of the last paragraph of Section 603.

SECTION 702. Satisfaction and Discharge of Indenture.

This Indenture shall upon Company Request cease to be of further effect (except as hereinafter expressly provided), and the Trustee, at the expense of the Company, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture, when

(a) no Securities remain Outstanding hereunder; and

(b) the Company has paid or caused to be paid all other sums payable hereunder by the Company;

provided, however, that if, in accordance with the last paragraph of Section 701, any Security, previously deemed to have been paid for purposes of this Indenture, shall be deemed retroactively not to have been so paid, this Indenture shall thereupon be deemed retroactively not to have been satisfied and discharged, as aforesaid, and to remain in full force and effect, and the Company shall execute and deliver such instruments as the Trustee shall reasonably request to evidence and acknowledge the same.

Notwithstanding the satisfaction and discharge of this Indenture as aforesaid, the obligations of the Company and the Trustee under Sections 304, 305, 306, 403, 404, 406, 503 (as to notice of redemption), 602, 603, 907, 909, 910 and 915 and this Article Seven shall survive.

Upon satisfaction and discharge of this Indenture as provided in this Section, the Trustee shall assign, transfer and turn over to the Company or to the order of the Company, subject to the lien provided by Section 907, any and all money, securities and other property then held by the Trustee for the benefit of the Holders of the Securities other than money and Eligible Obligations held by the Trustee pursuant to Section 703 and shall execute and deliver to the Company such instruments as, in the judgment of the Company, shall be necessary, desirable or appropriate to effect or evidence the satisfaction and discharge of this Indenture.

SECTION 703. Application of Trust Money.

Neither the Eligible Obligations nor the money deposited pursuant to Section 701, nor the principal or interest payments on any such Eligible Obligations, shall be withdrawn or used for any purpose other than, and such Eligible Obligations and money deposited and the principal and interest payments on any such Eligible Obligations shall be held in trust for, the payment of the principal of and premium, if any, and interest, if any, on the Securities or portions of principal amount thereof in respect of which such deposit was made, all subject, however, to the provisions of Section 603; provided, however, that, so long as there shall not have occurred and be continuing an Event of Default, any cash received from such principal or interest payments on such Eligible Obligations, if not then needed for such

purpose, shall, to the extent practicable, be invested in Eligible Obligations of the type described in clause (b) in the first paragraph of Section 701 maturing at such times and in such amounts as shall be sufficient, together with any other moneys and the proceeds of any other Eligible Obligations then held by the Trustee, to pay when due the principal of and premium, if any, and interest, if any, due and to become due on such Securities or portions thereof on and prior to the Maturity thereof, and interest earned from such reinvestment shall be paid over to the Company or to the order of the Company as received, free and clear of any trust, lien or pledge under this Indenture except the lien provided by Section 907; and provided, further, that, so long as there shall not have occurred and be continuing an Event of Default, any moneys held in accordance with this Section on the Maturity of all such Securities in excess of the amount required to pay the principal of and premium, if any, and interest, if any, then due on such Securities shall be paid over to the Company or to the order of the Company free and clear of any trust, lien or pledge under this Indenture except the lien provided by Section 907; and provided, further, that if an Event of Default shall have occurred and be continuing, moneys to be paid over to the Company or to the order of the Company pursuant to this Section shall be held until such Event of Default shall have been waived or cured.

ARTICLE EIGHT

Events Of Default; Remedies

SECTION 801. Events of Default.

"Event of Default," wherever used herein with respect to Securities of any series, means any one of the following events, subject to such additions and exceptions as may be provided pursuant to Section 301:

(a) failure to pay interest, [[2]including any Additional Interest,] if any, on any Security of such series within 30 days after the same becomes due and payable [[1](whether or not payment is prohibited by the subordination provisions of Article Fourteen hereof); provided, however, that a valid extension of the interest payment period by the Company as contemplated in Section 312 of this Indenture shall not constitute a default in the payment of interest for this purpose]; or

(b) failure to pay the principal of or premium, if any, on any Security of such series when it becomes due and payable [[1](whether or not payment is prohibited by the subordination provisions of Article Fourteen hereof)]; or

(c) failure to perform, or breach of, any covenant or warranty of the Company in this Indenture (other than a covenant or warranty a default in the performance of which or breach of which is elsewhere in this Section specifically dealt with or which has expressly been included in this Indenture solely for the benefit of one or more series of Securities other than such series) and the continuance of such default or breach for a period of 90 days after there has been given, by registered or certified mail, to the Company by the Trustee, or to the Company and the Trustee by the Holders of at least 33% in principal amount of the Outstanding Securities of such series, a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder, unless the Trustee, or the Trustee and the Holders of a principal amount of Securities of such series not less than the principal amount of Securities the Holders of which gave such notice, as the case may be, shall agree in writing to an extension of such period prior to its expiration; provided, however, that the Trustee, or the Trustee and the Holders of such principal amount of Securities of such series, as the case may be, shall be deemed

to have agreed to an extension of such period if corrective action is initiated by the Company within such period and is being diligently pursued in good faith; or

(d) the entry by a court having jurisdiction in the premises of (1) a decree or order for relief in respect of the Company in an involuntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or (2) a decree or order adjudging the Company a bankrupt or insolvent, or approving as properly filed a petition by one or more Persons other than the Company seeking reorganization, arrangement, adjustment or composition of or in respect of the Company under any applicable Federal or State law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official for the Company or for any substantial part of its property, or ordering the winding up or liquidation of its affairs, and any such decree or order for relief or any such other decree or order shall have remained unstayed and in effect for a period of 90 consecutive days; or

(e) the commencement by the Company of a voluntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by the Company to the entry of a decree or order for relief in respect of the Company in a case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against the Company, or the filing by the Company of a petition or answer or consent seeking reorganization or relief under any applicable Federal or State law, or the consent by the Company to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of the Company or of any substantial part of its property, or the making by the Company of an assignment for the benefit of creditors, or the admission by the Company in writing of its inability to pay its debts generally as they become due, or the authorization of such action by the Board of Directors; or

(f) any other Event of Default specified with respect to Securities of such series.

SECTION 802. Acceleration of Maturity; Rescission and Annulment.

If an Event of Default applicable to the Securities of one or more series, but not applicable to all Outstanding Securities, shall have occurred and be continuing, either the Trustee or the Holders of not less than 33% in aggregate principal amount of the Securities of each such series may then declare the principal amount of all Securities of such series (or, if any of the Securities of such series are Discount Securities, such portion of the principal amount of such Securities as may be specified in the terms thereof as contemplated by Section 301) and interest accrued thereon to be due and payable immediately [[1](provided that the payment of principal and interest on such Securities shall remain subordinated to the extent provided in this Indenture)], by a notice in writing to the Company (and to the Trustee if given by Holders), and, upon receipt by the Company of notice of such declaration of acceleration, such principal amount (or specified amount) and interest accrued thereon shall become immediately due and payable. If an Event of Default applicable to all Outstanding Securities shall have occurred and be continuing, either the Trustee or the Holders of not less than 33% in principal amount of all Securities then Outstanding (considered as one class), and not the Holders of the Securities of any one of such series, may declare the principal of all Securities (or, if any of the Securities of such series are Discount Securities, such portion of the principal amount of such Securities as may be specified in the terms thereof as contemplated by Section 301) and interest accrued thereon to be due and payable immediately [[1](provided that the payment of principal and interest on such Securities shall remain subordinated to the extent provided in this Indenture)], by a notice in writing to the Company (and to the Trustee if given by Holders), and, upon receipt by the Company of notice of such declaration of

acceleration, such principal amount (or specified amount) and interest accrued thereon shall become immediately due and payable.

At any time after such a declaration of acceleration with respect to Securities of any series shall have been made and before a judgment or decree for payment of the money due shall have been obtained by the Trustee as hereinafter in this Article provided, the Event or Events of Default giving rise to such declaration of acceleration shall, without further act, be deemed to have been waived, and such declaration and its consequences shall, without further act, be deemed to have been rescinded and annulled, if

(a) the Company shall have paid or deposited with the Trustee a sum sufficient to pay

(1) all overdue interest [[2](including Additional Interest)], if any, on all Securities of such series then Outstanding;

(2) the principal of and premium, if any, on any Securities of such series then Outstanding which have become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates prescribed therefor in such Securities;

(3) to the extent that payment of such interest is lawful, interest upon overdue interest at the rate or rates prescribed therefor in such Securities;

(4) all amounts due to the Trustee under Section 907;

and

(b) if, after application of money paid or deposited in accordance with clause (a) of this Section 802, Securities of such series would remain Outstanding, any other Event or Events of Default with respect to Securities of such series, other than the non-payment of the principal of Securities of such series which shall have become due solely by such declaration of acceleration, shall have been cured or waived as provided in Section 813.

No such rescission shall affect any subsequent Event of Default or impair any right consequent thereon.

SECTION 803. Collection of Indebtedness and Suits for Enforcement by Trustee.

If an Event of Default described in clause (a) or (b) of Section 801 shall have occurred and be continuing, the Company shall, upon demand of the Trustee, pay to it, for the benefit of the Holders of the Securities of the series with respect to which such Event of Default shall have occurred, the whole amount then due and payable on such Securities for principal and premium, if any, and interest, if any, and, to the extent permitted by law, interest on premium, if any, and on any overdue principal and interest, at the rate or rates prescribed therefor in such Securities, and, in addition thereto, such further amount as shall be sufficient to cover any amounts due to the Trustee under Section 907. Unless otherwise specified pursuant to Section 301 with respect to any series of Securities, the rate or rates at which Securities shall bear interest on overdue principal, premium, interest [[2]and Additional Interest], if any, shall be, to the extent permitted by law, the same rate or rates at which such Securities shall bear interest prior to Maturity.

If the Company shall fail to pay such amounts forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, may institute a judicial proceeding for the collection of

the sums so due and unpaid, may prosecute such proceeding to judgment or final decree and may enforce the same against the Company or any other obligor upon such Securities and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Company or any other obligor upon such Securities, wherever situated.

If an Event of Default with respect to Securities of any series shall have occurred and be continuing, the Trustee may in its discretion proceed to protect and enforce its rights and the rights of the Holders of Securities of such series by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy.

SECTION 804. Trustee May File Proofs of Claim.

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Company or any other obligor upon the Securities or the property of the Company or of such other obligor or their creditors, the Trustee (irrespective of whether the principal of the Securities shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Company for the payment of overdue principal or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise,

(a) to file and prove a claim for the whole amount of principal, premium, if any, and interest, if any, owing and unpaid in respect of the Securities and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for amounts due to the Trustee under Section 907) and of the Holders allowed in such judicial proceeding, and

(b) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amounts due it under Section 907.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Securities or the rights of any Holder thereof or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

SECTION 805. Trustee May Enforce Claims Without Possession of Securities.

All rights of action and claims under this Indenture or the Securities may be prosecuted and enforced by the Trustee without the possession of any of the Securities or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Holders in respect of which such judgment has been recovered.

SECTION 806. Application of Money Collected.

Any money collected by the Trustee pursuant to this Article shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal or premium, if any, or interest, if any, upon presentation of the Securities in respect of which or for the benefit of which such money shall have been collected and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

First: To the payment of all amounts due the Trustee under Section 907;

Second: [[1]Subject to the provisions of Article Fourteen,] the payment of the amounts then due and unpaid upon the Securities for principal of and premium, if any, and interest [[2](including Additional Interest)], if any, in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Securities for principal, premium, if any, and interest, if any, respectively; and

Third: To the Company.

SECTION 807. Limitation on Suits.

No Holder shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

(a) such Holder shall have previously given written notice to the Trustee of a continuing Event of Default with respect to the Securities of such series;

(b) the Holders of a majority in aggregate principal amount of the Outstanding Securities of all series in respect of which an Event of Default shall have occurred and be continuing, considered as one class, shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee hereunder;

(c) such Holder or Holders shall have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;

(d) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity shall have failed to institute any such proceeding; and

(e) no direction inconsistent with such written request shall have been given to the Trustee during such 60-day period by the Holders of a majority in aggregate principal amount of the Outstanding Securities of all series in respect of which an Event of Default shall have occurred and be continuing, considered as one class;

it being understood and intended that no one or more of such Holders shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other of such Holders or to obtain or to seek to obtain priority or preference over any other of such Holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all of such Holders.

SECTION 808. Unconditional Right of Holders to Receive Principal, Premium and Interest.

Notwithstanding any other provision in this Indenture, the Holder of any Security shall have the right, which is absolute and unconditional, to receive payment of the principal of and premium, if any, and (subject to Section 307 [[1]and 312]) interest [[2](including Additional Interest)], if any, on such Security on the Stated Maturity or Maturities expressed in such Security (or, in the case of redemption, on the Redemption Date) and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Holder.

SECTION 809. Restoration of Rights and Remedies.

If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee or to such Holder, then and in every such case, subject to any determination in such proceeding, the Company and Trustee and such Holder shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Trustee and such Holder shall continue as though no such proceeding had been instituted.

SECTION 810. Rights and Remedies Cumulative.

Except as otherwise provided with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities in the last paragraph of Section 306, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 811. Delay or Omission Not Waiver.

No delay or omission of the Trustee or of any Holder to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

SECTION 812. Control by Holders of Securities.

If an Event of Default shall have occurred and be continuing in respect of a series of Securities, the Holders of a majority in principal amount of the Outstanding Securities of such series shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee, with respect to the Securities of such series; provided, however, that if an Event of Default shall have occurred and be continuing with respect to more than one series of Securities, the Holders of a majority in aggregate principal amount of the Outstanding Securities of all such series, considered as one class, shall have the right to make such direction, and not the Holders of the Securities of any one of such series; and provided, further, that

(a) such direction shall not be in conflict with any rule of law or with this Indenture, and could not involve the Trustee in personal liability in circumstances where indemnity would not, in the Trustee's sole discretion, be adequate, and

(b) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

SECTION 813. Waiver of Past Defaults.

The Holders of a majority in aggregate principal amount of the Outstanding Securities of any series may on behalf of the Holders of all the Securities of such series waive any past default hereunder with respect to such series and its consequences, except a default

(a) in the payment of the principal of or premium, if any, or interest [[2](including Additional Interest)], if any, on any Security of such series, or

(b) in respect of a covenant or provision hereof which under Section 1202 cannot be modified or amended without the consent of the Holder of each Outstanding Security of such series affected [[2];

provided, however, that so long as a Trust holds the Securities of any series, such Trust may not waive any past default without the consent of a majority (or such greater percentage as shall be required by the Trust Agreement pertaining to such Trust) in aggregate liquidation preference of the outstanding Preferred Securities issued by such Trust affected, obtained as provided in the Trust Agreement pertaining to such Trust. Any such waiver by holders of a majority in aggregate liquidation preference of outstanding Preferred Securities issued by any such Trust shall be deemed to be on behalf of all holders of Preferred Securities issued by any such Trust].

Upon any such waiver, such default shall cease to exist, and any and all Events of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

SECTION 814. Undertaking for Costs.

The Company and the Trustee agree, and each Holder by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken, suffered or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Company, to any suit instituted by the Trustee, to any suit instituted by any Holder, or group of Holders, holding in the aggregate more than 10% in aggregate principal amount of the Outstanding Securities of all series in respect of which such suit may be brought, considered as one class, or to any suit instituted by any Holder for the enforcement of the payment of the principal of or premium, if any, or interest, if any, on any Security on or after the Stated Maturity or Maturities expressed in such Security (or, in the case of redemption, on or after the Redemption Date).

SECTION 815. Waiver of Usury, Stay or Extension Laws.

The Company covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any usury, stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law and covenants that it will not hinder,

delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE NINE

The Trustee

SECTION 901. Certain Duties and Responsibilities.

(a) Except during the continuance of an Event of Default with respect to Securities of any series,

(i) the Trustee undertakes to perform, with respect to Securities of such series, such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of bad faith on its part, the Trustee may, with respect to Securities of such series, conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provisions hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture.

(b) In case an Event of Default with respect to Securities of any series shall have occurred and be continuing, the Trustee shall exercise, with respect to the Securities of such series, such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(c) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(i) this subsection shall not be construed to limit the effect of subsection (a) of this Section;

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(iii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of a majority in principal amount of the Outstanding Securities of any one or more series, as provided herein, relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture with respect to the Securities of such series; and

(iv) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have

reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(d) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

SECTION 902. Notice of Defaults.

The Trustee shall give notice of any default hereunder with respect to the Securities of any series to the Holders of Securities of such series in the manner and to the extent required to do so by the Trust Indenture Act, unless such default shall have been cured or waived; provided, however, that in the case of any default of the character specified in Section 801(c), no such notice to Holders shall be given until at least 45 days after the occurrence thereof. For the purpose of this Section, the term "default" means any event which is, or after notice or lapse of time, or both, would become, an Event of Default with respect to the Securities of such series.

SECTION 903. Certain Rights of Trustee.

Subject to the provisions of Section 901 and to the applicable provisions of the Trust Indenture Act:

(a) the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request or direction of the Company mentioned herein shall be sufficiently evidenced by a Company Request or Company Order, or as otherwise expressly provided herein, and any resolution of the Board of Directors may be sufficiently evidenced by a Board Resolution thereof;

(c) whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, conclusively rely upon an Officer's Certificate;

(d) the Trustee may consult with counsel of its selection and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;

(e) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any Holder pursuant to this Indenture, unless such Holder shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;

(f) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or

document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall (subject to applicable legal requirements) with prior notice to the Company be entitled to examine, during normal business hours, the books, records and premises of the Company, personally or by agent or attorney;

(g) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder;

(h) except as otherwise provided in Section 801, the Trustee shall not be charged with knowledge of any Event of Default with respect to the Securities of any series for which it is acting as Trustee unless either (1) a Responsible Officer of the Trustee shall have actual knowledge of the Event of Default or (2) written notice of such Event of Default shall have been given to the Trustee by the Company or any other obligor on such Securities or by any Holder of such Securities;

(i) the Trustee shall not be liable for any action taken, suffered, or omitted to be taken by it in good faith and reasonably believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture; and

(j) the rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder.

SECTION 904. Not Responsible for Recitals or Issuance of Securities.

The recitals contained herein and in the Securities (except the Trustee's certificates of authentication) shall be taken as the statements of the Company and neither the Trustee nor any Authenticating Agent assumes responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Securities. Neither the Trustee nor any Authenticating Agent shall be accountable for the use or application by the Company of Securities or the proceeds thereof.

SECTION 905. May Hold Securities.

Each of the Trustee, any Authenticating Agent, any Paying Agent, any Security Registrar or any other agent of the Company or the Trustee, in its individual or any other capacity, may become the owner or pledgee of Securities [[2]and/or Preferred Securities] and, subject to Sections 908 and 913, may otherwise deal with the Company with the same rights it would have if it were not the Trustee, Authenticating Agent, Paying Agent, Security Registrar or such other agent.

SECTION 906. Money Held in Trust.

Money held by the Trustee in trust hereunder need not be segregated from other funds, except to the extent required by law. The Trustee shall be under no liability for interest on or investment of any money received by it hereunder except as expressly provided herein or otherwise agreed with, and for the sole benefit of, the Company.

SECTION 907. Compensation and Reimbursement.

The Company agrees

(a) to pay to the Trustee from time to time such compensation for all services rendered by it hereunder as the Company and the Trustee shall from time to time agree in writing (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(b) except as otherwise expressly provided herein, to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances reasonably incurred or made by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except to the extent that any such expense, disbursement or advance may be attributable to the Trustee's negligence, willful misconduct or bad faith; and

(c) to indemnify the Trustee and hold it harmless from and against, any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of the trust or trusts hereunder or the performance of its duties hereunder, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder, except to the extent any such loss, liability or expense may be attributable to its negligence, willful misconduct or bad faith.

As security for the performance of the obligations of the Company under this Section, the Trustee shall have a lien prior to the Securities upon all property and funds held or collected by the Trustee as such other than property and funds held in trust under Section 703 (except as otherwise provided in Section 703). "Trustee" for purposes of this Section shall include any predecessor Trustee; provided, however, that the negligence, willful misconduct or bad faith of any Trustee hereunder shall not affect the rights of any other Trustee hereunder.

When the Trustee incurs expenses or renders services in connection with an Event of Default specified in Section 801(d) or Section 801(e), the expenses (including the reasonable charges and expenses of its counsel) and the compensation for the services are intended to constitute expenses of administration under any applicable Federal or State bankruptcy, insolvency or other similar law.

The provisions of this Section 907 shall survive the termination of this Indenture.

SECTION 908. Disqualification; Conflicting Interests.

If the Trustee shall have or acquire any conflicting interest within the meaning of the Trust Indenture Act, it shall either eliminate such conflicting interest or resign to the extent, in the manner and with the effect, and subject to the conditions, provided in the Trust Indenture Act and this Indenture. To the extent permitted by the Trust Indenture Act, the Trustee shall not be deemed to have a conflicting interest by virtue of being a trustee under Indenture, dated as of June 1, 1999, between FPL Group Capital Inc and The Bank of New York, as trustee, the Guarantee Agreement, dated as of June 1, 1999, between the Company, as guarantor and The Bank of New York, as guarantee trustee, the Indenture (For Unsecured Subordinated Debt Securities relating to Trust Securities), dated as of March 1, 2004, among FPL Group Capital Inc, the Company, as guarantor and The Bank of New York, as indenture trustee, the Amended and Restated Trust Agreement, dated as of March 15, 2004, among the Company, as depositor, The Bank of New York, as property trustee, The Bank of New York (Delaware), as Delaware trustee, the

administrative trustees named therein and several holders of trust securities, the Preferred Trust Securities Guarantee Agreement, dated as of March 15, 2004, between the Company, as guarantor and The Bank of New York, as guarantee trustee, the Trust Agreement and the Preferred Trust Securities Guarantee Agreement, _____, and such agreements, guarantees and the Securities of any other series shall be deemed to be specifically described in this Indenture for the purposes of clause (i) of the first proviso contained in Section 310(b) of the Trust Indenture Act.

SECTION 909. Corporate Trustee Required; Eligibility.

There shall at all times be a Trustee hereunder which shall be

(a) a Corporation organized and doing business under the laws of the United States, any State or Territory thereof or the District of Columbia, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least $50,000,000 and subject to supervision or examination by Federal or State authority, or

(b) if and to the extent permitted by the Commission by rule, regulation or order upon application, a Corporation or other Person organized and doing business under the laws of a foreign government, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least $50,000,000 or the Dollar equivalent of the applicable foreign currency and subject to supervision or examination by authority of such foreign government or a political subdivision thereof substantially equivalent to supervision or examination applicable to United States institutional trustees,

and, in either case, qualified and eligible under this Article and the Trust Indenture Act. If such Corporation publishes reports of condition at least annually, pursuant to law or to the requirements of such supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such Corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section and the Trust Indenture Act, it shall resign immediately in the manner and with the effect hereinafter specified in this Article.

SECTION 910. Resignation and Removal; Appointment of Successor.

(a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee in accordance with the applicable requirements of Section 911.

(b) The Trustee may resign at any time with respect to the Securities of one or more series by giving written notice thereof to the Company. If the instrument of acceptance by a successor Trustee required by Section 911 shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.

(c) The Trustee may be removed at any time with respect to the Securities of any series by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series delivered to the Trustee and to the Company[2]; provided that so long as any Preferred Securities remain outstanding, the Trust which issued such Preferred Securities shall not execute any Act to remove the Trustee without the consent of the holders of a majority in aggregate

liquidation preference of Preferred Securities issued by such Trust outstanding, obtained as provided in the Trust Agreement pertaining to such Trust].

(d) If at any time:

(1) the Trustee shall fail to comply with Section 908 after written request therefor by the Company or by any Holder who has been a bona fide Holder for at least six months, or

(2) the Trustee shall cease to be eligible under Section 909 or Section 310(a) of the Trust Indenture Act and shall fail to resign after written request therefor by the Company or by any such Holder, or

(3) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (x) the Company by Board Resolutions may remove the Trustee with respect to all Securities or (y) subject to Section 814, any Holder who has been a bona fide Holder for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee with respect to all Securities and the appointment of a successor Trustee or Trustees.

(e) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause (other than as contemplated in clause (y) in subsection (d) of this Section), with respect to the Securities of one or more series, the Company, by Board Resolutions, shall promptly appoint a successor Trustee or Trustees with respect to the Securities of that or those series (it being understood that any such successor Trustee may be appointed with respect to the Securities of one or more or all of such series and that at any time (subject to Section 914) there shall be only one Trustee with respect to the Securities of any particular series) and shall comply with the applicable requirements of Section 911. If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee with respect to the Securities of any series shall be appointed by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series delivered to the Company and the retiring Trustee, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment in accordance with the applicable requirements of Section 911, become the successor Trustee with respect to the Securities of such series and to that extent supersede the successor Trustee appointed by the Company. If no successor Trustee with respect to the Securities of any series shall have been so appointed by the Company or the Holders and accepted appointment in the manner required by Section 911, any Holder who has been a bona fide Holder of a Security of such series for at least six months may, on behalf of itself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.

(f) So long as no event which is, or after notice or lapse of time, or both, would become, an Event of Default shall have occurred and be continuing, and except with respect to a Trustee appointed by Act of the Holders of a majority in principal amount of the Outstanding Securities pursuant to subsection (e) of this Section, if the Company shall have delivered to the Trustee (i) Board Resolutions appointing a successor Trustee, effective as of a date specified therein, and (ii) an instrument of acceptance of such appointment, effective as of such date, by such successor Trustee in accordance with Section 911, the Trustee shall be deemed to have

resigned as contemplated in subsection (b) of this Section, the successor Trustee shall be deemed to have been appointed by the Company pursuant to subsection (e) of this Section and such appointment shall be deemed to have been accepted as contemplated in Section 911, all as of such date, and all other provisions of this Section and Section 911 shall be applicable to such resignation, appointment and acceptance except to the extent inconsistent with this subsection (f).

(g) The Company shall give notice of each resignation and each removal of the Trustee with respect to the Securities of any series and each appointment of a successor Trustee with respect to the Securities of any series by mailing written notice of such event by first-class mail, postage prepaid, to all Holders of Securities of such series as their names and addresses appear in the Security Register. Each notice shall include the name of the successor Trustee with respect to the Securities of such series and the address of its Corporate Trust Office.

SECTION 911. Acceptance of Appointment by Successor.

(a) In case of the appointment hereunder of a successor Trustee with respect to the Securities of all series, every such successor Trustee so appointed shall execute, acknowledge and deliver to the Company and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee; but, on the request of the Company or the successor Trustee, such retiring Trustee shall, upon payment of all sums owed to it, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder.

(b) In case of the appointment hereunder of a successor Trustee with respect to the Securities of one or more (but not all) series, the Company, the retiring Trustee and each successor Trustee with respect to the Securities of such series shall execute and deliver an indenture supplemental hereto wherein each successor Trustee shall accept such appointment and which (1) shall contain such provisions as shall be necessary or desirable to transfer and confirm to, and to vest in, each successor Trustee all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates, (2) if the retiring Trustee is not retiring with respect to all Securities, shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series as to which the retiring Trustee is not retiring shall continue to be vested in the retiring Trustee and (3) shall add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, it being understood that nothing herein or in such supplemental indenture shall constitute such Trustees co-trustees of the same trust and that each such Trustee shall be trustee of a trust or trusts hereunder separate and apart from any trust or trusts hereunder administered by any other such Trustee; and upon the execution and delivery of such supplemental indenture the resignation or removal of the retiring Trustee shall become effective to the extent provided therein and each such successor Trustee, without any further act, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates; but, on request of the Company or any successor Trustee, such retiring Trustee, upon payment of all sums owed to it, shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder with respect to the Securities of that or those series to which the appointment of such successor Trustee relates.

(c) Upon request of any such successor Trustee, the Company shall execute any instruments which fully vest in and confirm to such successor Trustee all such rights, powers and trusts referred to in subsection (a) or (b) of this Section, as the case may be.

(d) No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article.

SECTION 912. Merger, Conversion, Consolidation or Succession to Business.

Any Corporation or other Person into which the Trustee may be merged or converted or with which it may be consolidated, or any Corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any Corporation succeeding to all or substantially all the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such Corporation shall be otherwise qualified and eligible under this Article, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Securities shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Securities so authenticated with the same effect as if such successor Trustee had itself authenticated such Securities.

SECTION 913. Preferential Collection of Claims Against Company.

If the Trustee shall be or become a creditor of the Company or any other obligor upon the Securities (other than by reason of a relationship described in Section 311(b) of the Trust Indenture Act), the Trustee shall be subject to any and all applicable provisions of the Trust Indenture Act regarding the collection of claims against the Company, or such other obligor. For purposes of Section 311(b) of the Trust Indenture Act:

(a) the term "cash transaction" means any transaction in which full payment for goods or securities sold is made within seven days after delivery of the goods or securities in currency or in checks or other orders drawn upon banks or bankers and payable upon demand;

(b) the term "self-liquidating paper" means any draft, bill of exchange, acceptance or obligation which is made, drawn, negotiated or incurred by the Company or such obligor for the purpose of financing the purchase, processing, manufacturing, shipment, storage or sale of goods, wares or merchandise and which is secured by documents evidencing title to, possession of, or a lien upon, the goods, wares or merchandise or the receivables or proceeds arising from the sale of the goods, wares or merchandise previously constituting the security, provided the security is received by the Trustee simultaneously with the creation of the creditor relationship with the Company, or such obligor arising from the making, drawing, negotiating or incurring of the draft, bill of exchange, acceptance or obligation.

SECTION 914. Co-trustees and Separate Trustees.

At any time or times, for the purpose of meeting the legal requirements of any applicable jurisdiction, the Company and the Trustee shall have power to appoint, and, upon the written request of the Trustee or of the Holders of at least 33% in principal amount of the Securities then Outstanding, the Company shall for such purpose join with the Trustee in the execution and delivery of all instruments and agreements necessary or proper to appoint, one or more Persons approved by the Trustee either to act as co-trustee, jointly with the Trustee, or to act as separate trustee, in either case with such powers as may be provided in the instrument of appointment, and to vest in such Person or Persons, in the capacity

aforesaid, any property, title, right or power deemed necessary or desirable, subject to the other provisions of this Section. If the Company does not join in such appointment within 15 days after the receipt by it of a request so to do, or if an Event of Default shall have occurred and be continuing, the Trustee alone shall have power to make such appointment.

Should any written instrument or instruments from the Company be required by any co-trustee or separate trustee to more fully confirm to such co-trustee or separate trustee such property, title, right or power, any and all such instruments shall, on request, be executed, acknowledged and delivered by the Company.

Every co-trustee or separate trustee shall, to the extent permitted by law, but to such extent only, be appointed subject to the following conditions:

(a) the Securities shall be authenticated and delivered, and all rights, powers, duties and obligations hereunder in respect of the custody of securities, cash and other personal property held by, or required to be deposited or pledged with, the Trustee hereunder, shall be exercised solely, by the Trustee;

(b) the rights, powers, duties and obligations hereby conferred or imposed upon the Trustee in respect of any property covered by such appointment shall be conferred or imposed upon and exercised or performed either by the Trustee or by the Trustee and such co-trustee or separate trustee jointly, as shall be provided in the instrument appointing such co-trustee or separate trustee, except to the extent that under any law of any jurisdiction in which any particular act is to be performed, the Trustee shall be incompetent or unqualified to perform such act, in which event such rights, powers, duties and obligations shall be exercised and performed by such co-trustee or separate trustee.

(c) the Trustee at any time, by an instrument in writing executed by it, with the concurrence of the Company, may accept the resignation of or remove any co-trustee or separate trustee appointed under this Section, and, if an Event of Default shall have occurred and be continuing, the Trustee shall have power to accept the resignation of, or remove, any such co-trustee or separate trustee without the concurrence of the Company. Upon the written request of the Trustee, the Company shall join with the Trustee in the execution and delivery of all instruments and agreements necessary or proper to effectuate such resignation or removal. A successor to any co-trustee or separate trustee so resigned or removed may be appointed in the manner provided in this Section;

(d) no co-trustee or separate trustee hereunder shall be personally liable by reason of any act or omission of the Trustee, or any other such trustee hereunder, and the Trustee shall not be personally liable by reason of any act or omission of any such co-trustee or separate trustee; and

(e) any Act of Holders delivered to the Trustee shall be deemed to have been delivered to each such co-trustee and separate trustee.

SECTION 915. Appointment of Authenticating Agent.

The Trustee may appoint an Authenticating Agent or Agents acceptable to the Company with respect to the Securities of one or more series, or any Tranche thereof, which shall be authorized to act on behalf of the Trustee to authenticate Securities of such series or Tranche, issued upon original issuance, exchange, registration of transfer or partial redemption thereof or pursuant to Section 306, and

Securities so authenticated shall be entitled to the benefits of this Indenture and shall be valid and obligatory for all purposes as if authenticated by the Trustee hereunder. Wherever reference is made in this Indenture to the authentication and delivery of Securities by the Trustee or the Trustee's certificate of authentication, such reference shall be deemed to include authentication and delivery on behalf of the Trustee by an Authenticating Agent and a certificate of authentication executed on behalf of the Trustee by an Authenticating Agent. Each Authenticating Agent shall be acceptable to the Company and shall at all times be a Corporation organized and doing business under the laws of the United States, any State or Territory thereof or the District of Columbia or the Commonwealth of Puerto Rico, authorized under such laws to act as Authenticating Agent, having a combined capital and surplus of not less than $50,000,000 and subject to supervision or examination by Federal or State authority. If such Authenticating Agent publishes reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such Authenticating Agent shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time an Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, such Authenticating Agent shall resign immediately in the manner and with the effect specified in this Section.

Any Corporation into which an Authenticating Agent may be merged or converted or with which it may be consolidated, or any Corporation resulting from any merger, conversion or consolidation to which such Authenticating Agent shall be a party, or any Corporation succeeding to the corporate agency or corporate trust business of an Authenticating Agent, shall continue to be an Authenticating Agent, provided such Corporation shall be otherwise eligible under this Section, without the execution or filing of any paper or any further act on the part of the Trustee or the Authenticating Agent.

An Authenticating Agent may resign at any time by giving written notice thereof to the Trustee and the Company. The Trustee may at any time terminate the agency of an Authenticating Agent by giving written notice thereof to such Authenticating Agent and the Company. Upon receiving such a notice of resignation or upon such a termination, or in case at any time such Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, the Trustee may appoint a successor Authenticating Agent which shall be acceptable to the Company. Any successor Authenticating Agent upon acceptance of its appointment hereunder shall become vested with all the rights, powers and duties of its predecessor hereunder, with like effect as if originally named as an Authenticating Agent. No successor Authenticating Agent shall be appointed unless eligible under the provisions of this Section.

The Company agrees to pay to each Authenticating Agent from time to time reasonable compensation for its services under this Section.

The provisions of Sections 308, 904 and 905 shall be applicable to each Authenticating Agent.

If an appointment with respect to the Securities of one or more series, or any Tranche thereof, shall be made pursuant to this Section, the Securities of such series or Tranche may have endorsed thereon, in addition to the Trustee's certificate of authentication, an alternative certificate of authentication substantially in the following form:

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

THE BANK OF NEW YORK, as Trustee

By: _____
As Authenticating Agent

By: _____
Authorized Signatory

If all of the Securities of a series may not be originally issued at one time, and if the Trustee does not have an office capable of authenticating Securities upon original issuance located in a Place of Payment where the Company wishes to have Securities of such series authenticated upon original issuance, the Trustee, if so requested by the Company in writing (which writing need not comply with Section 102 and need not be accompanied by an Opinion of Counsel), shall appoint, in accordance with this Section and in accordance with such procedures as shall be acceptable to the Trustee, an Authenticating Agent having an office in a Place of Payment designated by the Company with respect to such series of Securities.

ARTICLE TEN

Holders' Lists And Reports By Trustee and Company

SECTION 1001. Lists of Holders.

Semiannually, not later than June 1 and December 1 in each year, commencing _____, 20__, and at such other times as the Trustee may request in writing, the Company shall furnish or cause to be furnished to the Trustee information as to the names and addresses of the Holders, and the Trustee shall preserve such information and similar information received by it in any other capacity and afford to the Holders access to information so preserved by it, all to such extent, if any, and in such manner as shall be required by the Trust Indenture Act; provided, however, that no such list need be furnished so long as the Trustee shall be the Security Registrar.

SECTION 1002. Reports by Trustee and Company.

Not later than July 15 in each year, commencing July 15, 20__, the Trustee shall transmit to the Holders, the Commission and each securities exchange upon which any Securities are listed, a report, dated as of the next preceding April 15, with respect to any events and other matters described in Section 313(a) of the Trust Indenture Act, in such manner and to the extent required by the Trust Indenture Act. The Trustee shall transmit to the Holders, the Commission and each securities exchange upon which any Securities are listed, and the Company shall file with the Trustee (within 30 days after filing with the Commission in the case of reports which pursuant to the Trust Indenture Act must be filed with the Commission and furnished to the Trustee) and transmit to the Holders, such other information, reports and other documents, if any, at such times and in such manner, as shall be required by the Trust Indenture Act. The Company shall notify the Trustee of the listing of any Securities on any securities exchange or of the delisting thereof.

ARTICLE ELEVEN

Consolidation, Merger, Conveyance Or Other Transfer

SECTION 1101. Company May Consolidate, etc., Only on Certain Terms.

The Company shall not consolidate with or merge into any other entity, or convey or otherwise transfer or lease its properties and assets substantially as an entirety to any Person, unless

(a) the Person formed by such consolidation or into which the Company is merged or the Person which acquires by conveyance or transfer, or which leases, the properties and assets of the Company substantially as an entirety shall be a Person organized and existing under the laws of the United States, any State thereof or the District of Columbia, and shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, the due and punctual payment of the principal of and premium, if any, and interest, if any, on all Outstanding Securities and the performance of every covenant of this Indenture on the part of the Company to be performed or observed;

(b) immediately after giving effect to such transaction, no Event of Default and no event which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing; and

(c) the Company shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that such consolidation, merger, conveyance, or other transfer or lease and such supplemental indenture comply with this Article and that all conditions precedent herein provided for relating to such transactions have been complied with.

SECTION 1102. Successor Entity Substituted.

Upon any consolidation by the Company with or merger by the Company into any other Person or any conveyance, or other transfer or lease of the properties and assets of the Company substantially as an entirety in accordance with Section 1101, the successor Person formed by such consolidation or into which the Company is merged or the Person to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture with the same effect as if such successor Person had been named as the Company herein, and thereafter, except in the case of a lease, the predecessor Person shall be relieved of all obligations and covenants under this Indenture and the Securities Outstanding hereunder.

SECTION 1103. Limitation.

Nothing in this Indenture shall be deemed to prevent or restrict:

(a) any consolidation or merger after the consummation of which the Company would be the surviving or resulting entity,

(b) any consolidation of the Company with any other Person all of the outstanding voting securities of which are owned, directly or indirectly, by the Company; or any merger of any of such Persons into any other of such Persons; or any conveyance or other transfer, or lease, of its properties substantially as an entirety by any thereof to any other thereof,

(c) any conveyance or other transfer, or lease, of any part of the properties and/or assets of the Company which does not constitute the entirety, or substantially the entirety, of its properties and assets,

(d) the approval by the Company of, or the consent by the Company to, any consolidation or merger to which any direct or indirect subsidiary or affiliate of the Company may be a party or any conveyance, transfer or lease by any such subsidiary or affiliate of any of its properties or assets, or

(e) any other transaction not contemplated by Section 1101.

ARTICLE TWELVE

Supplemental Indentures

SECTION 1201. Supplemental Indentures Without Consent of Holders.

Without the consent of any Holders, the Company and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto, in form reasonably satisfactory to the Trustee, for any of the following purposes:

(a) to evidence the succession of another Person to the Company and the assumption by any such successor of the covenants of the Company herein and in the Securities, all as provided in Article Eleven; or

(b) to add one or more covenants of the Company or other provisions for the benefit of all Holders or for the benefit of the Holders of, or to remain in effect only so long as there shall be Outstanding, Securities of one or more specified series, or one or more specified Tranches thereof, or to surrender any right or power herein conferred upon the Company; or

(c) to add any additional Events of Default with respect to all or any series of Securities Outstanding hereunder; or

(d) to change or eliminate any provision of this Indenture or to add any new provision to this Indenture; provided, however, that if such change, elimination or addition shall adversely affect the interests of the Holders of Securities of any series or Tranche Outstanding on the date of such indenture supplemental hereto in any material respect, such change, elimination or addition shall become effective (i) with respect to such series or Tranche only pursuant to the provisions of Section 1202 hereof or (ii) when no Security of such series or Tranche remains Outstanding; or

(e) to provide collateral security for all but not part of the Securities; or

(f) to establish the form or terms of Securities of any series or Tranche as contemplated by Sections 201 and 301; or

(g) to provide for the authentication and delivery of bearer securities and coupons appertaining thereto representing interest, if any, thereon and for the procedures for the registration, exchange and replacement thereof and for the giving of notice to, and the solicitation of the vote or consent of, the holders thereof, and for any and all other matters incidental thereto; or

(h) to evidence and provide for the acceptance of appointment hereunder by a separate or successor Trustee or co-trustee with respect to the Securities of one or more series and to add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, pursuant to the requirements of Section 911(b); or

(i) to provide for the procedures required to permit the Company to utilize, at its option, a non-certificated system of registration for all, or any series or Tranche of, the Securities; or

(j) to change any place or places where (1) the principal of and premium, if any, and interest, if any, on all or any series of Securities, or any Tranche thereof, shall be payable, (2) all or any series of Securities, or any Tranche thereof, may be surrendered for registration of transfer, (3) all or any series of Securities, or any Tranche thereof, may be surrendered for exchange and (4) notices and demands to or upon the Company in respect of all or any series of Securities, or any Tranche thereof, and this Indenture may be served; or

(k) to cure any ambiguity, to correct or supplement any provision herein which may be defective or inconsistent with any other provision herein, or to make any other changes to the provisions hereof or to add other provisions with respect to matters or questions arising under this Indenture, provided that such other changes or additions shall not adversely affect the interests of the Holders of Securities of any series or Tranche in any material respect.

Without limiting the generality of the foregoing, if the Trust Indenture Act as in effect at the date of the execution and delivery of this Indenture or at any time thereafter shall be amended and

(x) if any such amendment shall require one or more changes to any provisions hereof or the inclusion herein of any additional provisions, or shall by operation of law be deemed to effect such changes or incorporate such provisions by reference or otherwise, this Indenture shall be deemed to have been amended so as to conform to such amendment to the Trust Indenture Act, and the Company and the Trustee may, without the consent of any Holders, enter into an indenture supplemental hereto to effect or evidence such changes or additional provisions; or

(y) if any such amendment shall permit one or more changes to, or the elimination of, any provisions hereof which, at the date of the execution and delivery hereof or at any time thereafter, are required by the Trust Indenture Act to be contained herein, this Indenture shall be deemed to have been amended to effect such changes or elimination, and the Company and the Trustee may, without the consent of any Holders, enter into an indenture supplemental hereto to evidence such amendment hereof.

SECTION 1202. Supplemental Indentures With Consent of Holders.

With the consent of the Holders of a majority in aggregate principal amount of the Securities of all series then Outstanding under this Indenture, considered as one class, by Act of said Holders delivered to the Company and the Trustee, the Company, when authorized by Board Resolutions, and the Trustee may enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, this Indenture or modifying in any manner the rights of the Holders of Securities of such series under the Indenture; provided, however, that if there shall be Securities of more than one series Outstanding hereunder and if a proposed supplemental indenture shall directly affect the rights of the Holders of Securities of one or

more, but less than all, of such series, then the consent only of the Holders of a majority in aggregate principal amount of the Outstanding Securities of all series so directly affected, considered as one class, shall be required; and provided, further, that if the Securities of any series shall have been issued in more than one Tranche and if the proposed supplemental indenture shall directly affect the rights of the Holders of Securities of one or more, but less than all, of such Tranches, then the consent only of the Holders of a majority in aggregate principal amount of the Outstanding Securities of all Tranches so directly affected, considered as one class, shall be required; and provided, further, that no such supplemental indenture shall:

(a) change the Stated Maturity of the principal of, or any installment of principal of or interest on [[1](except as provided in Section 312 hereof)], any Security, or reduce the principal amount thereof or the rate of interest thereon (or the amount of any installment of interest thereon) or change the method of calculating such rate or reduce any premium payable upon the redemption thereof, or reduce the amount of the principal of a Discount Security that would be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 802, or change the coin or currency (or other property), in which any Security or any premium or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity of any Security (or, in the case of redemption, on or after the Redemption Date), without, in any such case, the consent of the Holder of such Security, or

(b) reduce the percentage in principal amount of the Outstanding Securities of any series or any Tranche thereof, the consent of the Holders of which is required for any such supplemental indenture, or the consent of the Holders of which is required for any waiver of compliance with any provision of this Indenture or of any default hereunder and its consequences, or reduce the requirements of Section 1304 for quorum or voting, without, in any such case, the consent of the Holders of each Outstanding Security of such series or Tranche, or

(c) modify any of the provisions of this Section, Section 607 or Section 813 with respect to the Securities of any series, or any Tranche thereof, or except to increase the percentages in principal amount referred to in this Section or such other Sections or to provide that other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Outstanding Security affected thereby; provided, however, that this clause shall not be deemed to require the consent of any Holder with respect to changes in the references to "the Trustee" and concomitant changes in this Section, or the deletion of this proviso, in accordance with the requirements of Sections 911(b), 914 and 1201(h).

[[2]Notwithstanding the foregoing, so long as any of the Preferred Securities remain outstanding, the Trustee may not consent to a supplemental indenture under this Section 1202 without the prior consent, obtained as provided in a Trust Agreement pertaining to a Trust which issued such Preferred Securities, of the holders of a majority in aggregate liquidation preference of all Preferred Securities issued by such Trust affected, considered as one class, or, in the case of changes described in clauses (a), (b) and (c) above, 100% in aggregate liquidation preference of all such Preferred Securities then outstanding which would be affected thereby, considered as one class.]

A supplemental indenture which changes or eliminates any covenant or other provision of this Indenture which has expressly been included solely for the benefit of one or more particular series of Securities, or of one or more Tranches thereof, or which modifies the rights of the Holders of Securities of such series or Tranches with respect to such covenant or other provision, shall be deemed not to affect the rights under this Indenture of the Holders of Securities of any other series or Tranche.

It shall not be necessary for any Act of Holders under this Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such Act shall approve the substance thereof. A waiver by a Holder of such Holder's right to consent under this Section shall be deemed to be a consent of such Holder.

SECTION 1203. Execution of Supplemental Indentures.

In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article or the modifications thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and (subject to Section 901) shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture which affects the Trustee's own rights, duties, immunities or liabilities under this Indenture or otherwise.

SECTION 1204. Effect of Supplemental Indentures.

Upon the execution of any supplemental indenture under this Article this Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all purposes; and every Holder of Securities theretofore or thereafter authenticated and delivered hereunder shall be bound thereby. Any supplemental indenture permitted by this Article may restate this Indenture in its entirety, and, upon the execution and delivery thereof, any such restatement shall supersede this Indenture as theretofore in effect for all purposes.

SECTION 1205. Conformity With Trust Indenture Act.

Every supplemental indenture executed pursuant to this Article shall conform to the requirements of the Trust Indenture Act as then in effect.

SECTION 1206. Reference in Securities to Supplemental Indentures.

Securities of any series, or any Tranche thereof, authenticated and delivered after the execution of any supplemental indenture pursuant to this Article may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Company shall so determine, new Securities of any series, or any Tranche thereof, so modified as to conform, in the opinion of the Trustee and the Company, to any such supplemental indenture may be prepared and executed by the Company and authenticated and delivered by the Trustee in exchange for Outstanding Securities of such series or Tranche.

SECTION 1207. Modification Without Supplemental Indenture.

If the terms of any particular series of Securities shall have been established in a Board Resolution or an Officer's Certificate pursuant to a Board Resolution as contemplated by Section 301, and not in an indenture supplemental hereto, additions to, changes in or the elimination of any of such terms may be effected by means of a supplemental Board Resolution or Officer's Certificate, as the case may be, delivered to, and accepted in writing by, the Trustee; provided, however, that such supplemental Board Resolution or Officer's Certificate shall not be accepted by the Trustee or otherwise be effective unless all conditions set forth in this Indenture which would be required to be satisfied if such additions, changes or elimination were contained in a supplemental indenture shall have been appropriately satisfied. Upon the acceptance thereof by the Trustee, any such supplemental Board Resolution or

Officer's Certificate shall be deemed to be a "supplemental indenture" for purposes of Sections 1204 and 1206.

ARTICLE THIRTEEN

Meetings Of Holders; Action Without Meeting

SECTION 1301. Purposes for Which Meetings May Be Called.

A meeting of Holders of Securities of one or more, or all, series, or any Tranche or Tranches thereof, may be called at any time and from time to time pursuant to this Article to make, give or take any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be made, given or taken by Holders of Securities of such series or Tranches.

SECTION 1302. Call, Notice and Place of Meetings.

(a) The Trustee may at any time call a meeting of Holders of Securities of one or more, or all, series, or any Tranche or Tranches thereof, for any purpose specified in Section 1301, to be held at such time and at such place in the Borough of Manhattan, The City of New York, New York as the Trustee shall determine, or, with the approval of the Company, at any other place. Notice of every such meeting, setting forth the time and the place of such meeting and in general terms the action proposed to be taken at such meeting, shall be given, in the manner provided in Section 106, not less than 21 nor more than 180 days prior to the date fixed for the meeting.

(b) If the Trustee shall have been requested to call a meeting of the Holders of Securities of one or more, or all, series, or any Tranche or Tranches thereof, by the Company or by the Holders of 33% in aggregate principal amount of all of such series and Tranches, considered as one class, for any purpose specified in Section 1301, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Trustee shall not have given the notice of such meeting within 21 days after receipt of such request or shall not thereafter proceed to cause the meeting to be held as provided herein, then the Company or the Holders of Securities of such series and Tranches in the amount above specified, as the case may be, may determine the time and the place in the Borough of Manhattan, The City of New York, or in such other place as shall be determined or approved by the Company, for such meeting and may call such meeting for such purposes by giving notice thereof as provided in subsection (a) of this Section.

(c) Any meeting of Holders of Securities of one or more, or all, series, or any Tranche or Tranches thereof, shall be valid without notice if the Holders of all Outstanding Securities of such series or Tranches are present in person or by proxy and if representatives of the Company and the Trustee are present, or if notice is waived in writing before or after the meeting by the Holders of all Outstanding Securities of such series, or any Tranche or Tranches thereof, or by such of them as are not present at the meeting in person or by proxy, and by the Company and the Trustee.

SECTION 1303. Persons Entitled to Vote at Meetings.

To be entitled to vote at any meeting of Holders of Securities of one or more, or all, series, or any Tranche or Tranches thereof, a Person shall be (a) a Holder of one or more Outstanding Securities of such series or Tranches, or (b) a Person appointed by an instrument in writing as proxy for a

Holder or Holders of one or more Outstanding Securities of such series or Tranches by such Holder or Holders. The only Persons who shall be entitled to attend any meeting of Holders of Securities of any series or Tranche shall be the Persons entitled to vote at such meeting and their counsel, any representatives of the Trustee and its counsel and any representatives of the Company and their counsel.

SECTION 1304. Quorum; Action.

The Persons entitled to vote a majority in aggregate principal amount of the Outstanding Securities of the series and Tranches with respect to which a meeting shall have been called as hereinbefore provided, considered as one class, shall constitute a quorum for a meeting of Holders of Securities of such series and Tranches; provided, however, that if any action is to be taken at such meeting which this Indenture expressly provides may be taken by the Holders of a specified percentage, which is less than a majority, in principal amount of the Outstanding Securities of such series and Tranches, considered as one class, the Persons entitled to vote such specified percentage in principal amount of the Outstanding Securities of such series and Tranches, considered as one class, shall constitute a quorum. In the absence of a quorum within one hour of the time appointed for any such meeting, the meeting shall, if convened at the request of Holders of Securities of such series and Tranches, be dissolved. In any other case the meeting may be adjourned for such period as may be determined by the chairman of the meeting prior to the adjournment of such meeting. In the absence of a quorum at any such adjourned meeting, such adjourned meeting may be further adjourned for such period as may be determined by the chairman of the meeting prior to the adjournment of such adjourned meeting. Except as provided by Section 1305(e), notice of the reconvening of any meeting adjourned for more than 30 days shall be given as provided in Section 1302(a) not less than 10 days prior to the date on which the meeting is scheduled to be reconvened. Notice of the reconvening of an adjourned meeting shall state expressly the percentage, as provided above, of the principal amount of the Outstanding Securities of such series and Tranches which shall constitute a quorum.

Except as limited by Section 1202, any resolution presented to a meeting or adjourned meeting duly reconvened at which a quorum is present as aforesaid may be adopted only by the affirmative vote of the Holders of a majority in aggregate principal amount of the Outstanding Securities of the series and Tranches with respect to which such meeting shall have been called, considered as one class; provided, however, that, except as so limited, any resolution with respect to any action which this Indenture expressly provides may be taken by the Holders of a specified percentage, which is less than a majority, in principal amount of the Outstanding Securities of such series and Tranches, considered as one class, may be adopted at a meeting or an adjourned meeting duly reconvened and at which a quorum is present as aforesaid by the affirmative vote of the Holders of such specified percentage in principal amount of the Outstanding Securities of such series and Tranches, considered as one class.

Any resolution passed or decision taken at any meeting of Holders of Securities duly held in accordance with this Section shall be binding on all the Holders of Securities of the series and Tranches with respect to which such meeting shall have been held, whether or not present or represented at the meeting.

SECTION 1305. Attendance at Meetings; Determination of Voting Rights; Conduct and Adjournment of Meetings.

(a) Attendance at meetings of Holders of Securities may be in person or by proxy; and, to the extent permitted by law, any such proxy shall remain in effect and be binding upon any future Holder of the Securities with respect to which it was given unless and until specifically revoked by the Holder or future Holder of such Securities before being voted.

(b) Notwithstanding any other provisions of this Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of Holders of Securities in regard to proof of the holding of such Securities and of the appointment of proxies and in regard to the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote, and such other matters concerning the conduct of the meeting as it shall deem appropriate. Except as otherwise permitted or required by any such regulations, the holding of Securities shall be proved in the manner specified in Section 104 and the appointment of any proxy shall be proved in the manner specified in Section 104. Such regulations may provide that written instruments appointing proxies, regular on their face, may be presumed valid and genuine without the proof specified in Section 104 or other proof.

(c) The Trustee shall, by an instrument in writing, appoint a temporary chairman of the meeting, unless the meeting shall have been called by the Company or by Holders as provided in Section 1302(b), in which case the Company or the Holders of Securities of the series and Tranches calling the meeting, as the case may be, shall in like manner appoint a temporary chairman. A permanent chairman and a permanent secretary of the meeting shall be elected by vote of the Persons entitled to vote a majority in aggregate principal amount of the Outstanding Securities of all series and Tranches represented at the meeting, considered as one class.

(d) At any meeting each Holder or proxy shall be entitled to one vote for each $1 principal amount of Securities held or represented by him; provided, however, that no vote shall be cast or counted at any meeting in respect of any Security challenged as not Outstanding and ruled by the chairman of the meeting to be not Outstanding. The chairman of the meeting shall have no right to vote, except as a Holder of a Security or proxy.

(e) Any meeting duly called pursuant to Section 1302 at which a quorum is present may be adjourned from time to time by Persons entitled to vote a majority in aggregate principal amount of the Outstanding Securities of all series and Tranches represented at the meeting, considered as one class; and the meeting may be held as so adjourned without further notice.

SECTION 1306. Counting Votes and Recording Action of Meetings.

The vote upon any resolution submitted to any meeting of Holders shall be by written ballots on which shall be subscribed the signatures of the Holders or of their representatives by proxy and the principal amounts and serial numbers of the Outstanding Securities, of the series and Tranches with respect to which the meeting shall have been called, held or represented by them. The permanent chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports of all votes cast at the meeting. A record in triplicate of the proceedings of each meeting of Holders shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits by one or more persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was given as provided in Section 1302 and, if applicable, Section 1304. Each copy shall be signed and verified by the affidavits of the permanent chairman and secretary of the meeting and one such copy shall be delivered to each of the Company and the Trustee to be preserved by the Trustee, the latter to have attached thereto the ballots voted at the meeting. Any record so signed and verified shall be conclusive evidence of the matters therein stated.

SECTION 1307. Action Without Meeting.

In lieu of a vote of Holders at a meeting as hereinbefore contemplated in this Article, any request, demand, authorization, direction, notice, consent, waiver or other action may be made, given or taken by Holders by written instruments as provided in Section 104.

ARTICLE FOURTEEN

[[1]Subordination Of Securities

SECTION 1401. Securities Subordinate to Senior Indebtedness of the Company.

The Company, for itself, its successors and assigns, covenants and agrees, and each Holder of the Securities of each series, by its acceptance thereof, likewise covenants and agrees, that the payment of the principal of and premium, if any, and interest [[2](including any Additional Interest)], if any, on each and all of the Securities is hereby expressly subordinated and junior in right of payment, and subject, to the extent and in the manner set forth in this Article, in right of payment to the prior payment in full of all Senior Indebtedness of the Company.

Each Holder of the Securities of each series, by its acceptance thereof, authorizes and directs the Trustee on its behalf to take such action as may be necessary or appropriate to effectuate the subordination as provided in this Article, and appoints the Trustee its attorney-in-fact for any and all such purposes.

SECTION 1402. Payment Over of Proceeds of Securities.

In the event (a) of any insolvency or bankruptcy proceedings or any receivership, liquidation, reorganization or other similar proceedings in respect of the Company or a substantial part of its property and assets, or of any proceedings for liquidation, dissolution or other winding up of the Company, whether or not involving insolvency or bankruptcy, or (b) subject to the provisions of Section 1403, that (i) a default shall have occurred with respect to the payment of principal of or interest on or other monetary amounts due and payable on any Senior Indebtedness, or (ii) there shall have occurred a default (other than a default in the payment of principal or interest or other monetary amounts due and payable) in respect of any Senior Indebtedness, as defined therein or in the instrument under which the same is outstanding, permitting the holder or holders thereof, or any other Person on its or their behalf to accelerate the maturity thereof (with notice or lapse of time, or both), and such default shall have continued beyond the period of grace, if any, in respect thereof, and, in the cases of subclauses (i) and (ii) of this clause (b), such default shall not have been cured or waived or shall not have ceased to exist, or (c) that the principal of and/or premium, if any, and/or accrued interest [[2](including Additional Interest)], if any, on the Securities of any series shall have been declared due and payable pursuant to Section 801 and such declaration shall not have been rescinded and annulled as provided in Section 802, then:

(1) the holders of all Senior Indebtedness shall first be entitled to receive payment of the full amount due thereon, or provision shall be made for such payment in money or money's worth, before the Holders of any of the Securities are entitled to receive a payment on account of the principal of, premium if any, or interest on the indebtedness evidenced by the Securities, including, without limitation, any payments made pursuant to Articles Four and Five;

(2) any payment by, or distribution of property or assets of, the Company of any kind or character, whether in cash, property or securities, to which any Holder or the Trustee would be entitled except for the provisions of this Article, shall be paid or delivered by the Person making

such payment or distribution, whether a trustee in bankruptcy, a receiver or liquidating trustee or otherwise, directly to the holders of such Senior Indebtedness or their representative or representatives or to the trustee or trustees under any indenture under which any instruments evidencing any of such Senior Indebtedness may have been issued, ratably according to the aggregate amounts remaining unpaid on account of such Senior Indebtedness held or represented by each, to the extent necessary to make payment in full of all Senior Indebtedness remaining unpaid after giving effect to any concurrent payment or distribution (or provision therefor) to the holders of such Senior Indebtedness, before any payment or distribution is made to the Holders of the indebtedness evidenced by the Securities or to the Trustee under this Indenture; and

(3) in the event that, notwithstanding the foregoing, any payment by, or distribution of property or assets of, the Company of any kind or character, whether in cash, property or securities, in respect of principal of, or premium, if any, or interest on the Securities or in connection with any repurchase by the Company of the Securities, shall be received by the Trustee or any Holder before all Senior Indebtedness is paid in full, or provision is made for such payment in money or money's worth, such payment or distribution in respect of principal of, or premium, if any, or interest on the Securities or in connection with any repurchase by the Company of the Securities shall be paid over to the holders of such Senior Indebtedness or their representative or representatives or to the trustee or trustees under any indenture under which any instruments evidencing any such Senior Indebtedness may have been issued, ratably as aforesaid, for application to the payment of all Senior Indebtedness remaining unpaid until all such Senior Indebtedness shall have been paid in full, after giving effect to any concurrent payment or distribution (or provision therefor) to the holders of such Senior Indebtedness.

Notwithstanding the foregoing, at any time after the 123rd day following the date of deposit of cash or Eligible Obligations pursuant to Section 701 or 702 (provided all conditions set out in such Section shall have been satisfied), the funds so deposited and any interest thereon will not be subject to any rights of holders of Senior Indebtedness including, without limitation, those arising under this Article Fourteen; provided that no event described in clauses (d) and (e) of Section 801 with respect to the Company has occurred during such 123-day period.

For purposes of this Article only, the words "cash, property or securities" shall not be deemed to include shares of stock of the Company as reorganized or readjusted, or securities of the Company or any other Person provided for by a plan of reorganization or readjustment which are subordinate in right of payment to all Senior Indebtedness which may at the time be outstanding to the same extent as, or to a greater extent than, the Securities are so subordinated as provided in this Article. The consolidation of the Company with, or the merger of the Company into, another Person or the liquidation or dissolution of the Company following the conveyance or transfer of its property and assets as an entirety, or substantially as an entirety, to another Person upon the terms and conditions provided for in Article Eleven hereof shall not be deemed a dissolution, winding-up, liquidation or reorganization for the purposes of this Section 1402 if such other Person shall, as a part of such consolidation, merger, conveyance or transfer, comply with the conditions stated in Article Eleven hereof. Nothing in Section 1401 or in this Section 1402 shall apply to claims of, or payments to, the Trustee under or pursuant to Section 907.

SECTION 1403. Disputes with Holders of Certain Senior Indebtedness.

Any failure by the Company to make any payment on or perform any other obligation in respect of Senior Indebtedness, other than any indebtedness incurred by the Company or assumed or guaranteed, directly or indirectly, by the Company for money borrowed (or any deferral, renewal, extension or refunding thereof) or any other obligation as to which the provisions of this Section shall

have been waived by the Company in the instrument or instruments by which the Company incurred, assumed, guaranteed or otherwise created such indebtedness or obligation, shall not be deemed a default under clause (b) of Section 1402 if (i) the Company shall be disputing its obligation to make such payment or perform such obligation and (ii) either (A) no final judgment relating to such dispute shall have been issued against the Company which is in full force and effect and is not subject to further review, including a judgment that has become final by reason of the expiration of the time within which a party may seek further appeal or review, or (B) in the event that a judgment that is subject to further review or appeal has been issued, the Company shall in good faith be prosecuting an appeal or other proceeding for review and a stay or execution shall have been obtained pending such appeal or review.

SECTION 1404. Subrogation.

Senior Indebtedness shall not be deemed to have been paid in full unless the holders thereof shall have received cash (or securities or other property satisfactory to such holders) in full payment of such Senior Indebtedness then outstanding. Upon the payment in full of all Senior Indebtedness, the rights of the Holders of the Securities shall be subrogated to the rights of the holders of Senior Indebtedness to receive any further payments or distributions of cash, property or securities of the Company applicable to the holders of the Senior Indebtedness until all amounts owing on the Securities shall be paid in full; and such payments or distributions of cash, property or securities received by the Holders of the Securities, by reason of such subrogation, which otherwise would be paid or distributed to the holders of such Senior Indebtedness shall, as between the Company, its creditors other than the holders of Senior Indebtedness, and the Holders, be deemed to be a payment by the Company to or on account of Senior Indebtedness, it being understood that the provisions of this Article are and are intended solely for the purpose of defining the relative rights of the Holders, on the one hand, and the holders of the Senior Indebtedness, on the other hand.

SECTION 1405. Obligation of the Company Unconditional.

Nothing contained in this Article or elsewhere in this Indenture or in the Securities is intended to or shall impair, as among the Company, its creditors other than the holders of Senior Indebtedness and the Holders, the obligation of the Company, which is absolute and unconditional, to pay to the Holders the principal of, premium, if any, and interest [[2](including Additional Interest)], if any on the Securities as and when the same shall become due and payable in accordance with their terms, or is intended to or shall affect the relative rights of the Holders and creditors of the Company other than the holders of Senior Indebtedness, nor shall anything herein or therein prevent the Trustee or any Holder from exercising all remedies otherwise permitted by applicable law upon default under this Indenture, subject to the rights, if any, under this Article of the holders of Senior Indebtedness in respect of cash, property or securities of the Company received upon the exercise of any such remedy.

Upon any payment or distribution of assets, cash or property or securities of the Company referred to in this Article, the Trustee and the Holders shall be entitled to rely upon any order or decree of a court of competent jurisdiction in which such dissolution, winding up, liquidation or reorganization proceedings are pending for the purpose of ascertaining the Persons entitled to participate in such distribution, the holders of the Senior Indebtedness and other indebtedness of the Company, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon, and all other facts pertinent thereto or to this Article.

The Trustee shall be entitled to rely on the delivery to it of a written notice by a Person representing himself to be a holder of Senior Indebtedness (or a representative of such holder or a trustee under any indenture under which any instruments evidencing any such Senior Indebtedness may have been issued) to establish that such notice has been given by a holder of such Senior Indebtedness or such

representative or trustee on behalf of such holder. In the event that the Trustee determines in good faith that further evidence is required with respect to the right of any Person as a holder of Senior Indebtedness, or its representative or representatives or trustee or trustees under any indenture under which any instruments evidencing any such Senior Indebtedness may have been issued, to participate in any payment or distribution pursuant to this Article, the Trustee may request such Person to furnish evidence to the reasonable satisfaction of the Trustee as to the amount of Senior Indebtedness held by such Person, the extent to which such Person is entitled to participate in such payment or distribution and any other facts pertinent to the right of such Person under this Article, and, if such evidence is not furnished, the Trustee may defer any payment to such Person pending judicial determination as to the right of such Person to receive such payment or distribution.

SECTION 1406. Priority of Senior Indebtedness Upon Maturity.

Upon the maturity of the principal of any Senior Indebtedness by lapse of time, acceleration or otherwise, all matured principal of Senior Indebtedness and interest, premium and other payment obligation, if any, thereon shall first be paid in full before any payment of principal or premium, if any, or interest [[2](including Additional Interest)], if any, is made upon the Securities or before any Securities can be acquired by the Company or any sinking fund payment is made with respect to the Securities (except that required sinking fund payments may be reduced by Securities acquired before such maturity of such Senior Indebtedness).

SECTION 1407. Trustee as Holder of Senior Indebtedness.

The Trustee shall be entitled to all rights set forth in this Article with respect to any Senior Indebtedness at any time held by it, to the same extent as any other holder of Senior Indebtedness. Nothing in this Article shall deprive the Trustee of any of its rights as such holder.

SECTION 1408. Notice to Trustee to Effectuate Subordination.

Notwithstanding the provisions of this Article or any other provision of this Indenture, the Trustee shall not be charged with knowledge of the existence of any facts which would prohibit the making of any payment of moneys to or by the Trustee unless and until the Trustee shall have received written notice thereof from the Company, from a Holder or from a holder of any Senior Indebtedness or from any representative or representatives of such holder or any trustee or trustees under any indenture under which any instruments evidencing any such Senior Indebtedness may have been issued and, prior to the receipt of any such written notice, the Trustee shall be entitled, subject to Section 901, in all respects to assume that no such facts exist; provided, however, that, if prior to the fifth Business Day preceding the date upon which by the terms of this Indenture any such moneys may become payable for any purpose, or in the event of the execution of an instrument pursuant to Section 701 or 702 acknowledging that Securities or portions thereof are deemed to have been paid for all purposes of this Indenture, acknowledging that the entire indebtedness of the Company in respect thereof has been satisfied and discharged or acknowledging satisfaction and discharge of this Indenture, then if prior to the second Business Day preceding the date of such execution, the Trustee shall not have received with respect to such moneys the notice provided for in this Section, then, anything herein contained to the contrary notwithstanding, the Trustee may, in its discretion, receive such moneys and/or apply the same to the purpose for which they were received, and shall not be affected by any notice to the contrary, which may be received by it on or after such date; provided, however, that no such application shall affect the obligations under this Article of the persons receiving such moneys from the Trustee.

SECTION 1409. Modification, Extension, etc. of Senior Indebtedness.

The holders of Senior Indebtedness or their representative or representatives or the trustee or trustees under any indenture under which any instruments evidencing any such Senior Indebtedness may have been issued may, without affecting in any manner the subordination of the payment of the principal of and premium, if any, and interest [[2](including Additional Interest)], if any, on the Securities, at any time or from time to time and in their absolute discretion, agree with the Company to change the manner, place or terms of payment, change or extend the time of payment of, or renew or alter, any Senior Indebtedness, or amend or supplement any instrument pursuant to which any Senior Indebtedness is issued, or exercise or refrain from exercising any other of their rights under the Senior Indebtedness including, without limitation, the waiver of default thereunder, all without notice to or assent from the Holders or the Trustee.

SECTION 1410. Trustee Has No Fiduciary Duty to Holders of Senior Indebtedness.

With respect to the holders of Senior Indebtedness, the Trustee undertakes to perform or to observe only such of its covenants and objectives as are specifically set forth in this Indenture, and no implied covenants or obligations with respect to the holders of Senior Indebtedness shall be read into this Indenture against the Trustee. The Trustee shall not be deemed to owe any fiduciary duty to the holders of Senior Indebtedness, and shall not be liable to any such holders if it shall mistakenly pay over or deliver to the Holders or the Company or any other Person, money or assets to which any holders of Senior Indebtedness shall be entitled by virtue of this Article or otherwise.

SECTION 1411. Paying Agents Other Than the Trustee.

In case at any time any Paying Agent other than the Trustee shall have been appointed by the Company and be then acting hereunder, the term "Trustee" as used in this Article shall in such case (unless the context shall otherwise require) be construed as extending to and including such Paying Agent within its meaning as fully for all intents and purposes as if such Paying Agent were named in this Article in addition to or in place of the Trustee; provided, however, that Sections 1407, 1408 and 1410 shall not apply to the Company if it acts as Paying Agent.

SECTION 1412. Rights of Holders of Senior Indebtedness Not Impaired.

No right of any present or future holder of Senior Indebtedness to enforce the subordination herein shall at any time or in any way be prejudiced or impaired by any act or failure to act on the part of the Company or by any noncompliance by the Company with the terms, provisions and covenants of this Indenture, regardless of any knowledge thereof any such holder may have or be otherwise charged with.

SECTION 1413. Effect of Subordination Provisions; Termination.

Notwithstanding anything contained herein to the contrary, other than as provided in the immediately succeeding sentence, all the provisions of this Indenture shall be subject to the provisions of this Article, so far as the same may be applicable thereto.

Notwithstanding anything contained herein to the contrary, the provisions of this Article Fourteen shall be of no further effect, and the Securities shall no longer be subordinated in right of payment to the prior payment of Senior Indebtedness, if, and to the extent, the Company shall have delivered to the Trustee a notice to such effect. Any such notice delivered by the Company shall not be deemed to be a supplemental indenture for purposes of Article Twelve.]

ARTICLE FIFTEEN

Immunity Of Incorporators, Stockholders, Officers And Directors

SECTION 1501. Liability Solely Corporate.

No recourse shall be had for the payment of the principal of or premium, if any, or interest [[2](including Additional Interest)], if any, on any Securities, or any part thereof, or for any claim based thereon or otherwise in respect thereof, or of the indebtedness represented thereby, or upon any obligation, covenant or agreement under this Indenture, against any incorporator, stockholder, officer or director, as such, past, present or future of the Company or of any predecessor or successor of the Company (either directly or through the Company, or a predecessor or successor of the Company), whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly agreed and understood that this Indenture and all the Securities are solely corporate obligations, and that, except as otherwise provided as contemplated by Section 301, no personal liability whatsoever shall attach to, or be incurred by, any incorporator, stockholder, officer or director, past, present or future, of the Company or of any predecessor or successor of the Company, either directly or indirectly through the Company or any predecessor or successor of the Company, because of the indebtedness hereby authorized or under or by reason of any of the obligations, covenants or agreements contained in this Indenture or in any of the Securities or to be implied herefrom or therefrom, and that any such personal liability is hereby expressly waived and released as a condition of, and as part of the consideration for, the execution of this Indenture and the issuance of the Securities.

This instrument may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, in New York, New York, as of the day and year first above written.

FPL GROUP, INC.,
as Issuer

By:_____
Name:
Title:

THE BANK OF NEW YORK,
as Trustee

By:_____
Name:
Title:

Exhibit 4(av)

Exhibit 4(av)

FPL GROUP, INC.

OFFICER'S CERTIFICATE

Creating the ____ Debentures, Series due _____

_____, the _____ of FPL Group, Inc. (the "Company"), pursuant to the authority granted in the accompanying Board Resolutions (all capitalized terms used herein which are not defined herein or in Exhibit A hereto, but are defined in the Indenture referred to below, shall have the meanings specified in the Indenture), and Sections 201 and 301 of the Indenture, does hereby certify to The Bank of New York (the "Trustee"), as Trustee under the Indenture of the Company (For Unsecured Debt Securities) dated as of _____, 20__ (the "Indenture") that:

1. The securities to be issued under the Indenture shall be designated "_____ Debentures, Series due _____" (the "Debentures of the _____ Series") and shall be issued in substantially the form set forth in Exhibit A hereto;

2. The Debentures of the _____ Series shall mature and the principal shall be due and payable together with all accrued and unpaid interest thereon on _____, ____;

3. The Debentures of the _____ Series shall bear interest as provided in the form thereof set forth as Exhibit A hereto;

4. Each installment of interest on a Debenture of the _____ Series shall be payable as provided in the form thereof set forth as Exhibit A hereto;

5. Registration and registration of transfers and exchanges in respect of the Debentures of the _____ Series may be effected at the office or agency of the Company in The City of New York, New York. Notices and demands to or upon the Company in respect of the Debentures of the _____ Series may be served at the office or agency of the Company in The City of New York, New York. The Corporate Trust Office of the Trustee will initially be the agency of the Company for such payment, registration and registration of transfers and exchanges and service of notices and demands and the Company hereby appoints the Trustee as its agent for all such purposes; provided, however, that the Company reserves the right to change, by one or more Officer's Certificates, any such office or agency and such agent. The Trustee will initially be the Security Registrar and the Paying Agent for the Debentures of the _____ Series;

6. [So long as Debentures of the _____ Series are registered in the name of The Depository Trust Company ("DTC") or any other successor depositary or a nominee thereof, the Regular Record Date for the interest payable on any given Interest Payment Date with respect to the Debentures of the _____ Series shall be the close of business on the Business Day immediately preceding such Interest Payment Date; provided, however, if the Debentures of the _____ Series are not registered in the name of DTC or any other successor depositary or a nominee thereof, the Regular Record Date will be the close of business on the 15th calendar day next preceding such Interest Payment Date;]

7. [Redemption provisions, if any, will be inserted]

IN WITNESS WHEREOF, I have executed this Officer's Certificate on behalf of the Company this ____ day of _____, ____ in New York, New York.

_____

Exhibit A

[Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to FPL Group, Inc. or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.]

CUSIP No._____

No._____

[FORM OF FACE OF DEBENTURE]

FPL GROUP, INC.

____ DEBENTURES, SERIES DUE _____

FPL GROUP, INC., a corporation duly organized and existing under the laws of the State of Florida (herein referred to as the "Company", which term includes any successor Person under the Indenture), for value received, hereby promises to pay to

or registered assigns, the principal sum of _____ Dollars on _____ and to pay interest on said principal sum _____ on _____ and _____ of each year commencing _____ (each an "Interest Payment Date") at the rate of _____% per annum until the principal hereof is paid or made available for payment. [Provision for reset of interest rate will be inserted, if applicable.] Interest on the Securities of this series will accrue from and including _____, to and excluding the first Interest Payment Date, and thereafter will accrue from and including the last Interest Payment Date to which interest has been paid or duly provided for. No interest will accrue on the Securities with respect to the day on which the Securities mature. In the event that any Interest Payment Date is not a Business Day, then payment of interest payable on such date will be made on the next succeeding day which is a Business Day (and without any interest or other payment in respect of such delay) with the same force and effect as if made on the Interest Payment Date. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Indenture, be payable to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the "Regular Record Date" for such interest installment which shall be [the business day immediately preceding such Interest Payment Date so long as the Securities are registered in the name of The Depository Trust Company ("DTC") or any other successor depositary or a nominee thereof, provided, however, that if the Securities are not registered in the name of DTC or any other successor depositary or a nominee thereof the Regular Record Date will be the close of business on the 15th calendar day next preceding such Interest Payment Date and provided further that interest payable at Maturity will be paid to the Person to whom principal is paid.] Any such interest not so punctually paid or duly provided for

will forthwith cease to be payable to the Holder of this Security on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange, if any, on which the Securities of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in the Indenture referred to on the reverse hereof.

Payment of the principal of (and premium, if any) and interest on this Security will be made at the office or agency of the Company maintained for that purpose in The City of New York, the State of New York in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; provided, however, that, at the option of the Company, interest on this Security may be paid by check mailed to the address of the Person entitled thereto, as such address shall appear on the Security Register or by a wire transfer to an account designated by the Person entitled thereto.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed in New York, New York.

FPL GROUP, INC.

By:_____

[FORM OF CERTIFICATE OF AUTHENTICATION]

CERTIFICATE OF AUTHENTICATION

Dated:

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

THE BANK OF NEW YORK, as Trustee

By:_____
Authorized Signatory

[FORM OF REVERSE OF DEBENTURE]

This Security is one of a duly authorized issue of securities of the Company (herein called the "Securities"), issued and to be issued in one or more series under an Indenture (For Unsecured Debt Securities), dated as of _____, 20__ (herein, together with any amendments thereto, called the "Indenture", which term shall have the meaning assigned to it in such instrument), between the Company and The Bank of New York, as Trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture), and reference is hereby made to the Indenture, including the Board Resolutions and Officer's Certificate filed with the Trustee on _____, ____ creating the series designated on the face hereof (herein called, the "Officer's Certificate"), for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Security is one of the series designated on the face hereof.

[Redemption provisions, if any, will be inserted]

The Indenture contains provisions for defeasance at any time of the entire indebtedness of this Security upon compliance with certain conditions set forth in the Indenture, including the Officer's Certificate described above.

If an Event of Default with respect to Securities of this series shall occur and be continuing, the principal of and interest on the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of a majority in principal amount of the Securities at the time Outstanding of all series to be affected. The Indenture also contains provisions permitting the Holders of specified percentages in principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

As provided in and subject to the provisions of the Indenture, the Holder of this Security shall not have the right to institute any proceeding with respect to the Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default with respect to the Securities of this series, the Holders of a majority in aggregate principal amount of the Securities of all series at the time Outstanding in respect of which an Event of Default shall have occurred and be continuing shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee reasonable indemnity, and the Trustee shall not have received from the Holders of a majority in aggregate principal amount of Securities of all series at the time Outstanding in respect of which an Event of Default shall have occurred and be continuing a direction inconsistent with such request, and shall have failed to institute any such proceeding, for 60 days after receipt of such notice, request and

offer of indemnity. The foregoing shall not apply to any suit instituted by the Holder of this Security for the enforcement of any payment of principal hereof or any premium or interest hereon on or after the respective due dates expressed herein.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and any premium and interest on this Security at the times, place and rate, and in the coin or currency, herein prescribed.

The Securities of this series are issuable only in registered form without coupons in denominations of $[1,000][25] and integral multiples thereof. As provided in the Indenture and subject to certain limitations therein set forth, Securities of this series are exchangeable for a like aggregate principal amount of Securities of this series and of like tenor and of authorized denominations, as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

The Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the absolute owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

All terms used in this Security which are defined either in the Indenture or in the Officer's Certificate shall have the meanings assigned to them in the Indenture or in the Officer's Certificate.

Exhibit 4(aw)

FPL GROUP, INC.

OFFICER'S CERTIFICATE

Creating the ___ Junior Subordinated Debentures, Series due __

_____, the _____ of FPL Group, Inc. (the "Company"), pursuant to the authority granted in the accompanying Board Resolutions (all capitalized terms used herein which are not defined herein or in Exhibit A hereto, but are defined in the Indenture referred to below, shall have the meanings specified in the Indenture), and Sections 201 and 301 of the Indenture, does hereby certify to The Bank of New York (the "Trustee"), as Trustee under the Indenture of the Company (For Unsecured Subordinated Debt Securities [[1]relating to Trust Securities) dated as of _____, 200__ (the "Indenture") that:

1. The securities to be issued under the Indenture shall be designated "_____ Junior Subordinated Debentures, Series due ___" (the "Debentures of the ____ Series") and shall be issued in substantially the form set forth in Exhibit A hereto. [[1]The Debentures of the ____ Series are to be issued to The Bank of New York, as Property Trustee (the "Property Trustee") of FPL Group Trust __, a Delaware statutory trust (the "Trust")];

2. The Debentures of the ____ Series shall mature and the principal shall be due and payable together with all accrued and unpaid interest thereon on _____, ____;

3. The Debentures of the ____ Series shall bear interest as provided in the form thereof set forth as Exhibit A hereto;

4. Each installment of interest on a Debenture of the ____ Series shall be payable as provided in the form thereof set forth as Exhibit A hereto;

5. Registration and registration of transfers and exchanges in respect of the Debentures of the ____ Series may be effected at the office or agency of the Company in The City of New York, New York. Notices and demands to or upon the Company in respect of the Debentures of the ____ Series may be served at the office or agency of the Company in The City of New York, New York. The Corporate Trust Office of the Trustee will initially be the agency of the Company for such payment, registration and registration of transfers and exchanges and service of notices and demands and the Company hereby appoints the Trustee as its agent for all such purposes; provided, however, that the Company reserves the right to change, by one or more Officer's Certificates, any such office or agency and such agent. The Trustee will initially be the Security Registrar and the Paying Agent for the Debentures of the ____ Series;

6. The Regular Record Date for the interest payable on any given Interest Payment Date with respect to the Debentures of the ____ Series shall be the close of business on the 15th calendar day next preceding such Interest Payment Date, provided that if the Debentures of the _____ Series are held by a securities depository in book-entry form, the Regular Record Date will be the close of business on the Business Day immediately preceding such Interest Payment Date;

7. [Redemption provisions, if any will be inserted];

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[1] For use in connection with subordinated debt securities relating to trust securities.

8. [[1]If at any time a Tax Event (as defined in the form of the Debentures of the _____ Series set forth as Exhibit A hereto) shall occur and be continuing, and either (i) in the opinion of tax counsel to the Trust or the Company experienced in such matters, there would in all cases, after effecting the dissolution of the Trust, after satisfaction of liabilities to creditors of the Trust, if any, as provided by applicable law, and the distribution of the Debentures of the ____ Series to the holders of the Preferred Trust Securities issued by the Trust (the "Preferred Trust Securities"), in exchange therefor, be more than an insubstantial risk that an Adverse Tax Consequence (as defined in the form of the Debentures of the ____ Series set forth as Exhibit A hereto) would continue to exist or (ii) the Debentures of the ____ Series are not held by the Trust, then the Company shall have the right to redeem the Debentures of the ____ Series, in whole but not in part, at any time within 90 days following the occurrence of the Tax Event, at 100% of the principal amount thereof plus accrued and unpaid interest thereon, including Additional Interest, if any, to the Redemption Date;]

[[1]If at any time an Investment Company Act Event (as defined in the form of the Debentures of the ____ Series set forth as Exhibit A hereto) shall occur and be continuing, then the Company shall have the right to redeem the Debentures of the ____ Series, in whole, but not in part, at any time within 90 days following the occurrence of the Investment Company Act Event, at 100% of the principal amount thereof plus accrued and unpaid interest thereon, including Additional Interest, if any, to the Redemption Date;]

9. So long as any Debentures of the ____ Series are Outstanding, the failure of the Company to pay interest [[1],including Additional Interest], if any, on any Debentures of the ____ Series within 30 days after the same becomes due and payable (whether or not payment is prohibited by the subordination provisions of Article Fourteen of the Indenture) shall constitute an Event of Default [[1]; provided, however, that a valid extension of the interest payment period by the Company as contemplated in Section 312 of the Indenture and paragraph (10) of this Certificate shall not constitute a failure to pay interest for this purpose];

10. [[1]Pursuant to Section 312 of the Indenture, so long as no Event of Default under the Indenture has occurred and is continuing with respect to the Securities of any series, the Company shall have the right, at any time and from time to time during the term of the Debentures of the ____ Series, to extend the interest payment period to a period not exceeding __ consecutive quarterly periods (an "Extension Period"); provided that no Extension Period shall extend beyond the Stated Maturity or end on a day other than an Interest Payment Date. During the Extension Period interest (calculated for each Interest Period in the manner provided for in Exhibit A hereto, as if the interest payment period had not been so extended) will be compounded [quarterly]. At the end of the Extension Period, which shall be an Interest Payment Date, the Company shall pay all interest accrued and unpaid thereon (together with interest thereon at the rate specified for the Debentures of the _____ Series, compounded [quarterly], to the extent permitted by applicable law) and Additional Interest, if any, to the Person in whose name the Debentures of the____ Series are registered at the close of business on the Regular Record Date for the Interest Payment Date on which such Extension Period ended; provided that any such accrued and unpaid interest payable at Stated Maturity or any Redemption Date will be paid to the Person to whom principal is payable. With respect to the Debentures of _____ Series, the term "Interest Period" shall mean each period from, and including, an Interest Payment Date to, but excluding, the next succeeding Interest Payment Date, except that the first Interest Period shall commence on the date of original issuance. However, during any such Extension Period, the Company shall not

(A) declare or pay any dividends or distributions on its capital stock, or

(B) redeem, purchase, acquire or make a liquidation payment with respect to any of its capital stock, or

(C) pay any principal, interest or premium on, or repay, repurchase or redeem any debt securities that are equal or junior in right of payment to the Debentures of the _____ Series; or

(D) make any payments with respect to any guarantee of debt securities by the Company if such guarantee is equal or junior in right of payment to the Debentures of the _____ Series ("Restricted Payments").

The foregoing provisions shall not prevent or restrict the Company from making:

(a) purchases, redemptions or other acquisitions of its capital stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or agents or a stock purchase or dividend reinvestment plan, or the satisfaction of its obligations pursuant to any contract or security outstanding on the date that the interest payment period is extended requiring it to purchase, redeem or acquire its capital stock;

(b) any payment, repayment, redemption, purchase, acquisition or declaration of dividend described in clauses (A) and (B) above as a result of a reclassification of its capital stock, or the exchange or conversion of all or a portion of one class or series of its capital stock for another class or series of its capital stock;

(c) the purchase of fractional interests in shares of its capital stock pursuant to the conversion or exchange provisions of its capital stock or the security being converted or exchanged, or in connection with the settlement of stock purchase contracts;

(d) dividends or distributions paid or made in its capital stock (or rights to acquire its capital stock), or repurchases, redemptions or acquisitions of capital stock in connection with the issuance or exchange of capital stock (or of securities convertible into or exchangeable for shares of its capital stock and distributions in connection with the settlement of stock purchase contracts);

(e) redemptions, exchanges or repurchases of, or with respect to, any rights outstanding under a shareholder rights plan or the declaration or payment thereunder of a dividend or distribution of or with respect to rights in the future; or

(f) payments under any preferred trust securities guarantee or guarantee of junior subordinated debentures executed and delivered by the Company concurrently with the issuance by a trust of any preferred trust securities, so long as the amount of payments made on any preferred trust securities or junior subordinated debentures (as the case may be) is paid on all preferred trust securities or junior subordinated debentures that are equal or senior in right of payment to the Debentures of _____ Series (as the case may be) then outstanding on a pro rata basis in proportion to the full distributions to which each series of preferred trust securities or junior subordinated debentures (as the case may be) is then entitled if paid in full.

Prior to the termination of any such Extension Period, the Company may further extend the interest payment period, provided that such Extension Period together with all such previous and

further extensions thereof shall not exceed __ consecutive quarterly periods at any one time or extend beyond the Maturity of the Debentures of the ____ Series. Upon the termination of any such Extension Period and the payment of all amounts then due, including interest on deferred interest payments, the Company may elect to begin a new Extension Period, subject to the above requirements. No interest shall be due and payable during an Extension Period, except at the end thereof. The Company will give the Trust and the Trustee notice of its election of an Extension Period before the earlier of (i) the Business Day prior to the record date for the distribution on the Preferred Trust Securities which would occur but for such election or (ii) the date the Administrative Trustees of the Trust are required to give notice to any securities exchange or any other applicable self-regulatory organization of the record date for such distribution. The Trustee will cause the Trust to send notice of such election to the holders of Preferred Trust Securities];

11. At any time, the Company will have the right to dissolve the Trust and, after satisfaction of liabilities to creditors, if any, of the Trust as provided by applicable law, cause a proportionate amount of the Debentures of the ____ Series to be distributed to the holders of the Preferred Trust Securities and the Common Trust Securities;

12. In the event that, at any time subsequent to the initial authentication and delivery of the Debentures of the ____ Series, the Debentures of the ____ Series are to be held in global form by a securities depositary, the Company may at such time establish the matters contemplated in clause (r) in the second paragraph of Section 301 of the Indenture in an Officer's Certificate supplemental to this certificate;

13. No service charge shall be made for the registration of transfer or exchange of the Debentures of the ____ Series; provided, however, that the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the exchange or transfer;

14. [[1]The Trust for Debentures of the ____ Series shall be FPL Group Trust __, a Delaware statutory trust. The Trust Agreement for Debentures of the ____ Series shall be the Amended and Restated Trust Agreement dated as of _____, 200_ relating to the Trust, as it may be modified, amended or supplemented from time to time;]

15. If the Company shall make any deposit of money and/or Eligible Obligations with respect to any Debentures of the ____ Series, or any portion of the principal amount thereof, as contemplated by Section 701 of the Indenture, the Company shall not deliver an Officer's Certificate described in clause (z) in the first paragraph of said Section 701 unless the Company shall also deliver to the Trustee, together with such Officer's Certificate, either:

(A) an instrument wherein the Company, notwithstanding the satisfaction and discharge of its indebtedness in respect of the Debentures of the ____ Series, shall assume the obligation (which shall be absolute and unconditional) to irrevocably deposit with the Trustee or Paying Agent such additional sums of money, if any, or additional Eligible Obligations (meeting the requirements of Section 701), if any, or any combination thereof, at such time or times, as shall be necessary, together with the money and/or Eligible Obligations theretofore so deposited, to pay when due the principal of and premium, if any, and interest due and to become due on such Debentures of the ____ Series or portions thereof, all in accordance with and subject to the provisions of said Section 701; provided, however, that such instrument may state that the obligation of the Company to make additional deposits as aforesaid shall be subject to the delivery to the Company by the Trustee of a notice asserting the deficiency accompanied by an

opinion of an independent public accountant of nationally recognized standing, selected by the Trustee, showing the calculation thereof; or

(B) an Opinion of Counsel to the effect that, as a result of (i) the receipt by the Company from, or the publication by, the Internal Revenue Service of a ruling or (ii) a change in law occurring after the date of this certificate, the Holders of such Debentures of the ____ Series, or portions of the principal amount thereof, will not recognize income, gain or loss for United States federal income tax purposes as a result of the satisfaction and discharge of the Company's indebtedness in respect thereof and will be subject to United States federal income tax on the same amounts, at the same times and in the same manner as if such satisfaction and discharge had not been effected;

16. The Company reserves the right to require legends on Debentures of the ____ Series as it may determine are necessary to ensure compliance with the securities laws of the United States and the states therein and any other applicable laws;

17. The Debentures of the ____ Series shall have such other terms and provisions as are provided in the form set forth as Exhibit A hereto;

18. The undersigned has read all of the covenants and conditions contained in the Indenture relating to the issuance of the Debentures of the ____ Series and the definitions in the Indenture relating thereto and in respect of which this certificate is made;

19. The statements contained in this certificate are based upon the familiarity of the undersigned with the Indenture, the documents accompanying this certificate, and upon discussions by the undersigned with officers and employees of the Company familiar with the matters set forth herein;

20. In the opinion of the undersigned, he or she has made such examination or investigation as is necessary to enable him or her to express an informed opinion as to whether or not such covenants and conditions have been complied with; and

21. In the opinion of the undersigned, such conditions and covenants and conditions precedent, if any (including any covenants compliance with which constitutes a condition precedent) to the authentication and delivery of the Debentures of the ____ Series requested in the accompanying Company Order No. __, have been complied with.

IN WITNESS WHEREOF, I have executed this Officer's Certificate on behalf of the Company this _____ day of _____, ____ in New York, New York.

By:_____

Exhibit A

CUSIP No. _____

No._____

[FORM OF FACE OF JUNIOR SUBORDINATED DEBENTURE]

FPL GROUP, INC.

[_____] JUNIOR SUBORDINATED DEBENTURES, SERIES DUE _____

FPL GROUP, INC., a corporation duly organized and existing under the laws of the State of Florida (herein referred to as the "Company", which term includes any successor Person under the Indenture), for value received, hereby promises to pay to [_____] [[1]The Bank of New York, as Property Trustee under the Amended and Restated Trust Agreement, dated as of _____, 200_ of FPL Group Trust __, a Delaware statutory trust], or registered assigns, the principal sum of _____ Dollars on _____ and to pay interest on said principal sum _____ on _____, _____, _____ and _____ of each year commencing _____ (each an "Interest Payment Date") at the rate of _____% per annum until the principal hereof is paid or made available for payment. [Provision for reset of interest rate will be inserted, if applicable.] Interest on the Securities of this series will accrue from and including _____, to and excluding the first Interest Payment Date, and thereafter will accrue from and including the last Interest Payment Date to which interest has been paid or duly provided for. No interest will accrue on the Securities with respect to the day on which the Securities mature. In the event that any Interest Payment Date is not a Business Day, then payment of interest payable on such date will be made on the next succeeding day which is a Business Day (and without any interest or other payment in respect of such delay); provided, however, that if such Business Day is in the next succeeding calendar year, payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on the Interest Payment Date. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Indenture, be payable to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the "Regular Record Date" for such interest installment which shall be the close of business on the 15th calendar day next preceding such Interest Payment Date, provided that if the Securities are held by a securities depository in book-entry form, the Regular Record Date will be the close of business on the Business Day immediately preceding such Interest Payment Date, and provided further that interest payable at Maturity or on any Redemption Date will be paid to the Person to whom principal is payable. Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder of this Security on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange, if any, on which the Securities of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in the Indenture referred to on the reverse hereof.

Payment of the principal of (and premium, if any) and interest on this Security will be made at the office or agency of the Company maintained for that purpose in The City of New York, the State of New York in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; provided, however, that at the option of the Company, interest on this Security may be paid by check mailed to the address of the Person entitled

thereto, as such address shall appear on the Security Register or by a wire transfer to an account designated by the Person entitled thereto.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed in New York, New York.

FPL GROUP, INC.

By:_____

[FORM OF CERTIFICATE OF AUTHENTICATION]

CERTIFICATE OF AUTHENTICATION

Dated:

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

THE BANK OF NEW YORK, as Trustee

By:_____
Authorized Signatory

[FORM OF REVERSE OF JUNIOR SUBORDINATED DEBENTURE]

This Security is one of a duly authorized issue of securities of the Company (herein called the "Securities"), issued and to be issued in one or more series under an Indenture (For Unsecured Subordinated Debt Securities [[1]relating to Trust Securities]), dated as of _____ (herein, together with any amendments thereto, called the "Indenture", which term shall have the meaning assigned to it in such instrument), between the Company and The Bank of New York, as Trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture), and reference is hereby made to the Indenture, including the Board Resolutions and Officer's Certificate filed with the Trustee on _____, creating the series designated on the face hereof (herein called, the "Officer's Certificate"), for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Security is one of the series designated on the face hereof.

[Redemption provisions, if any, will be inserted]

[[1]If at any time a Tax Event (as defined below) shall occur and be continuing, and either (i) in the opinion of tax counsel to the Trust or the Company experienced in such matters, there would in all cases, after effecting the dissolution of the Trust, after satisfaction of liabilities to creditors of the Trust, if any, as provided by applicable law, and the distribution of this Security to the holders of the Preferred Trust Securities issued by the Trust (the "Preferred Trust Securities"), in exchange therefor, be more than an insubstantial risk that an Adverse Tax Consequence (as defined below) would continue to exist or (ii) this Security is not held by the Trust, then the Company shall have the right to redeem this Security, in whole but not in part, at any time within 90 days following the occurrence of the Tax Event, at 100% of the principal amount thereof plus accrued and unpaid interest thereon, including the Additional Interest, if any, to the Redemption Date.]

[[1]"Tax Event" means the receipt by the Trust or the Company of an Opinion of Counsel experienced in such matters to the effect that, as a result of (a) any amendment to, clarification of, or change (including any announced prospective change) in, the laws or treaties (or any regulations thereunder) of the United States or any political subdivision or taxing authorities thereof or therein; (b) any judicial decision or any official administrative pronouncement, ruling, regulatory procedure, notice or announcement (including any notice or announcement of intent to issue or adopt any such administrative pronouncement, ruling, regulatory procedure or regulation) (each, an "Administrative Action"), or (c) any amendment to, clarification of, or change in the official position or the interpretation of any such Administrative Action or judicial decision or any interpretation or pronouncement that provides for a position with respect to such Administrative Action or judicial decision that differs from the theretofore generally accepted position, in each case by any legislative body, court, governmental authority or regulatory body, irrespective of the time or manner in which such amendment, clarification or change is introduced or made known, which amendment, clarification, or change is effective, or which Administrative Action is taken or which judicial decision, interpretation or pronouncement is issued, in each case on or after _____, 200_, there is more than an insubstantial risk that (i) the Trust is, or will be, subject to United States Federal income tax with respect to interest received on this Security, (ii) interest payable by the Company on this Security is not, or will not be, fully deductible by the Company for United States Federal income tax purposes, or (iii) the Trust is, or will be, subject to more than a de minimis amount of other taxes, duties or other governmental charges (each of the circumstances described in clauses (i), (ii) or (iii) being an "Adverse Tax Consequence").]

[[1]If at any time an Investment Company Act Event (as defined below) shall occur and be continuing, then the Company shall have the right to redeem this Security, in whole, but not in part, at any

time within 90 days following the occurrence of the Investment Company Act Event, at 100% of the principal amount thereof plus accrued and unpaid interest thereon, including Additional Interest, if any, to the Redemption Date.

An "Investment Company Act Event" occurs when the Trust or the Company has received an Opinion of Counsel experienced in such matters to the effect that, as a result of a change in law or regulation or a written change in interpretation or application of law or regulation by any legislative body, court, governmental agency or regulatory authority after _____, 200_, there is more than an insubstantial risk that the Trust is or will be considered an investment company under the Investment Company Act of 1940, as amended.]

[Interest installments whose Stated Maturity is on or prior to such Redemption Date will be payable to the Holder of such Security, or one or more Predecessor Securities, of record at the close of business on the related Regular Record Date referred to on the face hereof, all as provided in the Indenture.

In the event of redemption of this Security in part only, a new Security or Securities of this series and of like tenor for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the cancellation hereof.]

The indebtedness evidenced by this Security is, to the extent provided in the Indenture, subordinated and subject in right of payment to the prior payment in full of all Senior Indebtedness of the Company, and this Security is issued subject to the provisions of the Indenture with respect thereto. Each Holder of this Security, by accepting the same, (a) agrees to and shall be bound by such provisions, (b) authorizes and directs the Trustee on his behalf to take such action as may be necessary or appropriate to acknowledge or effectuate the subordination so provided and (c) appoints the Trustee his attorney-in-fact for any and all such purposes. Each Holder hereof, by his acceptance hereof, hereby waives all notice of the acceptance of the subordination provisions contained herein and in the Indenture by each holder of Senior Indebtedness, whether now outstanding or hereafter incurred, and waives reliance by each such Holder upon said provisions.

The Indenture contains provisions for defeasance at any time of the entire indebtedness of this Security upon compliance with certain conditions set forth in the Indenture including the Officer's Certificate described above.

If an Event of Default with respect to Securities of this series shall occur and be continuing, the principal of and interest on the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of a majority in principal amount of the Securities at the time Outstanding of all series to be affected. The Indenture also contains provisions permitting the Holders of specified percentages in principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

As provided in and subject to the provisions of the Indenture, the Holder of this Security shall not have the right to institute any proceeding with respect to the Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default with respect to the Securities of this series, the Holders of a majority in aggregate principal amount of the Securities of all series at the time Outstanding in respect of which an Event of Default shall have occurred and be continuing shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee reasonable indemnity, and the Trustee shall not have received from the Holders of a majority in aggregate principal amount of Securities of all series at the time Outstanding in respect of which an Event of Default shall have occurred and be continuing a direction inconsistent with such request, and shall have failed to institute any such proceeding, for 60 days after receipt of such notice, request and offer of indemnity. The foregoing shall not apply to any suit instituted by the Holder of this Security for the enforcement of any payment of principal hereof or any premium or interest hereon on or after the respective due dates expressed herein.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and any premium and interest on this Security at the times, place and rate, and in the coin or currency, herein prescribed.

[[1]Pursuant to Section 312 of the Indenture, so long as no Event of Default under the Indenture has occurred and is continuing with respect to the Securities of any series, the Company shall have the right, at any time and from time to time during the term of the Securities of this series, to extend the interest payment period to a period not exceeding __ consecutive quarterly periods (an "Extension Period"); provided that no Extension Period shall extend beyond the Stated Maturity or end on a day other than an Interest Payment Date. During the Extension Period interest (calculated for each Interest Period in the manner provided for on the face hereof, as if the interest payment period had not been so extended) will be compounded [quarterly]. At the end of the Extension Period, which shall be an Interest Payment Date, the Company shall pay all interest accrued and unpaid hereon (together with interest hereon at the rate specified for the Securities of this series, compounded [quarterly], to the extent permitted by applicable law) and Additional Interest, if any, to the Person in whose name the Securities of this series are registered at the close of business on the Regular Record Date for the Interest Payment Date on which such Extension Period ended; provided that any such accrued and unpaid interest payable at Stated Maturity or any Redemption Date will be paid to the Person to whom principal is payable. With respect to the Securities of this series, the term "Interest Period" shall mean each period from, and including, an Interest Payment Date to, but excluding, the next succeeding Interest Payment Date, except that the first Interest Period shall commence on the date of original issuance. However, during any such Extension Period, the Company shall not (i) declare or pay any dividends or distributions on its capital stock, or (ii) redeem, purchase, acquire or make a liquidation payment with respect to any of its capital stock, or (iii) pay any principal, interest or premium on, or repay, repurchase or redeem any debt securities that are equal or junior in right of payment to the Securities of this series, or (iv) make any payments with respect to any guarantee of debt securities by the Company if such guarantee is equal or junior in right of payment to the Securities of this series ("Restricted Payments").

The foregoing provisions shall not prevent or restrict the Company from making:

(a) purchases, redemptions or other acquisitions of its capital stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or agents or a stock purchase or dividend reinvestment plan, or the satisfaction of its obligations pursuant to any contract

or security outstanding on the date that the interest payment period is extended requiring it to purchase, redeem or acquire its capital stock;

(b) any payment, repayment, redemption, purchase, acquisition or declaration of dividend described in clauses (i) and (ii) above as a result of a reclassification of its capital stock, or the exchange or conversion of all or a portion of one class or series of its capital stock for another class or series of its capital stock;

(c) the purchase of fractional interests in shares of its capital stock pursuant to the conversion or exchange provisions of its capital stock or the security being converted or exchanged, or in connection with the settlement of stock purchase contracts;

(d) dividends or distributions paid or made in its capital stock (or rights to acquire its capital stock), or repurchases, redemptions or acquisitions of capital stock in connection with the issuance or exchange of capital stock (or of securities convertible into or exchangeable for shares of its capital stock and distributions in connection with the settlement of stock purchase contracts);

(e) redemptions, exchanges or repurchases of, or with respect to, any rights outstanding under a shareholder rights plan or the declaration or payment thereunder of a dividend or distribution of or with respect to rights in the future; or

(f) payments under any preferred trust securities guarantee or guarantee of junior subordinated debentures executed and delivered by the Company concurrently with the issuance by a trust of any preferred trust securities, so long as the amount of payments made on any preferred trust securities or junior subordinated debentures (as the case may be) is paid on all preferred trust securities or junior subordinated debentures that are equal or senior in right of payment to the Securities of this series (as the case may be) then outstanding on a pro rata basis in proportion to the full distributions to which each series of preferred trust securities or junior subordinated debentures (as the case may be) is then entitled if paid in full.

Prior to the termination of any such Extension Period, the Company may further extend the interest payment period, provided that such Extension Period together with all such previous and further extensions thereof shall not exceed __ consecutive quarterly periods at any one time or extend beyond the Maturity of the Securities of this series. Upon the termination of any such Extension Period and the payment of all amounts then due, including interest on deferred interest payments, the Company may elect to begin a new Extension Period, subject to the above requirements. No interest shall be due and payable during an Extension Period, except at the end thereof. The Company will give the Trust and the Trustee notice of its election of an Extension Period before the earlier of (i) the Business Day prior to the record date for the distribution on the Preferred Trust Securities which would occur but for such election or (ii) the date the Administrative Trustees of the Trust are required to give notice to any securities exchange or any other applicable self-regulatory organization of the record date for such distribution. The Trustee will cause the Trust to send notice of such election to the holders of Preferred Trust Securities.]

The Securities of this series are issuable only in registered form without coupons in denominations of $[1,000][25] and integral multiples thereof. As provided in the Indenture and subject to certain limitations therein set forth, Securities of this series are exchangeable for a like aggregate principal amount of Securities of this series and of like tenor and of authorized denominations, as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

The Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the absolute owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

All terms used in this Security which are defined either in the Indenture or in the Officer's Certificate shall have the meanings assigned to them in the Indenture or in the Officer's Certificate.

Exhibit 4(ax)

FPL GROUP CAPITAL INC,
Issuer

AND

FPL GROUP, INC.,
Guarantor

TO

The Bank of New York,
Trustee

Indenture

(For Unsecured Subordinated Debt Securities
[[1]relating to Trust Securities])

Dated as of _____, 20__

[1] For use in connection with subordinated debt securities relating to trust securities.

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FPL GROUP CAPITAL INC

Reconciliation and tie between Trust Indenture Act of 1939 and Indenture, dated as of _____, 20__

Trust Indenture Act Section		Indenture Section
§310	(a)(1)	909
	(a)(2)	909
	(a)(3)	914(b)
	(a)(4)	Not Applicable
	(b)	908
		910
§311	(a)	913
	(b)	913
	(c)	913
§312	(a)	1001
	(b)	1001
	(c)	1001
§313	(a)	1002
	(b)	1002
	(c)	1002
	(d)	1002
§314	(a)	1002
	(a)(4)	606
	(b)	Not Applicable
	(c)(1)	102
	(c)(2)	102
	(c)(3)	Not Applicable
	(d)	Not Applicable
	(e)	102
§315	(a)	901
		903
	(b)	902
	(c)	901
	(d)	901
	(e)	814
§316	(a)	812
		813
	(a)(1)(A)	802
		812
	(a)(1)(B)	813
	(a)(2)	Not Applicable
	(b)	808
§317	(a)(1)	803
	(a)(2)	804
	(b)	603
§318	(a)	107

Note: This reconciliation and tie shall not, for any purpose, be deemed to be a part of the Indenture.

SUBORDINATED INDENTURE, dated as of _____, 20__, among **FPL GROUP CAPITAL INC**, a corporation duly organized and existing under the laws of the State of Florida (herein called the "Company"), having its principal office at 700 Universe Boulevard, Juno Beach, Florida 33408, **FPL GROUP, INC.**, a corporation duly organized and existing under the laws of the State of Florida (herein called the "Guarantor"), having its principal office at 700 Universe Boulevard, Juno Beach, Florida 33408, and **THE BANK OF NEW YORK**, a New York banking corporation having its principal corporate trust office at 101 Barclay Street, Floor 8W, New York, New York 10286, as Trustee (herein called the "Trustee").

RECITAL OF THE COMPANY

The Company has duly authorized the execution and delivery of this Indenture to provide for the issuance from time to time of its unsecured subordinated debentures, notes or other evidences of indebtedness (herein called the "Securities"), in an unlimited aggregate principal amount to be issued in one or more series as contemplated herein, with Guarantees endorsed thereon; and all acts necessary to make this Indenture a valid agreement of the Company, in accordance with its terms, have been performed and all acts necessary to make this Indenture a valid agreement of the Company have been performed.

RECITAL OF THE GUARANTOR

The Guarantor has duly authorized the execution and delivery of this Indenture to provide for the guarantee of the Securities provided for herein; and all acts necessary to make this Indenture a valid agreement of the Guarantor, in accordance with its terms, have been performed.

For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires, capitalized terms used herein shall have the meanings assigned to them in Article One of this Indenture.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the Securities by the Holders thereof, it is mutually covenanted and agreed, for the equal and proportionate benefit of all Holders of the Securities or of any series thereof, as follows:

ARTICLE ONE

Definitions and Other Provisions of General Application

SECTION 101. Definitions.

For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(a) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular;

(b) all terms used herein without definition which are defined in the Trust Indenture Act, either directly or by reference therein, have the meanings assigned to them therein;

(c) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles in the United States, and, except as otherwise herein expressly provided, the term "generally accepted accounting principles" with respect to any computation required or permitted hereunder shall mean such accounting principles as are generally accepted in the United States at the date of such computation or, at the election of the Company from time to time, at the date of the execution and delivery of this Indenture; provided, however, that in determining generally accepted accounting principles applicable to the Company, the Company shall, to the extent required, conform to any order, rule or regulation of any administrative agency, regulatory authority or other governmental body having jurisdiction over the Company;

(d) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision; and

(e) unless the context otherwise requires, any reference to an "Article" or a "Section" refers to an Article or a Section, as the case may be, of this Indenture.

Certain terms, used principally in Article Nine, are defined in that Article.

"Act," when used with respect to any Holder of a Security, has the meaning specified in Section 104.

[[1]**"Additional Interest"** has the meaning specified in Section 313.]

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, **"control"** when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms **"controlling"** and **"controlled"** have meanings correlative to the foregoing.

"Authenticating Agent" means any Person (other than the Company or an Affiliate of the Company) authorized by the Trustee pursuant to Section 915 to act on behalf of the Trustee to authenticate one or more series of Securities.

"Authorized Officer" means the Chairman of the Board, the President, any Vice President, the Treasurer, any Assistant Treasurer, the Secretary, any Assistant Secretary or any other officer or agent of the Company or the Guarantor, as the case requires, duly authorized by their respective Board of Directors to act in respect of matters relating to this Indenture.

"Board of Directors" means either the board of directors of the Company or the Guarantor, as the case requires, or any committee of that board duly authorized to act in respect of matters relating to this Indenture, or the equivalent governing body of an entity, or any committee, corporation, individual or group of individuals duly authorized to act for such entity in respect of matters relating to this Indenture.

"Board Resolution" means a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company or the Guarantor, as the case requires, to have been duly adopted by the Board of Directors of the Company or the Guarantor, as the case requires, and to be in full force and effect on the date of such certification, and delivered to the Trustee.

"Business Day," when used with respect to a Place of Payment or any other particula location specified in the Securities or this Indenture, means any day, other than a Saturday or Sunday which is not a day on which banking institutions or trust companies in such Place of Payment or othe location are generally authorized or required by law, regulation or executive order to remain closec except as may be otherwise specified as contemplated by Section 301.

"Commission" means the Securities and Exchange Commission, as from time to tim constituted, created under the Exchange Act, or, if at any time after the date of execution and delivery o this Indenture such Commission is not existing and performing the duties now assigned to it under th Trust Indenture Act, then the body, if any, performing such duties at such time.

[[1]**"Common Securities"** means any common trust interests issued by a Trust or simila securities issued by permitted successors to such Trust in accordance with the Trust Agreement pertainin to such Trust.]

"Company" means the Person named as the "Company" in the first paragraph of thi Indenture until a successor Person shall have become such pursuant to the applicable provisions of thi Indenture, and thereafter "Company" shall mean such successor Person.

"Company Request" or "Company Order" means a written request or order signed i the name of the Company by an Authorized Officer and delivered to the Trustee.

"Corporate Trust Office" means the corporate trust office of the Trustee at which, a any particular time, its corporate trust business shall be principally administered, which office at the dat hereof is located at 101 Barclay Street, 8W, New York, New York 10286.

"Corporation" means a corporation, association, bank, company, limited liabilit company, joint stock company, statutory trust, or other business entity, and references to "corporate" anc other derivations of "corporation" herein shall be deemed to include appropriate derivations of suc entities.

"Defaulted Interest" has the meaning specified in Section 307.

"Discount Security" means any Security which provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration of the Maturity thereo pursuant to Section 802. The term **"interest"** with respect to a Discount Security means interest, if any, borne by such Security at a Stated Interest Rate.

"Dollar" or "$" means a dollar or other equivalent unit in such coin or currency of the United States as at the time shall be legal tender for the payment of public and private debts.

"Eligible Obligations" means:

(a) with respect to Securities denominated in Dollars, Government Obligations; or

(b) with respect to Securities denominated in a currency other than Dollars or in a composite currency, such other obligations or instruments as shall be specified with respect to such Securities, as contemplated by Section 301.

"Event of Default" has the meaning specified in Section 801.

"Exchange Act" means the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder, as amended from time to time, or any successor legislation.

"Governmental Authority" means the government of the United States or of any State or Territory thereof or of the District of Columbia or of any county, municipality or other political subdivision of any of the foregoing, or any department, agency, authority or other instrumentality of any of the foregoing.

"Government Obligations" means:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States and entitled to the benefit of the full faith and credit thereof; and

(b) certificates, depositary receipts or other instruments which evidence a direct ownership interest in obligations described in clause (a) above or in any specific interest or principal payments due in respect thereof; provided, however, that the custodian of such obligations or specific interest or principal payments shall be a bank or trust company (which may include the Trustee or any Paying Agent) subject to Federal or state supervision or examination with a combined capital and surplus of at least $50,000,000; and provided, further, that except as may be otherwise required by law, such custodian shall be obligated to pay to the holders of such certificates, depositary receipts or other instruments the full amount received by such custodian in respect of such obligations or specific payments and shall not be permitted to make any deduction therefrom.

"Guarantee" means any guarantee of the Guarantor endorsed on a Security authenticated and delivered pursuant to this Indenture and shall include the guarantee set forth in Section 1401.

"Guarantor" means the Person named as "Guarantor" in the first paragraph of this Indenture until a successor Person shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Guarantor" shall include such successor Person.

"Guarantor Order" or **"Guarantor Request"** mean, respectively, a written order or request, as the case may be, signed in the name of the Guarantor by an Authorized Officer of the Guarantor and delivered to the Trustee.

"Holder" means a Person in whose name a Security is registered in the Security Register.

"Indenture" means this instrument as originally executed and delivered and as it may from time to time be supplemented or amended by one or more indentures or other instruments supplemental hereto entered into pursuant to the applicable provisions hereof, including, for all purposes of this instrument and any such supplemental indenture or other instrument, the provisions of the Trust Indenture Act that are deemed to be a part of and govern this Indenture and any such supplemental indenture or such other instrument, respectively. The term "Indenture" shall also include the terms of particular series of Securities established as contemplated by Section 301.

"Interest Payment Date," when used with respect to any Security, means the Stated Maturity of an installment of interest on such Security.

"Maturity," when used with respect to any Security, means the date on which the principal of such Security or an installment of principal becomes due and payable as provided in such Security or in this Indenture, whether at the Stated Maturity, by declaration of acceleration, upon call for redemption or otherwise.

"Notice of Default,"means a written notice of the kind specified in Section 801(c).

"Officer's Certificate" means a certificate signed by an Authorized Officer of the Company or the Guarantor, as the case requires, and delivered to the Trustee. An Officer's Certificate of the Company may be combined with an Officer's Certificate of the Guarantor if signed by Authorized Officers of the Company and the Guarantor.

"Opinion of Counsel" means a written opinion of counsel, who may be counsel for the Company or the Guarantor or an Affiliate of the Company or the Guarantor, or an employee of any thereof, and who shall be reasonably acceptable to the Trustee.

"Outstanding," when used with respect to Securities, means, as of the date of determination, all Securities theretofore authenticated and delivered under this Indenture, except:

(a) Securities theretofore canceled or delivered to the Security Registrar for cancellation;

(b) Securities deemed to have been paid for all purposes of this Indenture in accordance with Section 701 (whether or not the Company's indebtedness in respect thereof shall be satisfied and discharged for any other purpose); and

(c) Securities which have been paid pursuant to Section 306 or in exchange for or in lieu of which other Securities have been authenticated and delivered pursuant to this Indenture, other than any such Securities in respect of which there shall have been presented to the Trustee proof satisfactory to it and the Company that such Securities are held by a bona fide purchaser or purchasers in whose hands such Securities are valid obligations of the Company;

provided, however, that in determining whether or not the Holders of the requisite principal amount of the Securities Outstanding under this Indenture, or the Outstanding Securities of any series or Tranche, have given any request, demand, authorization, direction, notice, consent or waiver hereunder or whether or not a quorum is present at a meeting of Holders of Securities,

(x) Securities owned by the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor (unless the Company, such Affiliate or such obligor owns all Securities Outstanding under this Indenture, or all Outstanding Securities of each such series and each such Tranche, as the case may be, determined without regard to this clause (x)) shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver or upon any such determination as to the presence of a quorum, only Securities which the Trustee knows to be so owned shall be so disregarded; provided, however, that Securities so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Securities and that the pledgee is not the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor;

(y) the principal amount of a Discount Security that shall be deemed to be Outstanding for such purposes shall be the amount of the principal thereof that would be due and payable as of the date of such determination upon a declaration of acceleration of the Maturity thereof pursuant to Section 802; and

(z) the principal amount of any Security which is denominated in a currency other than Dollars or in a composite currency that shall be deemed to be Outstanding for such purposes shall be the amount of Dollars which could have been purchased by the principal amount (or, in the case of a Discount Security, the Dollar equivalent on the date determined as set forth below of the amount determined as provided in (y) above) of such currency or composite currency evidenced by such Security, in each such case certified to the Trustee in an Officer's Certificate of the Company, based (i) on the average of the mean of the buying and selling spot rates quoted by three banks which are members of the New York Clearing House Association selected by the Company in effect at 11:00 A.M. (New York time) in The City of New York on the fifth Business Day preceding any such determination or (ii) if on such fifth Business Day it shall not be possible or practicable to obtain such quotations from such three banks, on such other quotations or alternative methods of determination which shall be as consistent as practicable with the method set forth in (i) above;

provided, further, that, in the case of any Security the principal of which is payable from time to time without presentment or surrender, the principal amount of such Security that shall be deemed to be Outstanding at any time for all purposes of this Indenture shall be the original principal amount thereof less the aggregate amount of principal thereof theretofore paid.

"Paying Agent" means any Person, including the Company or the Guarantor, authorized by the Company or the Guarantor to pay the principal of and premium, if any, or interest, if any, on any Securities on behalf of the Company or the Guarantor.

"Periodic Offering" means an offering of Securities of a series from time to time any or all of the specific terms of which Securities, including without limitation the rate or rates of interest or formula for determining the rate or rates of interest, if any, thereon, the Stated Maturity or Maturities thereof and the redemption provisions, if any, with respect thereto, are to be determined by the Company or its agents upon the issuance of such Securities.

"Person" means a legal person, including any individual, Corporation, estate, partnership, joint venture, unincorporated association or government, or any agency or political subdivision thereof or any other entity of whatever nature.

"Place of Payment," when used with respect to the Securities of any series, or any Tranche thereof, means the place or places, specified as contemplated by Section 301, at which, subject to Section 602, principal of and premium, if any, and interest, if any, on the Securities of such series or Tranche are payable.

"Predecessor Security" of any particular Security means every previous Security evidencing all or a portion of the same debt as that evidenced by such particular Security; and, for the purposes of this definition, any Security authenticated and delivered under Section 306 in exchange for or in lieu of a mutilated, destroyed, lost or stolen Security shall be deemed (to the extent lawful) to evidence the same debt as the mutilated, destroyed, lost or stolen Security.

[**"Preferred Securities"** means any preferred trust interests issued by a Trust or similar securities issued by permitted successors to such Trust in accordance with the Trust Agreement pertaining to such Trust.]

"Redemption Date," when used with respect to any Security to be redeemed, means the date fixed for such redemption by or pursuant to this Indenture.

"Redemption Price," when used with respect to any Security to be redeemed, means the price at which it is to be redeemed pursuant to this Indenture.

"Regular Record Date" for the interest payable on any Interest Payment Date on the Securities of any series means the date specified for that purpose as contemplated by Section 301.

"Required Currency" has the meaning specified in Section 311.

"Responsible Officer," when used with respect to the Trustee, means any vice-president, any assistant vice-president, any assistant secretary, any assistant treasurer, any trust officer or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of that officer's knowledge of and familiarity with the particular subject and who shall have direct responsibility for the administration of this Indenture.

"Securities" has the meaning stated in the first recital of this Indenture and more particularly means any securities authenticated and delivered under this Indenture.

"Securities Act" means the Securities Act of 1933, and the rules and regulations promulgated thereunder, as amended from time to time, or any successor legislation.

"Security Register" and "Security Registrar" have the respective meanings specified in Section 305.

"Senior Indebtedness" – to be inserted

"Special Record Date" for the payment of any Defaulted Interest on the Securities of any series means a date fixed by the Trustee pursuant to Section 307.

"Stated Interest Rate" means a rate (whether fixed or variable) at which an obligation by its terms is stated to bear simple interest. Any calculation or other determination to be made under this Indenture by reference to the Stated Interest Rate on a Security shall be made without regard to the effective interest cost to the Company of such Security and without regard to the Stated Interest Rate on, or the effective cost to the Company of, any other indebtedness in respect of which the Company's obligations are evidenced or secured in whole or in part by such Security.

"Stated Maturity," when used with respect to any Security or any obligation or any installment of principal thereof or interest thereon, means the date on which the principal of such obligation or such installment of principal or interest is stated in such Security to be due and payable (without regard to any provisions for redemption, prepayment, acceleration, purchase or extension).

"Tranche" means a group of Securities which (a) are of the same series and (b) have identical terms except as to principal amount and/or date of issuance.

[1"**Trust**" means FPL Group Capital Trust _, a statutory trust formed under the laws of the State of Delaware, or any other trust designated pursuant to Section 301 hereof or any permitted successor under the Trust Agreement pertaining to such Trust.]

[1"**Trust Agreement**" means the Amended and Restated Trust Agreement, dated as of _____, 20__, relating to FPL Group Capital Trust _, or an Amended and Restated Trust Agreement relating to a Trust designated pursuant to Section 301 hereof, in each case, among FPL Group, Inc., as Depositor, the trustees named therein and the several holders referred to therein, as such agreement or agreements, as the case may be, may be amended from time to time.]

"**Trust Indenture Act**" means, as of any time, the Trust Indenture Act of 1939, as amended, or any successor statute, as in effect at such time.

[1"**Trust Securities Guarantee**" means the Preferred Trust Securities Guarantee Agreement between FPL Group, Inc., as guarantor, and a guarantee trustee for the benefit of the holders of Preferred Securities issued by such Trust.]

"**Trustee**" means the Person named as the "Trustee" in the first paragraph of this Indenture until a successor Trustee shall have become such with respect to one or more series of Securities pursuant to the applicable provisions of this Indenture, and thereafter "Trustee" shall mean or include each Person who is then a Trustee hereunder, and if at any time there is more than one such Person, "Trustee" as used with respect to the Securities of any series shall mean the Trustee with respect to Securities of that series.

"**United States**" means the United States of America, its Territories, its possessions and other areas subject to its political jurisdiction.

SECTION 102. Compliance Certificates and Opinions.

Except as otherwise expressly provided in this Indenture, upon any application or request by the Company or the Guarantor to the Trustee to take any action under any provision of this Indenture, the Company and the Guarantor shall each, furnish to the Trustee an Officer's Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:

(a) a statement that each Person signing such certificate or opinion has read such covenant or condition and the definitions herein relating thereto;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of each such Person, such Person has made such examination or investigation as is necessary to enable such Person to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether, in the opinion of each such Person, such condition or covenant has been complied with.

SECTION 103. Form of Documents Delivered to Trustee.

In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an officer of the Company or the Guarantor may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which such Officer's Certificate or opinion are based are erroneous. Any such certificate or Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Company or the Guarantor stating that the information with respect to such factual matters is in the possession of the Company or the Guarantor, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Where (i) any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, or (ii) two or more Persons are each required to make, give or execute any such application, request, consent, certificate, statement, opinion or other instrument under this Indenture, any such applications, requests, consents, certificates, statements, opinions or other instruments may, but need not, be consolidated and form one instrument.

Whenever, subsequent to the receipt by the Trustee of any Board Resolution, Officer's Certificate, Opinion of Counsel or other document or instrument, a clerical, typographical or other inadvertent or unintentional error or omission shall be discovered therein, a new document or instrument may be substituted therefor in corrected form with the same force and effect as if originally filed in the corrected form and, irrespective of the date or dates of the actual execution and/or delivery thereof, such substitute document or instrument shall be deemed to have been executed and/or delivered as of the date or dates required with respect to the document or instrument for which it is substituted. Anything in this Indenture to the contrary notwithstanding, if any such corrective document or instrument indicates that action has been taken by or at the request of the Company or the Guarantor which could not have been taken had the original document or instrument not contained such error or omission, the action so taken shall not be invalidated or otherwise rendered ineffective but shall be and remain in full force and effect, except to the extent that such action was a result of willful misconduct or bad faith. Without limiting the generality of the foregoing, any Securities issued under the authority of such defective document or instrument shall nevertheless be the valid obligations of the Company entitled to the benefits of this Indenture equally and ratably with all other Outstanding Securities, except as aforesaid.

SECTION 104. Acts of Holders.

(a) Any request, demand, authorization, direction, notice, consent, election, waiver or other action provided by this Indenture to be made, given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by an agent duly appointed in writing or, alternatively, may be

embodied in and evidenced by the record of Holders voting in favor thereof, either in person or by proxies duly appointed in writing, at any meeting of Holders duly called and held in accordance with the provisions of Article Thirteen, or a combination of such instruments and any such record. Except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments or record or both are delivered to the Trustee and, where it is hereby expressly required, to the Company and the Guarantor. Such instrument or instruments and any such record (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders signing such instrument or instruments and so voting at any such meeting. Proof of execution of any such instrument or of a writing appointing any such agent, or of the holding by any Person of a Security, shall be sufficient for any purpose of this Indenture and (subject to Section 901) conclusive in favor of the Trustee, the Company and the Guarantor, if made in the manner provided in this Section. The record of any meeting of Holders shall be proved in the manner provided in Section 1306.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by a certificate of a notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof or may be proved in any other manner which the Trustee and the Company deem sufficient. Where such execution is by a signer acting in a capacity other than his individual capacity, such certificate or affidavit shall also constitute sufficient proof of his authority.

(c) The principal amount (except as otherwise contemplated in clause (y) of the first proviso to the definition of Outstanding) and serial numbers of Securities held by any Person, and the date of holding the same, shall be proved by the Security Register;

(d) Any request, demand, authorization, direction, notice, consent, election, waiver or other Act of a Holder of any Security shall bind every future Holder of the same Security and the Holder of every Security issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done, omitted or suffered to be done by the Trustee, the Company or the Guarantor in reliance thereon, whether or not notation of such action is made upon such Security.

(e) Until such time as written instruments shall have been delivered to the Trustee with respect to the requisite percentage of principal amount of Securities for the action contemplated by such instruments, any such instrument executed and delivered by or on behalf of a Holder may be revoked with respect to any or all of such Securities by written notice by such Holder or any subsequent Holder, proven in the manner in which such instrument was proven.

(f) Securities of any series, or any Tranche thereof, authenticated and delivered after any Act of Holders may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any action taken by such Act of Holders. If the Company shall so determine, new Securities of any series, or any Tranche thereof, so modified as to conform, in the opinion of the Trustee and the Company, to such action may be prepared and executed by the Company and the Guarantor and authenticated and delivered by the Trustee in exchange for Outstanding Securities of such series or Tranche.

(g) If the Company or the Guarantor shall solicit from Holders any request, demand, authorization, direction, notice, consent, waiver or other Act, the Company or the Guarantor, as the case may be, may, at its option, by Company Order or Guarantor Order, as appropriate, fix in advance a record date for the determination of Holders entitled to give such request, demand,

authorization, direction, notice, consent, waiver or other Act, but neither the Company nor the Guarantor shall have any obligation to do so. If such a record date is fixed, such request, demand, authorization, direction, notice, consent, waiver or other Act may be given before or after such record date, but only the Holders of record at the close of business on the record date shall be deemed to be Holders for the purposes of determining whether Holders of the requisite proportion of the Outstanding Securities have authorized or agreed or consented to such request, demand, authorization, direction, notice, consent, waiver or other Act, and for that purpose the Outstanding Securities shall be computed as of the record date. Any such Act, given as aforesaid, shall be effective whether or not the Holders which authorized or agreed or consented to such Act remain Holders after such record date and whether or not the Securities held by such Holders remain Outstanding after such record date.

SECTION 105. Notices, etc. to Trustee, Company and Guarantor.

Any request, demand, authorization, direction, notice, consent, election, waiver or Act of Holders or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with, the Trustee by any Holder or by the Company or the Guarantor, or the Company or the Guarantor by the Trustee or by any Holder, shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if in writing and delivered personally to an officer or other responsible employee of the addressee, or transmitted by facsimile transmission or other direct written electronic means to such telephone number or other electronic communications address as the parties hereto shall from time to time designate, or transmitted by registered mail, charges prepaid, to the applicable address set opposite such party's name below or to such other address as such party hereto may from time to time designate:

If to the Trustee, to:

The Bank of New York
101 Barclay Street, Floor 8W
New York, New York 10286

Attention:
Telephone:
Facsimile:

With a copy to:

The Bank of New York Trust Company, N.A.
10161 Centurion Parkway
Jacksonville, FL 32256

Attention:
Telephone:
Facsimile:

If to the Company, to:

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

Attention: Treasurer
Telephone:
Facsimile:

If to the Guarantor, to:

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

Attention: Treasurer
Telephone:
Facsimile:

Any communication contemplated herein shall be deemed to have been made, given, furnished and filed if personally delivered, on the date of delivery, if transmitted by facsimile transmission or other direct written electronic means, on the date of transmission, and if transmitted by registered mail, on the date of receipt.

SECTION 106. Notice to Holders of Securities; Waiver.

Except as otherwise expressly provided herein, where this Indenture provides for notice to Holders of any event, such notice shall be sufficiently given, and shall be deemed given, to Holders if in writing and mailed, first-class postage prepaid, to each Holder affected by such event, at the address of such Holder as it appears in the Security Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice.

In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give such notice to Holders by mail, then such notification as shall be made with the approval of the Trustee shall constitute a sufficient notification for every purpose hereunder. In any case where notice to Holders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder shall affect the sufficiency of such notice with respect to other Holders.

Any notice required by this Indenture may be waived in writing by the Person entitled to receive such notice, either before or after the event otherwise to be specified therein, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 107. Conflict with Trust Indenture Act.

If any provision of this Indenture limits, qualifies or conflicts with another provision hereof which is required or deemed to be included in this Indenture by, or is otherwise governed by, any of the provisions of the Trust Indenture Act, such other provision shall control; and if any provision hereof otherwise conflicts with the Trust Indenture Act, the Trust Indenture Act shall control.

SECTION 108. Effect of Headings and Table of Contents.

The Article and Section headings in this Indenture and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 109. Successors and Assigns.

All covenants and agreements in this Indenture by the Company, the Guarantor and Trustee shall bind their respective successors and assigns, whether so expressed or not.

SECTION 110. Separability Clause.

In case any provision in this Indenture or the Securities or the Guarantees shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 111. Benefits of Indenture.

Nothing in this Indenture, the Securities or the Guarantees, express or implied, shall give to any Person, other than the parties hereto, their successors hereunder, the Holders and, so long as the notice described in Section 1513 hereof has not been given, the holders of Senior Indebtedness, any benefit or any legal or equitable right, remedy or claim under this Indenture[[1], provided, however, that for so long as any Preferred Securities remain outstanding, the holders of such Preferred Securities, subject to certain limitations set forth in this Indenture, may enforce the Company's and the Guarantor's obligations hereunder, directly against the Company or the Guarantor, as the case may be, as third party beneficiaries of this Indenture without proceeding against the Trust issuing such Preferred Securities].

SECTION 112. Governing Law.

This Indenture, the Securities and the Guarantees shall be governed by and construed in accordance with the laws of the State of New York, without regard to conflict of laws principles thereunder, except to the extent that the law of any other jurisdiction shall be mandatorily applicable.

SECTION 113. Legal Holidays.

In any case where any Interest Payment Date, Redemption Date or Stated Maturity of any Security shall not be a Business Day at any Place of Payment, then (notwithstanding any other provision of this Indenture or of the Securities other than a provision in Securities of any series, or any Tranche thereof, or in an indenture supplemental hereto, or in the Board Resolution or Officer's Certificate which establishes the terms of the Securities of such series or Tranche, which specifically states that such provision shall apply in lieu of this Section) payment of interest or principal and premium, if any, need not be made at such Place of Payment on such date, but may be made on the next succeeding Business Day at such Place of Payment, except that if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect, and in the same amount, as if made on the Interest Payment Date or Redemption Date, or at the Stated Maturity, as the case may be, and, if such payment is made or duly provided for on such Business Day, no interest shall accrue on the amount so payable for the period from and after such Interest Payment Date, Redemption Date or Stated Maturity, as the case may be, to such Business Day.

ARTICLE TWO

Security Forms

SECTION 201. Forms Generally.

The definitive Securities of each series and the Guarantees to be endorsed thereon as contemplated by Article Fourteen shall be in substantially the form or forms thereof established in the indenture supplemental hereto establishing such series or in a Board Resolution establishing such series, or in an Officer's Certificate pursuant to such supplemental indenture or Board Resolution, in each case with such appropriate terms, insertions, omissions, substitutions and other variations as are required or permitted by this Indenture, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange or as may, consistently herewith, be determined by the officers executing such Securities or the Guarantees endorsed thereon, as the case may be, as evidenced by their execution thereof. If the form or forms of Securities of any series or the Guarantees endorsed thereon are established in a Board Resolution or in an Officer's Certificate pursuant to a Board Resolution, such Board Resolution and Officer's Certificate, if any, shall be delivered to the Trustee at or prior to the delivery of the Company Order contemplated by Section 303 for the authentication and delivery of such Securities.

Unless otherwise specified as contemplated by Sections 301 or 1201(g), the Securities of each series shall be issuable in registered form without coupons. The definitive Securities and Guarantees endorsed thereon shall be produced in such manner as shall be determined by the officers executing such Securities or Guarantees, as evidenced by their execution thereof.

SECTION 202. Form of Trustee's Certificate of Authentication.

The Trustee's certificate of authentication shall be in substantially the form set forth below:

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

THE BANK OF NEW YORK, as Trustee

By: _____
Authorized Signatory

ARTICLE THREE

The Securities

SECTION 301. Amount Unlimited; Issuable in Series.

The aggregate principal amount of Securities which may be authenticated and delivered under this Indenture is unlimited [[1]; provided, however, that all Securities shall be issued to a Trust to evidence the acquisition of Securities by a Trust with the proceeds of the issuance of Preferred Securities and Common Securities of such Trust].

The Securities may be issued in one or more series. Subject to the last paragraph of this Section, prior to the authentication and delivery of Securities of any series there shall be established by specification in a supplemental indenture or in a Board Resolution of the Company, or in an Officer's Certificate of the Company (which need not comply with Section 102) pursuant to a supplemental indenture or a Board Resolution:

(a) the title of the Securities of such series (which shall distinguish the Securities of such series from Securities of all other series);

(b) any limit upon the aggregate principal amount of the Securities of such series which may be authenticated and delivered under this Indenture (except for Securities authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Securities of such series pursuant to Section 304, 305, 306, 406 or 1206 and, except for any Securities which, pursuant to Section 303, are deemed never to have been authenticated and delivered hereunder);

(c) the Person or Persons (without specific identification) to whom interest on Securities of such series, or any Tranche thereof, shall be payable on any Interest Payment Date, if other than the Persons in whose names such Securities (or one or more Predecessor Securities) are registered at the close of business on the Regular Record Date for such interest;

(d) the date or dates on which the principal of the Securities of such series or any Tranche thereof, is payable or any formulary or other method or other means by which such date or dates shall be determined, by reference to an index or other fact or event ascertainable outside of this Indenture or otherwise (without regard to any provisions for redemption, prepayment, acceleration, purchase or extension);

(e) the rate or rates at which the Securities of such series, or any Tranche thereof, shall bear interest, if any (including the rate or rates at which overdue principal shall bear interest, if different from the rate or rates at which such Securities shall bear interest prior to Maturity, and, if applicable, the rate or rates at which overdue premium or interest shall bear interest, if any), or any formulary or other method or other means by which such rate or rates shall be determined, by reference to an index or other fact or event ascertainable outside of this Indenture or otherwise; the date or dates from which such interest shall accrue; the Interest Payment Dates on which such interest shall be payable and the Regular Record Date, if any, for the interest payable on such Securities on any Interest Payment Date; the right of the Company, if any, to extend the interest payment periods and the duration of any such extension as contemplated by Section 312; and the basis of computation of interest, if other than as provided in Section 310;

(f) the place or places at which or methods (if other than as provided elsewhere in this Indenture) by which (1) the principal of and premium, if any, and interest, if any, on Securities of such series, or any Tranche thereof, shall be payable, (2) registration of transfer of Securities of such series, or any Tranche thereof, may be effected, (3) exchanges of Securities of such series, or any Tranche thereof, may be effected and (4) notices and demands to or upon the Company in respect of the Securities of such series, or any Tranche thereof, and this Indenture may be served; the Security Registrar and any Paying Agent or Agents for such series or Tranche; and if such is the case, that the principal of such Securities shall be payable without presentment or surrender thereof;

(g) the period or periods within which, or the date or dates on which, the price or prices at which and the terms and conditions upon which the Securities of such series, or any

Tranche thereof, may be redeemed, in whole or in part, at the option of the Company and any restrictions on such redemptions, including but not limited to a restriction on a partial redemption by the Company of the Securities of any series, or any Tranche thereof, resulting in delisting of such Securities from any national exchange, the Nasdaq national market or such other interdealer quotation system or self-regulatory organization upon which Securities are listed or traded;

(h) the obligation or obligations, if any, of the Company to redeem or purchase or repay the Securities of such series, or any Tranche thereof, pursuant to any sinking fund or other mandatory redemption provisions or at the option of a Holder thereof and the period or periods within which or the date or dates on which, the price or prices at which and the terms and conditions upon which such Securities shall be redeemed or purchased or repaid, in whole or in part, pursuant to such obligation, and applicable exceptions to the requirements of Section 404 in the case of mandatory redemption or redemption or repayment at the option of the Holder;

(i) the denominations in which Securities of such series, or any Tranche thereof, shall be issuable if other than denominations of [$1,000][$25] and any integral multiple thereof;

(j) the currency or currencies, including composite currencies, in which payment of the principal of and premium, if any, and interest, if any, on the Securities of such series, or any Tranche thereof, shall be payable (if other than in Dollars) and the manner in which the equivalent of the principal amount thereof in Dollars is to be determined for any purpose, including for the purpose of determining the principal amount deemed to be Outstanding at any time;

(k) if the principal of or premium, if any, or interest, if any, on the Securities of such series, or any Tranche thereof, are to be payable, at the election of the Company or a Holder thereof, in a coin or currency other than that in which the Securities are stated to be payable, the period or periods within which, and the terms and conditions upon which, such election may be made;

(l) if the principal of or premium, if any, or interest, if any, on the Securities of such series, or any Tranche thereof, are to be payable, or are to be payable at the election of the Company or a Holder thereof, in securities or other property, the type and amount of such securities or other property, or the formulary or other method or other means by which such amount shall be determined, and the period or periods within which, and the terms and conditions upon which, any such election may be made;

(m) if the amount payable in respect of principal of or premium, if any, or interest, if any, on the Securities of such series, or any Tranche thereof, may be determined with reference to an index or other fact or event ascertainable outside of this Indenture, the manner in which such amounts shall be determined to the extent not established pursuant to clause (e) of this paragraph;

(n) if other than the entire principal amount thereof, the portion of the principal amount of Securities of such series, or any Tranche thereof, which shall be payable upon declaration of acceleration of the Maturity thereof pursuant to Section 802;

(o) any Events of Default, in addition to those specified in Section 801, or any exceptions to those specified in Section 801 with respect to the Securities of such series, and any covenants of the Company or the Guarantor for the benefit of the Holders of the Securities of such series, or any Tranche thereof, in addition to those set forth in Article Six, or any exceptions to those set forth in Article Six, and in Article Fourteen;

(p) the terms, if any, pursuant to which the Securities of such series, or any Tranche thereof, may be converted into or exchanged for shares of capital stock or other securities of the Company or any other Person;

(q) the obligations or instruments, if any, which shall be considered to be Eligible Obligations in respect of the Securities of such series, or any Tranche thereof, denominated in a currency other than Dollars or in a composite currency, and any additional or alternative provisions for the reinstatement of the Company's indebtedness in respect of such Securities after the satisfaction and discharge thereof as provided in Sections 701 and 702 (or any exceptions to those set forth in Sections 701 and 702);

(r) if the Securities of such series, or any Tranche thereof, are to be issued in global form, (i) any limitations on the rights of the Holder or Holders of such Securities to transfer or exchange the same or to obtain the registration of transfer thereof, (ii) any limitations on the rights of the Holder or Holders thereof to obtain certificates therefor in definitive form in lieu of global form and (iii) any and all other matters incidental to such Securities;

(s) if the Securities of such series, or any Tranche thereof, are to be issuable as bearer securities, any and all matters incidental thereto which are not specifically addressed in a supplemental indenture as contemplated by clause (g) of Section 1201;

(t) to the extent not established pursuant to clause (r) of this paragraph, any limitations on the rights of the Holders of the Securities of such Series, or any Tranche thereof, to transfer or exchange such Securities or to obtain the registration of transfer thereof; and if a service charge will be made for the registration of transfer or exchange of Securities of such series, or any Tranche thereof, the amount or terms thereof;

(u) any exceptions to Section 113, or variation in the definition of Business Day, with respect to the Securities of such series, or any Tranche thereof;

(v) any collateral security, assurance or guarantee for the Securities of such series, or any Tranche thereof in addition to those set forth in Section 1401, or any exceptions to those set forth in Section 1401);

(w) [[1]the designation of the Trust to which Securities of such series are to be issued;]

(x) [[1]the terms, if any, relating to any Additional Interest that may limit or restrict payments of Additional Interest;] and

(y) any other terms of the Securities of such series, or any Tranche thereof, not inconsistent with the provisions of this Indenture.

With respect to Securities of a series subject to a Periodic Offering, the indenture supplemental hereto or the Board Resolution which establishes such series, or the Officer's Certificate pursuant to such supplemental indenture or Board Resolution, as the case may be, may provide general terms or parameters for Securities of such series and provide either that the specific terms of Securities of such series, or any Tranche thereof, shall be specified in a Company Order or that such terms shall be determined by the Company or its agents in accordance with procedures specified in a Company Order as contemplated by clause (b) of Section 303.

All Securities of any one series shall be substantially identical, except as to principal amount and date of issue and except as may be set forth in the terms of such series as contemplated above. The Securities of each series shall be subordinated in right of payment to Senior Indebtedness of the Company as provided in Article Fifteen. The Guarantees relating to such Securities shall be subordinated in right of payment to Senior Indebtedness of the Guarantor as provided in Article Fourteen.

Unless otherwise provided with respect to a series of Securities as contemplated in Section 301(b), the aggregate principal amount of a series of Securities may be increased and additional Securities of such series may be issued up to the maximum aggregate principal amount authorized with respect to such series as increased.

SECTION 302. Denominations.

Unless otherwise provided as contemplated by Section 301 with respect to any series of Securities, or any Tranche thereof, the Securities of each series shall be issuable in denominations of $25 and any integral multiple thereof.

SECTION 303. Execution, Authentication, Delivery and Dating.

Unless otherwise provided as contemplated by Section 301 with respect to any series of Securities, or any Tranche thereof, the Securities shall be executed on behalf of the Company by an Authorized Officer of the Company and may have the corporate seal of the Company affixed thereto or reproduced thereon and attested by any other Authorized Officer of the Company. The signature of any or all of these officers on the Securities may be manual or facsimile.

Unless otherwise provided as contemplated by Section 301, with respect to any series of Securities or any Tranche thereof, Guarantees to be endorsed on any Securities shall be executed and delivered in accordance with the provisions of Section 1402.

Securities bearing the manual or facsimile signatures of individuals who were at the time of execution Authorized Officers of the Company shall bind the Company, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Securities or did not hold such offices at the date of such Securities.

The Trustee shall authenticate and deliver Securities of a series, with the Guarantees endorsed thereon, for original issue, at one time or from time to time in accordance with the Company Order referred to below, upon receipt by the Trustee of:

(a) the instrument or instruments establishing the form or forms and terms of the Securities of such series and the Guarantees to be endorsed thereon, as provided in Sections 201 and 301;

(b) a Company Order requesting the authentication and delivery of such Securities with the Guarantees endorsed thereon and to the extent that the terms of such Securities and Guarantees shall not have been established in an indenture supplemental hereto or in a Board Resolution, or in an Officer's Certificate pursuant to a supplemental indenture or Board Resolution, all as contemplated by Sections 201 and 301, either (i) establishing such terms or (ii) in the case of Securities of a series subject to a Periodic Offering, specifying procedures, acceptable to the Trustee, by which such terms are to be established (which procedures may provide, to the extent acceptable to the Trustee, for authentication and delivery pursuant to oral or electronic instructions from the Company or any agent or agents thereof, which oral instructions

are to be promptly confirmed electronically or in writing), in either case in accordance with the instrument or instruments delivered pursuant to clause (a) above;

(c) a Guarantor Order (which may be combined with a Company Order hereunder) approving the terms and delivery of the Guarantees to be endorsed on such Securities as contemplated by the Company Order delivered pursuant to clause (b) above;

(d) the Securities of such series, each executed on behalf of the Company by an Authorized Officer of the Company and having a Guarantee endorsed thereon executed on behalf of the Guarantor by an Authorized Officer of the Guarantor;

(e) an Opinion of Counsel to the effect that:

(i) (A) the form or forms of such Securities have been duly authorized by the Company, (B) the form or forms of such Guarantees have been duly authorized by the Guarantor, and (C) the form or forms of the Securities and the Guarantees have been established in conformity with the provisions of this Indenture;

(ii) (A) the terms of such Securities have been duly authorized by the Company, (B) the terms of such Guarantees have been duly authorized by the Guarantor and (C) the terms of the Securities and the Guarantees have been established in conformity with the provisions of this Indenture; and

(iii) such Securities and the Guarantees endorsed thereon, when authenticated and delivered by the Trustee and issued and delivered by the Company and the Guarantor in the manner and subject to any conditions specified in such Opinion of Counsel, will have been duly issued under this Indenture and will constitute valid and legally binding obligations of the Company and the Guarantor, respectively, entitled to the benefits provided by this Indenture, and enforceable in accordance with their terms, subject, as to enforcement, to laws relating to or affecting generally the enforcement of creditors' rights, including, without limitation, bankruptcy and insolvency laws and to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law);

provided, however, that, with respect to Securities of a series subject to a Periodic Offering, the Trustee shall be entitled to receive such Opinion of Counsel only once at or prior to the time of the first authentication and delivery of Securities of such series, and the Guarantees endorsed thereon, and that in lieu of the opinions described in clauses (ii) and (iii) above such Opinion of Counsel may, alternatively, state, respectively,

(x) that, when the terms of such Securities and the Guarantees to be endorsed thereon shall have been established pursuant to a Company Order or Orders and, if applicable, a Guarantor Order or Orders or pursuant to such procedures (acceptable to the Trustee) as may be specified from time to time by a Company Order or Orders, and, if applicable, a Guarantor Order or Orders all as contemplated by and in accordance with the instrument or instruments delivered pursuant to clause (a) above, such terms will have been duly authorized by the Company and the Guarantor, respectively, and will have been established in conformity with the provisions of this Indenture; and

(y) that such Securities, and the Guarantees endorsed thereon, when (1) executed by the Company and the Guarantor, as the case may be, (2) authenticated and

delivered by the Trustee in accordance with this Indenture, (3) issued and delivered by the Company and the Guarantor in the manner and subject to any conditions specified in such Opinion of Counsel and (4) in the case of Securities, paid for, all as contemplated by and in accordance with the aforesaid Company Order or Orders and, if applicable, a Guarantor Order or Orders or specified procedures referred to in paragraph (x) above, as the case may be, will have been duly issued under this Indenture and will constitute valid and legally binding obligations of the Company and the Guarantor, respectively, entitled to the benefits provided by the Indenture, and enforceable in accordance with their terms, subject, as to enforcement, to laws relating to or affecting generally the enforcement of creditors' rights, including, without limitation, bankruptcy and insolvency laws and to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

With respect to Securities of a series subject to a Periodic Offering, the Trustee may conclusively rely, as to the authorization by the Company and the Guarantor of any of such Securities and Guarantees, the forms and terms thereof and the legality, validity, binding effect and enforceability thereof, upon the Opinion of Counsel and other documents delivered pursuant to Sections 201 and 301 and this Section, as applicable, at or prior to the time of the first authentication of Securities of such series, with the Guarantees endorsed thereon, unless and until such opinion or other documents have been superseded or revoked or expire by their terms. In connection with the authentication and delivery of Securities of a series, with the Guarantees endorsed thereon, pursuant to a Periodic Offering, the Trustee shall be entitled to assume that the Company's instructions to authenticate and deliver such Securities and the Guarantor's approval of the delivery of the Guarantees thereon do not violate any applicable law or any applicable rule, regulation or order of any Governmental Authority having jurisdiction over the Company or the Guarantor.

If the forms or terms of the Securities of any series have been established by or pursuant to a Board Resolution or an Officer's Certificate as permitted by Sections 201 or 301, the Trustee shall not be required to authenticate such Securities if the issuance of such Securities pursuant to this Indenture will materially or adversely affect the Trustee's own rights, duties or immunities under the Securities and this Indenture or otherwise in a manner which is not reasonably acceptable to the Trustee.

Unless otherwise specified as contemplated by Section 301 with respect to any series of Securities, or any Tranche thereof, each Security and any Guarantee endorsed thereon shall each be dated the date of its authentication.

Unless otherwise specified as contemplated by Section 301 with respect to any series of Securities, or any Tranche thereof, no Security or Guarantee endorsed thereon shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Security a certificate of authentication substantially in the form provided for herein executed by the Trustee or an Authenticating Agent by manual signature of an authorized officer hereof, and such certificate upon any Security shall be conclusive evidence, and the only evidence, that such Security or Guarantee endorsed thereon has been duly authenticated and delivered hereunder and is entitled to the benefits of this Indenture. Notwithstanding the foregoing, if any Security shall have been authenticated and delivered hereunder to the Company, or any Person acting on its behalf, but shall never have been issued and sold by the Company, and the Company shall deliver such Security to the Security Registrar for cancellation as provided in Section 309 together with a written statement (which need not comply with Section 102 and need not be accompanied by an Officer's Certificate and an Opinion of Counsel) stating that such Security has never been issued and sold by the Company, for all purposes of this Indenture such Security (including any Guarantee endorsed thereon) shall be deemed never to have been authenticated and delivered hereunder and shall never be entitled to the benefits hereof.

SECTION 304. Temporary Securities.

Pending the preparation of definitive Securities of any series, or any Tranche thereof, the Company may execute, and upon Company Order and a Guarantor Order the Trustee shall authenticate and deliver, temporary Securities which are printed, lithographed, typewritten, mimeographed or otherwise produced, in any authorized denomination, substantially of the tenor of the definitive Securities in lieu of which they are issued, having Guarantees endorsed thereon with such appropriate insertions, omissions, substitutions and other variations as the officers executing such Securities or Guarantees may determine, as evidenced by their execution of such Securities or Guarantees; provided, however, that temporary Securities need not recite specific redemption, sinking fund, conversion or exchange provisions.

Unless otherwise specified as contemplated by Section 301 with respect to the Securities of any series, or any Tranche thereof, after the preparation of definitive Securities of such series or Tranche, the temporary Securities of such series or Tranche shall be exchangeable, without charge to the Holder thereof, for definitive Securities of such series or Tranche with the definitive Guarantee endorsed thereon upon surrender of such temporary Securities at the office or agency of the Company maintained pursuant to Section 602 in a Place of Payment for such Securities. Upon such surrender of temporary Securities, the Company shall, except as aforesaid, execute and the Trustee shall authenticate and deliver in exchange therefor definitive Securities of the same series and Tranche, of authorized denominations and of like tenor and aggregate principal amount with the definitive Guarantee endorsed thereon.

Until exchanged in full as hereinabove provided, temporary Securities shall in all respects be entitled to the same benefits under this Indenture as definitive Securities of the same series and Tranche and of like tenor authenticated and delivered hereunder.

SECTION 305. Registration, Registration of Transfer and Exchange.

The Company shall cause to be kept in each office designated pursuant to Section 602, with respect to the Securities of each series or any Tranche thereof, a register (all registers kept in accordance with this Section being collectively referred to as the "Security Register") in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of Securities of such series or Tranche and the registration of transfer thereof. The Company shall designate one Person to maintain the Security Register for the Securities of each series on a consolidated basis, and such Person is referred to herein, with respect to such series, as the "Security Registrar." Anything herein to the contrary notwithstanding, the Company may designate one or more of its offices or an office of any Affiliate (including the Guarantor) as an office in which a register with respect to the Securities of one or more series, or any Tranche or Tranches thereof, shall be maintained, and the Company may designate itself or any Affiliate (including the Guarantor) as the Security Registrar with respect to one or more of such series. The Security Register shall be open for inspection by the Trustee, the Company and the Guarantor at all reasonable times.

Except as otherwise specified as contemplated by Section 301 with respect to the Securities of any series, or any Tranche thereof, upon surrender for registration of transfer of any Security of such series or Tranche at the office or agency of the Company maintained pursuant to Section 602 in a Place of Payment for such series or Tranche, the Company shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Securities of the same series and Tranche, of authorized denominations and of like tenor and aggregate principal amount, with the Guarantee endorsed thereon.

Except as otherwise specified as contemplated by Section 301 with respect to the Securities of any series, or any Tranche thereof, any Security of such series or Tranche may be exchanged at the option of the Holder, for one or more new Securities of the same series and Tranche, of authorized denominations and of like tenor and aggregate principal amount, upon surrender of the Securities to be exchanged at any such office or agency. Whenever any Securities are so surrendered for exchange, the Company shall execute, and the Trustee shall authenticate and deliver, the Securities, with the Guarantee endorsed thereon which the Holder making the exchange is entitled to receive.

All Securities and Guarantees delivered upon any registration of transfer or exchange of Securities and the Guarantees endorsed thereon shall be valid obligations of the Company and Guarantor, respectively evidencing the same obligation, and entitled to the same benefits under this Indenture, as the Securities and Guarantees surrendered upon such registration of transfer or exchange.

Every Security presented or surrendered for registration of transfer or for exchange shall (if so required by the Company, the Guarantor, the Trustee or the Security Registrar) be duly endorsed or shall be accompanied by a written instrument of transfer in form satisfactory to the Company, the Guarantor, the Trustee or the Security Registrar, as the case may be, duly executed by the Holder thereof or his attorney duly authorized in writing.

Unless otherwise specified as contemplated by Section 301 with respect to Securities of any series, or any Tranche thereof, no service charge shall be made for any registration of transfer or exchange of Securities, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Securities, other than exchanges pursuant to Section 304, 406 or 1206 not involving any transfer.

The Company shall not be required to execute or to provide for the registration of transfer of or the exchange of (a) Securities of any series, or any Tranche thereof, during a period of 15 days immediately preceding the date notice is to be given identifying the serial numbers of the Securities of such series or Tranche called for redemption or (b) any Security so selected for redemption in whole or in part, except the unredeemed portion of any Security being redeemed in part.

SECTION 306. Mutilated, Destroyed, Lost and Stolen Securities.

If any mutilated Security is surrendered to the Trustee, the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor a new Security of the same series and Tranche, and of like tenor and principal amount, having a Guarantee endorsed thereon and bearing a number not contemporaneously outstanding.

If there shall be delivered to the Company, the Guarantor and the Trustee (a) evidence to their satisfaction of the ownership of and the destruction, loss or theft of any Security and (b) such security or indemnity as may be reasonably required by them to save each of them and any agent of either of them harmless, then, in the absence of notice to the Company, the Guarantor or the Trustee that such Security is held by a Person purporting to be the owner of such Security, the Company shall execute and the Trustee shall authenticate and deliver, in lieu of any such destroyed, lost or stolen Security, a new Security of the same series and Tranche, and of like tenor and principal amount, having a Guarantee endorsed thereon and bearing a number not contemporaneously outstanding.

Notwithstanding the foregoing, in case any such mutilated, destroyed, lost or stolen Security has become or is about to become due and payable, the Company or the Guarantor in its discretion may, instead of issuing a new Security, pay such Security.

Upon the issuance of any new Security under this Section, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other reasonable expenses (including the fees and expenses of the Trustee) in connection therewith.

Every new Security of any series issued pursuant to this Section in lieu of any destroyed, lost or stolen Security and any Guarantee endorsed thereon shall constitute an original additional contractual obligation of the Company and the Guarantor, respectively, whether or not the destroyed, lost or stolen Security shall be at any time enforceable by anyone other than the Holder of such new Security, and any such new Security shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Securities of such series duly issued hereunder.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities.

SECTION 307. Payment of Interest; Interest Rights Preserved.

Unless otherwise specified as contemplated by Section 301 with respect to the Securities of any series, or any Tranche thereof, interest on any Security which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest.

Subject to Section 312, any interest on any Security of any series which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the Holder on the related Regular Record Date by virtue of having been such Holder, and such Defaulted Interest may be paid by the Company or the Guarantor, at its election in each case, as provided in clause (a) or (b) below:

(a) The Company or the Guarantor may elect to make payment of any Defaulted Interest to the Persons in whose names the Securities of such series (or their respective Predecessor Securities) are registered at the close of business on a date (herein called a "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Company or the Guarantor shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Security of such series and the date of the proposed payment, and at the same time the Company or the Guarantor, as the case may be, shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this clause provided. Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 days and not less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Company and the Guarantor of such Special Record Date and, in the name and at the expense of the Company, shall promptly cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Holder of Securities of such series at the address of such Holder as it appears in the Security Register, not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been so mailed, such Defaulted Interest shall be paid to the Persons in

whose names the Securities of such series (or their respective Predecessor Securities) are registered at the close of business on such Special Record Date.

(b) The Company or the Guarantor may make payment of any Defaulted Interest on the Securities of any series in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Securities may be listed, and upon such notice as may be required by such exchange, if, after notice given by the Company or the Guarantor to the Trustee of the proposed payment pursuant to this clause, such manner of payment shall be deemed practicable by the Trustee.

Subject to the foregoing provisions of this Section and Section 305, each Security delivered under this Indenture upon registration of transfer of or in exchange for or in lieu of any other Security shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Security.

SECTION 308. Persons Deemed Owners.

Prior to the due presentment of a Security for registration of transfer, the Company, the Guarantor, the Trustee and any agent of the Company, the Guarantor or the Trustee may treat the Person in whose name such Security is registered as the absolute owner of such Security for the purpose of receiving payment of principal of and premium, if any, and (subject to Sections 305 and 307) interest, if any, on such Security and for all other purposes whatsoever, whether or not such Security be overdue, and none of the Company, the Guarantor or Trustee or any agent of the Company, the Guarantor or the Trustee shall be affected by notice to the contrary.

SECTION 309. Cancellation by Security Registrar.

All Securities surrendered for payment, redemption, registration of transfer or exchange or credit against any sinking fund payment shall, if surrendered to any Person other than the Security Registrar, be delivered to the Security Registrar and, if not theretofore canceled, shall be promptly canceled by the Security Registrar. The Company or the Guarantor may at any time deliver to the Security Registrar for cancellation any Securities previously authenticated and delivered hereunder which the Company or the Guarantor may have acquired in any manner whatsoever or which the Company shall not have issued and sold, and all Securities so delivered shall be promptly canceled by the Security Registrar. No Securities shall be authenticated in lieu of or in exchange for any Securities canceled as provided in this Section, except as expressly permitted by this Indenture. All canceled Securities held by the Security Registrar shall be disposed of in accordance with the customary procedures of the Security Registrar as at the time of disposition shall be in effect, and the Security Registrar shall promptly deliver a certificate of disposition to the Trustee, the Company and the Guarantor unless, by a Company Order delivered to the Security Registrar and the Trustee, the Company shall direct that canceled Securities be returned to it. The Security Registrar shall promptly deliver evidence of any cancellation of a Security in accordance with this Section 309 to the Trustee, the Company and the Guarantor.

SECTION 310. Computation of Interest.

Except as otherwise specified as contemplated by Section 301 for Securities of any series, or any Tranche thereof, interest on the Securities of each series shall be computed on the basis of a 360-day year consisting of twelve 30-day months and for any period shorter than a full calendar month, on the basis of the actual number of days elapsed during such period.

SECTION 311. Payment to Be in Proper Currency.

In the case of the Securities of any series, or any Tranche thereof, denominated in any currency other than Dollars or in a composite currency (the "Required Currency"), except as otherwise specified with respect to such Securities as contemplated by Section 301, the obligation of the Company or the Guarantor to make any payment of the principal thereof, or the premium, if any, or interest, if any, thereon, shall not be discharged or satisfied by any tender by the Company or the Guarantor, or recovery by the Trustee, in any currency other than the Required Currency, except to the extent that such tender or recovery shall result in the Trustee timely holding the full amount of the Required Currency then due and payable. If any such tender or recovery is in a currency other than the Required Currency, the Trustee may take such actions as it considers appropriate to exchange such currency for the Required Currency. The costs and risks of any such exchange, including without limitation the risks of delay and exchange rate fluctuation, shall be borne by the Company and the Guarantor, the Company and the Guarantor shall remain fully liable for any shortfall or delinquency in the full amount of Required Currency then due and payable, and in no circumstances shall the Trustee be liable therefor except in the case of its negligence or willful misconduct.

SECTION 312. [[1]Extension of Interest Payment.

The Company shall have the right at any time, so long as no Event of Default hereunder has occurred and is continuing with respect to the Securities of any series, to extend interest payment periods from time to time on all Securities of such series, if so specified as contemplated by Section 301 with respect to such Securities and upon such terms as may be specified as contemplated by Section 301 with respect to such Securities.]

SECTION 313. [[1]Additional Interest.

So long as any Preferred Securities remain outstanding, if the Trust which issued such Preferred Securities shall be required to pay, with respect to its income derived from the interest payments on the Securities of any series, any amounts for or on account of any taxes, duties, assessments or governmental charges of whatever nature imposed by the United States, or any other taxing authority, then, in any such case, the Company will pay as interest on such series such additional interest ("Additional Interest") as may be necessary in order that the net amounts received and retained by such Trust after the payment of such taxes, duties, assessments or governmental charges shall result in such Trust's having such funds as it would have had in the absence of any such payments.

Whenever in this Indenture there is mentioned, in any context, the payment of interest on the Securities, such mention shall be deemed to include the payment of Additional Interest to the extent that, in such context, Additional Interest is, was or would be payable in respect thereof.]

ARTICLE FOUR

Redemption of Securities

SECTION 401. Applicability of Article.

Securities of any series, or any Tranche thereof, which are redeemable before their Stated Maturity shall be redeemable in accordance with their terms and (except as otherwise specified as contemplated by Section 301 for Securities of such series or Tranche) in accordance with this Article.

SECTION 402. Election to Redeem; Notice to Trustee.

The election of the Company to redeem any Securities shall be evidenced by a Board Resolution or an Officer's Certificate of the Company. The Company shall, at least 45 days prior to the Redemption Date fixed by the Company (unless a shorter notice shall be satisfactory to the Trustee), notify the Trustee [[1]and in the case of Securities of a series held by a Trust, the Property Trustee under the related Trust Agreement], in writing of such Redemption Date and of the principal amount of such Securities to be redeemed. In the case of any redemption of Securities (a) prior to the expiration of any restriction on such redemption provided in the terms of such Securities or elsewhere in this Indenture or (b) pursuant to an election of the Company which is subject to a condition specified in the terms of such Securities or elsewhere in this Indenture, the Company and the Guarantor, if applicable, shall each furnish the Trustee with an Officer's Certificate evidencing compliance with such restriction or condition.

SECTION 403. Selection of Securities to Be Redeemed.

If less than all the Securities of any series, or any Tranche thereof, are to be redeemed, the particular Securities to be redeemed shall be selected by the Trustee from the Outstanding Securities of such series or Tranche not previously called for redemption, by such method as shall be provided for any particular series or Tranche, or, in the absence of any such provision, by such method as the Trustee shall deem fair and appropriate and which may, in any case, provide for the selection for redemption of portions (equal to the minimum authorized denomination for Securities of such series or Tranche or any integral multiple thereof) of the principal amount of Securities of such series or Tranche of a denomination larger than the minimum authorized denomination for Securities of such series or Tranche; provided, however, that if, as indicated in an Officer's Certificate, the Company shall have offered to purchase all or any principal amount of the Securities then Outstanding of any series, or any Tranche thereof, and less than all of such Securities as to which such offer was made shall have been tendered to the Company for such purchase, the Trustee, if so directed by Company Order, shall select for redemption all or any principal amount of such Securities which have not been so tendered.

The Trustee shall promptly notify the Company, the Guarantor and the Security Registrar in writing of the Securities selected for redemption and, in the case of any Securities selected to be redeemed in part, the principal amount thereof to be redeemed.

For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Securities shall relate, in the case of any Securities redeemed or to be redeemed only in part, to the portion of the principal amount of such Securities which has been or is to be redeemed.

SECTION 404. Notice of Redemption.

Notice of redemption shall be given in the manner provided in Section 106 to the Holders of the Securities to be redeemed not less than 30 nor more than 60 days prior to the Redemption Date.

Except as otherwise specified as contemplated by Section 301 for Securities of any series, or any Tranche thereof, all notices of redemption shall state:

(a) the Redemption Date,

(b) the Redemption Price, or the formula pursuant to which the Redemption Price is to be determined if the Redemption Price cannot be determined at the time the notice is given,

(c) if less than all the Outstanding Securities of any series or Tranche are to be redeemed, the identification of the particular Securities to be redeemed and the portion of the principal amount of any Security to be redeemed in part,

(d) that on the Redemption Date the Redemption Price, together with accrued interest, if any, to the Redemption Date, will become due and payable upon each such Security to be redeemed and, if applicable, that interest thereon will cease to accrue on and after said date,

(e) the place or places where such Securities are to be surrendered for payment of the Redemption Price and accrued interest, if any, unless it shall have been specified as contemplated by Section 301 with respect to such Securities that such surrender shall not be required,

(f) that the redemption is for a sinking or other fund, if such is the case,

(g) the CUSIP numbers, if any, assigned to such Securities; provided however, that such notice may state that no representation is made as to the correctness of CUSIP numbers, and the redemption of such Securities shall not be affected by any defect in or omission of such numbers, and

(h) such other matters as the Company shall deem desirable or appropriate.

Unless otherwise specified with respect to any Securities in accordance with Section 301, with respect to any notice of redemption of Securities at the election of the Company, unless, upon the giving of such notice, such Securities shall be deemed to have been paid in accordance with Section 701, such notice may state that such redemption shall be conditional upon the receipt by the Paying Agent or Agents for such Securities, on or prior to the date fixed for such redemption, of money sufficient to pay the principal of and premium, if any, and interest, if any, on such Securities and that if such money shall not have been so received such notice shall be of no force or effect and the Company shall not be required to redeem such Securities. In the event that such notice of redemption contains such a condition and such money is not so received, the redemption shall not be made and within a reasonable time thereafter notice shall be given, in the manner in which the notice of redemption was given, that such money was not so received and such redemption was not required to be made, and the Paying Agent or Agents for the Securities otherwise to have been redeemed shall promptly return to the Holders thereof any of such Securities which had been surrendered for payment upon such redemption.

Notice of redemption of Securities to be redeemed at the election of the Company, and any notice of non-satisfaction of a condition for redemption as aforesaid, shall be given by the Company or, at the Company's request, by the Trustee in the name and at the expense of the Company. Notice of mandatory redemption of Securities shall be given by the Trustee in the name and at the expense of the Company.

SECTION 405. Securities Payable on Redemption Date.

Notice of redemption having been given as aforesaid, and the conditions, if any, set forth in such notice having been satisfied, the Securities or portions thereof so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless, in the case of an unconditional notice of redemption, the Company shall default in the payment of the Redemption Price and accrued interest, if any) such Securities or portions thereof, if interest-bearing, shall cease to bear interest. Upon surrender of any such Security for redemption in accordance with such notice, such Security or portion thereof shall be paid by the Company at the Redemption Price, together with accrued interest, if any, to the Redemption Date; provided, however, that

no such surrender shall be a condition to such payment if so specified as contemplated by Section 301 with respect to such Security; and provided, further, that except as otherwise specified as contemplated by Section 301 with respect to such Security, any installment of interest on any Security the Stated Maturity of which installment is on or prior to the Redemption Date shall be payable to the Holder of such Security, or one or more Predecessor Securities, registered as such at the close of business on the related Regular Record Date according to the terms of such Security and subject to the provisions of Section 307.

SECTION 406. Securities Redeemed in Part.

Upon the surrender of any Security which is to be redeemed only in part at a Place of Payment therefor (with, if the Company, the Guarantor or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company, the Guarantor and the Trustee duly executed by, the Holder thereof or his attorney duly authorized in writing), the Company shall execute, and the Trustee shall authenticate and deliver to the Holder of such Security, without service charge, a new Security or Securities of the same series and Tranche, of any authorized denomination requested by such Holder and of like tenor and in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Security so surrendered, with the Guarantee endorsed thereon.

ARTICLE FIVE

Sinking Funds

SECTION 501. Applicability of Article.

The provisions of this Article shall be applicable to any sinking fund for the retirement of the Securities of any series, or any Tranche thereof, except as otherwise specified as contemplated by Section 301 for Securities of such series or Tranche.

The minimum amount of any sinking fund payment provided for by the terms of Securities of any series, or any Tranche thereof, is herein referred to as a "mandatory sinking fund payment", and any payment in excess of such minimum amount provided for by the terms of Securities of any series, or any Tranche thereof, is herein referred to as an "optional sinking fund payment". If provided for by the terms of Securities of any series, or any Tranche thereof, the cash amount of any sinking fund payment may be subject to reduction as provided in Section 502. Each sinking fund payment shall be applied to the redemption of Securities of the series or Tranche in respect of which it was made as provided for by the terms of such Securities.

SECTION 502. Satisfaction of Sinking Fund Payments with Securities.

The Company (a) may deliver to the Trustee Outstanding Securities (other than any previously called for redemption) of a series or Tranche in respect of which a mandatory sinking fund payment is to be made and (b) may apply as a credit Securities of such series or Tranche which have been (i) redeemed either at the election of the Company pursuant to the terms of such Securities or through the application of permitted optional sinking fund payments pursuant to the terms of such Securities or (ii) repurchased by the Company in the open market, by tender offer or otherwise, in each case in satisfaction of all or any part of such mandatory sinking fund payment; provided, however, that no Securities shall be applied in satisfaction of a mandatory sinking fund payment if such Securities shall have been previously so applied. Securities so applied shall be received and credited for such purpose by the Trustee at the Redemption Price specified in such Securities for redemption through operation of the sinking fund and the amount of such mandatory sinking fund payment shall be reduced accordingly.

SECTION 503. Redemption of Securities for Sinking Fund.

Not less than 45 days prior to each sinking fund payment date for the Securities of any series, or any Tranche thereof, the Company shall deliver to the Trustee an Officer's Certificate specifying:

(a) the amount of the next succeeding mandatory sinking fund payment for such series or Tranche;

(b) the amount, if any, of the optional sinking fund payment to be made together with such mandatory sinking fund payment;

(c) the aggregate sinking fund payment;

(d) the portion, if any, of such aggregate sinking fund payment which is to be satisfied by the payment of cash; and

(e) the portion, if any, of such aggregate sinking fund payment which is to be satisfied by delivering and crediting Securities of such series or Tranche pursuant to Section 502 and stating the basis for such credit and that such Securities have not previously been so credited, and the Company shall also deliver to the Trustee not later than 45 days prior to such sinking fund payment date, any Securities to be so delivered.

If the Company shall not deliver such Officer's Certificate, the next succeeding sinking fund payment for such series or Tranche shall be made entirely in cash in the amount of the mandatory sinking fund payment. Not less than 40 days before each such sinking fund payment date, the Trustee shall select the Securities to be redeemed upon such sinking fund payment date in the manner specified in Section 403 and cause notice of the redemption thereof to be given in the name of and at the expense of the Company in the manner provided in Section 404. Such notice having been duly given, the redemption of such Securities shall be made upon the terms and in the manner stated in Sections 405 and 406.

ARTICLE SIX

Covenants

SECTION 601. Payment of Principal, Premium and Interest.

The Company shall pay the principal of and premium, if any, and interest, if any [[1](including Additional Interest, if any)], on the Securities of each series in accordance with the terms of such Securities and this Indenture.

SECTION 602. Maintenance of Office or Agency.

The Company and the Guarantor shall maintain in each Place of Payment for the Securities of each series, or any Tranche thereof, an office or agency where payment of such Securities shall be made or such Securities shall be surrendered for payment, where the registration of transfer or exchange of such Securities may be effected and where notices and demands to or upon the Company or the Guarantor in respect of such Securities and this Indenture may be served. The Company and the Guarantor shall give prompt written notice to the Trustee of the location, and any change in the location, of each such office or agency and prompt notice to the Holders of any such change in the manner specified in Section 106. If at any time the Company or the Guarantor shall fail to maintain any such

required office or agency in respect of Securities of any series, or any Tranche thereof, or shall fail to furnish the Trustee with the address thereof, payment of such Securities may be made, registration of transfer or exchange thereof may be effected and notices and demands in respect thereof may be served at the Corporate Trust Office of the Trustee, and each of the Company and the Guarantor hereby appoints the Trustee as its agent for all such purposes in any such event.

The Company or the Guarantor may also from time to time designate one or more other offices or agencies with respect to the Securities of one or more series, or any Tranche thereof, for any or all of the foregoing purposes and may from time to time rescind such designations; provided, however, that, unless otherwise specified as contemplated by Section 301 with respect to the Securities of such series or Tranche, no such designation or rescission shall in any manner relieve the Company or the Guarantor of its obligation to maintain an office or agency for such purposes in each Place of Payment for such Securities in accordance with the requirements set forth above. The Company and the Guarantor shall give prompt written notice to the Trustee, and prompt notice to the Holders in the manner specified in Section 106, of any such designation or rescission and of any change in the location of any such other office or agency.

Anything herein to the contrary notwithstanding, any office or agency required by this Section may be maintained at an office of the Company or the Guarantor or any Affiliate of either of them, in which event the Company, the Guarantor or such Affiliate, as the case may be, shall perform all functions to be performed at such office or agency.

SECTION 603. Money for Securities Payments to Be Held in Trust.

If the Company shall at any time act as its own Paying Agent with respect to the Securities of any series, or any Tranche thereof, it shall, on or before each due date of the principal of and premium, if any, and interest, if any, on any of such Securities, segregate and hold in trust for the benefit of the Persons entitled thereto a sum sufficient to pay the principal and premium, if any, or interest so becoming due until such sums shall be paid to such Persons or otherwise disposed of as herein provided. The Company shall promptly notify the Trustee of any failure by the Company (or any other obligor on such Securities) to make any payment of principal of or premium, if any, or interest, if any, on such Securities.

Whenever the Company shall have one or more Paying Agents for the Securities of any series, or any Tranche thereof, it shall, on or before each due date of the principal of and premium, if any, and interest, if any, on such Securities, deposit with such Paying Agents sums sufficient (without duplication) to pay the principal and premium or interest so becoming due, such sums to be held in trust for the benefit of the Persons entitled to such principal, premium or interest, and (unless such Paying Agent is the Trustee) the Company shall promptly notify the Trustee of any failure by it so to act.

The Company shall cause each Paying Agent for the Securities of any series, or any Tranche thereof, other than the Company or the Trustee, to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section, that such Paying Agent shall:

(a) hold all sums held by it for the payment of the principal of and premium, if any, or interest, if any, on such Securities in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided;

(b) give the Trustee notice of any failure by the Company (or any other obligor upon such Securities) to make any payment of principal of or premium, if any, or interest, if any, on such Securities; and

(c) at any time during the continuance of any such failure, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such Paying Agent and furnish to the Trustee such information as it possesses regarding the names and addresses of the Persons entitled to such sums.

The Company may at any time pay, or by Company Order direct any Paying Agent to pay, to the Trustee all sums held in trust by the Company or such Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which such sums were held by the Company or such Paying Agent and, if so stated in a Company Order delivered to the Trustee, in accordance with the provisions of Article Seven; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such money.

Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of and premium, if any, or interest, if any, on any Security and remaining unclaimed for two years after such principal and premium, if any, or interest, if any, has become due and payable shall be paid to the Company on Company Request, or, if then held by the Company, shall be discharged from such trust; and, upon such payment or discharge, the Holder of such Security shall, as an unsecured general creditor and not as a Holder of an Outstanding Security, look only to the Company and the Guarantor for payment of the amount so due and payable and remaining unpaid, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease; provided, however, that the Trustee or such Paying Agent, before being required to make any such payment to the Company, may at the expense of the Company cause to be mailed, on one occasion only, notice to such Holder that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such mailing, any unclaimed balance of such money then remaining will be paid to the Company.

SECTION 604. Corporate Existence.

Subject to the rights of the Company and the Guarantor under Article Eleven, each of the Company and the Guarantor shall do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence.

SECTION 605. Maintenance of Properties.

Each of the Company and the Guarantor shall cause (or, with respect to property owned in common with others, make reasonable effort to cause) all its properties used or useful in the conduct of its business to be maintained and kept in good condition, repair and working order and shall cause (or, with respect to property owned in common with others, make reasonable effort to cause) to be made all necessary repairs, renewals, replacements, betterments and improvements thereof, all as, in the judgment of the Company or the Guarantor, as the case may be, may be necessary so that the business carried on in connection therewith may be properly conducted; provided, however, that nothing in this Section shall prevent the Company or the Guarantor from discontinuing, or causing the discontinuance of, the operation and maintenance of any of its properties if such discontinuance is, in the judgment of the Company or the Guarantor, as the case may be, desirable in the conduct of its business.

SECTION 606. Annual Officer's Certificate as to Compliance.

Not later than April 1 in each year, commencing April 1, ____, each of the Company and the Guarantor shall deliver to the Trustee an Officer's Certificate which need not comply with Section 102, executed by its principal executive officer, principal financial officer or the principal accounting officer, as to such officer's knowledge of such obligor's compliance with all conditions and covenants under this Indenture, such compliance to be determined without regard to any period of grace or requirement of notice under this Indenture.

SECTION 607. Waiver of Certain Covenants.

The Company or the Guarantor may omit in any particular instance to comply with any term, provision or condition set forth in (a) Sections 602, 608, 609 or any additional covenant or restriction specified with respect to the Securities of any series, or any Tranche thereof, as contemplated by Section 301 or by clause (b) of Section 1201 if before the time for such compliance the Holders of a majority in aggregate principal amount of the Outstanding Securities of all series and Tranches with respect to which compliance with Section 602, 608, 609 or such additional covenant or restriction is to be omitted, considered as one class, shall, by Act of such Holders, either waive such compliance in such instance or generally waive compliance with such term, provision or condition and (b) Section 604, 605 or Article Eleven if before the time for such compliance the Holders of a majority in aggregate principal amount of Securities Outstanding under this Indenture shall, by Act of such Holders, either waive such compliance in such instance or generally waive compliance with such term, provision or condition; but, in the case of (a) or (b), no such waiver shall extend to or affect such term, provision or condition except to the extent so expressly waived, and, until such waiver shall become effective, the obligations of the Company and the duties of the Trustee in respect of any such term, provision or condition shall remain in full force and effect [[1]; provided, however, so long as a Trust holds Securities of any series, such Trust may not waive compliance or waive any default in compliance by the Company with any covenant or other term contained in this Indenture or the Securities of such series without the approval of the holders of a majority (or such greater percentage as shall be required by the Trust Agreement pertaining to such Trust) in aggregate liquidation preference of the outstanding Preferred Securities issued by such Trust affected, obtained as provided in the Trust Agreement pertaining to such Trust].

SECTION 608. [[1]Restrictions on Dividends and Debt Payments.

So long as any Preferred Securities of any series remain outstanding, if at such time (a) the Guarantor shall be in default with respect to its payment obligations under the Trust Securities Guarantee relating to such Preferred Securities, (b) there shall have occurred and be continuing an Event of Default (whether before or after expiration of any period of grace) resulting from a payment default hereunder or (c) the Company shall have elected to extend any interest payment period as provided in Section 312, and any such period, or any extension thereof, shall be continuing, then neither the Guarantor nor the Company shall (i) declare or pay any dividends or distributions on its capital stock, (ii) redeem, purchase, acquire or make a liquidation payment with respect to any of its capital stock, (iii) pay any principal, interest or premium on, or repay, repurchase or redeem any debt securities that are equal or junior in right of payment to the Securities or the Guarantees (as the case may be), or (iv) make any payments with respect to any guarantee of debt securities if such guarantee is equal or junior in right of payment to the Securities or the Guarantees (as the case may be).

The foregoing provisions do not prevent or restrict the Guarantor or the Company from making: (1) purchases, redemptions or other acquisitions of its capital stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or agents or a stock purchase or dividend reinvestment plan, or the satisfaction of its

obligations pursuant to any contract or security outstanding on the date that the interest payment period is extended requiring it to purchase, redeem or acquire its capital stock, (2) any payment, repayment, redemption, purchase, acquisition or declaration of dividend described in clauses (i) and (ii) above as a result of a reclassification of its capital stock, or the exchange or conversion of all or a portion of one class or series of its capital stock for another class or series of its capital stock, (3) the purchase of fractional interests in shares of its capital stock pursuant to the conversion or exchange provisions of its capital stock or the security being converted or exchanged, or in connection with the settlement of stock purchase contracts, (4) dividends or distributions paid or made in its capital stock (or rights to acquire its capital stock), or repurchases, redemptions or acquisitions of capital stock in connection with the issuance or exchange of capital stock (or of securities convertible into or exchangeable for shares of its capital stock and distributions in connection with the settlement of stock purchase contracts), (5) redemptions, exchanges or repurchases of, or with respect to, any rights outstanding under a shareholder rights plan or the declaration or payment thereunder of a dividend or distribution of or with respect to rights in the future, (6) payments under any preferred trust securities guarantee or guarantee of junior subordinated debentures executed and delivered by the Guarantor concurrently with the issuance by a trust of any preferred trust securities, so long as the amount of payments made on any preferred trust securities or junior subordinated debentures (as the case may be) is paid on all preferred trust securities or junior subordinated debentures (as the case may be) then outstanding on a pro rata basis in proportion to the full distributions to which each series of preferred trust securities or junior subordinated debentures (as the case may be) is then entitled if paid in full, (7) dividends or distributions by the Company on its capital stock to the extent owned by the Guarantor, or (8) redemptions, purchases, acquisitions or liquidation payments by the Company with respect to its capital stock to the extent owned by the Guarantor.]

SECTION 609. [[1]Maintenance of Trust Existence.

So long as Preferred Securities of any series remain outstanding, the Guarantor shall (i) maintain direct or indirect ownership of all interests in the Trust which issued such Preferred Securities, other than such Preferred Securities, (ii) not voluntarily (to the extent permitted by law) dissolve, liquidate or wind up such Trust, except in connection with a distribution of the Securities to the holders of the Preferred Securities in liquidation of such Trust, (iii) remain the sole Depositor under the Trust Agreement (the "Depositor") of such Trust and timely perform in all material respects all of its duties as Depositor of such Trust, and (iv) use reasonable efforts to cause such Trust to remain a statutory trust and otherwise continue to be treated as a grantor trust for Federal income tax purposes, provided that any permitted successor to the Guarantor under this Indenture may succeed to the Guarantor's duties as Depositor of such Trust; and provided further that the Guarantor may permit such Trust to consolidate or merge with or into another statutory or business trust or other permitted successor under the Trust Agreement pertaining to such Trust so long as the Guarantor (or such permitted successor) agrees to comply with this Section 609 with respect to such successor statutory or business trust or other permitted successor.]

SECTION 610. [[1]Rights of Holders of Preferred Securities.

The Company agrees that, for so long as any Preferred Securities remain outstanding, its obligations under this Indenture will also be for the benefit of the holders from time to time of Preferred Securities, and the Company acknowledges and agrees that such holders will be entitled to enforce this Indenture, as third party beneficiaries, directly against the Company to the same extent as if such holders of Preferred Securities held a principal amount of Securities equal to the stated liquidation amount of the Preferred Securities held by such holders.]

ARTICLE SEVEN

Satisfaction and Discharge

SECTION 701. Satisfaction and Discharge of Securities.

Any Security or Securities, or any portion of the principal amount thereof, shall be deemed to have been paid for all purposes of this Indenture, and the entire indebtedness of the Company and the obligations of the Guarantor in respect thereof shall be deemed to have been satisfied and discharged, if there shall have been irrevocably deposited with the Trustee or any Paying Agent (other than the Company or the Guarantor), in trust:

(a) money in an amount which shall be sufficient, or

(b) in the case of a deposit made prior to the Maturity of such Securities or portions thereof, Eligible Obligations, which shall not contain provisions permitting the redemption or other prepayment thereof at the option of the issuer thereof, the principal of and the interest on which when due, without any regard to reinvestment thereof, will provide moneys which, together with the money, if any, deposited with or held by the Trustee or such Paying Agent, shall be sufficient, or

(c) a combination of (a) or (b) which shall be sufficient,

to pay when due the principal of and premium, if any, and interest [[1](including any Additional Interest)], if any, due and to become due on such Securities or portions thereof on or prior to Maturity; provided, however, that in the case of the provision for payment or redemption of less than all the Securities of any series or Tranche, such Securities or portions thereof shall have been selected by the Trustee as provided herein and, in the case of a redemption, the notice requisite to the validity of such redemption shall have been given or irrevocable authority shall have been given by the Company to the Trustee to give such notice, under arrangements satisfactory to the Trustee; and provided, further, that the Company shall have delivered to the Trustee and such Paying Agent:

(x) if such deposit shall have been made prior to the Maturity of such Securities, a Company Order stating that the money and Eligible Obligations deposited in accordance with this Section shall be held in trust, as provided in Section 703;

(y) if Eligible Obligations shall have been deposited, an Opinion of Counsel that the obligations so deposited constitute Eligible Obligations and do not contain provisions permitting the redemption or other prepayment at the option of the issuer thereof, and an opinion of an independent public accountant of nationally recognized standing, selected by the Company, to the effect that the requirements set forth in clause (b) above have been satisfied; and

(z) if such deposit shall have been made prior to the Maturity of such Securities, an Officer's Certificate stating the Company's intention that, upon delivery of such Officer's Certificate, its indebtedness in respect of such Securities or portions thereof will have been satisfied and discharged as contemplated in this Section.

Upon the deposit of money or Eligible Obligations, or both, in accordance with this Section, together with the documents required by clauses (x), (y) and (z) above, the Trustee shall, upon receipt of a Company Request, acknowledge in writing that the Security or Securities or portions thereof

with respect to which such deposit was made are deemed to have been paid for all purposes of this Indenture and that the entire indebtedness of the Company and the obligations of the Guarantor in respect thereof have been satisfied and discharged as contemplated in this Section. In the event that all of the conditions set forth in the preceding paragraph shall have been satisfied in respect of any Securities or portions thereof except that, for any reason, the Officer's Certificate specified in clause (z) (if otherwise required) shall not have been delivered, such Securities or portions thereof shall nevertheless be deemed to have been paid for all purposes of this Indenture, and the Holders of such Securities or portions thereof shall nevertheless be no longer entitled to the benefits of this Indenture or of any of the covenants of the Company under Article Six (except the covenants contained in Sections 602 and 603) or any other covenants made in respect of such Securities or portions thereof as contemplated by Section 301 or Section 1201(b), but the indebtedness of the Company and the obligations of the Guarantor in respect of such Securities or portions thereof shall not be deemed to have been satisfied and discharged prior to Maturity for any other purpose, and the Holders of such Securities or portions thereof shall continue to be entitled to look to the Company for payment of the indebtedness represented thereby; and, upon Company Request, the Trustee shall acknowledge in writing that such Securities or portions thereof are deemed to have been paid for all purposes of this Indenture.

If payment at Stated Maturity of less than all of the Securities of any series, or any Tranche thereof, is to be provided for in the manner and with the effect provided in this Section, the Trustee shall select such Securities, or portions of principal amount thereof, in the manner specified by Section 403 for selection for redemption of less than all the Securities of a series or Tranche.

In the event that Securities which shall be deemed to have been paid for purposes of this Indenture, and, if such is the case, in respect of which the Company's indebtedness and the obligations of the Guarantor in respect thereof shall have been satisfied and discharged, all as provided in this Section do not mature and are not to be redeemed within the 60 day period commencing with the date of the deposit of moneys or Eligible Obligations, as aforesaid, the Company shall, as promptly as practicable, give a notice, in the same manner as a notice of redemption with respect to such Securities, to the Holders of such Securities to the effect that such deposit has been made and the effect thereof.

Notwithstanding that any Securities shall be deemed to have been paid for purposes of this Indenture, as aforesaid, the obligations of the Company, the Guarantor and the Trustee in respect of such Securities under Sections 304, 305, 306, 403, 404, 406, 503 (as to notice of redemption), 602, 603, 907, 909, 910 and 915 and this Article Seven shall survive.

The Company shall pay, and shall indemnify the Trustee or any Paying Agent with which Eligible Obligations shall have been deposited as provided in this Section against, any tax, fee or other charge imposed on or assessed against such Eligible Obligations or the principal or interest received in respect of such Eligible Obligations, including, but not limited to, any such tax payable by any entity deemed, for tax purposes, to have been created as a result of such deposit.

Anything herein to the contrary notwithstanding, (a) if, at any time after a Security would be deemed to have been paid for purposes of this Indenture, and, if such is the case, the Company's indebtedness and the obligations of the Guarantor in respect thereof would be deemed to have been satisfied or discharged, pursuant to this Section (without regard to the provisions of this paragraph), the Trustee or any Paying Agent, as the case may be, (i) shall be required to return the money or Eligible Obligations, or combination thereof, deposited with it as aforesaid to the Company or its representative under any applicable Federal or State bankruptcy, insolvency or other similar law, or (ii) are unable to apply any money in accordance with this Article with respect to any Securities by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, such Security shall thereupon be deemed retroactively not to have been paid and any

satisfaction and discharge of the Company's indebtedness and the obligations of the Guarantor in respect thereof shall retroactively be deemed not to have been effected, and such Security shall be deemed to remain Outstanding and (b) any satisfaction and discharge of the Company's indebtedness and the obligations of the Guarantor in respect of any Security shall be subject to the provisions of the last paragraph of Section 603.

SECTION 702. Satisfaction and Discharge of Indenture.

This Indenture shall upon Company Request cease to be of further effect (except as hereinafter expressly provided), and the Trustee, at the expense of the Company, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture, when

(a) no Securities remain Outstanding hereunder; and

(b) the Company or the Guarantor has paid or caused to be paid all other sums payable hereunder by the Company or the Guarantor;

provided, however, that if, in accordance with the last paragraph of Section 701, any Security, previously deemed to have been paid for purposes of this Indenture, shall be deemed retroactively not to have been so paid, this Indenture shall thereupon be deemed retroactively not to have been satisfied and discharged, as aforesaid, and to remain in full force and effect, and the Company shall execute and deliver such instruments as the Trustee shall reasonably request to evidence and acknowledge the same.

Notwithstanding the satisfaction and discharge of this Indenture as aforesaid, the obligations of the Company, the Guarantor and the Trustee under Sections 304, 305, 306, 403, 404, 406, 503 (as to notice of redemption), 602, 603, 907, 909, 910 and 915 and this Article Seven shall survive.

Upon satisfaction and discharge of this Indenture as provided in this Section, the Trustee shall assign, transfer and turn over to the Company or to the order of the Company, subject to the lien provided by Section 907, any and all money, securities and other property then held by the Trustee for the benefit of the Holders of the Securities other than money and Eligible Obligations held by the Trustee pursuant to Section 703 and shall execute and deliver to the Company and the Guarantor such instruments as, in the judgment of the Company and the Guarantor, shall be necessary, desirable or appropriate to effect or evidence the satisfaction and discharge of this Indenture.

SECTION 703. Application of Trust Money.

Neither the Eligible Obligations nor the money deposited pursuant to Section 701, nor the principal or interest payments on any such Eligible Obligations, shall be withdrawn or used for any purpose other than, and such Eligible Obligations and money deposited and the principal and interest payments on any such Eligible Obligations shall be held in trust for, the payment of the principal of and premium, if any, and interest, if any, on the Securities or portions of principal amount thereof in respect of which such deposit was made, all subject, however, to the provisions of Section 603; provided, however, that, so long as there shall not have occurred and be continuing an Event of Default, any cash received from such principal or interest payments on such Eligible Obligations, if not then needed for such purpose, shall, to the extent practicable, be invested in Eligible Obligations of the type described in clause (b) in the first paragraph of Section 701 maturing at such times and in such amounts as shall be sufficient, together with any other moneys and the proceeds of any other Eligible Obligations then held by the Trustee, to pay when due the principal of and premium, if any, and interest, if any, due and to become due on such Securities or portions thereof on and prior to the Maturity thereof, and interest earned from such reinvestment shall be paid over to the Company or to the order of the Company as received, free and clear

of any trust, lien or pledge under this Indenture except the lien provided by Section 907; and provided, further, that, so long as there shall not have occurred and be continuing an Event of Default, any moneys held in accordance with this Section on the Maturity of all such Securities in excess of the amount required to pay the principal of and premium, if any, and interest, if any, then due on such Securities shall be paid over to the Company or to the order of the Company free and clear of any trust, lien or pledge under this Indenture except the lien provided by Section 907; and provided, further, that if an Event of Default shall have occurred and be continuing, moneys to be paid over to the Company or to the order of the Company pursuant to this Section shall be held until such Event of Default shall have been waived or cured.

ARTICLE EIGHT

Events of Default; Remedies

SECTION 801. Events of Default.

"Event of Default," wherever used herein with respect to Securities of any series, means any one of the following events, subject to such additions and exceptions as may be provided pursuant to Section 301:

(a) failure to pay interest, [[1]including any Additional Interest], if any, on any Security of such series within 30 days after the same becomes due and payable (whether or not payment is prohibited by the subordination provisions of Article Fourteen or Article Fifteen hereof) [[1]; provided, however, that a valid extension of the interest payment period by the Company as contemplated in Section 312 of this Indenture shall not constitute a default in the payment of interest for this purpose]; or

(b) failure to pay the principal of or premium, if any, on any Security of such series when it becomes due and payable (whether or not payment is prohibited by the subordination provisions of Article Fourteen or Article Fifteen hereof); or

(c) failure to perform, or breach of, any covenant or warranty of the Company or the Guarantor in this Indenture (other than a covenant or warranty a default in the performance of which or breach of which is elsewhere in this Section specifically dealt with or which has expressly been included in this Indenture solely for the benefit of one or more series of Securities other than such series) and the continuance of such default or breach for a period of 90 days after there has been given, by registered or certified mail, to the Company and Guarantor by the Trustee, or to the Company, the Guarantor and the Trustee by the Holders of at least 33% in principal amount of the Outstanding Securities of such series, a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder, unless the Trustee, or the Trustee and the Holders of a principal amount of Securities of such series not less than the principal amount of Securities the Holders of which gave such notice, as the case may be, shall agree in writing to an extension of such period prior to its expiration; provided, however, that the Trustee, or the Trustee and the Holders of such principal amount of Securities of such series, as the case may be, shall be deemed to have agreed to an extension of such period if corrective action is initiated by the Company or the Guarantor within such period and is being diligently pursued in good faith; or

(d) except as provided by the terms of this Indenture, the Securities of such series and the Guarantees endorsed thereon, the cessation of effectiveness of the Guarantee endorsed on a Security of such series or the finding by any judicial proceeding that the Guarantee endorsed on

a Security of such series is unenforceable or invalid or the denial or disaffirmation by the Guarantor of its obligations under the Guarantee endorsed on a Security of such series; or

(e) the entry by a court having jurisdiction in the premises of (1) a decree or order for relief in respect of the Company or the Guarantor in an involuntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or (2) a decree or order adjudging the Company or the Guarantor a bankrupt or insolvent, or approving as properly filed a petition by one or more Persons other than the Company or the Guarantor seeking reorganization, arrangement, adjustment or composition of or in respect of the Company or the Guarantor under any applicable Federal or State law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official for the Company or the Guarantor or for any substantial part of its property, or ordering the winding up or liquidation of its affairs, and any such decree or order for relief or any such other decree or order shall have remained unstayed and in effect for a period of 90 consecutive days; or

(f) the commencement by the Company or the Guarantor of a voluntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by the Company or the Guarantor to the entry of a decree or order for relief in respect of the Company or the Guarantor in a case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against the Company or the Guarantor, or the filing by the Company or the Guarantor of a petition or answer or consent seeking reorganization or relief under any applicable Federal or State law, or the consent by the Company or the Guarantor to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of the Company or the Guarantor or of any substantial part of its property, or the making by the Company or the Guarantor of an assignment for the benefit of creditors, or the admission by the Company or the Guarantor in writing of its inability to pay its debts generally as they become due, or the authorization of such action by the Board of Directors of the Company or the Guarantor; or

(g) any other Event of Default specified with respect to Securities of such series.

SECTION 802. Acceleration of Maturity; Rescission and Annulment.

If an Event of Default applicable to the Securities of one or more series, but not applicable to all Outstanding Securities, shall have occurred and be continuing, either the Trustee or the Holders of not less than 33% in aggregate principal amount of the Securities of each such series may then declare the principal amount of all Securities of such series (or, if any of the Securities of such series are Discount Securities, such portion of the principal amount of such Securities as may be specified in the terms thereof as contemplated by Section 301) and interest accrued thereon to be due and payable immediately (provided that the payment of principal and interest on such Securities shall remain subordinated to the extent provided in this Indenture), by a notice in writing to the Company and the Guarantor (and to the Trustee if given by Holders), and, upon receipt by the Company and the Guarantor of notice of such declaration of acceleration, such principal amount (or specified amount) and interest accrued thereon shall become immediately due and payable. If an Event of Default applicable to all Outstanding Securities shall have occurred and be continuing, either the Trustee or the Holders of not less than 33% in principal amount of all Securities then Outstanding (considered as one class), and not the Holders of the Securities of any one of such series, may declare the principal of all Securities (or, if any of the Securities of such series are Discount Securities, such portion of the principal amount of such Securities as may be specified in the terms thereof as contemplated by Section 301) and interest accrued

thereon to be due and payable immediately (provided that the payment of principal and interest on such Securities shall remain subordinated to the extent provided in this Indenture), by a notice in writing to the Company and the Guarantor (and to the Trustee if given by Holders), and, upon receipt by the Company and the Guarantor of notice of such declaration of acceleration, such principal amount (or specified amount) and interest accrued thereon shall become immediately due and payable.

At any time after such a declaration of acceleration with respect to Securities of any series shall have been made and before a judgment or decree for payment of the money due shall have been obtained by the Trustee as hereinafter in this Article provided, the Event or Events of Default giving rise to such declaration of acceleration shall, without further act, be deemed to have been waived, and such declaration and its consequences shall, without further act, be deemed to have been rescinded and annulled, if

(a) the Company or the Guarantor shall have paid or deposited with the Trustee a sum sufficient to pay

(1) all overdue interest [[1](including Additional Interest)], if any, on all Securities of such series then Outstanding;

(2) the principal of and premium, if any, on any Securities of such series then Outstanding which have become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates prescribed therefor in such Securities;

(3) to the extent that payment of such interest is lawful, interest upon overdue interest at the rate or rates prescribed therefor in such Securities;

(4) all amounts due to the Trustee under Section 907;

and

(b) if, after application of money paid or deposited in accordance with clause (a) of this Section 802, Securities of such series would remain Outstanding, any other Event or Events of Default with respect to Securities of such series, other than the non-payment of the principal of Securities of such series which shall have become due solely by such declaration of acceleration, shall have been cured or waived as provided in Section 813.

No such rescission shall affect any subsequent Event of Default or impair any right consequent thereon.

SECTION 803. Collection of Indebtedness and Suits for Enforcement by Trustee.

If an Event of Default described in clause (a) or (b) of Section 801 shall have occurred and be continuing, the Company or the Guarantor shall, upon demand of the Trustee, pay to it, for the benefit of the Holders of the Securities of the series with respect to which such Event of Default shall have occurred, the whole amount then due and payable on such Securities for principal and premium, if any, and interest, if any, and, to the extent permitted by law, interest on premium, if any, and on any overdue principal and interest, at the rate or rates prescribed therefor in such Securities, and, in addition thereto, such further amount as shall be sufficient to cover any amounts due to the Trustee under Section 907. Unless otherwise specified pursuant to Section 301 with respect to any series of Securities, the rate or rates at which Securities shall bear interest on overdue principal, premium, interest [[1]and Additional Interest], if any, shall be, to the extent permitted by law, the same rate or rates at which such Securities shall bear interest prior to Maturity.

If the Company shall fail to pay such amounts forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid, may prosecute such proceeding to judgment or final decree and may enforce the same against the Company and the Guarantor or any other obligor upon such Securities and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Company and the Guarantor or any other obligor upon such Securities, wherever situated.

If an Event of Default with respect to Securities of any series shall have occurred and be continuing, the Trustee may in its discretion proceed to protect and enforce its rights and the rights of the Holders of Securities of such series by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy.

SECTION 804. Trustee May File Proofs of Claim.

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Company or the Guarantor or any other obligor upon the Securities or the property of the Company or Guarantor or of such other obligor or their creditors, the Trustee (irrespective of whether the principal of the Securities shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Company or the Guarantor for the payment of overdue principal or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise,

(a) to file and prove a claim for the whole amount of principal, premium, if any, and interest, if any, owing and unpaid in respect of the Securities and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for amounts due to the Trustee under Section 907) and of the Holders allowed in such judicial proceeding, and

(b) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amounts due it under Section 907.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Securities or the rights of any Holder thereof or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

SECTION 805. Trustee May Enforce Claims Without Possession of Securities.

All rights of action and claims under this Indenture or the Securities or the Guarantees endorsed thereon may be prosecuted and enforced by the Trustee without the possession of any of the Securities or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements

and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Holders in respect of which such judgment has been recovered.

SECTION 806. Application of Money Collected.

Any money collected by the Trustee pursuant to this Article shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal or premium, if any, or interest, if any, upon presentation of the Securities in respect of which or for the benefit of which such money shall have been collected and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

First: To the payment of all amounts due the Trustee under Section 907;

Second: Subject to the provisions of Articles Fourteen and Fifteen, the payment of the amounts then due and unpaid upon the Securities for principal of and premium, if any, and interest [[1](including Additional Interest)], if any, in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Securities for principal, premium, if any, and interest, if any, respectively; and

Third: To the Company or the Guarantor, as applicable.

SECTION 807. Limitation on Suits.

No Holder shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

(a) such Holder shall have previously given written notice to the Trustee of a continuing Event of Default with respect to the Securities of such series;

(b) the Holders of a majority in aggregate principal amount of the Outstanding Securities of all series in respect of which an Event of Default shall have occurred and be continuing, considered as one class, shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee hereunder;

(c) such Holder or Holders shall have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;

(d) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity shall have failed to institute any such proceeding; and

(e) no direction inconsistent with such written request shall have been given to the Trustee during such 60-day period by the Holders of a majority in aggregate principal amount of the Outstanding Securities of all series in respect of which an Event of Default shall have occurred and be continuing, considered as one class;

it being understood and intended that no one or more of such Holders shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other of such Holders or to obtain or to seek to obtain priority or preference over any other

of such Holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all of such Holders.

SECTION 808. Unconditional Right of Holders to Receive Principal, Premium and Interest.

Notwithstanding any other provision in this Indenture, the Holder of any Security shall have the right, which is absolute and unconditional, to receive payment of the principal of and premium, if any, and (subject to Section 307 and 312) interest [,(including Additional Interest)], if any, on such Security on the Stated Maturity or Maturities expressed in such Security (or, in the case of redemption, on the Redemption Date) and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Holder.

SECTION 809. Restoration of Rights and Remedies.

If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee or to such Holder, then and in every such case, subject to any determination in such proceeding, the Company, the Guarantor and Trustee and such Holder shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Trustee and such Holder shall continue as though no such proceeding had been instituted.

SECTION 810. Rights and Remedies Cumulative.

Except as otherwise provided with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities in the last paragraph of Section 306, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 811. Delay or Omission Not Waiver.

No delay or omission of the Trustee or of any Holder to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

SECTION 812. Control by Holders of Securities.

If an Event of Default shall have occurred and be continuing in respect of a series of Securities, the Holders of a majority in principal amount of the Outstanding Securities of such series shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee, with respect to the Securities of such series; provided, however, that if an Event of Default shall have occurred and be continuing with respect to more than one series of Securities, the Holders of a majority in aggregate principal amount of the Outstanding Securities of all such series, considered as one class, shall have the right to make such direction, and not the Holders of the Securities of any one of such series; and provided, further, that

(a) such direction shall not be in conflict with any rule of law or with this Indenture, and could not involve the Trustee in personal liability in circumstances where indemnity would not, in the Trustee's sole discretion, be adequate, and

(b) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

SECTION 813. Waiver of Past Defaults.

The Holders of a majority in aggregate principal amount of the Outstanding Securities of any series may on behalf of the Holders of all the Securities of such series waive any past default hereunder with respect to such series and its consequences, except a default

(a) in the payment of the principal of or premium, if any, or interest [[1](including Additional Interest)], if any, on any Security of such series, or

(b) in respect of a covenant or provision hereof which under Section 1202 cannot be modified or amended without the consent of the Holder of each Outstanding Security of such series affected [[1];

provided, however, that so long as a Trust holds the Securities of any series, such Trust may not waive any past default without the consent of a majority (or such greater percentage as shall be required by the Trust Agreement pertaining to such Trust) in aggregate liquidation preference of the outstanding Preferred Securities issued by such Trust affected, obtained as provided in the Trust Agreement pertaining to such Trust. Any such waiver by holders of a majority in aggregate liquidation preference of outstanding Preferred Securities issued by any such Trust shall be deemed to be on behalf of all holders of Preferred Securities issued by any such Trust].

Upon any such waiver, such default shall cease to exist, and any and all Events of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

SECTION 814. Undertaking for Costs.

The Company, the Guarantor and the Trustee agree, and each Holder by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken, suffered or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Company or the Guarantor, to any suit instituted by the Trustee, to any suit instituted by any Holder, or group of Holders, holding in the aggregate more than 10% in aggregate principal amount of the Outstanding Securities of all series in respect of which such suit may be brought, considered as one class, or to any suit instituted by any Holder for the enforcement of the payment of the principal of or premium, if any, or interest, if any, on any Security on or after the Stated Maturity or Maturities expressed in such Security (or, in the case of redemption, on or after the Redemption Date).

SECTION 815. Waiver of Usury, Stay or Extension Laws.

Each of the Company and the Guarantor covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any usury, stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and each of the Company and the Guarantor (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE NINE

The Trustee

SECTION 901. Certain Duties and Responsibilities.

(a) Except during the continuance of an Event of Default with respect to Securities of any series,

(i) the Trustee undertakes to perform, with respect to Securities of such series, such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of bad faith on its part, the Trustee may, with respect to Securities of such series, conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provisions hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture.

(b) In case an Event of Default with respect to Securities of any series shall have occurred and be continuing, the Trustee shall exercise, with respect to the Securities of such series, such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(c) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(i) this subsection shall not be construed to limit the effect of subsection (a) of this Section;

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(iii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of a

majority in principal amount of the Outstanding Securities of any one or more series, as provided herein, relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture with respect to the Securities of such series; and

(iv) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(d) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

SECTION 902. Notice of Defaults.

The Trustee shall give notice of any default hereunder with respect to the Securities of any series to the Holders of Securities of such series in the manner and to the extent required to do so by the Trust Indenture Act, unless such default shall have been cured or waived; provided, however, that in the case of any default of the character specified in Section 801(c), no such notice to Holders shall be given until at least 45 days after the occurrence thereof. For the purpose of this Section, the term "default" means any event which is, or after notice or lapse of time, or both, would become, an Event of Default with respect to the Securities of such series.

SECTION 903. Certain Rights of Trustee.

Subject to the provisions of Section 901 and to the applicable provisions of the Trust Indenture Act:

(a) the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request or direction of the Company or the Guarantor mentioned herein shall be sufficiently evidenced by a Company Request or Company Order, or a Guarantor Request or Guarantor Order, as the case may be, or as otherwise expressly provided herein, and any resolution of the Board of Directors of the Company or the Guarantor may be sufficiently evidenced by a Board Resolution thereof;

(c) whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, conclusively rely upon an Officer's Certificate of the Company or the Guarantor, as appropriate;

(d) the Trustee may consult with counsel of its selection and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;

(e) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any Holder pursuant to this Indenture, unless such Holder shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;

(f) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall (subject to applicable legal requirements) with prior notice to the Company and the Guarantor be entitled to examine, during normal business hours, the books, records and premises of the Company, personally or by agent or attorney;

(g) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder;

(h) except as otherwise provided in Section 801, the Trustee shall not be charged with knowledge of any Event of Default with respect to the Securities of any series for which it is acting as Trustee unless either (1) a Responsible Officer of the Trustee shall have actual knowledge of the Event of Default or (2) written notice of such Event of Default shall have been given to the Trustee by the Company, Guarantor or any other obligor on such Securities or by any Holder of such Securities;

(i) the Trustee shall not be liable for any action taken, suffered, or omitted to be taken by it in good faith and reasonably believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture; and

(j) the rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder.

SECTION 904. Not Responsible for Recitals or Issuance of Securities.

The recitals contained herein and in the Securities and the Guarantees endorsed thereon (except the Trustee's certificates of authentication) shall be taken as the statements of the Company and the Guarantor, as the case may be, and neither the Trustee nor any Authenticating Agent assumes responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Securities or the Guarantees endorsed thereon. Neither the Trustee nor any Authenticating Agent shall be accountable for the use or application by the Company of Securities or the proceeds thereof.

SECTION 905. May Hold Securities.

Each of the Trustee, any Authenticating Agent, any Paying Agent, any Security Registrar or any other agent of the Company, the Guarantor or the Trustee, in its individual or any other capacity, may become the owner or pledgee of Securities [[1]and/or Preferred Securities] and, subject to Sections 908

and 913, may otherwise deal with the Company or the Guarantor with the same rights it would have if it were not the Trustee, Authenticating Agent, Paying Agent, Security Registrar or such other agent.

SECTION 906. Money Held in Trust.

Money held by the Trustee in trust hereunder need not be segregated from other funds, except to the extent required by law. The Trustee shall be under no liability for interest on or investment of any money received by it hereunder except as expressly provided herein or otherwise agreed with, and for the sole benefit of, the Company or the Guarantor.

SECTION 907. Compensation and Reimbursement.

The Company agrees

(a) to pay to the Trustee from time to time such compensation for all services rendered by it hereunder as the Company and the Trustee shall from time to time agree in writing (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(b) except as otherwise expressly provided herein, to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances reasonably incurred or made by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except to the extent that any such expense, disbursement or advance may be attributable to the Trustee's negligence, willful misconduct or bad faith; and

(c) to indemnify the Trustee and hold it harmless from and against, any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of the trust or trusts hereunder or the performance of its duties hereunder, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder, except to the extent any such loss, liability or expense may be attributable to its negligence, willful misconduct or bad faith.

As security for the performance of the obligations of the Company under this Section, the Trustee shall have a lien prior to the Securities upon all property and funds held or collected by the Trustee as such other than property and funds held in trust under Section 703 (except as otherwise provided in Section 703). "Trustee" for purposes of this Section shall include any predecessor Trustee; provided, however, that the negligence, willful misconduct or bad faith of any Trustee hereunder shall not affect the rights of any other Trustee hereunder.

When the Trustee incurs expenses or renders services in connection with an Event of Default specified in Section 801(d) or Section 801(e), the expenses (including the reasonable charges and expenses of its counsel) and the compensation for the services are intended to constitute expenses of administration under any applicable Federal or State bankruptcy, insolvency or other similar law.

The provisions of this Section 907 shall survive the termination of this Indenture.

SECTION 908. Disqualification; Conflicting Interests.

If the Trustee shall have or acquire any conflicting interest within the meaning of the Trust Indenture Act, it shall either eliminate such conflicting interest or resign to the extent, in the manner and with the effect, and subject to the conditions, provided in the Trust Indenture Act and this Indenture. To the extent permitted by the Trust Indenture Act, the Trustee shall not be deemed to have a conflicting interest by virtue of being a trustee under the Indenture, dated as of June 1, 1999, between the Company and The Bank of New York, as trustee, the Guarantee Agreement, dated as of June 1, 1999, between the Guarantor, as guarantor and The Bank of New York, as guarantee trustee, the Indenture (For Unsecured Subordinated Debt Securities relating to Trust Securities), dated as of March 1, 2004, among the Company, FPL Group, Inc., as guarantor and The Bank of New York, as indenture trustee, the Amended and Restated Trust Agreement, dated as of March 15, 2004, among FPL Group, Inc., as depositor, The Bank of New York, as property trustee, The Bank of New York (Delaware), as Delaware trustee, the administrative trustees named therein and several holders of trust securities, the Preferred Trust Securities Guarantee Agreement, dated as of March 15, 2004, between FPL Group, Inc., as guarantor and The Bank of New York, as guarantee trustee, [[1]the Trust Agreement and the Preferred Trust Securities Guarantee Agreement] and such agreements and the Securities of any other series or the Guarantees endorsed thereon shall be deemed to be specifically described in this Indenture for the purposes of clause (i) of the first proviso contained in Section 310(b) of the Trust Indenture Act.

SECTION 909. Corporate Trustee Required; Eligibility.

There shall at all times be a Trustee hereunder which shall be

(a) a Corporation organized and doing business under the laws of the United States, any State or Territory thereof or the District of Columbia, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least $50,000,000 and subject to supervision or examination by Federal or State authority, or

(b) if and to the extent permitted by the Commission by rule, regulation or order upon application, a Corporation or other Person organized and doing business under the laws of a foreign government, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least $50,000,000 or the Dollar equivalent of the applicable foreign currency and subject to supervision or examination by authority of such foreign government or a political subdivision thereof substantially equivalent to supervision or examination applicable to United States institutional trustees,

and, in either case, qualified and eligible under this Article and the Trust Indenture Act. If such Corporation publishes reports of condition at least annually, pursuant to law or to the requirements of such supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such Corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section and the Trust Indenture Act, it shall resign immediately in the manner and with the effect hereinafter specified in this Article.

SECTION 910. Resignation and Removal; Appointment of Successor.

(a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee in accordance with the applicable requirements of Section 911.

(b) The Trustee may resign at any time with respect to the Securities of one or more series by giving written notice thereof to the Company and the Guarantor. If the instrument of acceptance by a successor Trustee required by Section 911 shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.

(c) The Trustee may be removed at any time with respect to the Securities of any series by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series delivered to the Trustee, the Company and the Guarantor [[1]; provided that so long as any Preferred Securities remain outstanding, the Trust which issued such Preferred Securities shall not execute any Act to remove the Trustee without the consent of the holders of a majority in aggregate liquidation preference of Preferred Securities issued by such Trust outstanding, obtained as provided in the Trust Agreement pertaining to such Trust].

(d) If at any time:

(1) the Trustee shall fail to comply with Section 908 after written request therefor by the Company, the Guarantor or by any Holder who has been a bona fide Holder for at least six months, or

(2) the Trustee shall cease to be eligible under Section 909 or Section 310(a) of the Trust Indenture Act and shall fail to resign after written request therefor by the Company, the Guarantor or by any such Holder, or

(3) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (x) the Company and the Guarantor by Board Resolutions may remove the Trustee with respect to all Securities or (y) subject to Section 814, any Holder who has been a bona fide Holder for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee with respect to all Securities and the appointment of a successor Trustee or Trustees.

(e) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause (other than as contemplated in clause (y) in subsection (d) of this Section), with respect to the Securities of one or more series, the Company and the Guarantor, by Board Resolutions, shall promptly appoint a successor Trustee or Trustees with respect to the Securities of that or those series (it being understood that any such successor Trustee may be appointed with respect to the Securities of one or more or all of such series and that at any time (subject to Section 914) there shall be only one Trustee with respect to the Securities of any particular series) and shall comply with the applicable requirements of Section 911. If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee with respect to the Securities of any series shall be appointed by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series delivered to the Company and the retiring Trustee, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment in accordance with the applicable requirements of Section 911, become the successor Trustee with respect to the Securities of such series and to that extent supersede the successor Trustee appointed by the

Company and the Guarantor. If no successor Trustee with respect to the Securities of any series shall have been so appointed by the Company and the Guarantor or the Holders and accepted appointment in the manner required by Section 911, any Holder who has been a bona fide Holder of a Security of such series for at least six months may, on behalf of itself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.

(f) So long as no event which is, or after notice or lapse of time, or both, would become, an Event of Default shall have occurred and be continuing, and except with respect to a Trustee appointed by Act of the Holders of a majority in principal amount of the Outstanding Securities pursuant to subsection (e) of this Section, if the Company and the Guarantor shall have delivered to the Trustee (i) Board Resolutions appointing a successor Trustee, effective as of a date specified therein, and (ii) an instrument of acceptance of such appointment, effective as of such date, by such successor Trustee in accordance with Section 911, the Trustee shall be deemed to have resigned as contemplated in subsection (b) of this Section, the successor Trustee shall be deemed to have been appointed by the Company and the Guarantor pursuant to subsection (e) of this Section and such appointment shall be deemed to have been accepted as contemplated in Section 911, all as of such date, and all other provisions of this Section and Section 911 shall be applicable to such resignation, appointment and acceptance except to the extent inconsistent with this subsection (f).

(g) The Company shall give notice of each resignation and each removal of the Trustee with respect to the Securities of any series and each appointment of a successor Trustee with respect to the Securities of any series by mailing written notice of such event by first-class mail, postage prepaid, to all Holders of Securities of such series as their names and addresses appear in the Security Register. Each notice shall include the name of the successor Trustee with respect to the Securities of such series and the address of its Corporate Trust Office.

SECTION 911. Acceptance of Appointment by Successor.

(a) In case of the appointment hereunder of a successor Trustee with respect to the Securities of all series, every such successor Trustee so appointed shall execute, acknowledge and deliver to the Company, the Guarantor and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee; but, on the request of the Company, the Guarantor or the successor Trustee, such retiring Trustee shall, upon payment of all sums owed to it, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder.

(b) In case of the appointment hereunder of a successor Trustee with respect to the Securities of one or more (but not all) series, the Company, the Guarantor the retiring Trustee and each successor Trustee with respect to the Securities of such series shall execute and deliver an indenture supplemental hereto wherein each successor Trustee shall accept such appointment and which (1) shall contain such provisions as shall be necessary or desirable to transfer and confirm to, and to vest in, each successor Trustee all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates, (2) if the retiring Trustee is not retiring with respect to all Securities, shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or

those series as to which the retiring Trustee is not retiring shall continue to be vested in the retiring Trustee and (3) shall add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, it being understood that nothing herein or in such supplemental indenture shall constitute such Trustees co-trustees of the same trust and that each such Trustee shall be trustee of a trust or trusts hereunder separate and apart from any trust or trusts hereunder administered by any other such Trustee; and upon the execution and delivery of such supplemental indenture the resignation or removal of the retiring Trustee shall become effective to the extent provided therein and each such successor Trustee, without any further act, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates; but, on request of the Company, the Guarantor or any successor Trustee, such retiring Trustee, upon payment of all sums owed to it, shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder with respect to the Securities of that or those series to which the appointment of such successor Trustee relates.

(c) Upon request of any such successor Trustee, the Company and the Guarantor shall execute any instruments which fully vest in and confirm to such successor Trustee all such rights, powers and trusts referred to in subsection (a) or (b) of this Section, as the case may be.

(d) No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article.

SECTION 912. Merger, Conversion, Consolidation or Succession to Business.

Any Corporation or other Person into which the Trustee may be merged or converted or with which it may be consolidated, or any Corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any Corporation succeeding to all or substantially all the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such Corporation shall be otherwise qualified and eligible under this Article, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Securities shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Securities so authenticated with the same effect as if such successor Trustee had itself authenticated such Securities.

SECTION 913. Preferential Collection of Claims Against Company.

If the Trustee shall be or become a creditor of the Company, the Guarantor or any other obligor upon the Securities (other than by reason of a relationship described in Section 311(b) of the Trust Indenture Act), the Trustee shall be subject to any and all applicable provisions of the Trust Indenture Act regarding the collection of claims against the Company, the Guarantor or such other obligor. For purposes of Section 311(b) of the Trust Indenture Act:

(a) the term "cash transaction" means any transaction in which full payment for goods or securities sold is made within seven days after delivery of the goods or securities in currency or in checks or other orders drawn upon banks or bankers and payable upon demand;

(b) the term "self-liquidating paper" means any draft, bill of exchange, acceptance or obligation which is made, drawn, negotiated or incurred by the Company, the Guarantor or such obligor for the purpose of financing the purchase, processing, manufacturing, shipment, storage

or sale of goods, wares or merchandise and which is secured by documents evidencing title to, possession of, or a lien upon, the goods, wares or merchandise or the receivables or proceeds arising from the sale of the goods, wares or merchandise previously constituting the security, provided the security is received by the Trustee simultaneously with the creation of the creditor relationship with the Company, the Guarantor or such obligor arising from the making, drawing, negotiating or incurring of the draft, bill of exchange, acceptance or obligation.

SECTION 914. Co-trustees and Separate Trustees.

At any time or times, for the purpose of meeting the legal requirements of any applicable jurisdiction, the Company, the Guarantor and the Trustee shall have power to appoint, and, upon the written request of the Trustee or of the Holders of at least 33% in principal amount of the Securities then Outstanding, the Company and the Guarantor shall for such purpose join with the Trustee in the execution and delivery of all instruments and agreements necessary or proper to appoint, one or more Persons approved by the Trustee either to act as co-trustee, jointly with the Trustee, or to act as separate trustee, in either case with such powers as may be provided in the instrument of appointment, and to vest in such Person or Persons, in the capacity aforesaid, any property, title, right or power deemed necessary or desirable, subject to the other provisions of this Section. If the Company or the Guarantor does not join in such appointment within 15 days after the receipt by it of a request so to do, or if an Event of Default shall have occurred and be continuing, the Trustee alone shall have power to make such appointment.

Should any written instrument or instruments from the Company or the Guarantor be required by any co-trustee or separate trustee to more fully confirm to such co-trustee or separate trustee such property, title, right or power, any and all such instruments shall, on request, be executed, acknowledged and delivered by the Company or the Guarantor, as the case may be.

Every co-trustee or separate trustee shall, to the extent permitted by law, but to such extent only, be appointed subject to the following conditions:

(a) the Securities shall be authenticated and delivered, and all rights, powers, duties and obligations hereunder in respect of the custody of securities, cash and other personal property held by, or required to be deposited or pledged with, the Trustee hereunder, shall be exercised solely, by the Trustee;

(b) the rights, powers, duties and obligations hereby conferred or imposed upon the Trustee in respect of any property covered by such appointment shall be conferred or imposed upon and exercised or performed either by the Trustee or by the Trustee and such co-trustee or separate trustee jointly, as shall be provided in the instrument appointing such co-trustee or separate trustee, except to the extent that under any law of any jurisdiction in which any particular act is to be performed, the Trustee shall be incompetent or unqualified to perform such act, in which event such rights, powers, duties and obligations shall be exercised and performed by such co-trustee or separate trustee.

(c) the Trustee at any time, by an instrument in writing executed by it, with the concurrence of the Company and the Guarantor, may accept the resignation of or remove any co-trustee or separate trustee appointed under this Section, and, if an Event of Default shall have occurred and be continuing, the Trustee shall have power to accept the resignation of, or remove, any such co-trustee or separate trustee without the concurrence of the Company or the Guarantor. Upon the written request of the Trustee, the Company and the Guarantor shall join with the Trustee in the execution and delivery of all instruments and agreements necessary or proper to

effectuate such resignation or removal. A successor to any co-trustee or separate trustee so resigned or removed may be appointed in the manner provided in this Section;

(d) no co-trustee or separate trustee hereunder shall be personally liable by reason of any act or omission of the Trustee, or any other such trustee hereunder, and the Trustee shall not be personally liable by reason of any act or omission of any such co-trustee or separate trustee; and

(e) any Act of Holders delivered to the Trustee shall be deemed to have been delivered to each such co-trustee and separate trustee.

SECTION 915. Appointment of Authenticating Agent.

The Trustee may appoint an Authenticating Agent or Agents acceptable to the Company with respect to the Securities of one or more series, or any Tranche thereof, which shall be authorized to act on behalf of the Trustee to authenticate Securities of such series or Tranche, and any Guarantee to be endorsed thereon, issued upon original issuance, exchange, registration of transfer or partial redemption thereof or pursuant to Section 306, and Securities, and any Guarantees endorsed thereon, so authenticated shall be entitled to the benefits of this Indenture and shall be valid and obligatory for all purposes as if authenticated by the Trustee hereunder. Wherever reference is made in this Indenture to the authentication and delivery of Securities or the Guarantee by the Trustee or the Trustee's certificate of authentication, such reference shall be deemed to include authentication and delivery on behalf of the Trustee by an Authenticating Agent and a certificate of authentication executed on behalf of the Trustee by an Authenticating Agent. Each Authenticating Agent shall be acceptable to the Company and the Guarantor and shall at all times be a Corporation organized and doing business under the laws of the United States, any State or Territory thereof or the District of Columbia or the Commonwealth of Puerto Rico, authorized under such laws to act as Authenticating Agent, having a combined capital and surplus of not less than $50,000,000 and subject to supervision or examination by Federal or State authority. If such Authenticating Agent publishes reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such Authenticating Agent shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time an Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, such Authenticating Agent shall resign immediately in the manner and with the effect specified in this Section.

Any Corporation into which an Authenticating Agent may be merged or converted or with which it may be consolidated, or any Corporation resulting from any merger, conversion or consolidation to which such Authenticating Agent shall be a party, or any Corporation succeeding to the corporate agency or corporate trust business of an Authenticating Agent, shall continue to be an Authenticating Agent, provided such Corporation shall be otherwise eligible under this Section, without the execution or filing of any paper or any further act on the part of the Trustee or the Authenticating Agent.

An Authenticating Agent may resign at any time by giving written notice thereof to the Trustee, the Company and the Guarantor. The Trustee may at any time terminate the agency of an Authenticating Agent by giving written notice thereof to such Authenticating Agent, the Company and the Guarantor. Upon receiving such a notice of resignation or upon such a termination, or in case at any time such Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, the Trustee may appoint a successor Authenticating Agent which shall be acceptable to the Company and the Guarantor. Any successor Authenticating Agent upon acceptance of its appointment hereunder shall become vested with all the rights, powers and duties of its predecessor hereunder, with

like effect as if originally named as an Authenticating Agent. No successor Authenticating Agent shall be appointed unless eligible under the provisions of this Section.

The Company agrees to pay to each Authenticating Agent from time to time reasonable compensation for its services under this Section.

The provisions of Sections 308, 904 and 905 shall be applicable to each Authenticating Agent.

If an appointment with respect to the Securities of one or more series, or any Tranche thereof, shall be made pursuant to this Section, the Securities of such series or Tranche may have endorsed thereon, in addition to the Trustee's certificate of authentication, an alternative certificate of authentication substantially in the following form:

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

THE BANK OF NEW YORK, as Trustee

By: _____
As Authenticating Agent

By: _____
Authorized Signatory

If all of the Securities of a series may not be originally issued at one time, and if the Trustee does not have an office capable of authenticating Securities upon original issuance located in a Place of Payment where the Company wishes to have Securities of such series authenticated upon original issuance, the Trustee, if so requested by the Company in writing (which writing need not comply with Section 102 and need not be accompanied by an Opinion of Counsel), shall appoint, in accordance with this Section and in accordance with such procedures as shall be acceptable to the Trustee, an Authenticating Agent having an office in a Place of Payment designated by the Company with respect to such series of Securities.

ARTICLE TEN

Holders' Lists and Reports by Trustee, Company and Guarantor

SECTION 1001. Lists of Holders.

Semiannually, not later than June 1 and December 1 in each year, commencing ____, 20__, and at such other times as the Trustee may request in writing, the Company shall furnish or cause to be furnished to the Trustee information as to the names and addresses of the Holders, and the Trustee shall preserve such information and similar information received by it in any other capacity and afford to the Holders access to information so preserved by it, all to such extent, if any, and in such manner as shall be required by the Trust Indenture Act; provided, however, that no such list need be furnished so long as the Trustee shall be the Security Registrar.

SECTION 1002. Reports by Trustee, Company and Guarantor.

Not later than July 15 in each year, commencing July 15, 20__, the Trustee shall transmit to the Holders, the Commission and each securities exchange upon which any Securities are listed, a report, dated as of the next preceding April 15, with respect to any events and other matters described in Section 313(a) of the Trust Indenture Act, in such manner and to the extent required by the Trust Indenture Act. The Trustee shall transmit to the Holders, the Commission and each securities exchange upon which any Securities are listed, and the Company and the Guarantor, as the case requires, shall file with the Trustee (within 30 days after filing with the Commission in the case of reports which pursuant to the Trust Indenture Act must be filed with the Commission and furnished to the Trustee) and transmit to the Holders, such other information, reports and other documents, if any, at such times and in such manner, as shall be required by the Trust Indenture Act. The Company shall notify the Trustee of the listing of any Securities on any securities exchange or of the delisting thereof.

ARTICLE ELEVEN

Consolidation, Merger, Conveyance or Other Transfer

SECTION 1101. Company or Guarantor May Consolidate, etc., Only on Certain Terms.

Neither the Company nor the Guarantor shall consolidate with or merge into any other entity, or convey or otherwise transfer or lease its properties and assets substantially as an entirety to any Person, unless

(a) the Person formed by such consolidation or into which the Company or the Guarantor, as the case may be, is merged or the Person which acquires by conveyance or transfer, or which leases, the properties and assets of the Company or the Guarantor, as the case may be, substantially as an entirety shall be a Person organized and existing under the laws of the United States, any State thereof or the District of Columbia, and shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, the due and punctual payment of the principal of and premium, if any, and interest, if any, on all Outstanding Securities (or the Guarantees endorsed thereon, as the case may be) and the performance of every covenant of this Indenture on the part of the Company or the Guarantor, as the case may be, to be performed or observed;

(b) immediately after giving effect to such transaction, no Event of Default and no event which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing; and

(c) the Company or the Guarantor, as the case may be, shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that such consolidation, merger, conveyance, or other transfer or lease and such supplemental indenture comply with this Article and that all conditions precedent herein provided for relating to such transactions have been complied with.

SECTION 1102. Successor Entity Substituted.

Upon any consolidation by the Company or the Guarantor with or merger by the Company or the Guarantor into any other Person or any conveyance, or other transfer or lease of the properties and assets of the Company or the Guarantor substantially as an entirety in accordance with Section 1101, the successor Person formed by such consolidation or into which the Company or the

Guarantor, as the case may be, is merged or the Person to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company or the Guarantor, as the case may be, under this Indenture with the same effect as if such successor Person had been named as the Company or the Guarantor, as the case may be, herein, and thereafter, except in the case of a lease, the predecessor Person shall be relieved of all obligations and covenants under this Indenture and the Securities Outstanding hereunder (or the Guarantees endorsed thereon, as the case may be).

SECTION 1103. Limitation.

Nothing in this Indenture shall be deemed to prevent or restrict:

(a) any consolidation or merger after the consummation of which the Company or the Guarantor would be the surviving or resulting entity,

(b) any consolidation of the Company with the Guarantor or any other Person all of the outstanding voting securities of which are owned, directly or indirectly, by the Guarantor; or any merger of any of such Persons into any other of such Persons; or any conveyance or other transfer, or lease, of its properties substantially as an entirety by any thereof to any other thereof,

(c) any conveyance or other transfer, or lease, of any part of the properties and/or assets of the Company or the Guarantor which does not constitute the entirety, or substantially the entirety, of its properties and assets,

(d) the approval by the Company or the Guarantor of, or the consent by the Company or the Guarantor to, any consolidation or merger to which any direct or indirect subsidiary or affiliate of the Company or the Guarantor, as the case requires, may be a party or any conveyance, transfer or lease by any such subsidiary or affiliate of any of its properties or assets, or

(e) any other transaction not contemplated by Section 1101.

ARTICLE TWELVE

Supplemental Indentures

SECTION 1201. Supplemental Indentures Without Consent of Holders.

Without the consent of any Holders, the Company, the Guarantor and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto, in form reasonably satisfactory to the Trustee, for any of the following purposes:

(a) to evidence the succession of another Person to the Company or the Guarantor, as the case may be, and the assumption by any such successor of the covenants of the Company or the Guarantor, as the case may be, herein and in the Securities or the Guarantees endorsed thereon, all as provided in Article Eleven; or

(b) to add one or more covenants of the Company or the Guarantor or other provisions for the benefit of all Holders or for the benefit of the Holders of, or to remain in effect only so long as there shall be Outstanding, Securities of one or more specified series, or one or

more specified Tranches thereof, or to surrender any right or power herein conferred upon the Company or Guarantor; or

(c) to add any additional Events of Default with respect to all or any series of Securities Outstanding hereunder; or

(d) to change or eliminate any provision of this Indenture or to add any new provision to this Indenture; provided, however, that if such change, elimination or addition shall adversely affect the interests of the Holders of Securities of any series or Tranche Outstanding on the date of such indenture supplemental hereto in any material respect, such change, elimination or addition shall become effective (i) with respect to such series or Tranche only pursuant to the provisions of Section 1202 hereof or (ii) when no Security of such series or Tranche remains Outstanding; or

(e) to provide collateral security for all but not part of the Securities; or

(f) to establish the form or terms of Securities of any series or Tranche or any Guarantees as contemplated by Sections 201 and 301; or

(g) to provide for the authentication and delivery of bearer securities and coupons appertaining thereto representing interest, if any, thereon and for the procedures for the registration, exchange and replacement thereof and for the giving of notice to, and the solicitation of the vote or consent of, the holders thereof, and for any and all other matters incidental thereto; or

(h) to evidence and provide for the acceptance of appointment hereunder by a separate or successor Trustee or co-trustee with respect to the Securities of one or more series and to add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, pursuant to the requirements of Section 911(b); or

(i) to provide for the procedures required to permit the Company to utilize, at its option, a non-certificated system of registration for all, or any series or Tranche of, the Securities; or

(j) to change any place or places where (1) the principal of and premium, if any, and interest, if any, on all or any series of Securities, or any Tranche thereof, shall be payable, (2) all or any series of Securities, or any Tranche thereof, may be surrendered for registration of transfer, (3) all or any series of Securities, or any Tranche thereof, may be surrendered for exchange and (4) notices and demands to or upon the Company or the Guarantor in respect of all or any series of Securities, or any Tranche thereof, and this Indenture may be served; or

(k) to cure any ambiguity, to correct or supplement any provision herein which may be defective or inconsistent with any other provision herein, or to make any other changes to the provisions hereof or to add other provisions with respect to matters or questions arising under this Indenture, provided that such other changes or additions shall not adversely affect the interests of the Holders of Securities of any series or Tranche in any material respect.

Without limiting the generality of the foregoing, if the Trust Indenture Act as in effect at the date of the execution and delivery of this Indenture or at any time thereafter shall be amended and

(x) if any such amendment shall require one or more changes to any provisions hereof or the inclusion herein of any additional provisions, or shall by operation of law be deemed to effect such changes or incorporate such provisions by reference or otherwise, this Indenture shall be deemed to have been amended so as to conform to such amendment to the Trust Indenture Act, and the Company, the Guarantor and the Trustee may, without the consent of any Holders, enter into an indenture supplemental hereto to effect or evidence such changes or additional provisions; or

(y) if any such amendment shall permit one or more changes to, or the elimination of, any provisions hereof which, at the date of the execution and delivery hereof or at any time thereafter, are required by the Trust Indenture Act to be contained herein, this Indenture shall be deemed to have been amended to effect such changes or elimination, and the Company, the Guarantor and the Trustee may, without the consent of any Holders, enter into an indenture supplemental hereto to evidence such amendment hereof.

SECTION 1202. Supplemental Indentures With Consent of Holders.

With the consent of the Holders of a majority in aggregate principal amount of the Securities of all series then Outstanding under this Indenture, considered as one class, by Act of said Holders delivered to the Company, the Guarantor and the Trustee, the Company and the Guarantor, when authorized by Board Resolutions, and the Trustee may enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, this Indenture or modifying in any manner the rights of the Holders of Securities of such series under the Indenture; provided, however, that if there shall be Securities of more than one series Outstanding hereunder and if a proposed supplemental indenture shall directly affect the rights of the Holders of Securities of one or more, but less than all, of such series, then the consent only of the Holders of a majority in aggregate principal amount of the Outstanding Securities of all series so directly affected, considered as one class, shall be required; and provided, further, that if the Securities of any series shall have been issued in more than one Tranche and if the proposed supplemental indenture shall directly affect the rights of the Holders of Securities of one or more, but less than all, of such Tranches, then the consent only of the Holders of a majority in aggregate principal amount of the Outstanding Securities of all Tranches so directly affected, considered as one class, shall be required; and provided, further, that no such supplemental indenture shall:

(a) change the Stated Maturity of the principal of, or any installment of principal of or interest on (except as provided in Section 312 hereof), any Security, or reduce the principal amount thereof or the rate of interest thereon (or the amount of any installment of interest thereon) or change the method of calculating such rate or reduce any premium payable upon the redemption thereof, or reduce the amount of the principal of a Discount Security that would be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 802, or change the coin or currency (or other property), in which any Security or any premium or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity of any Security (or, in the case of redemption, on or after the Redemption Date), or impair the right to receive payments under the Guarantee or to institute suit for the enforcement of any such payment under the Guarantee, without, in any such case, the consent of the Holder of such Security, or

(b) reduce the percentage in principal amount of the Outstanding Securities of any series or any Tranche thereof, the consent of the Holders of which is required for any such supplemental indenture, or the consent of the Holders of which is required for any waiver of

compliance with any provision of this Indenture or of any default hereunder and its consequences, or reduce the requirements of Section 1304 for quorum or voting, without, in any such case, the consent of the Holders of each Outstanding Security of such series or Tranche, or

(c) modify any of the provisions of this Section, Section 607 or Section 813 with respect to the Securities of any series, or any Tranche thereof, or except to increase the percentages in principal amount referred to in this Section or such other Sections or to provide that other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Outstanding Security affected thereby; provided, however, that this clause shall not be deemed to require the consent of any Holder with respect to changes in the references to "the Trustee" and concomitant changes in this Section, or the deletion of this proviso, in accordance with the requirements of Sections 911(b), 914 and 1201(h).

[[1]Notwithstanding the foregoing, so long as any of the Preferred Securities remain outstanding, the Trustee may not consent to a supplemental indenture under this Section 1202 without the prior consent, obtained as provided in a Trust Agreement pertaining to a Trust which issued such Preferred Securities, of the holders of a majority in aggregate liquidation preference of all Preferred Securities issued by such Trust affected, considered as one class, or, in the case of changes described in clauses (a), (b) and (c) above, 100% in aggregate liquidation preference of all such Preferred Securities then outstanding which would be affected thereby, considered as one class.]

A supplemental indenture which changes or eliminates any covenant or other provision of this Indenture which has expressly been included solely for the benefit of one or more particular series of Securities, or of one or more Tranches thereof, or which modifies the rights of the Holders of Securities of such series or Tranches with respect to such covenant or other provision, shall be deemed not to affect the rights under this Indenture of the Holders of Securities of any other series or Tranche.

It shall not be necessary for any Act of Holders under this Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such Act shall approve the substance thereof. A waiver by a Holder of such Holder's right to consent under this Section shall be deemed to be a consent of such Holder.

SECTION 1203. Execution of Supplemental Indentures.

In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article or the modifications thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and (subject to Section 901) shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture which affects the Trustee's own rights, duties, immunities or liabilities under this Indenture or otherwise.

SECTION 1204. Effect of Supplemental Indentures.

Upon the execution of any supplemental indenture under this Article this Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all purposes; and every Holder of Securities theretofore or thereafter authenticated and delivered hereunder shall be bound thereby. Any supplemental indenture permitted by this Article may restate this Indenture in its entirety, and, upon the execution and delivery thereof, any such restatement shall supersede this Indenture as theretofore in effect for all purposes.

SECTION 1205. Conformity With Trust Indenture Act.

Every supplemental indenture executed pursuant to this Article shall conform to the requirements of the Trust Indenture Act as then in effect.

SECTION 1206. Reference in Securities to Supplemental Indentures.

Securities of any series, or any Tranche thereof, authenticated and delivered after the execution of any supplemental indenture pursuant to this Article may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Company and the Guarantor shall so determine, new Securities of any series, or any Tranche thereof, so modified as to conform, in the opinion of the Trustee, the Company and the Guarantor, to any such supplemental indenture may be prepared and executed by the Company with the Guarantees endorsed thereon and authenticated and delivered by the Trustee in exchange for Outstanding Securities of such series or Tranche.

SECTION 1207. Modification Without Supplemental Indenture.

If the terms of any particular series of Securities shall have been established in a Board Resolution or an Officer's Certificate pursuant to a Board Resolution as contemplated by Section 301, and not in an indenture supplemental hereto, additions to, changes in or the elimination of any of such terms may be effected by means of a supplemental Board Resolution or Officer's Certificate, as the case may be, delivered to, and accepted in writing by, the Trustee; provided, however, that such supplemental Board Resolution or Officer's Certificate shall not be accepted by the Trustee or otherwise be effective unless all conditions set forth in this Indenture which would be required to be satisfied if such additions, changes or elimination were contained in a supplemental indenture shall have been appropriately satisfied. Upon the acceptance thereof by the Trustee, any such supplemental Board Resolution or Officer's Certificate shall be deemed to be a "supplemental indenture" for purposes of Sections 1204 and 1206.

ARTICLE THIRTEEN

Meetings of Holders; Action Without Meeting

SECTION 1301. Purposes for Which Meetings May Be Called.

A meeting of Holders of Securities of one or more, or all, series, or any Tranche or Tranches thereof, may be called at any time and from time to time pursuant to this Article to make, give or take any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be made, given or taken by Holders of Securities of such series or Tranches.

SECTION 1302. Call, Notice and Place of Meetings.

(a) The Trustee may at any time call a meeting of Holders of Securities of one or more, or all, series, or any Tranche or Tranches thereof, for any purpose specified in Section 1301, to be held at such time and at such place in the Borough of Manhattan, The City of New York, New York as the Trustee shall determine, or, with the approval of the Company and the Guarantor, at any other place. Notice of every such meeting, setting forth the time and the place of such meeting and in general terms the action proposed to be taken at such meeting, shall be given, in the manner provided in Section 106, not less than 21 nor more than 180 days prior to the date fixed for the meeting.

(b) If the Trustee shall have been requested to call a meeting of the Holders of Securities of one or more, or all, series, or any Tranche or Tranches thereof, by the Company, the Guarantor or by the Holders of 33% in aggregate principal amount of all of such series and Tranches, considered as one class, for any purpose specified in Section 1301, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Trustee shall not have given the notice of such meeting within 21 days after receipt of such request or shall not thereafter proceed to cause the meeting to be held as provided herein, then the Company, the Guarantor or the Holders of Securities of such series and Tranches in the amount above specified, as the case may be, may determine the time and the place in the Borough of Manhattan, The City of New York, or in such other place as shall be determined or approved by the Company or the Guarantor, for such meeting and may call such meeting for such purposes by giving notice thereof as provided in subsection (a) of this Section.

(c) Any meeting of Holders of Securities of one or more, or all, series, or any Tranche or Tranches thereof, shall be valid without notice if the Holders of all Outstanding Securities of such series or Tranches are present in person or by proxy and if representatives of the Company, the Guarantor and the Trustee are present, or if notice is waived in writing before or after the meeting by the Holders of all Outstanding Securities of such series, or any Tranche or Tranches thereof, or by such of them as are not present at the meeting in person or by proxy, and by the Company, the Guarantor and the Trustee.

SECTION 1303. Persons Entitled to Vote at Meetings.

To be entitled to vote at any meeting of Holders of Securities of one or more, or all, series, or any Tranche or Tranches thereof, a Person shall be (a) a Holder of one or more Outstanding Securities of such series or Tranches, or (b) a Person appointed by an instrument in writing as proxy for a Holder or Holders of one or more Outstanding Securities of such series or Tranches by such Holder or Holders. The only Persons who shall be entitled to attend any meeting of Holders of Securities of any series or Tranche shall be the Persons entitled to vote at such meeting and their counsel, any representatives of the Trustee and its counsel and any representatives of the Company, the Guarantor and their counsel.

SECTION 1304. Quorum; Action.

The Persons entitled to vote a majority in aggregate principal amount of the Outstanding Securities of the series and Tranches with respect to which a meeting shall have been called as hereinbefore provided, considered as one class, shall constitute a quorum for a meeting of Holders of Securities of such series and Tranches; provided, however, that if any action is to be taken at such meeting which this Indenture expressly provides may be taken by the Holders of a specified percentage, which is less than a majority, in principal amount of the Outstanding Securities of such series and Tranches, considered as one class, the Persons entitled to vote such specified percentage in principal amount of the Outstanding Securities of such series and Tranches, considered as one class, shall constitute a quorum. In the absence of a quorum within one hour of the time appointed for any such meeting, the meeting shall, if convened at the request of Holders of Securities of such series and Tranches, be dissolved. In any other case the meeting may be adjourned for such period as may be determined by the chairman of the meeting prior to the adjournment of such meeting. In the absence of a quorum at any such adjourned meeting, such adjourned meeting may be further adjourned for such period as may be determined by the chairman of the meeting prior to the adjournment of such adjourned meeting. Except as provided by Section 1305(e), notice of the reconvening of any meeting adjourned for more than 30 days shall be given as provided in Section 1302(a) not less than 10 days prior to the date on which the meeting is scheduled to be reconvened. Notice of the reconvening of an adjourned meeting shall state

expressly the percentage, as provided above, of the principal amount of the Outstanding Securities of such series and Tranches which shall constitute a quorum.

Except as limited by Section 1202, any resolution presented to a meeting or adjourned meeting duly reconvened at which a quorum is present as aforesaid may be adopted only by the affirmative vote of the Holders of a majority in aggregate principal amount of the Outstanding Securities of the series and Tranches with respect to which such meeting shall have been called, considered as one class; provided, however, that, except as so limited, any resolution with respect to any action which this Indenture expressly provides may be taken by the Holders of a specified percentage, which is less than a majority, in principal amount of the Outstanding Securities of such series and Tranches, considered as one class, may be adopted at a meeting or an adjourned meeting duly reconvened and at which a quorum is present as aforesaid by the affirmative vote of the Holders of such specified percentage in principal amount of the Outstanding Securities of such series and Tranches, considered as one class.

Any resolution passed or decision taken at any meeting of Holders of Securities duly held in accordance with this Section shall be binding on all the Holders of Securities of the series and Tranches with respect to which such meeting shall have been held, whether or not present or represented at the meeting.

SECTION 1305. Attendance at Meetings; Determination of Voting Rights; Conduct and Adjournment of Meetings.

(a) Attendance at meetings of Holders of Securities may be in person or by proxy; and, to the extent permitted by law, any such proxy shall remain in effect and be binding upon any future Holder of the Securities with respect to which it was given unless and until specifically revoked by the Holder or future Holder of such Securities before being voted.

(b) Notwithstanding any other provisions of this Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of Holders of Securities in regard to proof of the holding of such Securities and of the appointment of proxies and in regard to the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote, and such other matters concerning the conduct of the meeting as it shall deem appropriate. Except as otherwise permitted or required by any such regulations, the holding of Securities shall be proved in the manner specified in Section 104 and the appointment of any proxy shall be proved in the manner specified in Section 104. Such regulations may provide that written instruments appointing proxies, regular on their face, may be presumed valid and genuine without the proof specified in Section 104 or other proof.

(c) The Trustee shall, by an instrument in writing, appoint a temporary chairman of the meeting, unless the meeting shall have been called by the Company or the Guarantor or by Holders as provided in Section 1302(b), in which case the Company or the Guarantor or the Holders of Securities of the series and Tranches calling the meeting, as the case may be, shall in like manner appoint a temporary chairman. A permanent chairman and a permanent secretary of the meeting shall be elected by vote of the Persons entitled to vote a majority in aggregate principal amount of the Outstanding Securities of all series and Tranches represented at the meeting, considered as one class.

(d) At any meeting each Holder or proxy shall be entitled to one vote for each $1 principal amount of Securities held or represented by him; provided, however, that no vote shall be cast or counted at any meeting in respect of any Security challenged as not Outstanding and

ruled by the chairman of the meeting to be not Outstanding. The chairman of the meeting shall have no right to vote, except as a Holder of a Security or proxy.

(e) Any meeting duly called pursuant to Section 1302 at which a quorum is present may be adjourned from time to time by Persons entitled to vote a majority in aggregate principal amount of the Outstanding Securities of all series and Tranches represented at the meeting, considered as one class; and the meeting may be held as so adjourned without further notice.

SECTION 1306. Counting Votes and Recording Action of Meetings.

The vote upon any resolution submitted to any meeting of Holders shall be by written ballots on which shall be subscribed the signatures of the Holders or of their representatives by proxy and the principal amounts and serial numbers of the Outstanding Securities, of the series and Tranches with respect to which the meeting shall have been called, held or represented by them. The permanent chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports of all votes cast at the meeting. A record in triplicate of the proceedings of each meeting of Holders shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits by one or more persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was given as provided in Section 1302 and, if applicable, Section 1304. Each copy shall be signed and verified by the affidavits of the permanent chairman and secretary of the meeting and one such copy shall be delivered to each of the Company, the Guarantor, and the Trustee to be preserved by the Trustee, the latter to have attached thereto the ballots voted at the meeting. Any record so signed and verified shall be conclusive evidence of the matters therein stated.

SECTION 1307. Action Without Meeting.

In lieu of a vote of Holders at a meeting as hereinbefore contemplated in this Article, any request, demand, authorization, direction, notice, consent, waiver or other action may be made, given or taken by Holders by written instruments as provided in Section 104.

ARTICLE FOURTEEN

Guarantee

SECTION 1401. Guarantee.

Subject to the terms of this Article, the Guarantor hereby unconditionally and irrevocably guarantees to each Holder of a Security authenticated and delivered by the Trustee, and to the Trustee on behalf of such Holder, the due and punctual payment of the principal of, and premium, if any, and interest [[1](including any Additional Interest)], if any, on the Securities of such series when and as the same shall become due and payable, whether at the Stated Maturity, by declaration of acceleration, call for redemption, or otherwise, in accordance with the terms of such Security and of this Indenture, regardless of any defense, right of set-off or counterclaim that the Guarantor may have (except the defense of payment). In case of the failure of the Company punctually to make any such payment, the Guarantor hereby agrees to cause such payment to be made punctually when and as the same shall become due and payable, whether at the Stated Maturity or by declaration of acceleration, call for redemption or otherwise, and as if such payment were made by the Company. The Guarantor's obligation to make a guarantee payment may be satisfied by direct payment of the required amounts by the Guarantor to the

Holder of the Security or to a Paying Agent, or by causing the Company to pay such amount to such Holder or a Paying Agent.

The Guarantor hereby agrees that its payment obligations hereunder shall be absolute and unconditional irrespective of, and shall be unaffected by, any invalidity, irregularity or unenforceability of such Security or this Indenture, any failure to enforce the provisions of such Security or this Indenture, or any waiver, modification or indulgence granted to the Company with respect thereto (except that the Guarantor will have the benefit of any waiver, modification or indulgence granted to the Company in accordance with this Indenture), by the Holder of such Security or the Trustee or any other circumstance which may otherwise constitute a legal or equitable discharge or defense of a surety or guarantor; provided, however, that notwithstanding the foregoing, no such waiver, modification or indulgence shall, without the consent of the Guarantor, increase the principal amount of such Security, or increase the interest rate thereon [[1](including any Additional Interest)], or change any redemption provisions thereof (including any change to increase any premium payable upon redemption thereof), or change the Stated Maturity thereof, or increase the principal amount of any Discount Security that would be due and payable upon a declaration of acceleration or the maturity thereof pursuant to Article Eight of this Indenture.

The Guarantor hereby waives the benefits of diligence, presentment, demand for payment, any requirement that the Trustee or any of the Holders exhaust any right or take any action against the Company or any other Person, the filing of claims with a court in the event of insolvency or bankruptcy of the Company, any right to require a proceeding first against the Company, protest or notice with respect to any Security or the indebtedness evidenced thereby and all demands whatsoever, and covenants that this Guarantee will not be discharged in respect of any Security except by complete performance of the payment obligations contained in such Security and in this Guarantee. This Guarantee shall constitute a guaranty of payment and not of collection. The Guarantor hereby agrees that, in the event of a default in payment of principal, or premium, if any, or interest, if any, on any Security, whether at its Stated Maturity, by declaration of acceleration, call for redemption, or otherwise, legal proceedings may be instituted by the Trustee on behalf of, or by, the Holder of such Security, subject to the terms and conditions set forth in this Indenture, directly against the Guarantor to enforce this Guarantee without first proceeding against the Company.

The obligations of the Guarantor hereunder with respect to any Security shall be continuing and irrevocable until the date upon which the entire principal of, premium, if any, and interest [[1](including Additional Interest)], if any, on such Security has been, or has been deemed pursuant to the provisions of Article Seven of this Indenture to have been, paid in full or otherwise discharged.

The Guarantor shall be subrogated to all rights of the Holders of the Securities upon which its Guarantee is endorsed against the Company in respect of any amounts paid by the Guarantor on account of such Securities pursuant to the provisions of its Guarantee or this Indenture; provided, however, that the Guarantor shall not be entitled to enforce or to receive any payments arising out of, or based upon, such right of subrogation until the principal of, and premium, if any, and interest, if any, on all Securities issued hereunder which then are due and payable shall have been paid in full.

This Guarantee shall remain in full force and effect and continue notwithstanding any petition filed by or against the Company for liquidation or reorganization, the Company becoming insolvent or making an assignment for the benefit of creditors or a receiver or trustee being appointed for all or any significant part of the Company's property and assets, and shall, to the fullest extent permitted by law, continue to be effective or reinstated, as the case may be, if at any time payment of any Security upon which this Guarantee is endorsed, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any Holder of such Security, whether as a "voidable

preference," "fraudulent transfer," or otherwise, all as though such payment or performance had not been made. In the event that any such payment, or any part thereof, is rescinded, reduced, restored or returned on a Security, such Security shall, to the fullest extent permitted by law, be reinstated and deemed paid only by such amount paid and not so rescinded, reduced, restored or returned.

SECTION 1402. Guarantee Subordinate to Senior Indebtedness of the Guarantor.

The Guarantor, for itself, its successors and assigns, covenants and agrees, and each Holder of the Securities of each series, by its acceptance thereof, likewise covenants and agrees, that the payment under the Guarantee of the principal of and premium, if any, and interest [[1](including any Additional Interest)], if any, on each and all of the Securities is hereby expressly subordinated and junior in right of payment and subject, to the extent and in the manner set forth in this Article, in right of payment to the prior payment in full of all Senior Indebtedness of the Guarantor.

Each Holder of the Securities of each series, by its acceptance thereof, authorizes and directs the Trustee on its behalf to take such action as may be necessary or appropriate to effectuate the subordination as provided in this Article, and appoints the Trustee its attorney-in-fact for any and all such purposes.

SECTION 1403. Payment Over of Proceeds of Securities.

In the event (a) of any insolvency or bankruptcy proceedings or any receivership, liquidation, reorganization or other similar proceedings in respect of the Guarantor or a substantial part of its property and assets, or of any proceedings for liquidation, dissolution or other winding up of the Guarantor, whether or not involving insolvency or bankruptcy, or (b) subject to the provisions of Section 1404, that (i) a default shall have occurred with respect to the payment of principal of or interest on or other monetary amounts due and payable on any Senior Indebtedness of the Guarantor, or (ii) there shall have occurred a default (other than a default in the payment of principal or interest or other monetary amounts due and payable) in respect of any Senior Indebtedness of the Guarantor, as defined therein or in the instrument under which the same is outstanding, permitting the holder or holders thereof, or any other Person on its or their behalf to accelerate the payment or maturity thereof (with notice or lapse of time, or both), and such default shall have continued beyond the period of grace, if any, in respect thereof, and, in the cases of subclauses (i) and (ii) of this clause (b), such default shall not have been cured or waived or shall not have ceased to exist, or (c) that the principal of and/or premium, if any, and/or accrued interest [[1](including Additional Interest)] on the Securities of any series shall have been declared due and payable pursuant to Section 801 and such declaration shall not have been rescinded and annulled as provided in Section 802, then:

(1) the holders of all Senior Indebtedness of the Guarantor shall first be entitled to receive payment of the full amount due thereon, or provision shall be made for such payment in money or money's worth, before the Holders of any of the Securities are entitled to receive a payment on account of the Guarantee of the principal of, premium, if any, or interest on the indebtedness evidenced by the Securities, including, without limitation, any payments made pursuant to Articles Four and Five;

(2) any payment by, or distribution of property or assets of, the Guarantor of any kind or character, whether in cash, property or securities, to which any Holder or the Trustee would be entitled except for the provisions of this Article, shall be paid or delivered by the Person making such payment or distribution, whether a trustee in bankruptcy, a receiver or liquidating trustee or otherwise, directly to the holders of such Senior Indebtedness of the Guarantor or their representative or representatives or to the trustee or trustees under any indenture under which any

instruments evidencing any of such Senior Indebtedness of the Guarantor may have been issued, ratably according to the aggregate amounts remaining unpaid on account of such Senior Indebtedness of the Guarantor held or represented by each, to the extent necessary to make payment in full of all Senior Indebtedness of the Guarantor remaining unpaid after giving effect to any concurrent payment or distribution (or provision therefor) to the holders of such Senior Indebtedness of the Guarantor, before any payment or distribution is made to the Holders of the indebtedness evidenced by the Securities or to the Trustee under the Guarantee and this Indenture; and

(3) in the event that, notwithstanding the foregoing, any payment by, or distribution of property or assets of, the Guarantor of any kind or character, whether in cash, property or securities, in respect of principal of, premium, if any, or interest on the Securities or in connection with any repurchase by the Guarantor of the Securities, shall be received by the Trustee or any Holder before all Senior Indebtedness of the Guarantor is paid in full, or provision is made for such payment in money or money's worth, such payment or distribution in respect of principal of, premium, if any, or interest on the Securities or in connection with any repurchase by the Guarantor of the Securities shall be paid over to the holders of such Senior Indebtedness of the Guarantor or their representative or representatives or to the trustee or trustees under any indenture under which any instruments evidencing any such Senior Indebtedness of the Guarantor may have been issued, ratably as aforesaid, for application to the payment of all Senior Indebtedness of the Guarantor remaining unpaid until all such Senior Indebtedness of the Guarantor shall have been paid in full, after giving effect to any concurrent payment or distribution (or provision therefor) to the holders of such Senior Indebtedness of the Guarantor.

Notwithstanding the foregoing, at any time after the 123rd day following the date of deposit of cash or Eligible Obligations pursuant to Section 701 or 702 (provided all conditions set out in such Section shall have been satisfied), the funds so deposited and any interest thereon will not be subject to any rights of holders of Senior Indebtedness of the Guarantor including, without limitation, those arising under this Article Fourteen; provided that no event described in clauses (e) and (f) of Section 801 with respect to the Guarantor has occurred during such 123-day period.

For purposes of this Article only, the words "cash, property or securities" shall not be deemed to include shares of stock of the Guarantor as reorganized or readjusted, or securities of the Guarantor or any other Corporation provided for by a plan of reorganization or readjustment which are subordinate in right of payment to all Senior Indebtedness of the Guarantor which may at the time be outstanding to the same extent as, or to a greater extent than, the Guarantee of the Securities are so subordinated as provided in this Article. The consolidation of the Guarantor with, or the merger of the Guarantor into, another Corporation or the liquidation or dissolution of the Guarantor following the conveyance or transfer of its property and assets as an entirety, or substantially as an entirety, to another Person upon the terms and conditions provided for in Article Eleven hereof shall not be deemed a dissolution, winding-up, liquidation or reorganization for the purposes of this Section 1403 if such other Corporation shall, as a part of such consolidation, merger, conveyance or transfer, comply with the conditions stated in Article Eleven hereof. Nothing in Section 1402 or in this Section 1403 shall apply to claims of, or payments to, the Trustee under or pursuant to Section 907.

SECTION 1404. Disputes with Holders of Certain Senior Indebtedness of the Guarantor.

Any failure by the Guarantor to make any payment on or perform any other obligation in respect of Senior Indebtedness of the Guarantor, other than any indebtedness incurred by the Guarantor or assumed or guaranteed, directly or indirectly, by the Guarantor for money borrowed (or any deferral, renewal, extension or refunding thereof) or any other obligation as to which the provisions of this Section

shall have been waived by the Guarantor in the instrument or instruments by which the Guarantor incurred, assumed, guaranteed or otherwise created such indebtedness or obligation, shall not be deemed a default under clause (b) of Section 1403 if (i) the Guarantor shall be disputing its obligation to make such payment or perform such obligation and (ii) either (A) no final judgment relating to such dispute shall have been issued against the Guarantor which is in full force and effect and is not subject to further review, including a judgment that has become final by reason of the expiration of the time within which a party may seek further appeal or review, or (B) in the event that a judgment that is subject to further review or appeal has been issued, the Guarantor shall in good faith be prosecuting an appeal or other proceeding for review and a stay or execution shall have been obtained pending such appeal or review.

SECTION 1405. Subrogation.

Senior Indebtedness of the Guarantor shall not be deemed to have been paid in full unless the holders thereof shall have received cash (or securities or other property satisfactory to such holders) in full payment of such Senior Indebtedness of the Guarantor then outstanding. Upon the payment in full of all Senior Indebtedness of the Guarantor, the rights of the Holders of the Securities shall be subrogated to the rights of the holders of Senior Indebtedness of the Guarantor to receive any further payments or distributions of cash, property or securities of the Guarantor applicable to the holders of the Senior Indebtedness of the Guarantor until all amounts owing on the Securities shall be paid in full; and such payments or distributions of cash, property or securities received by the Holders of the Securities, by reason of such subrogation, which otherwise would be paid or distributed to the holders of such Senior Indebtedness of the Guarantor shall, as between the Guarantor, its creditors other than the holders of Senior Indebtedness of the Guarantor, and the Holders, be deemed to be a payment by the Guarantor to or on account of Senior Indebtedness of the Guarantor, it being understood that the provisions of this Article are and are intended solely for the purpose of defining the relative rights of the Holders, on the one hand, and the holders of the Senior Indebtedness of the Guarantor, on the other hand.

SECTION 1406. Obligation of the Guarantor Unconditional.

Nothing contained in this Article or elsewhere in this Indenture or in the Guarantee is intended to or shall impair, as among the Guarantor, its creditors other than the holders of Senior Indebtedness of the Guarantor and the Holders, the obligation of the Guarantor, which is absolute and unconditional, to pay to the Holders, pursuant to the terms of the Guarantee, the principal of, premium, if any, and interest [[1] (including Additional Interest)], if any, on the Securities as and when the same shall become due and payable in accordance with their terms, or is intended to or shall affect the relative rights of the Holders and creditors of the Guarantor other than the holders of Senior Indebtedness of the Guarantor, nor shall anything herein or therein prevent the Trustee or any Holder from exercising all remedies otherwise permitted by applicable law upon default under this Indenture, subject to the rights, if any, under this Article of the holders of Senior Indebtedness of the Guarantor in respect of cash, property or securities of the Guarantor received upon the exercise of any such remedy.

Upon any payment or distribution of cash, property or securities of the Guarantor referred to in this Article, the Trustee and the Holders shall be entitled to rely upon any order or decree of a court of competent jurisdiction in which such dissolution, winding up, liquidation or reorganization proceedings are pending for the purpose of ascertaining the Persons entitled to participate in such distribution, the holders of the Senior Indebtedness of the Guarantor and other indebtedness of the Guarantor, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon, and all other facts pertinent thereto or to this Article.

The Trustee shall be entitled to rely on the delivery to it of a written notice by a Person representing himself to be a holder of Senior Indebtedness of the Guarantor (or a representative of such

holder or a trustee under any indenture under which any instruments evidencing any such Senior Indebtedness of the Guarantor may have been issued) to establish that such notice has been given by a holder of such Senior Indebtedness of the Guarantor or such representative or trustee on behalf of such holder. In the event that the Trustee determines in good faith that further evidence is required with respect to the right of any Person as a holder of Senior Indebtedness of the Guarantor or its representative or representatives or the trustee or trustees under any indenture under which any instruments evidencing any such Senior Indebtedness of the Guarantor may have been issued to participate in any payment or distribution pursuant to this Article, the Trustee may request such Person to furnish evidence to the reasonable satisfaction of the Trustee as to the amount of Senior Indebtedness of the Guarantor held by such Person, the extent to which such Person is entitled to participate in such payment or distribution and any other facts pertinent to the right of such Person under this Article, and, if such evidence is not furnished, the Trustee may defer any payment to such Person pending judicial determination as to the right of such Person to receive such payment or distribution.

SECTION 1407. Priority of Senior Indebtedness of the Guarantor Upon Maturity.

Upon the maturity of the principal of any Senior Indebtedness of the Guarantor by lapse of time, acceleration or otherwise, all matured principal of Senior Indebtedness of the Guarantor and interest, premium and other payment obligation, if any, thereon shall first be paid in full before any payment of principal or premium, if any, or interest [[1] (including Additional Interest)], if any, is made upon the Securities under the Guarantee.

SECTION 1408. Trustee as Holder of Senior Indebtedness of the Guarantor.

The Trustee shall be entitled to all rights set forth in this Article with respect to any Senior Indebtedness of the Guarantor at any time held by it, to the same extent as any other holder of Senior Indebtedness of the Guarantor. Nothing in this Article shall deprive the Trustee of any of its rights as such holder.

SECTION 1409. Notice to Trustee to Effectuate Subordination.

Notwithstanding the provisions of this Article or any other provision of this Indenture, the Trustee shall not be charged with knowledge of the existence of any facts which would prohibit the making of any payment of moneys to or by the Trustee unless and until the Trustee shall have received written notice thereof from the Guarantor, from a Holder or from a holder of any Senior Indebtedness of the Guarantor or from any representative or representatives of such holder or any trustee or trustees under any indenture under which any instruments evidencing any such Senior Indebtedness of the Guarantor may have been issued and, prior to the receipt of any such written notice, the Trustee shall be entitled, subject to Section 901, in all respects to assume that no such facts exist; provided, however, that, if prior to the fifth Business Day preceding the date upon which by the terms of this Indenture any such moneys may become payable for any purpose, or in the event of the execution of an instrument pursuant to Section 701 or 702 acknowledging that Securities or portions thereof are deemed to have been paid for all purposes of this Indenture, acknowledging that the entire indebtedness of the Company and the Guarantor in respect thereof has been satisfied and discharged or acknowledging satisfaction and discharge of this Indenture, then if prior to the second Business Day preceding the date of such execution, the Trustee shall not have received with respect to such moneys the notice provided for in this Section, then, anything herein contained to the contrary notwithstanding, the Trustee may, in its discretion, receive such moneys and/or apply the same to the purpose for which they were received, and shall not be affected by any notice to the contrary, which may be received by it on or after such date; provided, however, that no such application shall affect the obligations under this Article of the Persons receiving such moneys from the Trustee.

SECTION 1410. Modification, Extension, etc. of Senior Indebtedness of the Guarantor.

The holders of Senior Indebtedness of the Guarantor or their representative or representatives and/or the trustee or trustees under any indenture under which any instruments evidencing any such Senior Indebtedness of the Guarantor may have been issued may, without affecting in any manner the subordination of the payment of the principal of and premium, if any, and interest [[1](including Additional Interest)], if any, on the Securities under the Guarantee, at any time or from time to time and in their absolute discretion, agree with the Guarantor to change the manner, place or terms of payment, change or extend the time of payment of, or renew or alter, any Senior Indebtedness of the Guarantor, or amend or supplement any instrument pursuant to which any Senior Indebtedness of the Guarantor is issued, or exercise or refrain from exercising any other of their rights under the Senior Indebtedness of the Guarantor including, without limitation, the waiver of default thereunder, all without notice to or assent from the Holders or the Trustee.

SECTION 1411. Trustee Has No Fiduciary Duty to Holders of Senior Indebtedness of the Guarantor.

With respect to the holders of Senior Indebtedness of the Guarantor, the Trustee undertakes to perform or to observe only such of its covenants and objectives as are specifically set forth in this Indenture, and no implied covenants or obligations with respect to the holders of Senior Indebtedness of the Guarantor shall be read into this Indenture against the Trustee. The Trustee shall not be deemed to owe any fiduciary duty to the holders of Senior Indebtedness of the Guarantor, and shall not be liable to any such holders if it shall mistakenly pay over or deliver to the Holders or the Guarantor or any other Person, money or assets to which any holders of Senior Indebtedness of the Guarantor shall be entitled by virtue of this Article or otherwise.

SECTION 1412. Paying Agents Other Than the Trustee.

In case at any time any Paying Agent other than the Trustee shall have been appointed by the Guarantor and be then acting hereunder, the term "Trustee" as used in this Article shall in such case (unless the context shall otherwise require) be construed as extending to and including such Paying Agent within its meaning as fully for all intents and purposes as if such Paying Agent were named in this Article in addition to or in place of the Trustee; provided, however, that Sections 1408, 1409 and 1411 shall not apply to the Guarantor if it acts as Paying Agent.

SECTION 1413. Rights of Holders of Senior Indebtedness of the Guarantor Not Impaired.

No right of any present or future holder of Senior Indebtedness of the Guarantor to enforce the subordination herein shall at any time or in any way be prejudiced or impaired by any act or failure to act on the part of the Guarantor or by any noncompliance by the Guarantor with the terms, provisions and covenants of this Indenture, regardless of any knowledge thereof any such holder may have or be otherwise charged with.

SECTION 1414. Effect of Subordination Provisions; Termination.

Notwithstanding anything contained herein to the contrary, other than as provided in the immediately succeeding sentence, all the provisions of this Indenture shall be subject to the provisions of this Article, so far as the same may be applicable thereto.

Notwithstanding anything contained herein to the contrary, the provisions of this Article Fourteen shall be of no further effect, and the Guarantee shall no longer be subordinated in right of

payment to the prior payment of Senior Indebtedness of the Guarantor, if, and to the extent, the Guarantor shall have delivered to the Trustee a notice to such effect. Any such notice delivered by the Guarantor shall not be deemed to be a supplemental indenture for purposes of Article Twelve.

SECTION 1415. Execution and Delivery of Guarantee.

The Guarantee to be endorsed on the Securities of each series shall include a summary of the terms of the Guarantee set forth in Sections 1401 and 1402 and any other terms, including exceptions to such Guarantee, that may be set forth as established pursuant to Section 301. The Guarantor hereby agrees to execute its Guarantee, in a form established pursuant to Section 201, to be endorsed on each Security authenticated and delivered by the Trustee.

The Guarantee shall be executed on behalf of the Guarantor by an Authorized Officer of the Guarantor. The signature of any such officer on the Guarantee may be manual or facsimile.

A Guarantee bearing the manual or facsimile signature of an individual who was at the time of execution an Authorized Officer of the Guarantor shall bind the Guarantor, notwithstanding that any such individual has ceased to be an Authorized Officer prior to the authentication and delivery of the Security on which such Guarantee is endorsed or was not an Authorized Officer at the date of such Guarantee.

The delivery of any Security by the Trustee, after the authentication thereof hereunder, shall constitute due delivery of the Guarantee endorsed thereon on behalf of the Guarantor. The Guarantor hereby agrees that its Guarantee set forth in this Article Fourteen (and as established pursuant to Section 301) shall remain in full force and effect notwithstanding any failure to endorse a Guarantee on any Security.

ARTICLE FIFTEEN

Subordination of Securities

SECTION 1501. Securities Subordinate to Senior Indebtedness of the Company.

The Company, for itself, its successors and assigns, covenants and agrees, and each Holder of the Securities of each series, by its acceptance thereof, likewise covenants and agrees, that the payment of the principal of and premium, if any, and interest [[1](including any Additional Interest)], if any, on each and all of the Securities is hereby expressly subordinated and junior in right of payment, and subject, to the extent and in the manner set forth in this Article, in right of payment to the prior payment in full of all Senior Indebtedness of the Company.

Each Holder of the Securities of each series, by its acceptance thereof, authorizes and directs the Trustee on its behalf to take such action as may be necessary or appropriate to effectuate the subordination as provided in this Article, and appoints the Trustee its attorney-in-fact for any and all such purposes.

SECTION 1502. Payment Over of Proceeds of Securities.

In the event (a) of any insolvency or bankruptcy proceedings or any receivership, liquidation, reorganization or other similar proceedings in respect of the Company or a substantial part of its property and assets, or of any proceedings for liquidation, dissolution or other winding up of the Company, whether or not involving insolvency or bankruptcy, or (b) subject to the provisions of

Section 1503, that (i) a default shall have occurred with respect to the payment of principal of or interest on or other monetary amounts due and payable on any Senior Indebtedness of the Company, or (ii) there shall have occurred a default (other than a default in the payment of principal or interest or other monetary amounts due and payable) in respect of any Senior Indebtedness of the Company, as defined therein or in the instrument under which the same is outstanding, permitting the holder or holders thereof, or any other Person on its or their behalf to accelerate the maturity thereof (with notice or lapse of time, or both), and such default shall have continued beyond the period of grace, if any, in respect thereof, and, in the cases of subclauses (i) and (ii) of this clause (b), such default shall not have been cured or waived or shall not have ceased to exist, or (c) that the principal of and/or premium, if any, and/or accrued interest [[1](including Additional Interest)], if any, on the Securities of any series shall have been declared due and payable pursuant to Section 801 and such declaration shall not have been rescinded and annulled as provided in Section 802, then:

(1) the holders of all Senior Indebtedness of the Company shall first be entitled to receive payment of the full amount due thereon, or provision shall be made for such payment in money or money's worth, before the Holders of any of the Securities are entitled to receive a payment on account of the principal of, premium if any, or interest on the indebtedness evidenced by the Securities, including, without limitation, any payments made pursuant to Articles Four and Five;

(2) any payment by, or distribution of property or assets of, the Company of any kind or character, whether in cash, property or securities, to which any Holder or the Trustee would be entitled except for the provisions of this Article, shall be paid or delivered by the Person making such payment or distribution, whether a trustee in bankruptcy, a receiver or liquidating trustee or otherwise, directly to the holders of such Senior Indebtedness of the Company or their representative or representatives or to the trustee or trustees under any indenture under which any instruments evidencing any of such Senior Indebtedness of the Company may have been issued, ratably according to the aggregate amounts remaining unpaid on account of such Senior Indebtedness of the Company held or represented by each, to the extent necessary to make payment in full of all Senior Indebtedness of the Company remaining unpaid after giving effect to any concurrent payment or distribution (or provision therefor) to the holders of such Senior Indebtedness of the Company, before any payment or distribution is made to the Holders of the indebtedness evidenced by the Securities or to the Trustee under this Indenture; and

(3) in the event that, notwithstanding the foregoing, any payment by, or distribution of property or assets of, the Company of any kind or character, whether in cash, property or securities, in respect of principal of, or premium, if any, or interest on the Securities or in connection with any repurchase by the Company of the Securities, shall be received by the Trustee or any Holder before all Senior Indebtedness of the Company is paid in full, or provision is made for such payment in money or money's worth, such payment or distribution in respect of principal of, or premium, if any, or interest on the Securities or in connection with any repurchase by the Company of the Securities shall be paid over to the holders of such Senior Indebtedness of the Company or their representative or representatives or to the trustee or trustees under any indenture under which any instruments evidencing any such Senior Indebtedness of the Company may have been issued, ratably as aforesaid, for application to the payment of all Senior Indebtedness of the Company remaining unpaid until all such Senior Indebtedness of the Company shall have been paid in full, after giving effect to any concurrent payment or distribution (or provision therefor) to the holders of such Senior Indebtedness of the Company.

Notwithstanding the foregoing, at any time after the 123rd day following the date of deposit of cash or Eligible Obligations pursuant to Section 701 or 702 (provided all conditions set out in

such Section shall have been satisfied), the funds so deposited and any interest thereon will not be subject to any rights of holders of Senior Indebtedness of the Company including, without limitation, those arising under this Article Fifteen; provided that no event described in clauses (e) and (f) of Section 801 with respect to the Company has occurred during such 123-day period.

For purposes of this Article only, the words "cash, property or securities" shall not be deemed to include shares of stock of the Company as reorganized or readjusted, or securities of the Company or any other Person provided for by a plan of reorganization or readjustment which are subordinate in right of payment to all Senior Indebtedness of the Company which may at the time be outstanding to the same extent as, or to a greater extent than, the Securities are so subordinated as provided in this Article. The consolidation of the Company with, or the merger of the Company into, another Person or the liquidation or dissolution of the Company following the conveyance or transfer of its property and assets as an entirety, or substantially as an entirety, to another Person upon the terms and conditions provided for in Article Eleven hereof shall not be deemed a dissolution, winding-up, liquidation or reorganization for the purposes of this Section 1502 if such other Person shall, as a part of such consolidation, merger, conveyance or transfer, comply with the conditions stated in Article Eleven hereof. Nothing in Section 1501 or in this Section 1502 shall apply to claims of, or payments to, the Trustee under or pursuant to Section 907.

SECTION 1503. Disputes with Holders of Certain Senior Indebtedness of the Company.

Any failure by the Company to make any payment on or perform any other obligation in respect of Senior Indebtedness of the Company, other than any indebtedness incurred by the Company or assumed or guaranteed, directly or indirectly, by the Company for money borrowed (or any deferral, renewal, extension or refunding thereof) or any other obligation as to which the provisions of this Section shall have been waived by the Company in the instrument or instruments by which the Company incurred, assumed, guaranteed or otherwise created such indebtedness or obligation, shall not be deemed a default under clause (b) of Section 1502 if (i) the Company shall be disputing its obligation to make such payment or perform such obligation and (ii) either (A) no final judgment relating to such dispute shall have been issued against the Company which is in full force and effect and is not subject to further review, including a judgment that has become final by reason of the expiration of the time within which a party may seek further appeal or review, or (B) in the event that a judgment that is subject to further review or appeal has been issued, the Company shall in good faith be prosecuting an appeal or other proceeding for review and a stay or execution shall have been obtained pending such appeal or review.

SECTION 1504. Subrogation.

Senior Indebtedness of the Company shall not be deemed to have been paid in full unless the holders thereof shall have received cash (or securities or other property satisfactory to such holders) in full payment of such Senior Indebtedness of the Company then outstanding. Upon the payment in full of all Senior Indebtedness of the Company, the rights of the Holders of the Securities shall be subrogated to the rights of the holders of Senior Indebtedness of the Company to receive any further payments or distributions of cash, property or securities of the Company applicable to the holders of the Senior Indebtedness of the Company until all amounts owing on the Securities shall be paid in full; and such payments or distributions of cash, property or securities received by the Holders of the Securities, by reason of such subrogation, which otherwise would be paid or distributed to the holders of such Senior Indebtedness of the Company shall, as between the Company, its creditors other than the holders of Senior Indebtedness of the Company, and the Holders, be deemed to be a payment by the Company to or on account of Senior Indebtedness of the Company, it being understood that the provisions of this Article are and are intended solely for the purpose of defining the relative rights of the Holders, on the one hand, and the holders of the Senior Indebtedness of the Company, on the other hand.

SECTION 1505. Obligation of the Company Unconditional.

Nothing contained in this Article or elsewhere in this Indenture or in the Securities is intended to or shall impair, as among the Company, its creditors other than the holders of Senior Indebtedness of the Company and the Holders, the obligation of the Company, which is absolute and unconditional, to pay to the Holders the principal of, premium, if any, and interest [[1](including Additional Interest)], if any, on the Securities as and when the same shall become due and payable in accordance with their terms, or is intended to or shall affect the relative rights of the Holders and creditors of the Company other than the holders of Senior Indebtedness of the Company, nor shall anything herein or therein prevent the Trustee or any Holder from exercising all remedies otherwise permitted by applicable law upon default under this Indenture, subject to the rights, if any, under this Article of the holders of Senior Indebtedness of the Company in respect of cash, property or securities of the Company received upon the exercise of any such remedy.

Upon any payment or distribution of assets, cash or property or securities of the Company referred to in this Article, the Trustee and the Holders shall be entitled to rely upon any order or decree of a court of competent jurisdiction in which such dissolution, winding up, liquidation or reorganization proceedings are pending for the purpose of ascertaining the Persons entitled to participate in such distribution, the holders of the Senior Indebtedness of the Company and other indebtedness of the Company, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon, and all other facts pertinent thereto or to this Article.

The Trustee shall be entitled to rely on the delivery to it of a written notice by a Person representing himself to be a holder of Senior Indebtedness of the Company (or a representative of such holder or a trustee under any indenture under which any instruments evidencing any such Senior Indebtedness of the Company may have been issued) to establish that such notice has been given by a holder of such Senior Indebtedness of the Company or such representative or trustee on behalf of such holder. In the event that the Trustee determines in good faith that further evidence is required with respect to the right of any Person as a holder of Senior Indebtedness, or its representative or representatives or trustee or trustees under any indenture under which any instruments evidencing any such Senior Indebtedness of the Company may have been issued, to participate in any payment or distribution pursuant to this Article, the Trustee may request such Person to furnish evidence to the reasonable satisfaction of the Trustee as to the amount of Senior Indebtedness of the Company held by such Person, the extent to which such Person is entitled to participate in such payment or distribution and any other facts pertinent to the right of such Person under this Article, and, if such evidence is not furnished, the Trustee may defer any payment to such Person pending judicial determination as to the right of such Person to receive such payment or distribution.

SECTION 1506. Priority of Senior Indebtedness of the Company Upon Maturity.

Upon the maturity of the principal of any Senior Indebtedness of the Company by lapse of time, acceleration or otherwise, all matured principal of Senior Indebtedness of the Company and interest, premium and other payment obligation, if any, thereon shall first be paid in full before any payment of principal or premium, if any, or interest [[1](including Additional Interest)], if any, is made upon the Securities or before any Securities can be acquired by the Company or any sinking fund payment is made with respect to the Securities (except that required sinking fund payments may be reduced by Securities acquired before such maturity of such Senior Indebtedness of the Company).

SECTION 1507. Trustee as Holder of Senior Indebtedness of the Company.

The Trustee shall be entitled to all rights set forth in this Article with respect to any Senior Indebtedness of the Company at any time held by it, to the same extent as any other holder of Senior Indebtedness of the Company. Nothing in this Article shall deprive the Trustee of any of its rights as such holder.

SECTION 1508. Notice to Trustee to Effectuate Subordination.

Notwithstanding the provisions of this Article or any other provision of this Indenture, the Trustee shall not be charged with knowledge of the existence of any facts which would prohibit the making of any payment of moneys to or by the Trustee unless and until the Trustee shall have received written notice thereof from the Company, from a Holder or from a holder of any Senior Indebtedness of the Company or from any representative or representatives of such holder or any trustee or trustees under any indenture under which any instruments evidencing any such Senior Indebtedness of the Company may have been issued and, prior to the receipt of any such written notice, the Trustee shall be entitled, subject to Section 901, in all respects to assume that no such facts exist; provided, however, that, if prior to the fifth Business Day preceding the date upon which by the terms of this Indenture any such moneys may become payable for any purpose, or in the event of the execution of an instrument pursuant to Section 701 or 702 acknowledging that Securities or portions thereof are deemed to have been paid for all purposes of this Indenture, acknowledging that the entire indebtedness of the Company and the Guarantor in respect thereof has been satisfied and discharged or acknowledging satisfaction and discharge of this Indenture, then if prior to the second Business Day preceding the date of such execution, the Trustee shall not have received with respect to such moneys the notice provided for in this Section, then, anything herein contained to the contrary notwithstanding, the Trustee may, in its discretion, receive such moneys and/or apply the same to the purpose for which they were received, and shall not be affected by any notice to the contrary, which may be received by it on or after such date; provided, however, that no such application shall affect the obligations under this Article of the persons receiving such moneys from the Trustee.

SECTION 1509. Modification, Extension, etc. of Senior Indebtedness of the Company.

The holders of Senior Indebtedness of the Company or their representative or representatives or the trustee or trustees under any indenture under which any instruments evidencing any such Senior Indebtedness of the Company may have been issued may, without affecting in any manner the subordination of the payment of the principal of and premium, if any, and interest [[1](including Additional Interest)], if any, on the Securities, at any time or from time to time and in their absolute discretion, agree with the Company to change the manner, place or terms of payment, change or extend the time of payment of, or renew or alter, any Senior Indebtedness of the Company, or amend or supplement any instrument pursuant to which any Senior Indebtedness of the Company is issued, or exercise or refrain from exercising any other of their rights under the Senior Indebtedness of the Company including, without limitation, the waiver of default thereunder, all without notice to or assent from the Holders or the Trustee.

SECTION 1510. Trustee Has No Fiduciary Duty to Holders of Senior Indebtedness of the Company.

With respect to the holders of Senior Indebtedness of the Company, the Trustee undertakes to perform or to observe only such of its covenants and objectives as are specifically set forth in this Indenture, and no implied covenants or obligations with respect to the holders of Senior Indebtedness of the Company shall be read into this Indenture against the Trustee. The Trustee shall not

be deemed to owe any fiduciary duty to the holders of Senior Indebtedness of the Company, and shall not be liable to any such holders if it shall mistakenly pay over or deliver to the Holders or the Company or any other Person, money or assets to which any holders of Senior Indebtedness of the Company shall be entitled by virtue of this Article or otherwise.

SECTION 1511. Paying Agents Other Than the Trustee.

In case at any time any Paying Agent other than the Trustee shall have been appointed by the Company and be then acting hereunder, the term "Trustee" as used in this Article shall in such case (unless the context shall otherwise require) be construed as extending to and including such Paying Agent within its meaning as fully for all intents and purposes as if such Paying Agent were named in this Article in addition to or in place of the Trustee; provided, however, that Sections 1507, 1508 and 1510 shall not apply to the Company if it acts as Paying Agent.

SECTION 1512. Rights of Holders of Senior Indebtedness of the Company Not Impaired.

No right of any present or future holder of Senior Indebtedness of the Company to enforce the subordination herein shall at any time or in any way be prejudiced or impaired by any act or failure to act on the part of the Company or by any noncompliance by the Company with the terms, provisions and covenants of this Indenture, regardless of any knowledge thereof any such holder may have or be otherwise charged with.

SECTION 1513. Effect of Subordination Provisions; Termination.

Notwithstanding anything contained herein to the contrary, other than as provided in the immediately succeeding sentence, all the provisions of this Indenture shall be subject to the provisions of this Article, so far as the same may be applicable thereto.

Notwithstanding anything contained herein to the contrary, the provisions of this Article Fifteen shall be of no further effect, and the Securities shall no longer be subordinated in right of payment to the prior payment of Senior Indebtedness of the Company, if, and to the extent, the Company shall have delivered to the Trustee a notice to such effect. Any such notice delivered by the Company shall not be deemed to be a supplemental indenture for purposes of Article Twelve.

ARTICLE SIXTEEN

Immunity of Incorporators, Stockholders, Officers and Directors

SECTION 1601. Liability Solely Corporate.

No recourse shall be had for the payment of the principal of or premium, if any, or interest [[1](including Additional Interest)], if any, on any Securities or any Guarantee, or any part thereof, or for any claim based thereon or otherwise in respect thereof, or of the indebtedness represented thereby, or upon any obligation, covenant or agreement under this Indenture, against any incorporator, stockholder, officer or director, as such, past, present or future of the Company or the Guarantor or of any predecessor or successor Person of either of them (either directly or through the Company or the Guarantor, as the case may be, or a predecessor or successor Person of either of them), whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly agreed and understood that this Indenture and all the Securities and Guarantees are solely corporate obligations, and that, except as otherwise provided as contemplated by Section 301, no personal liability whatsoever shall attach to, or be incurred by, any incorporator,

stockholder, officer or director, past, present or future, of the Company or of the Guarantor or of any predecessor or successor Person of either of them, either directly or indirectly through the Company or the Guarantor or of any predecessor or successor Person, because of the indebtedness hereby authorized or under or by reason of any of the obligations, covenants or agreements contained in this Indenture or in any of the Securities and Guarantees or to be implied herefrom or therefrom, and that any such personal liability is hereby expressly waived and released as a condition of, and as part of the consideration for, the execution of this Indenture and the issuance of the Securities and Guarantees.

This instrument may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, in New York, New York, as of the day and year first above written.

FPL GROUP CAPITAL INC,
as Issuer

By:_____
Name:
Title:

FPL GROUP, INC.,
as Guarantor

By:_____
Name:
Title:

THE BANK OF NEW YORK,
as Trustee

By:_____
Name:
Title:

Exhibit 4(ay)

FPL GROUP CAPITAL INC
FPL GROUP, INC.

OFFICER'S CERTIFICATE

Creating the ___ Junior Subordinated Debentures, Series due __

_____, the _____ of FPL Group Capital Inc (the "Company"), and _____, the _____ of FPL Group, Inc. (the "Guarantor"), pursuant to the authority granted in the accompanying Board Resolutions (all capitalized terms used herein which are not defined herein or in Exhibit A hereto, but are defined in the Indenture referred to below, shall have the meanings specified in the Indenture), and Sections 201 and 301 of the Indenture, do hereby certify to The Bank of New York (the "Trustee"), as Trustee under the Indenture of the Company (For Unsecured Subordinated Debt Securities [[1]relating to Trust Securities]) dated as of [[1]March 1, 2004] [_____, 20__] (the "Indenture") that:

1. The securities to be issued under the Indenture shall be designated "_____ Junior Subordinated Debentures, Series due ___" (the "Debentures of the ____ Series") and shall be issued in substantially the form set forth in Exhibit A hereto. [[1]The Debentures of the ____ Series are to be issued to The Bank of New York, as Property Trustee (the "Property Trustee") of FPL Group Capital Trust __, a Delaware statutory trust (the "Trust")];

2. The Debentures of the ____ Series shall mature and the principal shall be due and payable together with all accrued and unpaid interest thereon on _____, ____;

3. The Debentures of the ____ Series shall bear interest as provided in the form thereof set forth as Exhibit A hereto;

4. Each installment of interest on a Debenture of the ____ Series shall be payable as provided in the form thereof set forth as Exhibit A hereto;

5. Registration and registration of transfers and exchanges in respect of the Debentures of the ____ Series may be effected at the office or agency of the Company in The City of New York, New York. Notices and demands to or upon the Company in respect of the Debentures of the ____ Series may be served at the office or agency of the Company in The City of New York, New York. The Corporate Trust Office of the Trustee will initially be the agency of the Company for such payment, registration and registration of transfers and exchanges and service of notices and demands and the Company hereby appoints the Trustee as its agent for all such purposes; provided, however, that the Company reserves the right to change, by one or more Officer's Certificates, any such office or agency and such agent. The Trustee will initially be the Security Registrar and the Paying Agent for the Debentures of the ____ Series;

6. The Regular Record Date for the interest payable on any given Interest Payment Date with respect to the Debentures of the ____ Series shall be the close of business on the 15th calendar day next preceding such Interest Payment Date, provided that if the Debentures of the _____ Series are held by a securities depository in book-entry form, the Regular Record Date will be the close of business on the Business Day immediately preceding such Interest Payment Date;

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[1] For use in connection with subordinated debt securities relating to trust securities.

7. [Redemption provisions, if any will be inserted];

8. [[1]If at any time a Tax Event (as defined in the form of the Debentures of the _____ Series set forth as Exhibit A hereto) shall occur and be continuing, and either (i) in the opinion of tax counsel to the Trust or the Guarantor experienced in such matters, there would in all cases, after effecting the dissolution of the Trust, after satisfaction of liabilities to creditors of the Trust, if any, as provided by applicable law, and the distribution of the Debentures of the ____ Series to the holders of the Preferred Trust Securities issued by the Trust (the "Preferred Trust Securities"), in exchange therefor, be more than an insubstantial risk that an Adverse Tax Consequence (as defined in the form of the Debentures of the ____ Series set forth as Exhibit A hereto) would continue to exist or (ii) the Debentures of the ____ Series are not held by the Trust, then the Company shall have the right to redeem the Debentures of the ____ Series, in whole but not in part, at any time within 90 days following the occurrence of the Tax Event, at 100% of the principal amount thereof plus accrued and unpaid interest thereon, including Additional Interest, if any, to the Redemption Date;]

[[1]If at any time an Investment Company Act Event (as defined in the form of the Debentures of the ____ Series set forth as Exhibit A hereto) shall occur and be continuing, then the Company shall have the right to redeem the Debentures of the ____ Series, in whole, but not in part, at any time within 90 days following the occurrence of the Investment Company Act Event, at 100% of the principal amount thereof plus accrued and unpaid interest thereon, including Additional Interest, if any, to the Redemption Date;]

9. So long as any Debentures of the ____ Series are Outstanding, the failure of the Company to pay interest [[1], including Additional Interest], if any, on any Debentures of the ____ Series within 30 days after the same becomes due and payable (whether or not payment is prohibited by the subordination provisions of Article Fourteen and Article Fifteen of the Indenture) shall constitute an Event of Default [[1]; provided, however, that a valid extension of the interest payment period by the Company as contemplated in Section 312 of the Indenture and paragraph (10) of this Certificate shall not constitute a failure to pay interest for this purpose];

10. [[1]Pursuant to Section 312 of the Indenture, so long as no Event of Default under the Indenture has occurred and is continuing with respect to the Securities of any series, the Company shall have the right, at any time and from time to time during the term of the Debentures of the ____ Series, to extend the interest payment period to a period not exceeding 20 consecutive quarterly periods (an "Extension Period"); provided that no Extension Period shall extend beyond the Stated Maturity or end on a day other than an Interest Payment Date. During the Extension Period interest (calculated for each Interest Period in the manner provided for in Exhibit A hereto, as if the interest payment period had not been so extended) will be compounded [quarterly]. At the end of the Extension Period, which shall be an Interest Payment Date, the Company shall pay all interest accrued and unpaid thereon (together with interest thereon at the rate specified for the Debentures of the _____ Series, compounded [quarterly], to the extent permitted by applicable law) and Additional Interest, if any, to the Person in whose name the Debentures of the____ Series are registered at the close of business on the Regular Record Date for the Interest Payment Date on which such Extension Period ended; provided that any such accrued and unpaid interest payable at Stated Maturity or any Redemption Date will be paid to the Person to whom principal is payable. With respect to the Debentures of _____ Series, the term "Interest Period" shall mean each period from, and including, an Interest Payment Date to, but excluding, the next succeeding Interest Payment Date, except that the first Interest Period shall commence on the date of original issuance. However, during any such Extension Period, neither the Guarantor nor the Company shall

(A) declare or pay any dividends or distributions on its capital stock, or

(B) redeem, purchase, acquire or make a liquidation payment with respect to any of its capital stock, or

(C) pay any principal, interest or premium on, or repay, repurchase or redeem any debt securities that are equal or junior in right of payment to the Debentures of the _____ Series or the Guarantee (as the case may be), or

(D) make any payments with respect to any guarantee of debt securities by the Guarantor if such guarantee is equal or junior in right of payment to the Debentures of the _____ Series or the Guarantee (as the case may be) ("Restricted Payments").

The foregoing provisions shall not prevent or restrict the Guarantor or the Company from making:

(a) purchases, redemptions or other acquisitions of its capital stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or agents or a stock purchase or dividend reinvestment plan, or the satisfaction of its obligations pursuant to any contract or security outstanding on the date that the interest payment period is extended requiring it to purchase, redeem or acquire its capital stock;

(b) any payment, repayment, redemption, purchase, acquisition or declaration of dividend described in clauses (A) and (B) above as a result of a reclassification of its capital stock, or the exchange or conversion of all or a portion of one class or series of its capital stock for another class or series of its capital stock;

(c) the purchase of fractional interests in shares of its capital stock pursuant to the conversion or exchange provisions of its capital stock or the security being converted or exchanged, or in connection with the settlement of stock purchase contracts;

(d) dividends or distributions paid or made in its capital stock (or rights to acquire its capital stock), or repurchases, redemptions or acquisitions of capital stock in connection with the issuance or exchange of capital stock (or of securities convertible into or exchangeable for shares of its capital stock and distributions in connection with the settlement of stock purchase contracts);

(e) redemptions, exchanges or repurchases of, or with respect to, any rights outstanding under a shareholder rights plan or the declaration or payment thereunder of a dividend or distribution of or with respect to rights in the future;

(f) payments under any preferred trust securities guarantee or guarantee of junior subordinated debentures executed and delivered by the Guarantor concurrently with the issuance by a trust of any preferred trust securities, so long as the amount of payments made on any preferred trust securities or junior subordinated debentures (as the case may be) is paid on all preferred trust securities or junior subordinated debentures (as the case may be) then outstanding on a pro rata basis in proportion to the full distributions to which each series of preferred trust securities or junior subordinated debentures (as the case may be) is then entitled if paid in full;

(g) dividends or distributions by the Company on its capital stock to the extent owned by the Guarantor; or

(h) redemptions, purchases, acquisitions or liquidation payments by the Company with respect to its capital stock to the extent owned by the Guarantor.

Prior to the termination of any such Extension Period, the Company may further extend the interest payment period, provided that such Extension Period together with all such previous and further extensions thereof shall not exceed 20 consecutive quarterly periods at any one time or extend beyond the Maturity of the Debentures of the ____ Series. Upon the termination of any such Extension Period and the payment of all amounts then due, including interest on deferred interest payments, the Company may elect to begin a new Extension Period, subject to the above requirements. No interest shall be due and payable during an Extension Period, except at the end thereof. The Company will give the Trust and the Trustee notice of its election of an Extension Period before the earlier of (i) the Business Day prior to the record date for the distribution on the Preferred Trust Securities which would occur but for such election or (ii) the date the Administrative Trustees of the Trust are required to give notice to any securities exchange or any other applicable self-regulatory organization of the record date for such distribution. The Trustee will cause the Trust to send notice of such election to the holders of Preferred Trust Securities];

11. [[1]At any time, the Guarantor will have the right to dissolve the Trust and, after satisfaction of liabilities to creditors, if any, of the Trust as provided by applicable law, cause a proportionate amount of the Debentures of the ____ Series to be distributed to the holders of the Preferred Trust Securities and the Common Trust Securities;]

12. In the event that, at any time subsequent to the initial authentication and delivery of the Debentures of the ____ Series, the Debentures of the ____ Series are to be held in global form by a securities depositary, the Company may at such time establish the matters contemplated in clause (r) in the second paragraph of Section 301 of the Indenture in an Officer's Certificate supplemental to this certificate;

13. No service charge shall be made for the registration of transfer or exchange of the Debentures of the ____ Series; provided, however, that the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the exchange or transfer;

14. [[1]The Trust for Debentures of the ____ Series shall be FPL Group Capital Trust __, a Delaware statutory trust. The Trust Agreement for Debentures of the ____ Series shall be the Amended and Restated Trust Agreement dated as of _____, 200__ relating to the Trust, as it may be modified, amended or supplemented from time to time;]

15. If the Company shall make any deposit of money and/or Eligible Obligations with respect to any Debentures of the ____ Series, or any portion of the principal amount thereof, as contemplated by Section 701 of the Indenture, the Company shall not deliver an Officer's Certificate described in clause (z) in the first paragraph of said Section 701 unless the Company shall also deliver to the Trustee, together with such Officer's Certificate, either:

(A) an instrument wherein the Company, notwithstanding the satisfaction and discharge of its indebtedness in respect of the Debentures of the ____ Series, shall assume the obligation (which shall be absolute and unconditional) to irrevocably deposit with the Trustee or Paying Agent such additional sums of money, if any, or additional Eligible Obligations (meeting

the requirements of Section 701), if any, or any combination thereof, at such time or times, as shall be necessary, together with the money and/or Eligible Obligations theretofore so deposited, to pay when due the principal of and premium, if any, and interest due and to become due on such Debentures of the ____ Series or portions thereof, all in accordance with and subject to the provisions of said Section 701; provided, however, that such instrument may state that the obligation of the Company to make additional deposits as aforesaid shall be subject to the delivery to the Company by the Trustee of a notice asserting the deficiency accompanied by an opinion of an independent public accountant of nationally recognized standing, selected by the Trustee, showing the calculation thereof; or

(B) an Opinion of Counsel to the effect that, as a result of (i) the receipt by the Company from, or the publication by, the Internal Revenue Service of a ruling or (ii) a change in law occurring after the date of this certificate, the Holders of such Debentures of the ____ Series, or portions of the principal amount thereof, will not recognize income, gain or loss for United States federal income tax purposes as a result of the satisfaction and discharge of the Company's indebtedness in respect thereof and will be subject to United States federal income tax on the same amounts, at the same times and in the same manner as if such satisfaction and discharge had not been effected;

16. The Company reserves the right to require legends on Debentures of the ____ Series as it may determine are necessary to ensure compliance with the securities laws of the United States and the states therein and any other applicable laws;

17. The Debentures of the ____ Series shall have such other terms and provisions as are provided in the form set forth as Exhibit A hereto;

18. The undersigned has read all of the covenants and conditions contained in the Indenture relating to the issuance of the Debentures of the ____ Series and the definitions in the Indenture relating thereto and in respect of which this certificate is made;

19. The statements contained in this certificate are based upon the familiarity of the undersigned with the Indenture, the documents accompanying this certificate, and upon discussions by the undersigned with officers and employees of the Company familiar with the matters set forth herein;

20. In the opinion of the undersigned, he or she has made such examination or investigation as is necessary to enable him or her to express an informed opinion as to whether or not such covenants and conditions have been complied with; and

21. In the opinion of the undersigned, such conditions and covenants and conditions precedent, if any (including any covenants compliance with which constitutes a condition precedent) to the authentication and delivery of the Debentures of the ____ Series requested in the accompanying Company Order No. __, have been complied with.

IN WITNESS WHEREOF, I have executed this Officer's Certificate on behalf of the Company this _____ day of _____, ____ in New York, New York.

By:_____

IN WITNESS WHEREOF, I have executed this Officer's Certificate on behalf of the Guarantor this _____ day of _____, ____ in New York, New York.

By:_____

Exhibit A

No._____ **CUSIP No. _____**

[FORM OF FACE OF JUNIOR SUBORDINATED DEBENTURE]

FPL GROUP CAPITAL INC

[_____] JUNIOR SUBORDINATED DEBENTURES, SERIES DUE _____

FPL GROUP CAPITAL INC, a corporation duly organized and existing under the laws of the State of Florida (herein referred to as the "Company", which term includes any successor Person under the Indenture), for value received, hereby promises to pay to [_____] ['The Bank of New York, as Property Trustee under the Amended and Restated Trust Agreement, dated as of _____, 200__ of FPL Group Capital Trust __, a Delaware statutory trust], or registered assigns, the principal sum of _____ Dollars on _____ and to pay interest on said principal sum _____ on _____, _____, _____ and _____ of each year commencing _____ (each an "Interest Payment Date") at the rate of _____% per annum until the principal hereof is paid or made available for payment. [Provision for reset of interest rate will be inserted, if applicable.] Interest on the Securities of this series will accrue from and including _____, to and excluding the first Interest Payment Date, and thereafter will accrue from and including the last Interest Payment Date to which interest has been paid or duly provided for. No interest will accrue on the Securities with respect to the day on which the Securities mature. In the event that any Interest Payment Date is not a Business Day, then payment of interest payable on such date will be made on the next succeeding day which is a Business Day (and without any interest or other payment in respect of such delay); provided, however, that if such Business Day is in the next succeeding calendar year, payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on the Interest Payment Date. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Indenture, be payable to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the "Regular Record Date" for such interest installment which shall be the close of business on the 15th calendar day next preceding such Interest Payment Date, provided that if the Securities are held by a securities depository in book-entry form, the Regular Record Date will be the close of business on the Business Day immediately preceding such Interest Payment Date, and provided further that interest payable at Maturity or on any Redemption Date will be paid to the Person to whom principal is payable. Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder of this Security on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange, if any, on which the Securities of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in the Indenture referred to on the reverse hereof.

Payment of the principal of (and premium, if any) and interest on this Security will be made at the office or agency of the Company maintained for that purpose in The City of New York, the State of New York in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; provided, however, that at the option of the Company, interest on this Security may be paid by check mailed to the address of the Person entitled

thereto, as such address shall appear on the Security Register or by a wire transfer to an account designated by the Person entitled thereto.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed in New York, New York.

FPL GROUP CAPITAL INC

By:_____

[FORM OF CERTIFICATE OF AUTHENTICATION]

CERTIFICATE OF AUTHENTICATION

Dated:

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

THE BANK OF NEW YORK, as Trustee

By:_____
Authorized Signatory

[FORM OF GUARANTEE]

FPL GROUP, INC., a corporation organized under the laws of the State of Florida (the "Guarantor", which term includes any successor under the Indenture (the "Indenture") referred to in the Security upon which this Guarantee is endorsed), for value received, hereby unconditionally and irrevocably guarantees to the Holder of the Security upon which this Guarantee is endorsed, the due and punctual payment of the principal of, and premium, if any, and interest, [[1]including Additional Interest], if any, on such Security when and as the same shall become due and payable, whether at the Stated Maturity, by declaration of acceleration, call for redemption, or otherwise, in accordance with the terms of such Security and of the Indenture regardless of any defense, right of set-off or counterclaim that the Guarantor may have (except the defense of payment). In case of the failure of the Company punctually to make any such payment, the Guarantor hereby agrees to cause such payment to be made punctually when and as the same shall become due and payable, whether at the Stated Maturity or by declaration of acceleration, call for redemption or otherwise, and as if such payment were made by the Company. The Guarantor's obligation to make a guarantee payment may be satisfied by direct payment of the required amounts by the Guarantor to the Holder of the Security or to a Paying Agent, or by causing the Company to pay such amount to such Holder or a Paying Agent.

The Guarantor hereby agrees that its payment obligations hereunder shall be absolute and unconditional irrespective of, and shall be unaffected by, any invalidity, irregularity or unenforceability of such Security or the Indenture, any failure to enforce the provisions of such Security or the Indenture, or any waiver, modification or indulgence granted to the Company with respect thereto (except that the Guarantor will have the benefit of any waiver, modification or indulgence granted to the Company in accordance with the Indenture), by the Holder of such Security or the Trustee or any other circumstance which may otherwise constitute a legal or equitable discharge or defense of a surety or guarantor; provided, however, that notwithstanding the foregoing, no such waiver, modification or indulgence shall, without the consent of the Guarantor, increase the principal amount of such Security, or increase the interest rate thereon [[1](including Additional Interest, if any)], or change any redemption provisions thereof (including any change to increase any premium payable upon redemption thereof) or change the Stated Maturity thereof.

The Guarantor hereby waives the benefits of diligence, presentment, demand for payment, any requirement that the Trustee or the Holder of such Security exhaust any right or take any action against the Company or any other Person, the filing of claims with a court in the event of insolvency or bankruptcy of the Company, any right to require a proceeding first against the Company, protest or notice with respect to such Security or the indebtedness evidenced thereby and all demands whatsoever, and covenants that this Guarantee will not be discharged in respect of such Security except by complete performance of the payment obligations contained in such Security and in this Guarantee. This Guarantee shall constitute a guaranty of payment and not of collection. The Guarantor hereby agrees that, in the event of a default in payment of principal, or premium, if any, or interest, if any, on such Security, whether at its Stated Maturity, by declaration of acceleration, call for redemption, or otherwise, legal proceedings may be instituted by the Trustee on behalf of, or by, the Holder of such Security, subject to the terms and conditions set forth in the Indenture, directly against the Guarantor to enforce this Guarantee without first proceeding against the Company.

The obligations of the Guarantor hereunder with respect to such Security shall be continuing and irrevocable until the date upon which the entire principal of, premium, if any, and interest, [[1]including Additional Interest], if any, on such Security has been, or has been deemed pursuant to the provisions of Article Seven of the Indenture to have been, paid in full or otherwise discharged.

The obligations evidenced by this Guarantee are, to the extent provided in the Indenture, subordinated and subject in right of payment to the prior payment in full of all Senior Indebtedness of the Guarantor, and this Guarantee is issued subject to the provisions of the Indenture with respect thereto. Each Holder of a Security upon which this Guarantee is endorsed, by accepting the same, (a) agrees to and shall be bound by such provisions, (b) authorizes and directs the Trustee on his behalf to take such action as may be necessary or appropriate to acknowledge or effectuate the subordination so provided and (c) appoints the Trustee his attorney-in fact for any and all such purposes. Each Holder hereof, by his acceptance hereof, hereby waives all notice of the acceptance of the subordination provisions contained herein and in the Indenture by each holder of Senior Indebtedness, whether now outstanding or hereafter incurred, and waives reliance by each such Holder upon said provisions.

The Guarantor shall be subrogated to all rights of the Holder of a Security upon which this Guarantee is endorsed against the Company in respect of any amounts paid by the Guarantor on account of such Security pursuant to the provisions of this Guarantee or the Indenture; provided, however, that the Guarantor shall not be entitled to enforce or to receive any payments arising out of, or based upon, such right of subrogation until the principal of, and premium, if any, and interest, if any, on all Securities issued under the Indenture which are then due and payable shall have been paid in full.

This Guarantee shall remain in full force and effect and continue notwithstanding any petition filed by or against the Company for liquidation or reorganization, the Company becoming insolvent or making an assignment for the benefit of creditors or a receiver or trustee being appointed for all or any significant part of the Company's property and assets, and shall, to the fullest extent permitted by law, continue to be effective or reinstated, as the case may be, if at any time payment of the Security upon which this Guarantee is endorsed, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by the Holder of such Security, whether as a "voidable preference," "fraudulent transfer," or otherwise, all as though such payment or performance had not been made. In the event that any such payment, or any part thereof, is rescinded, reduced, restored or returned on such Security, such Security shall, to the fullest extent permitted by law, be reinstated and deemed paid only by such amount paid and not so rescinded, reduced, restored or returned.

This Guarantee shall not be valid or obligatory for any purpose until the certificate of authentication of the Security upon which this Guarantee is endorsed shall have been manually executed by or on behalf of the Trustee under the Indenture.

All terms used in this Guarantee which are defined in the Indenture shall have the meanings assigned to them in such Indenture.

This Guarantee shall be deemed to be a contract made under the laws of the State of New York, and for all purposes shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the Guarantor has caused this instrument to be duly executed in New York, New York.

FPL GROUP, INC.

By:_____

[FORM OF REVERSE OF JUNIOR SUBORDINATED DEBENTURE]

This Security is one of a duly authorized issue of securities of the Company (herein called the "Securities"), issued and to be issued in one or more series under an Indenture (For Unsecured Subordinated Debt Securities [[1]relating to Trust Securities]), dated as of [March 1, 2004] [_____, 20__] (herein, together with any amendments thereto, called the "Indenture", which term shall have the meaning assigned to it in such instrument), among the Company, FPL Group, Inc. and The Bank of New York, as Trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture), and reference is hereby made to the Indenture, including the Board Resolutions and Officer's Certificate filed with the Trustee on _____, creating the series designated on the face hereof (herein called, the "Officer's Certificate"), for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Guarantor, the Trustee and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Security is one of the series designated on the face hereof.

[Redemption provisions, if any, will be inserted]

[[1]If at any time a Tax Event (as defined below) shall occur and be continuing, and either (i) in the opinion of tax counsel to the Trust or the Guarantor experienced in such matters, there would in all cases, after effecting the dissolution of the Trust, after satisfaction of liabilities to creditors of the Trust, if any, as provided by applicable law, and the distribution of this Security to the holders of the Preferred Trust Securities issued by the Trust (the "Preferred Trust Securities"), in exchange therefor, be more than an insubstantial risk that an Adverse Tax Consequence (as defined below) would continue to exist or (ii) this Security is not held by the Trust, then the Company shall have the right to redeem this Security, in whole but not in part, at any time within 90 days following the occurrence of the Tax Event, at 100% of the principal amount thereof plus accrued and unpaid interest thereon, including the Additional Interest, if any, to the Redemption Date.]

[[1]"Tax Event" means the receipt by the Trust, the Guarantor or the Company of an Opinion of Counsel experienced in such matters to the effect that, as a result of (a) any amendment to, clarification of, or change (including any announced prospective change) in, the laws or treaties (or any regulations thereunder) of the United States or any political subdivision or taxing authorities thereof or therein; (b) any judicial decision or any official administrative pronouncement, ruling, regulatory procedure, notice or announcement (including any notice or announcement of intent to issue or adopt any such administrative pronouncement, ruling, regulatory procedure or regulation) (each, an "Administrative Action"), or (c) any amendment to, clarification of, or change in the official position or the interpretation of any such Administrative Action or judicial decision or any interpretation or pronouncement that provides for a position with respect to such Administrative Action or judicial decision that differs from the theretofore generally accepted position, in each case by any legislative body, court, governmental authority or regulatory body, irrespective of the time or manner in which such amendment, clarification or change is introduced or made known, which amendment, clarification, or change is effective, or which Administrative Action is taken or which judicial decision, interpretation or pronouncement is issued, in each case on or after _____, 200_, there is more than an insubstantial risk that (i) the Trust is, or will be, subject to United States Federal income tax with respect to interest received on this Security, (ii) interest payable by the Company on this Security is not, or will not be, fully deductible by the Company for United States Federal income tax purposes, or (iii) the Trust is, or will be, subject to more than a de minimis amount of other taxes, duties or other governmental charges (each of the circumstances described in clauses (i), (ii) or (iii) being an "Adverse Tax Consequence").]

[[1]If at any time an Investment Company Act Event (as defined below) shall occur and be continuing, then the Company shall have the right to redeem this Security, in whole, but not in part, at any time within 90 days following the occurrence of the Investment Company Act Event, at 100% of the principal amount thereof plus accrued and unpaid interest thereon, including Additional Interest, if any, to the Redemption Date.

An "Investment Company Act Event" occurs when the Trust, the Guarantor or the Company has received an Opinion of Counsel experienced in such matters to the effect that, as a result of a change in law or regulation or a written change in interpretation or application of law or regulation by any legislative body, court, governmental agency or regulatory authority after _____, 200_, there is more than an insubstantial risk that the Trust is or will be considered an investment company under the Investment Company Act of 1940, as amended.]

Interest installments whose Stated Maturity is on or prior to such Redemption Date will be payable to the Holder of such Security, or one or more Predecessor Securities, of record at the close of business on the related Regular Record Date referred to on the face hereof, all as provided in the Indenture.

In the event of redemption of this Security in part only, a new Security or Securities of this series and of like tenor for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the cancellation hereof.

The indebtedness evidenced by this Security is, to the extent provided in the Indenture, subordinated and subject in right of payment to the prior payment in full of all Senior Indebtedness of the Company, and this Security is issued subject to the provisions of the Indenture with respect thereto. Each Holder of this Security, by accepting the same, (a) agrees to and shall be bound by such provisions, (b) authorizes and directs the Trustee on his behalf to take such action as may be necessary or appropriate to acknowledge or effectuate the subordination so provided and (c) appoints the Trustee his attorney-in-fact for any and all such purposes. Each Holder hereof, by his acceptance hereof, hereby waives all notice of the acceptance of the subordination provisions contained herein and in the Indenture by each holder of Senior Indebtedness, whether now outstanding or hereafter incurred, and waives reliance by each such Holder upon said provisions.

The Indenture contains provisions for defeasance at any time of the entire indebtedness of this Security upon compliance with certain conditions set forth in the Indenture including the Officer's Certificate described above.

If an Event of Default with respect to Securities of this series shall occur and be continuing, the principal of and interest on the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of a majority in principal amount of the Securities at the time Outstanding of all series to be affected. The Indenture also contains provisions permitting the Holders of specified percentages in principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer

hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

As provided in and subject to the provisions of the Indenture, the Holder of this Security shall not have the right to institute any proceeding with respect to the Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default with respect to the Securities of this series, the Holders of a majority in aggregate principal amount of the Securities of all series at the time Outstanding in respect of which an Event of Default shall have occurred and be continuing shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee reasonable indemnity, and the Trustee shall not have received from the Holders of a majority in aggregate principal amount of Securities of all series at the time Outstanding in respect of which an Event of Default shall have occurred and be continuing a direction inconsistent with such request, and shall have failed to institute any such proceeding, for 60 days after receipt of such notice, request and offer of indemnity. The foregoing shall not apply to any suit instituted by the Holder of this Security for the enforcement of any payment of principal hereof or any premium or interest hereon on or after the respective due dates expressed herein.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and any premium and interest on this Security at the times, place and rate, and in the coin or currency, herein prescribed.

[[1]Pursuant to Section 312 of the Indenture, so long as no Event of Default under the Indenture has occurred and is continuing with respect to the Securities of any series, the Company shall have the right, at any time and from time to time during the term of the Securities of this series, to extend the interest payment period to a period not exceeding 20 consecutive quarterly periods (an "Extension Period"); provided that no Extension Period shall extend beyond the Stated Maturity or end on a day other than an Interest Payment Date. During the Extension Period interest (calculated for each Interest Period in the manner provided for on the face hereof, as if the interest payment period had not been so extended) will be compounded [quarterly]. At the end of the Extension Period, which shall be an Interest Payment Date, the Company shall pay all interest accrued and unpaid hereon (together with interest hereon at the rate specified for the Securities of this series, compounded [quarterly], to the extent permitted by applicable law) and Additional Interest, if any, to the Person in whose name the Securities of this series are registered at the close of business on the Regular Record Date for the Interest Payment Date on which such Extension Period ended; provided that any such accrued and unpaid interest payable at Stated Maturity or any Redemption Date will be paid to the Person to whom principal is payable. With respect to the Securities of this series, the term "Interest Period" shall mean each period from, and including, an Interest Payment Date to, but excluding, the next succeeding Interest Payment Date, except that the first Interest Period shall commence on the date of original issuance. However, during any such Extension Period, neither the Guarantor nor the Company shall (i) declare or pay any dividends or distributions on its capital stock, or (ii) redeem, purchase, acquire or make a liquidation payment with respect to any of its capital stock, or (iii) pay any principal, interest or premium on, or repay, repurchase or redeem any debt securities that are equal or junior in right of payment to the Securities of this series or the Guarantee (as the case may be), or (iv) make any payments with respect to any guarantee of debt securities by the Guarantor if such guarantee is equal or junior in right of payment to the Securities of this series or the Guarantee (as the case may be) ("Restricted Payments").

The foregoing provisions shall not prevent or restrict the Guarantor or the Company from making:

(a) purchases, redemptions or other acquisitions of its capital stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or agents or a stock purchase or dividend reinvestment plan, or the satisfaction of its obligations pursuant to any contract or security outstanding on the date that the interest payment period is extended requiring it to purchase, redeem or acquire its capital stock;

(b) any payment, repayment, redemption, purchase, acquisition or declaration of dividend described in clauses (i) and (ii) above as a result of a reclassification of its capital stock, or the exchange or conversion of all or a portion of one class or series of its capital stock for another class or series of its capital stock;

(c) the purchase of fractional interests in shares of its capital stock pursuant to the conversion or exchange provisions of its capital stock or the security being converted or exchanged, or in connection with the settlement of stock purchase contracts;

(d) dividends or distributions paid or made in its capital stock (or rights to acquire its capital stock), or repurchases, redemptions or acquisitions of capital stock in connection with the issuance or exchange of capital stock (or of securities convertible into or exchangeable for shares of its capital stock and distributions in connection with the settlement of stock purchase contracts);

(e) redemptions, exchanges or repurchases of, or with respect to, any rights outstanding under a shareholder rights plan or the declaration or payment thereunder of a dividend or distribution of or with respect to rights in the future;

(f) payments under any preferred trust securities guarantee or guarantee of junior subordinated debentures executed and delivered by the Guarantor concurrently with the issuance by a trust of any preferred trust securities, so long as the amount of payments made on any preferred trust securities or junior subordinated debentures (as the case may be) is paid on all preferred trust securities or junior subordinated debentures (as the case may be) then outstanding on a pro rata basis in proportion to the full distributions to which each series of preferred trust securities or junior subordinated debentures (as the case may be) is then entitled if paid in full;

(g) dividends or distributions by the Company on its capital stock to the extent owned by the Guarantor; or

(h) redemptions, purchases, acquisitions or liquidation payments by the Company with respect to its capital stock to the extent owned by the Guarantor.

Prior to the termination of any such Extension Period, the Company may further extend the interest payment period, provided that such Extension Period together with all such previous and further extensions thereof shall not exceed 20 consecutive quarterly periods at any one time or extend beyond the Maturity of the Securities of this series. Upon the termination of any such Extension Period and the payment of all amounts then due, including interest on deferred interest payments, the Company may elect to begin a new Extension Period, subject to the above requirements. No interest shall be due and payable during an Extension Period, except at the end thereof. The Company shall give the Trustee notice of its election of an Extension Period before the Business Day prior to the record date for the distribution which would occur but for such election and the Trustee will cause the Trust to send notice of such election to the holders of Preferred Trust Securities.]

The Securities of this series are issuable only in registered form without coupons in denominations of $[1,000][25] and integral multiples thereof. As provided in the Indenture and subject to certain limitations therein set forth, Securities of this series are exchangeable for a like aggregate principal amount of Securities of this series and of like tenor and of authorized denominations, as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

The Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the absolute owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

All terms used in this Security which are defined either in the Indenture or in the Officer's Certificate shall have the meanings assigned to them in the Indenture or in the Officer's Certificate.

Exhibit 4(az)

organized and existing under the laws of the United States, any State thereof or the District of Columbia, and shall expressly assume the obligations of the Guarantor under the Guarantee Agreement; and

(b) immediately after giving effect to such transaction, no Event of Default and no event which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing; and

(B) [additional Events of Default will be added, if applicable]

12. [The Debentures of the _____ Series will be initially issued in global form registered in the name of Cede & Co. (as nominee for DTC). The Debentures of the _____ Series in global form shall bear the depository legend in substantially the form set forth in Exhibit A hereto. The Debentures of the _____ Series in global form will contain restrictions on transfer, substantially as described in the form set forth in Exhibit A hereto;]

13. The Company reserves the right to require legends on Debentures of the _____ Series as it may determine are necessary to ensure compliance with the securities laws of the United States and the states therein and any other applicable laws;

14. The Debentures of the _____ Series shall have such other terms and provisions as are provided in the form set forth as Exhibit A hereto;

15. The undersigned has read all of the covenants and conditions contained in the Indenture relating to the issuance of the Debentures of the _____ Series and the definitions in the Indenture relating thereto and in respect of which this certificate is made;

16. The statements contained in this certificate are based upon the familiarity of the undersigned with the Indenture, the documents accompanying this certificate, and upon discussions by the undersigned with officers and employees of the Company familiar with the matters set forth herein;

17. In the opinion of the undersigned, he or she has made such examination or investigation as is necessary to enable him or her to express an informed opinion as to whether or not such covenants and conditions have been complied with; and

18. In the opinion of the undersigned, such conditions and covenants and conditions precedent, if any (including any covenants compliance with which constitutes a condition precedent) to the authentication and delivery of the Debentures of the _____ Series requested in the accompanying Company Order No. __ have been complied with.

IN WITNESS WHEREOF, I have executed this Officer's Certificate on behalf of the Company this ____ day of _____, ____ in New York, New York.

_____

Exhibit A

[Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to FPL Group Capital Inc or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.]

No._____ **CUSIP No._____**

[FORM OF FACE OF DEBENTURE]

FPL GROUP CAPITAL INC

_____ DEBENTURES, SERIES DUE _____

FPL GROUP CAPITAL INC, a corporation duly organized and existing under the laws of the State of Florida (herein referred to as the "Company", which term includes any successor Person under the Indenture), for value received, hereby promises to pay to

or registered assigns, the principal sum of _____ Dollars on _____ and to pay interest on said principal sum _____ on _____ and _____ of each year commencing _____ (each an "Interest Payment Date") at the rate of _____% per annum until the principal hereof is paid or made available for payment. [Provision for reset of interest rate will be inserted, if applicable.] Interest on the Securities of this series will accrue from and including _____, to and excluding the first Interest Payment Date, and thereafter will accrue from and including the last Interest Payment Date to which interest has been paid or duly provided for. No interest will accrue on the Securities with respect to the day on which the Securities mature. In the event that any Interest Payment Date is not a Business Day, then payment of interest payable on such date will be made on the next succeeding day which is a Business Day (and without any interest or other payment in respect of such delay) with the same force and effect as if made on the Interest Payment Date. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Indenture, be payable to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the "Regular Record Date" for such interest installment which shall be [the business day immediately preceding such Interest Payment Date so long as the Securities are registered in the name of The Depository Trust Company ("DTC") or any other successor depositary or a nominee thereof, provided, however, that if the Securities are not registered in the name of DTC or any other successor depositary or a nominee thereof the Regular Record Date will be the close of business on the 15th calendar day next preceding such Interest Payment Date and provided further that interest payable at Maturity will be paid to the Person to whom principal is paid.] Any such interest not so punctually paid or duly provided for

will forthwith cease to be payable to the Holder of this Security on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange, if any, on which the Securities of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in the Indenture referred to on the reverse hereof.

Payment of the principal of (and premium, if any) and interest on this Security will be made at the office or agency of the Company maintained for that purpose in The City of New York, the State of New York in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; provided, however, that, at the option of the Company, interest on this Security may be paid by check mailed to the address of the Person entitled thereto, as such address shall appear on the Security Register or by a wire transfer to an account designated by the Person entitled thereto.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed in New York, New York.

FPL GROUP CAPITAL INC

By:_____

[FORM OF CERTIFICATE OF AUTHENTICATION]

CERTIFICATE OF AUTHENTICATION

Dated:

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

THE BANK OF NEW YORK, as Trustee

By:_____
Authorized Signatory

[FORM OF REVERSE OF DEBENTURE]

This Security is one of a duly authorized issue of securities of the Company (herein called the "Securities"), issued and to be issued in one or more series under an Indenture (For Unsecured Debt Securities), dated as of June 1, 1999 (herein, together with any amendments thereto, called the "Indenture", which term shall have the meaning assigned to it in such instrument), between the Company and The Bank of New York, as Trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture), and reference is hereby made to the Indenture, including the Board Resolutions and Officer's Certificate filed with the Trustee on _____, ____ creating the series designated on the face hereof (herein called, the "Officer's Certificate"), for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Security is one of the series designated on the face hereof.

[Redemption provisions, if any, will be inserted]

The Securities will be absolutely, irrevocably and unconditionally guaranteed as to payment of principal, interest and premium, if any, by FPL Group, Inc., as Guarantor (the "Guarantor"), pursuant to a Guarantee Agreement, dated as of June 1, 1999, between the Guarantor and The Bank of New York (as Guarantee Trustee) (the "Guarantee Agreement").

The Indenture contains provisions for defeasance at any time of the entire indebtedness of this Security upon compliance with certain conditions set forth in the Indenture, including the Officer's Certificate described above.

If an Event of Default with respect to Securities of this series shall occur and be continuing, the principal of and interest on the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of a majority in principal amount of the Securities at the time Outstanding of all series to be affected. The Indenture also contains provisions permitting the Holders of specified percentages in principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

As provided in and subject to the provisions of the Indenture, the Holder of this Security shall not have the right to institute any proceeding with respect to the Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default with respect to the Securities of this series, the Holders of a majority in aggregate principal amount of the Securities of all series at the time Outstanding in respect of which an Event of Default shall have occurred and be continuing shall have made written

request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee reasonable indemnity, and the Trustee shall not have received from the Holders of a majority in aggregate principal amount of Securities of all series at the time Outstanding in respect of which an Event of Default shall have occurred and be continuing a direction inconsistent with such request, and shall have failed to institute any such proceeding, for 60 days after receipt of such notice, request and offer of indemnity. The foregoing shall not apply to any suit instituted by the Holder of this Security for the enforcement of any payment of principal hereof or any premium or interest hereon on or after the respective due dates expressed herein.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and any premium and interest on this Security at the times, place and rate, and in the coin or currency, herein prescribed.

The Securities of this series are issuable only in registered form without coupons in denominations of $[1,000][25] and integral multiples thereof. As provided in the Indenture and subject to certain limitations therein set forth, Securities of this series are exchangeable for a like aggregate principal amount of Securities of this series and of like tenor and of authorized denominations, as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

The Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the absolute owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

All terms used in this Security which are defined either in the Indenture or in the Officer's Certificate shall have the meanings assigned to them in the Indenture or in the Officer's Certificate.

Exhibit 4(ba)

Exhibit 4(ba)

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 60 Wall Street, 27th Floor, New York, New York 10005 (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, and which Mortgage was incorporated by reference in the One Hundredth Sixth Supplemental Indenture and Mortgage, dated as of September 1, 2004, and recorded in the Rockingham County, New Hampshire Registry of Deeds at Book 4362, Page 1879, reference to which Mortgage and to which One Hundredth Sixth Supplemental Indenture and Mortgage is hereby made, this _____ 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; and

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 and the lien and operation of the One Hundred Sixth Supplemental Indenture and 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", 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

** 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.

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 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 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

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

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.]

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] [integral] 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 (each an "Interest Payment Date") commencing on _____, ___;] 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. [The record date for payments of interest on any Interest Payment Date shall be the close of business on (1) [___] business day[s] immediately preceding such Interest Payment Date so long as the bonds of the _____ Series are in book-entry only form, registered in the name of The Depository Trust Company ("DTC") 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 _____ Series are not in book-entry only form, registered in the name of DTC or any other successor depositary or a nominee thereof.]*

**** *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.*

[(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 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 _____,

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.

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

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****** 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.

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 States 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 9. The mortgage granted in the One Hundred Sixth Supplemental Indenture and Mortgage, dated as of September 1, 2004, in the Seabrook Substation Property (as defined in said One Hundred Sixth Supplemental Indenture and Mortgage), as supplemented hereby, is upon the statutory conditions as defined in New Hampshire Revised Statutes Annotated §477:29, and upon the further condition that all covenants and agreements of FPL contained in said One Hundred Sixth Supplemental Indenture and Mortgage and in the Mortgage, as supplemented hereby, 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 Revised Statutes Annotated §477:29.

SECTION 10. 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 or more of its Vice Presidents or Assistant Vice Presidents, and its corporate seal to be attested by one of its Vice Presidents, 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: _____

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 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 the _____ 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.

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 # _____
Expires _____

STATE OF NEW YORK
COUNTY OF NEW YORK } SS:

On the _____ day of _____, in the year ____, before me personally came _____ and _____, to me known, who, being by me duly sworn, did depose and say that they are respectively a _____ and a _____ of DEUTSCHE BANK TRUST COMPANY AMERICAS, one of the corporations described in and which executed the above instrument; that they know 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 they signed their names thereto by like order.

I HEREBY CERTIFY, that on this _____ day of _____, ___, before me personally appeared _____ , _____ and _____, respectively, a _____, 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.

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.

Notary Public, State of New York
Commission No. _____
Qualified in _____ County
Commission Expires _____

Exhibit 4(az)

FPL GROUP CAPITAL INC

OFFICER'S CERTIFICATE

Creating the ____ Debentures, Series due _____

_____, the _____ of FPL Group Capital Inc (the "Company"), pursuant to the authority granted in the accompanying Board Resolutions (all capitalized terms used herein which are not defined herein or in Exhibit A hereto, but are defined in the Indenture referred to below, shall have the meanings specified in the Indenture), and Sections 201 and 301 of the Indenture, does hereby certify to The Bank of New York (the "Trustee"), as Trustee under the Indenture of the Company (For Unsecured Debt Securities) dated as of June 1, 1999 (the "Indenture") that:

1. The securities to be issued under the Indenture shall be designated "_____ Debentures, Series due _____" (the "Debentures of the _____ Series") and shall be issued in substantially the form set forth in Exhibit A hereto;

2. The Debentures of the _____ Series shall mature and the principal shall be due and payable together with all accrued and unpaid interest thereon on _____, ____;

3. The Debentures of the _____ Series shall bear interest as provided in the form thereof set forth as Exhibit A hereto;

4. Each installment of interest on a Debenture of the _____ Series shall be payable as provided in the form thereof set forth as Exhibit A hereto;

5. Registration and registration of transfers and exchanges in respect of the Debentures of the _____ Series may be effected at the office or agency of the Company in The City of New York, New York. Notices and demands to or upon the Company in respect of the Debentures of the _____ Series may be served at the office or agency of the Company in The City of New York, New York. The Corporate Trust Office of the Trustee will initially be the agency of the Company for such payment, registration and registration of transfers and exchanges and service of notices and demands and the Company hereby appoints the Trustee as its agent for all such purposes; provided, however, that the Company reserves the right to change, by one or more Officer's Certificates, any such office or agency and such agent. The Trustee will initially be the Security Registrar and the Paying Agent for the Debentures of the _____ Series;

6. [So long as Debentures of the _____ Series are registered in the name of The Depository Trust Company ("DTC") or any other successor depositary or a nominee thereof, the Regular Record Date for the interest payable on any given Interest Payment Date with respect to the Debentures of the _____ Series shall be the close of business on the Business Day immediately preceding such Interest Payment Date; provided, however, if the Debentures of the _____ Series are not registered in the name of DTC or any other successor depositary or a nominee thereof, the Regular Record Date will be the close of business on the 15th calendar day next preceding such Interest Payment Date;]

7. [Redemption provisions, if any, will be inserted]

8. No service charge shall be made for the registration of transfer or exchange of the Debentures of the _____ Series; provided, however, that the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the exchange or transfer;

9. If the Company shall make any deposit of money and/or Eligible Obligations with respect to any Debentures of the _____ Series, or any portion of the principal amount thereof, as contemplated by Section 701 of the Indenture, the Company shall not deliver an Officer's Certificate described in clause (z) in the first paragraph of said Section 701 unless the Company shall also deliver to the Trustee, together with such Officer's Certificate, either:

(A) an instrument wherein the Company, notwithstanding the satisfaction and discharge of its indebtedness in respect of the Debentures of the _____ Series, shall assume the obligation (which shall be absolute and unconditional) to irrevocably deposit with the Trustee or Paying Agent such additional sums of money, if any, or additional Eligible Obligations (meeting the requirements of Section 701), if any, or any combination thereof, at such time or times, as shall be necessary, together with the money and/or Eligible Obligations theretofore so deposited, to pay when due the principal of and premium, if any, and interest due and to become due on such Debentures of the _____ Series or portions thereof, all in accordance with and subject to the provisions of said Section 701; provided, however, that such instrument may state that the obligation of the Company to make additional deposits as aforesaid shall be subject to the delivery to the Company by the Trustee of a notice asserting the deficiency accompanied by an opinion of an independent public accountant of nationally recognized standing, selected by the Trustee, showing the calculation thereof; or

(B) an Opinion of Counsel to the effect that, as a result of (i) the receipt by the Company from, or the publication by, the Internal Revenue Service of a ruling or (ii) a change in law occurring after the date of this certificate, the Holders of such Debentures of the _____ Series, or portions of the principal amount thereof, will not recognize income, gain or loss for United States federal income tax purposes as a result of the satisfaction and discharge of the Company's indebtedness in respect thereof and will be subject to United States federal income tax on the same amounts, at the same times and in the same manner as if such satisfaction and discharge had not been effected;

10. The Debentures of the _____ Series will be absolutely, irrevocably and unconditionally guaranteed as to payment of principal, interest and premium, if any, by FPL Group, Inc., as Guarantor (the "Guarantor"), pursuant to a Guarantee Agreement, dated as of June 1, 1999, between the Guarantor and The Bank of New York (as Guarantee Trustee) (the "Guarantee Agreement");

11. With respect to the Debentures of the _____ Series, each of the following events shall be an additional Event of Default under the Indenture:

(A) the consolidation of the Guarantor with or merger of the Guarantor into any other Person, or the conveyance or other transfer or lease by the Guarantor of its properties and assets substantially as an entirety to any Person, unless

(a) the Person formed by such consolidation or into which the Guarantor is merged or the Person which acquires by conveyance or other transfer, or which leases, the properties and assets of the Guarantor substantially as an entirety shall be a Person

Exhibit 4(bb)

Exhibit 4(bb)

FLORIDA POWER & LIGHT COMPANY
Issuer

TO

The Bank of New York,
Trustee

Indenture
(For Unsecured Subordinated Debt Securities relating to Trust Securities)

Dated as of _____, 20__

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FLORIDA POWER & LIGHT COMPANY

Reconciliation and tie between Trust Indenture Act of 1939 and Indenture, dated as of _____, 20__

Trust Indenture Act Section		Indenture Section
§310	(a)(1)	909
	(a)(2)	909
	(a)(3)	914(b)
	(a)(4)	Not Applicable
	(b)	908
		910
§311	(a)	913
	(b)	913
	(c)	913
§312	(a)	1001
	(b)	1001
	(c)	1001
§313	(a)	1002
	(b)	1002
	(c)	1002
	(d)	1002
§314	(a)	1002
	(a)(4)	606
	(b)	Not Applicable
	(c)(1)	102
	(c)(2)	102
	(c)(3)	Not Applicable
	(d)	Not Applicable
	(e)	102
§315	(a)	901
		903
	(b)	902
	(c)	901
	(d)	901
	(e)	814
§316	(a)	812
		813
	(a)(1)(A)	802
		812
	(a)(1)(B)	813
	(a)(2)	Not Applicable
	(b)	808
§317	(a)(1)	803
	(a)(2)	804
	(b)	603
§318	(a)	107

Note: This reconciliation and tie shall not, for any purpose, be deemed to be a part of the Indenture.

SUBORDINATED INDENTURE, dated as of _____, 20__, between **FLORIDA POWER & LIGHT COMPANY**, a corporation duly organized and existing under the laws of the State of Florida (herein called the "Company"), having its principal office at 700 Universe Boulevard, Juno Beach, Florida 33408, and **THE BANK OF NEW YORK**, a New York banking corporation having its principal corporate trust office at 101 Barclay Street, Floor 8W, New York, New York 10286, as Trustee (herein called the "Trustee").

RECITAL OF THE COMPANY

The Company has duly authorized the execution and delivery of this Indenture to provide for the issuance from time to time of its unsecured subordinated debentures, notes or other evidences of indebtedness (herein called the "Securities"), in an unlimited aggregate principal amount to be issued in one or more series as contemplated herein; and all acts necessary to make this Indenture a valid agreement of the Company, in accordance with its terms, have been performed.

For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires, capitalized terms used herein shall have the meanings assigned to them in Article One of this Indenture.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the Securities by the Holders thereof, it is mutually covenanted and agreed, for the equal and proportionate benefit of all Holders of the Securities or of any series thereof, as follows:

ARTICLE ONE

Definitions and Other Provisions of General Application

SECTION 101. Definitions.

For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(a) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular;

(b) all terms used herein without definition which are defined in the Trust Indenture Act, either directly or by reference therein, have the meanings assigned to them therein;

(c) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles in the United States, and, except as otherwise herein expressly provided, the term "generally accepted accounting principles" with respect to any computation required or permitted hereunder shall mean such accounting principles as are generally accepted in the United States at the date of such computation or, at the election of the Company from time to time, at the date of the execution and delivery of this Indenture; provided, however, that in determining generally accepted accounting principles applicable to the Company, the Company shall, to the extent required, conform to any order, rule or regulation of any administrative agency, regulatory authority or other governmental body having jurisdiction over the Company;

(d) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision; and

(e) unless the context otherwise requires, any reference to an "Article" or a "Section" refers to an Article or a Section, as the case may be, of this Indenture.

Certain terms, used principally in Article Nine, are defined in that Article.

"Act," when used with respect to any Holder of a Security, has the meaning specified in Section 104.

"Additional Interest" has the meaning specified in Section 313.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, **"control"** when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms **"controlling"** and **"controlled"** have meanings correlative to the foregoing.

"Authenticating Agent" means any Person (other than the Company or an Affiliate of the Company) authorized by the Trustee pursuant to Section 915 to act on behalf of the Trustee to authenticate one or more series of Securities.

"Authorized Officer" means the Chairman of the Board, the President, any Vice President, the Treasurer, any Assistant Treasurer, the Secretary, any Assistant Secretary or any other officer or agent of the Company duly authorized by the Board of Directors to act in respect of matters relating to this Indenture.

"Board of Directors" means either the board of directors of the Company or any committee of that board duly authorized to act in respect of matters relating to this Indenture, or the equivalent governing body of an entity, or any committee, corporation, individual or group of individuals duly authorized to act for such entity in respect of matters relating to this Indenture.

"Board Resolution" means a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification, and delivered to the Trustee.

"Business Day," when used with respect to a Place of Payment or any other particular location specified in the Securities or this Indenture, means any day, other than a Saturday or Sunday, which is not a day on which banking institutions or trust companies in such Place of Payment or other location are generally authorized or required by law, regulation or executive order to remain closed, except as may be otherwise specified as contemplated by Section 301.

"Commission" means the Securities and Exchange Commission, as from time to time constituted, created under the Exchange Act, or, if at any time after the date of execution and delivery of this Indenture such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act, then the body, if any, performing such duties at such time.

"Common Securities" means any common trust interests issued by a Trust or similar securities issued by permitted successors to such Trust in accordance with the Trust Agreement pertaining to such Trust.

"Company" means the Person named as the "Company" in the first paragraph of this Indenture until a successor Person shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Company" shall mean such successor Person.

"Company Request" or "Company Order" means a written request or order signed in the name of the Company by an Authorized Officer and delivered to the Trustee.

"Corporate Trust Office" means the corporate trust office of the Trustee at which, at any particular time, its corporate trust business shall be principally administered, which office at the date hereof is located at 101 Barclay Street, 8W, New York, New York 10286.

"Corporation" means a corporation, association, bank, company, limited liability company, joint stock company, statutory trust, or other business entity, and references to "corporate" and other derivations of "corporation" herein shall be deemed to include appropriate derivations of such entities.

"Defaulted Interest" has the meaning specified in Section 307.

"Discount Security" means any Security which provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 802. The term **"interest"** with respect to a Discount Security means interest, if any borne by such Security at a Stated Interest Rate.

"Dollar" or "$" means a dollar or other equivalent unit in such coin or currency of the United States as at the time shall be legal tender for the payment of public and private debts.

"Eligible Obligations" means:

(a) with respect to Securities denominated in Dollars, Government Obligations; or

(b) with respect to Securities denominated in a currency other than Dollars or in composite currency, such other obligations or instruments as shall be specified with respect to such Securities, as contemplated by Section 301.

"Event of Default" has the meaning specified in Section 801.

"Exchange Act" means the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder, as amended from time to time, or any successor legislation.

"Governmental Authority" means the government of the United States or of any State or Territory thereof or of the District of Columbia or of any county, municipality or other political subdivision of any of the foregoing, or any department, agency, authority or other instrumentality of any of the foregoing.

"Government Obligations" means:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States and entitled to the benefit of the full faith and credit thereof; and

(b) certificates, depositary receipts or other instruments which evidence a direct ownership interest in obligations described in clause (a) above or in any specific interest or principal payments due in respect thereof; provided, however, that the custodian of such obligations or specific interest or principal payments shall be a bank or trust company (which may include the Trustee or any Paying Agent) subject to Federal or state supervision or examination with a combined capital and surplus of at least $50,000,000; and provided, further, that except as may be otherwise required by law, such custodian shall be obligated to pay to the holders of such certificates, depositary receipts or other instruments the full amount received by such custodian in respect of such obligations or specific payments and shall not be permitted to make any deduction therefrom.

"Holder" means a Person in whose name a Security is registered in the Security Register.

"Indenture" means this instrument as originally executed and delivered and as it may from time to time be supplemented or amended by one or more indentures or other instruments supplemental hereto entered into pursuant to the applicable provisions hereof, including, for all purposes of this instrument and any such supplemental indenture or other instrument, the provisions of the Trust Indenture Act that are deemed to be a part of and govern this Indenture and any such supplemental indenture or such other instrument, respectively. The term "Indenture" shall also include the terms of particular series of Securities established as contemplated by Section 301.

"Interest Payment Date," when used with respect to any Security, means the Stated Maturity of an installment of interest on such Security.

"Maturity," when used with respect to any Security, means the date on which the principal of such Security or an installment of principal becomes due and payable as provided in such Security or in this Indenture, whether at the Stated Maturity, by declaration of acceleration, upon call for redemption or otherwise.

"Notice of Default,"means a written notice of the kind specified in Section 801(c).

"Officer's Certificate" means a certificate signed by an Authorized Officer, and delivered to the Trustee.

"Opinion of Counsel" means a written opinion of counsel, who may be counsel for the Company or an Affiliate of the Company, or an employee thereof, and who shall be reasonably acceptable to the Trustee.

"Outstanding," when used with respect to Securities, means, as of the date of determination, all Securities theretofore authenticated and delivered under this Indenture, except:

(a) Securities theretofore canceled or delivered to the Security Registrar for cancellation;

(b) Securities deemed to have been paid for all purposes of this Indenture in accordance with Section 701 (whether or not the Company's indebtedness in respect thereof shall be satisfied and discharged for any other purpose); and

(c) Securities which have been paid pursuant to Section 306 or in exchange for or in lieu of which other Securities have been authenticated and delivered pursuant to this Indenture, other than any such Securities in respect of which there shall have been presented to the Trustee proof satisfactory to it and the Company that such Securities are held by a bona fide purchaser or purchasers in whose hands such Securities are valid obligations of the Company;

provided, however, that in determining whether or not the Holders of the requisite principal amount of the Securities Outstanding under this Indenture, or the Outstanding Securities of any series or Tranche, have given any request, demand, authorization, direction, notice, consent or waiver hereunder or whether or not a quorum is present at a meeting of Holders of Securities,

(x) Securities owned by the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor (unless the Company, such Affiliate or such obligor owns all Securities Outstanding under this Indenture, or all Outstanding Securities of each such series and each such Tranche, as the case may be, determined without regard to this clause (x)) shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver or upon any such determination as to the presence of a quorum, only Securities which the Trustee knows to be so owned shall be so disregarded; provided, however, that Securities so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Securities and that the pledgee is not the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor;

(y) the principal amount of a Discount Security that shall be deemed to be Outstanding for such purposes shall be the amount of the principal thereof that would be due and payable as of the date of such determination upon a declaration of acceleration of the Maturity thereof pursuant to Section 802; and

(z) the principal amount of any Security which is denominated in a currency other than Dollars or in a composite currency that shall be deemed to be Outstanding for such purposes shall be the amount of Dollars which could have been purchased by the principal amount (or, in the case of a Discount Security, the Dollar equivalent on the date determined as set forth below of the amount determined as provided in (y) above) of such currency or composite currency evidenced by such Security, in each such case certified to the Trustee in an Officer's Certificate, based (i) on the average of the mean of the buying and selling spot rates quoted by three banks which are members of the New York Clearing House Association selected by the Company in effect at 11:00 A.M. (New York time) in The City of New York on the fifth Business Day preceding any such determination or (ii) if on such fifth Business Day it shall not be possible or practicable to obtain such quotations from such three banks, on such other quotations or alternative methods of determination which shall be as consistent as practicable with the method set forth in (i) above;

provided, further, that, in the case of any Security the principal of which is payable from time to time without presentment or surrender, the principal amount of such Security that shall be deemed to be

Outstanding at any time for all purposes of this Indenture shall be the original principal amount thereof less the aggregate amount of principal thereof theretofore paid.

"Paying Agent" means any Person, including the Company, authorized by the Company to pay the principal of and premium, if any, or interest, if any, on any Securities on behalf of the Company.

"Periodic Offering" means an offering of Securities of a series from time to time any or all of the specific terms of which Securities, including without limitation the rate or rates of interest or formula for determining the rate or rates of interest, if any, thereon, the Stated Maturity or Maturities thereof and the redemption provisions, if any, with respect thereto, are to be determined by the Company or its agents upon the issuance of such Securities.

"Person" means a legal person, including any individual, Corporation, estate, partnership, joint venture, unincorporated association or government, or any agency or political subdivision thereof or any other entity of whatever nature.

"Place of Payment," when used with respect to the Securities of any series, or any Tranche thereof, means the place or places, specified as contemplated by Section 301, at which, subject to Section 602, principal of and premium, if any, and interest, if any, on the Securities of such series or Tranche are payable.

"Predecessor Security" of any particular Security means every previous Security evidencing all or a portion of the same debt as that evidenced by such particular Security; and, for the purposes of this definition, any Security authenticated and delivered under Section 306 in exchange for or in lieu of a mutilated, destroyed, lost or stolen Security shall be deemed (to the extent lawful) to evidence the same debt as the mutilated, destroyed, lost or stolen Security.

"Preferred Securities" means any preferred trust interests issued by a Trust or similar securities issued by permitted successors to such Trust in accordance with the Trust Agreement pertaining to such Trust.

"Redemption Date," when used with respect to any Security to be redeemed, means the date fixed for such redemption by or pursuant to this Indenture.

"Redemption Price," when used with respect to any Security to be redeemed, means the price at which it is to be redeemed pursuant to this Indenture.

"Regular Record Date" for the interest payable on any Interest Payment Date on the Securities of any series means the date specified for that purpose as contemplated by Section 301.

"Required Currency" has the meaning specified in Section 311.

"Responsible Officer," when used with respect to the Trustee, means any vice-president, any assistant vice-president, any assistant secretary, any assistant treasurer, any trust officer or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of that officer's knowledge of and familiarity with the particular subject and who shall have direct responsibility for the administration of this Indenture.

"Securities" has the meaning stated in the first recital of this Indenture and more particularly means any securities authenticated and delivered under this Indenture.

"Securities Act" means the Securities Act of 1933, and the rules and regulations promulgated thereunder, as amended from time to time, or any successor legislation.

"Security Register" and "Security Registrar" have the respective meanings specified in Section 305.

"Senior Indebtedness" – to be inserted

"Special Record Date" for the payment of any Defaulted Interest on the Securities of any series means a date fixed by the Trustee pursuant to Section 307.

"Stated Interest Rate" means a rate (whether fixed or variable) at which an obligation by its terms is stated to bear simple interest. Any calculation or other determination to be made under this Indenture by reference to the Stated Interest Rate on a Security shall be made without regard to the effective interest cost to the Company of such Security and without regard to the Stated Interest Rate on, or the effective cost to the Company of, any other indebtedness in respect of which the Company's obligations are evidenced or secured in whole or in part by such Security.

"Stated Maturity," when used with respect to any Security or any obligation or any installment of principal thereof or interest thereon, means the date on which the principal of such obligation or such installment of principal or interest is stated in such Security to be due and payable (without regard to any provisions for redemption, prepayment, acceleration, purchase or extension).

"Tranche" means a group of Securities which (a) are of the same series and (b) have identical terms except as to principal amount and/or date of issuance.

"Trust" means Florida Power & Light Company Trust __, a statutory trust formed under the laws of the State of Delaware, or any other trust designated pursuant to Section 301 hereof or any permitted successor under the Trust Agreement pertaining to such Trust.

"Trust Agreement" means the Amended and Restated Trust Agreement, dated as of _____, 20__, relating to Florida Power & Light Company Trust __, or an Amended and Restated Trust Agreement relating to a Trust designated pursuant to Section 301 hereof, in each case, among Florida Power & Light Company, as Depositor, the trustees named therein and the several holders referred to therein, as such agreement or agreements, as the case may be, may be amended from time to time.

"Trust Indenture Act" means, as of any time, the Trust Indenture Act of 1939, as amended, or any successor statute, as in effect at such time.

"Trust Securities Guarantee" means the Preferred Trust Securities Guarantee Agreement between Florida Power & Light Company, as guarantor, and a guarantee trustee for the benefit of the holders of Preferred Securities issued by such Trust.

"Trustee" means the Person named as the "Trustee" in the first paragraph of this Indenture until a successor Trustee shall have become such with respect to one or more series of Securities pursuant to the applicable provisions of this Indenture, and thereafter "Trustee" shall mean or include each Person who is then a Trustee hereunder, and if at any time there is more than one such

Person, "Trustee" as used with respect to the Securities of any series shall mean the Trustee with respect to Securities of that series.

"United States" means the United States of America, its Territories, its possessions and other areas subject to its political jurisdiction.

SECTION 102. Compliance Certificates and Opinions.

Except as otherwise expressly provided in this Indenture, upon any application or request by the Company to the Trustee to take any action under any provision of this Indenture, the Company shall furnish to the Trustee an Officer's Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:

(a) a statement that each Person signing such certificate or opinion has read such covenant or condition and the definitions herein relating thereto;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of each such Person, such Person has made such examination or investigation as is necessary to enable such Person to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether, in the opinion of each such Person, such condition or covenant has been complied with.

SECTION 103. Form of Documents Delivered to Trustee.

In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an officer of the Company may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which such Officer's Certificate or opinion are based are erroneous. Any such certificate or Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Company stating that the information with respect to such factual matters is in the possession of the Company, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Where (i) any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, or (ii) two or more Persons are each required to make, give or execute any such application, request, consent, certificate, statement, opinion or other instrument under this Indenture, any such applications, requests, consents, certificates, statements, opinions or other instruments may, but need not, be consolidated and form one instrument.

Whenever, subsequent to the receipt by the Trustee of any Board Resolution, Officer's Certificate, Opinion of Counsel or other document or instrument, a clerical, typographical or other inadvertent or unintentional error or omission shall be discovered therein, a new document or instrument may be substituted therefor in corrected form with the same force and effect as if originally filed in the corrected form and, irrespective of the date or dates of the actual execution and/or delivery thereof, such substitute document or instrument shall be deemed to have been executed and/or delivered as of the date or dates required with respect to the document or instrument for which it is substituted. Anything in this Indenture to the contrary notwithstanding, if any such corrective document or instrument indicates that action has been taken by or at the request of the Company which could not have been taken had the original document or instrument not contained such error or omission, the action so taken shall not be invalidated or otherwise rendered ineffective but shall be and remain in full force and effect, except to the extent that such action was a result of willful misconduct or bad faith. Without limiting the generality of the foregoing, any Securities issued under the authority of such defective document or instrument shall nevertheless be the valid obligations of the Company entitled to the benefits of this Indenture equally and ratably with all other Outstanding Securities, except as aforesaid.

SECTION 104. Acts of Holders.

(a) Any request, demand, authorization, direction, notice, consent, election, waiver or other action provided by this Indenture to be made, given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by an agent duly appointed in writing or, alternatively, may be embodied in and evidenced by the record of Holders voting in favor thereof, either in person or by proxies duly appointed in writing, at any meeting of Holders duly called and held in accordance with the provisions of Article Thirteen, or a combination of such instruments and any such record. Except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments or record or both are delivered to the Trustee and, where it is hereby expressly required, to the Company. Such instrument or instruments and any such record (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders signing such instrument or instruments and so voting at any such meeting. Proof of execution of any such instrument or of a writing appointing any such agent, or of the holding by any Person of a Security, shall be sufficient for any purpose of this Indenture and (subject to Section 901) conclusive in favor of the Trustee and the Company, if made in the manner provided in this Section. The record of any meeting of Holders shall be proved in the manner provided in Section 1306.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by a certificate of a notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof or may be proved in any other manner which the Trustee and the Company deem sufficient. Where such execution is by a signer acting in a capacity other than his individual capacity, such certificate or affidavit shall also constitute sufficient proof of his authority.

(c) The principal amount (except as otherwise contemplated in clause (y) of the first proviso to the definition of Outstanding) and serial numbers of Securities held by any Person, and the date of holding the same, shall be proved by the Security Register;

(d) Any request, demand, authorization, direction, notice, consent, election, waiver or other Act of a Holder of any Security shall bind every future Holder of the same Security and the Holder of every Security issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done, omitted or suffered to be done by the Trustee or the Company in reliance thereon, whether or not notation of such action is made upon such Security.

(e) Until such time as written instruments shall have been delivered to the Trustee with respect to the requisite percentage of principal amount of Securities for the action contemplated by such instruments, any such instrument executed and delivered by or on behalf of a Holder may be revoked with respect to any or all of such Securities by written notice by such Holder or any subsequent Holder, proven in the manner in which such instrument was proven.

(f) Securities of any series, or any Tranche thereof, authenticated and delivered after any Act of Holders may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any action taken by such Act of Holders. If the Company shall so determine, new Securities of any series, or any Tranche thereof, so modified as to conform, in the opinion of the Trustee and the Company, to such action may be prepared and executed by the Company and authenticated and delivered by the Trustee in exchange for Outstanding Securities of such series or Tranche.

(g) If the Company shall solicit from Holders any request, demand, authorization, direction, notice, consent, waiver or other Act, the Company may, at its option, by Company Order, fix in advance a record date for the determination of Holders entitled to give such request, demand, authorization, direction, notice, consent, waiver or other Act, but the Company shall have no obligation to do so. If such a record date is fixed, such request, demand, authorization, direction, notice, consent, waiver or other Act may be given before or after such record date, but only the Holders of record at the close of business on the record date shall be deemed to be Holders for the purposes of determining whether Holders of the requisite proportion of the Outstanding Securities have authorized or agreed or consented to such request, demand, authorization, direction, notice, consent, waiver or other Act, and for that purpose the Outstanding Securities shall be computed as of the record date. Any such Act, given as aforesaid, shall be effective whether or not the Holders which authorized or agreed or consented to such Act remain Holders after such record date and whether or not the Securities held by such Holders remain Outstanding after such record date.

SECTION 105. Notices, etc. to Trustee and Company.

Any request, demand, authorization, direction, notice, consent, election, waiver or Act of Holders or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with, the Trustee by any Holder or by the Company, or the Company by the Trustee or by any Holder, shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if in writing and delivered personally to an officer or other responsible employee of the addressee, or transmitted by facsimile transmission or other direct written electronic means to such telephone number or other electronic communications address as the parties hereto shall from time to time designate, or transmitted by registered mail, charges prepaid, to the applicable address set opposite such party's name below or to such other address as such party hereto may from time to time designate:

If to the Trustee, to:

The Bank of New York
101 Barclay Street, Floor 8W
New York, New York 10286

Attention:
Telephone:
Facsimile:

With a copy to:

The Bank of New York Trust Company, N.A.
10161 Centurion Parkway
Jacksonville, FL 32256

Attention:
Telephone:
Facsimile:

If to the Company, to:

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

Attention: Treasurer
Telephone:
Facsimile:

Any communication contemplated herein shall be deemed to have been made, given, furnished and filed if personally delivered, on the date of delivery, if transmitted by facsimile transmission or other direct written electronic means, on the date of transmission, and if transmitted by registered mail, on the date of receipt.

SECTION 106. Notice to Holders of Securities; Waiver.

Except as otherwise expressly provided herein, where this Indenture provides for notice to Holders of any event, such notice shall be sufficiently given, and shall be deemed given, to Holders if in writing and mailed, first-class postage prepaid, to each Holder affected by such event, at the address of such Holder as it appears in the Security Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice.

In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give such notice to Holders by mail, then such notification as shall be made with the approval of the Trustee shall constitute a sufficient notification for every purpose hereunder. In any case where notice to Holders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder shall affect the sufficiency of such notice with respect to other Holders.

Any notice required by this Indenture may be waived in writing by the Person entitled to receive such notice, either before or after the event otherwise to be specified therein, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 107. Conflict with Trust Indenture Act.

If any provision of this Indenture limits, qualifies or conflicts with another provision hereof which is required or deemed to be included in this Indenture by, or is otherwise governed by, any of the provisions of the Trust Indenture Act, such other provision shall control; and if any provision hereof otherwise conflicts with the Trust Indenture Act, the Trust Indenture Act shall control.

SECTION 108. Effect of Headings and Table of Contents.

The Article and Section headings in this Indenture and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 109. Successors and Assigns.

All covenants and agreements in this Indenture by the Company and Trustee shall bind their respective successors and assigns, whether so expressed or not.

SECTION 110. Separability Clause.

In case any provision in this Indenture or the Securities shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 111. Benefits of Indenture.

Nothing in this Indenture or the Securities, express or implied, shall give to any Person, other than the parties hereto, their successors hereunder, the Holders and, so long as the notice described in Section 1413 hereof has not been given, the holders of Senior Indebtedness, any benefit or any legal or equitable right, remedy or claim under this Indenture, provided, however, that for so long as any Preferred Securities remain outstanding, the holders of such Preferred Securities, subject to certain limitations set forth in this Indenture, may enforce the Company's obligations hereunder, directly against the Company, as third party beneficiaries of this Indenture without proceeding against the Trust issuing such Preferred Securities.

SECTION 112. Governing Law.

This Indenture and the Securities shall be governed by and construed in accordance with the laws of the State of New York, without regard to conflict of laws principles thereunder, except to the extent that the law of any other jurisdiction shall be mandatorily applicable.

SECTION 113. Legal Holidays.

In any case where any Interest Payment Date, Redemption Date or Stated Maturity of any Security shall not be a Business Day at any Place of Payment, then (notwithstanding any other provision of this Indenture or of the Securities other than a provision in Securities of any series, or any Tranche

thereof, or in an indenture supplemental hereto, or in the Board Resolution or Officer's Certificate which establishes the terms of the Securities of such series or Tranche, which specifically states that such provision shall apply in lieu of this Section) payment of interest or principal and premium, if any, need not be made at such Place of Payment on such date, but may be made on the next succeeding Business Day at such Place of Payment, except that if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect, and in the same amount, as if made on the Interest Payment Date or Redemption Date, or at the Stated Maturity, as the case may be, and, if such payment is made or duly provided for on such Business Day, no interest shall accrue on the amount so payable for the period from and after such Interest Payment Date, Redemption Date or Stated Maturity, as the case may be, to such Business Day.

ARTICLE TWO

Security Forms

SECTION 201. Forms Generally.

The definitive Securities of each series shall be in substantially the form or forms thereof established in the indenture supplemental hereto establishing such series or in a Board Resolution establishing such series, or in an Officer's Certificate pursuant to such supplemental indenture or Board Resolution, in each case with such appropriate terms, insertions, omissions, substitutions and other variations as are required or permitted by this Indenture, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange or as may, consistently herewith, be determined by the officers executing such Securities, as evidenced by their execution thereof. If the form or forms of Securities of any series are established in a Board Resolution or in an Officer's Certificate pursuant to a Board Resolution, such Board Resolution and Officer's Certificate, if any, shall be delivered to the Trustee at or prior to the delivery of the Company Order contemplated by Section 303 for the authentication and delivery of such Securities.

Unless otherwise specified as contemplated by Sections 301 or 1201(g), the Securities of each series shall be issuable in registered form without coupons. The definitive Securities shall be produced in such manner as shall be determined by the officers executing such Securities, as evidenced by their execution thereof.

SECTION 202. Form of Trustee's Certificate of Authentication.

The Trustee's certificate of authentication shall be in substantially the form set forth below:

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

THE BANK OF NEW YORK, as Trustee

By: _____
Authorized Signatory

ARTICLE THREE

The Securities

SECTION 301. Amount Unlimited; Issuable in Series.

The aggregate principal amount of Securities which may be authenticated and delivered under this Indenture is unlimited; provided, however, that all Securities shall be issued to a Trust to evidence the acquisition of Securities by a Trust with the proceeds of the issuance of Preferred Securities and Common Securities of such Trust.

The Securities may be issued in one or more series. Subject to the last paragraph of this Section, prior to the authentication and delivery of Securities of any series there shall be established by specification in a supplemental indenture or in a Board Resolution, or in an Officer's Certificate (which need not comply with Section 102) pursuant to a supplemental indenture or a Board Resolution:

(a) the title of the Securities of such series (which shall distinguish the Securities of such series from Securities of all other series);

(b) any limit upon the aggregate principal amount of the Securities of such series which may be authenticated and delivered under this Indenture (except for Securities authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Securities of such series pursuant to Section 304, 305, 306, 406 or 1206 and, except for any Securities which, pursuant to Section 303, are deemed never to have been authenticated and delivered hereunder);

(c) the Person or Persons (without specific identification) to whom interest on Securities of such series, or any Tranche thereof, shall be payable on any Interest Payment Date, if other than the Persons in whose names such Securities (or one or more Predecessor Securities) are registered at the close of business on the Regular Record Date for such interest;

(d) the date or dates on which the principal of the Securities of such series or any Tranche thereof, is payable or any formulary or other method or other means by which such date or dates shall be determined, by reference to an index or other fact or event ascertainable outside of this Indenture or otherwise (without regard to any provisions for redemption, prepayment, acceleration, purchase or extension);

(e) the rate or rates at which the Securities of such series, or any Tranche thereof, shall bear interest, if any (including the rate or rates at which overdue principal shall bear interest, if different from the rate or rates at which such Securities shall bear interest prior to Maturity, and, if applicable, the rate or rates at which overdue premium or interest shall bear interest, if any), or any formulary or other method or other means by which such rate or rates shall be determined, by reference to an index or other fact or event ascertainable outside of this Indenture or otherwise; the date or dates from which such interest shall accrue; the Interest Payment Dates on which such interest shall be payable and the Regular Record Date, if any, for the interest payable on such Securities on any Interest Payment Date; the right of the Company, if any, to extend the interest payment periods and the duration of any such extension as contemplated by Section 312; and the basis of computation of interest, if other than as provided in Section 310;

(f) the place or places at which or methods (if other than as provided elsewhere in this Indenture) by which (1) the principal of and premium, if any, and interest, if any, on

Securities of such series, or any Tranche thereof, shall be payable, (2) registration of transfer of Securities of such series, or any Tranche thereof, may be effected, (3) exchanges of Securities of such series, or any Tranche thereof, may be effected and (4) notices and demands to or upon the Company in respect of the Securities of such series, or any Tranche thereof, and this Indenture may be served; the Security Registrar and any Paying Agent or Agents for such series or Tranche; and if such is the case, that the principal of such Securities shall be payable without presentment or surrender thereof;

(g) the period or periods within which, or the date or dates on which, the price or prices at which and the terms and conditions upon which the Securities of such series, or any Tranche thereof, may be redeemed, in whole or in part, at the option of the Company and any restrictions on such redemptions, including but not limited to a restriction on a partial redemption by the Company of the Securities of any series, or any Tranche thereof, resulting in delisting of such Securities from any national exchange, the Nasdaq national market or such other interdealer quotation system or self-regulatory organization upon which Securities are listed or traded;

(h) the obligation or obligations, if any, of the Company to redeem or purchase or repay the Securities of such series, or any Tranche thereof, pursuant to any sinking fund or other mandatory redemption provisions or at the option of a Holder thereof and the period or periods within which or the date or dates on which, the price or prices at which and the terms and conditions upon which such Securities shall be redeemed or purchased or repaid, in whole or in part, pursuant to such obligation, and applicable exceptions to the requirements of Section 404 in the case of mandatory redemption or redemption or repayment at the option of the Holder;

(i) the denominations in which Securities of such series, or any Tranche thereof, shall be issuable if other than denominations of [$1,000] [$25] and any integral multiple thereof;

(j) the currency or currencies, including composite currencies, in which payment of the principal of and premium, if any, and interest, if any, on the Securities of such series, or any Tranche thereof, shall be payable (if other than in Dollars) and the manner in which the equivalent of the principal amount thereof in Dollars is to be determined for any purpose, including for the purpose of determining the principal amount deemed to be Outstanding at any time;

(k) if the principal of or premium, if any, or interest, if any, on the Securities of such series, or any Tranche thereof, are to be payable, at the election of the Company or a Holder thereof, in a coin or currency other than that in which the Securities are stated to be payable, the period or periods within which, and the terms and conditions upon which, such election may be made;

(l) if the principal of or premium, if any, or interest, if any, on the Securities of such series, or any Tranche thereof, are to be payable, or are to be payable at the election of the Company or a Holder thereof, in securities or other property, the type and amount of such securities or other property, or the formulary or other method or other means by which such amount shall be determined, and the period or periods within which, and the terms and conditions upon which, any such election may be made;

(m) if the amount payable in respect of principal of or premium, if any, or interest, if any, on the Securities of such series, or any Tranche thereof, may be determined with reference to an index or other fact or event ascertainable outside of this Indenture, the manner in which such amounts shall be determined to the extent not established pursuant to clause (e) of this paragraph;

(n) if other than the entire principal amount thereof, the portion of the principal amount of Securities of such series, or any Tranche thereof, which shall be payable upon declaration of acceleration of the Maturity thereof pursuant to Section 802;

(o) any Events of Default, in addition to those specified in Section 801, or any exceptions to those specified in Section 801 with respect to the Securities of such series, and any covenants of the Company for the benefit of the Holders of the Securities of such series, or any Tranche thereof, in addition to those set forth in Article Six, or any exceptions to those set forth in Article Six;

(p) the terms, if any, pursuant to which the Securities of such series, or any Tranche thereof, may be converted into or exchanged for shares of capital stock or other securities of the Company or any other Person;

(q) the obligations or instruments, if any, which shall be considered to be Eligible Obligations in respect of the Securities of such series, or any Tranche thereof, denominated in a currency other than Dollars or in a composite currency, and any additional or alternative provisions for the reinstatement of the Company's indebtedness in respect of such Securities after the satisfaction and discharge thereof as provided in Sections 701 and 702 (or any exceptions to those set forth in Sections 701 and 702);

(r) if the Securities of such series, or any Tranche thereof, are to be issued in global form, (i) any limitations on the rights of the Holder or Holders of such Securities to transfer or exchange the same or to obtain the registration of transfer thereof, (ii) any limitations on the rights of the Holder or Holders thereof to obtain certificates therefor in definitive form in lieu of global form and (iii) any and all other matters incidental to such Securities;

(s) if the Securities of such series, or any Tranche thereof, are to be issuable as bearer securities, any and all matters incidental thereto which are not specifically addressed in a supplemental indenture as contemplated by clause (g) of Section 1201;

(t) to the extent not established pursuant to clause (r) of this paragraph, any limitations on the rights of the Holders of the Securities of such Series, or any Tranche thereof, to transfer or exchange such Securities or to obtain the registration of transfer thereof; and if a service charge will be made for the registration of transfer or exchange of Securities of such series, or any Tranche thereof, the amount or terms thereof;

(u) any exceptions to Section 113, or variation in the definition of Business Day, with respect to the Securities of such series, or any Tranche thereof;

(v) any collateral security, assurance or guarantee for the Securities of such series, or any Tranche thereof;

(w) the designation of the Trust to which Securities of such series are to be issued;

(x) the terms, if any, relating to any Additional Interest that may limit or restrict payments of Additional Interest; and

(y) any other terms of the Securities of such series, or any Tranche thereof, not inconsistent with the provisions of this Indenture.

With respect to Securities of a series subject to a Periodic Offering, the indenture supplemental hereto or the Board Resolution which establishes such series, or the Officer's Certificate pursuant to such supplemental indenture or Board Resolution, as the case may be, may provide general terms or parameters for Securities of such series and provide either that the specific terms of Securities of such series, or any Tranche thereof, shall be specified in a Company Order or that such terms shall be determined by the Company or its agents in accordance with procedures specified in a Company Order as contemplated by clause (b) of Section 303.

All Securities of any one series shall be substantially identical, except as to principal amount and date of issue and except as may be set forth in the terms of such series as contemplated above. The Securities of each series shall be subordinated in right of payment to Senior Indebtedness as provided in Article Fourteen.

Unless otherwise provided with respect to a series of Securities as contemplated in Section 301(b), the aggregate principal amount of a series of Securities may be increased and additional Securities of such series may be issued up to the maximum aggregate principal amount authorized with respect to such series as increased.

SECTION 302. Denominations.

Unless otherwise provided as contemplated by Section 301 with respect to any series of Securities, or any Tranche thereof, the Securities of each series shall be issuable in denominations of $25 and any integral multiple thereof.

SECTION 303. Execution, Authentication, Delivery and Dating.

Unless otherwise provided as contemplated by Section 301 with respect to any series of Securities, or any Tranche thereof, the Securities shall be executed on behalf of the Company by an Authorized Officer and may have the corporate seal of the Company affixed thereto or reproduced thereon and attested by any other Authorized Officer. The signature of any or all of these officers on the Securities may be manual or facsimile.

Securities bearing the manual or facsimile signatures of individuals who were at the time of execution Authorized Officers shall bind the Company, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Securities or did not hold such offices at the date of such Securities.

The Trustee shall authenticate and deliver Securities of a series, for original issue, at one time or from time to time in accordance with the Company Order referred to below, upon receipt by the Trustee of:

(a) the instrument or instruments establishing the form or forms and terms of the Securities of such series, as provided in Sections 201 and 301;

(b) a Company Order requesting the authentication and delivery of such Securities and to the extent that the terms of such Securities shall not have been established in an indenture supplemental hereto or in a Board Resolution, or in an Officer's Certificate pursuant to a supplemental indenture or Board Resolution, all as contemplated by Sections 201 and 301, either (i) establishing such terms or (ii) in the case of Securities of a series subject to a Periodic Offering, specifying procedures, acceptable to the Trustee, by which such terms are to be established (which procedures may provide, to the extent acceptable to the Trustee, fo

authentication and delivery pursuant to oral or electronic instructions from the Company or any agent or agents thereof, which oral instructions are to be promptly confirmed electronically or in writing), in either case in accordance with the instrument or instruments delivered pursuant to clause (a) above;

(c) the Securities of such series, each executed on behalf of the Company by an Authorized Officer;

(d) an Opinion of Counsel to the effect that:

(i) (A) the form or forms of such Securities have been duly authorized by the Company, and (B) the form or forms of the Securities have been established in conformity with the provisions of this Indenture;

(ii) (A) the terms of such Securities have been duly authorized by the Company, and (B) the terms of the Securities have been established in conformity with the provisions of this Indenture; and

(iii) such Securities, when authenticated and delivered by the Trustee and issued and delivered by the Company in the manner and subject to any conditions specified in such Opinion of Counsel, will have been duly issued under this Indenture and will constitute valid and legally binding obligations of the Company, entitled to the benefits provided by this Indenture, and enforceable in accordance with their terms, subject, as to enforcement, to laws relating to or affecting generally the enforcement of creditors' rights, including, without limitation, bankruptcy and insolvency laws and to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law);

provided, however, that, with respect to Securities of a series subject to a Periodic Offering, the Trustee shall be entitled to receive such Opinion of Counsel only once at or prior to the time of the first authentication and delivery of Securities of such series, and that in lieu of the opinions described in clauses (ii) and (iii) above such Opinion of Counsel may, alternatively, state, respectively,

(x) that, when the terms of such Securities shall have been established pursuant to a Company Order or Orders, or pursuant to such procedures (acceptable to the Trustee) as may be specified from time to time by a Company Order or Orders, all as contemplated by and in accordance with the instrument or instruments delivered pursuant to clause (a) above, such terms will have been duly authorized by the Company, and will have been established in conformity with the provisions of this Indenture; and

(y) that such Securities when (1) executed by the Company, (2) authenticated and delivered by the Trustee in accordance with this Indenture, (3) issued and delivered by the Company in the manner and subject to any conditions specified in such Opinion of Counsel and (4) in the case of Securities, paid for, all as contemplated by and in accordance with the aforesaid Company Order or Orders or specified procedures referred to in paragraph (x) above, as the case may be, will have been duly issued under this Indenture and will constitute valid and legally binding obligations of the Company, entitled to the benefits provided by the Indenture, and enforceable in accordance with their terms, subject, as to enforcement, to laws relating to or affecting generally the enforcement of creditors' rights, including, without limitation, bankruptcy and insolvency laws and to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

With respect to Securities of a series subject to a Periodic Offering, the Trustee may conclusively rely, as to the authorization by the Company of any of such Securities, the forms and terms thereof and the legality, validity, binding effect and enforceability thereof, upon the Opinion of Counsel and other documents delivered pursuant to Sections 201 and 301 and this Section, as applicable, at or prior to the time of the first authentication of Securities of such series, unless and until such opinion or other documents have been superseded or revoked or expire by their terms. In connection with the authentication and delivery of Securities of a series pursuant to a Periodic Offering, the Trustee shall be entitled to assume that the Company's instructions to authenticate and deliver such Securities do not violate any applicable law or any applicable rule, regulation or order of any Governmental Authority having jurisdiction over the Company.

If the forms or terms of the Securities of any series have been established by or pursuant to a Board Resolution or an Officer's Certificate as permitted by Sections 201 or 301, the Trustee shall not be required to authenticate such Securities if the issuance of such Securities pursuant to this Indenture will materially or adversely affect the Trustee's own rights, duties or immunities under the Securities and this Indenture or otherwise in a manner which is not reasonably acceptable to the Trustee.

Unless otherwise specified as contemplated by Section 301 with respect to any series of Securities, or any Tranche thereof, each Security shall be dated the date of its authentication.

Unless otherwise specified as contemplated by Section 301 with respect to any series of Securities, or any Tranche thereof, no Security shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Security a certificate of authentication substantially in the form provided for herein executed by the Trustee or an Authenticating Agent by manual signature of an authorized officer hereof, and such certificate upon any Security shall be conclusive evidence, and the only evidence, that such Security has been duly authenticated and delivered hereunder and is entitled to the benefits of this Indenture. Notwithstanding the foregoing, if any Security shall have been authenticated and delivered hereunder to the Company, or any Person acting on its behalf, but shall never have been issued and sold by the Company, and the Company shall deliver such Security to the Security Registrar for cancellation as provided in Section 309 together with a written statement (which need not comply with Section 102 and need not be accompanied by an Officer's Certificate and an Opinion of Counsel) stating that such Security has never been issued and sold by the Company, for all purposes of this Indenture such Security shall be deemed never to have been authenticated and delivered hereunder and shall never be entitled to the benefits hereof.

SECTION 304. Temporary Securities.

Pending the preparation of definitive Securities of any series, or any Tranche thereof, the Company may execute, and upon Company Order the Trustee shall authenticate and deliver, temporary Securities which are printed, lithographed, typewritten, mimeographed or otherwise produced, in any authorized denomination, substantially of the tenor of the definitive Securities in lieu of which they are issued with such appropriate insertions, omissions, substitutions and other variations as the officers executing such Securities may determine, as evidenced by their execution of such Securities; provided, however, that temporary Securities need not recite specific redemption, sinking fund, conversion or exchange provisions.

Unless otherwise specified as contemplated by Section 301 with respect to the Securities of any series, or any Tranche thereof, after the preparation of definitive Securities of such series or Tranche, the temporary Securities of such series or Tranche shall be exchangeable, without charge to the Holder thereof, for definitive Securities of such series or Tranche upon surrender of such temporary Securities at the office or agency of the Company maintained pursuant to Section 602 in a Place of

Payment for such Securities. Upon such surrender of temporary Securities, the Company shall, except as aforesaid, execute and the Trustee shall authenticate and deliver in exchange therefor definitive Securities of the same series and Tranche, of authorized denominations and of like tenor and aggregate principal amount.

Until exchanged in full as hereinabove provided, temporary Securities shall in all respects be entitled to the same benefits under this Indenture as definitive Securities of the same series and Tranche and of like tenor authenticated and delivered hereunder.

SECTION 305. Registration, Registration of Transfer and Exchange.

The Company shall cause to be kept in each office designated pursuant to Section 602, with respect to the Securities of each series or any Tranche thereof, a register (all registers kept in accordance with this Section being collectively referred to as the "Security Register") in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of Securities of such series or Tranche and the registration of transfer thereof. The Company shall designate one Person to maintain the Security Register for the Securities of each series on a consolidated basis, and such Person is referred to herein, with respect to such series, as the "Security Registrar." Anything herein to the contrary notwithstanding, the Company may designate one or more of its offices or an office of any Affiliate as an office in which a register with respect to the Securities of one or more series, or any Tranche or Tranches thereof, shall be maintained, and the Company may designate itself or any Affiliate as the Security Registrar with respect to one or more of such series. The Security Register shall be open for inspection by the Trustee and the Company at all reasonable times.

Except as otherwise specified as contemplated by Section 301 with respect to the Securities of any series, or any Tranche thereof, upon surrender for registration of transfer of any Security of such series or Tranche at the office or agency of the Company maintained pursuant to Section 602 in a Place of Payment for such series or Tranche, the Company shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Securities of the same series and Tranche, of authorized denominations and of like tenor and aggregate principal amount.

Except as otherwise specified as contemplated by Section 301 with respect to the Securities of any series, or any Tranche thereof, any Security of such series or Tranche may be exchanged at the option of the Holder, for one or more new Securities of the same series and Tranche, of authorized denominations and of like tenor and aggregate principal amount, upon surrender of the Securities to be exchanged at any such office or agency. Whenever any Securities are so surrendered for exchange, the Company shall execute, and the Trustee shall authenticate and deliver, the Securities which the Holder making the exchange is entitled to receive.

All Securities delivered upon any registration of transfer or exchange of Securities shall be valid obligations of the Company evidencing the same obligation, and entitled to the same benefits under this Indenture, as the Securities surrendered upon such registration of transfer or exchange.

Every Security presented or surrendered for registration of transfer or for exchange shall (if so required by the Company, the Trustee or the Security Registrar) be duly endorsed or shall be accompanied by a written instrument of transfer in form satisfactory to the Company, the Trustee or the Security Registrar, as the case may be, duly executed by the Holder thereof or his attorney duly authorized in writing.

Unless otherwise specified as contemplated by Section 301 with respect to Securities of any series, or any Tranche thereof, no service charge shall be made for any registration of transfer or exchange of Securities, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Securities, other than exchanges pursuant to Section 304, 406 or 1206 not involving any transfer.

The Company shall not be required to execute or to provide for the registration of transfer of or the exchange of (a) Securities of any series, or any Tranche thereof, during a period of 15 days immediately preceding the date notice is to be given identifying the serial numbers of the Securities of such series or Tranche called for redemption or (b) any Security so selected for redemption in whole or in part, except the unredeemed portion of any Security being redeemed in part.

SECTION 306. Mutilated, Destroyed, Lost and Stolen Securities.

If any mutilated Security is surrendered to the Trustee, the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor a new Security of the same series and Tranche, and of like tenor and principal amount and bearing a number not contemporaneously outstanding.

If there shall be delivered to the Company and the Trustee (a) evidence to their satisfaction of the ownership of and the destruction, loss or theft of any Security and (b) such security or indemnity as may be reasonably required by them to save each of them and any agent of either of them harmless, then, in the absence of notice to the Company or the Trustee that such Security is held by a Person purporting to be the owner of such Security, the Company shall execute and the Trustee shall authenticate and deliver, in lieu of any such destroyed, lost or stolen Security, a new Security of the same series and Tranche, and of like tenor and principal amount and bearing a number not contemporaneously outstanding.

Notwithstanding the foregoing, in case any such mutilated, destroyed, lost or stolen Security has become or is about to become due and payable, the Company in its discretion may, instead of issuing a new Security, pay such Security.

Upon the issuance of any new Security under this Section, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other reasonable expenses (including the fees and expenses of the Trustee) in connection therewith.

Every new Security of any series issued pursuant to this Section in lieu of any destroyed, lost or stolen Security shall constitute an original additional contractual obligation of the Company, whether or not the destroyed, lost or stolen Security shall be at any time enforceable by anyone other than the Holder of such new Security, and any such new Security shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Securities of such series duly issued hereunder.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities.

SECTION 307. Payment of Interest; Interest Rights Preserved.

Unless otherwise specified as contemplated by Section 301 with respect to the Securities of any series, or any Tranche thereof, interest on any Security which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest.

Subject to Section 312, any interest on any Security of any series which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the Holder on the related Regular Record Date by virtue of having been such Holder, and such Defaulted Interest may be paid by the Company, at its election in each case, as provided in clause (a) or (b) below:

(a) The Company may elect to make payment of any Defaulted Interest to the Persons in whose names the Securities of such series (or their respective Predecessor Securities) are registered at the close of business on a date (herein called a "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Security of such series and the date of the proposed payment, and at the same time the Company shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this clause provided. Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 days and not less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Company of such Special Record Date and, in the name and at the expense of the Company, shall promptly cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Holder of Securities of such series at the address of such Holder as it appears in the Security Register, not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been so mailed, such Defaulted Interest shall be paid to the Persons in whose names the Securities of such series (or their respective Predecessor Securities) are registered at the close of business on such Special Record Date.

(b) The Company may make payment of any Defaulted Interest on the Securities of any series in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Securities may be listed, and upon such notice as may be required by such exchange, if, after notice given by the Company to the Trustee of the proposed payment pursuant to this clause, such manner of payment shall be deemed practicable by the Trustee.

Subject to the foregoing provisions of this Section and Section 305, each Security delivered under this Indenture upon registration of transfer of or in exchange for or in lieu of any other Security shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Security.

SECTION 308. Persons Deemed Owners.

Prior to the due presentment of a Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name such Security is registered as the absolute owner of such Security for the purpose of receiving payment of principal of and premium, if any, and (subject to Sections 305 and 307) interest, if any, on such Security and for all other purposes whatsoever, whether or not such Security be overdue, and none of the Company, the Trustee or any agent of the Company or the Trustee shall be affected by notice to the contrary.

SECTION 309. Cancellation by Security Registrar.

All Securities surrendered for payment, redemption, registration of transfer or exchange or credit against any sinking fund payment shall, if surrendered to any Person other than the Security Registrar, be delivered to the Security Registrar and, if not theretofore canceled, shall be promptly canceled by the Security Registrar. The Company may at any time deliver to the Security Registrar for cancellation any Securities previously authenticated and delivered hereunder which the Company may have acquired in any manner whatsoever or which the Company shall not have issued and sold, and all Securities so delivered shall be promptly canceled by the Security Registrar. No Securities shall be authenticated in lieu of or in exchange for any Securities canceled as provided in this Section, except as expressly permitted by this Indenture. All canceled Securities held by the Security Registrar shall be disposed of in accordance with the customary procedures of the Security Registrar as at the time of disposition shall be in effect, and the Security Registrar shall promptly deliver a certificate of disposition to the Trustee and the Company unless, by a Company Order delivered to the Security Registrar and the Trustee, the Company shall direct that canceled Securities be returned to it. The Security Registrar shall promptly deliver evidence of any cancellation of a Security in accordance with this Section 309 to the Trustee and the Company.

SECTION 310. Computation of Interest.

Except as otherwise specified as contemplated by Section 301 for Securities of any series or any Tranche thereof, interest on the Securities of each series shall be computed on the basis of a 360-day year consisting of twelve 30-day months and for any period shorter than a full calendar month, on the basis of the actual number of days elapsed during such period.

SECTION 311. Payment to Be in Proper Currency.

In the case of the Securities of any series, or any Tranche thereof, denominated in any currency other than Dollars or in a composite currency (the "Required Currency"), except as otherwise specified with respect to such Securities as contemplated by Section 301, the obligation of the Company to make any payment of the principal thereof, or the premium, if any, or interest, if any, thereon, shall not be discharged or satisfied by any tender by the Company, or recovery by the Trustee, in any currency other than the Required Currency, except to the extent that such tender or recovery shall result in the Trustee timely holding the full amount of the Required Currency then due and payable. If any such tender or recovery is in a currency other than the Required Currency, the Trustee may take such actions as it considers appropriate to exchange such currency for the Required Currency. The costs and risks of any such exchange, including without limitation the risks of delay and exchange rate fluctuation, shall be borne by the Company, the Company shall remain fully liable for any shortfall or delinquency in the full amount of Required Currency then due and payable, and in no circumstances shall the Trustee be liable therefor except in the case of its negligence or willful misconduct.

SECTION 312. Extension of Interest Payment.

The Company shall have the right at any time, so long as no Event of Default hereunder has occurred and is continuing with respect to the Securities of any series, to extend interest payment periods from time to time on all Securities of such series, if so specified as contemplated by Section 301 with respect to such Securities and upon such terms as may be specified as contemplated by Section 301 with respect to such Securities.

SECTION 313. Additional Interest.

So long as any Preferred Securities remain outstanding, if the Trust which issued such Preferred Securities shall be required to pay, with respect to its income derived from the interest payments on the Securities of any series, any amounts for or on account of any taxes, duties, assessments or governmental charges of whatever nature imposed by the United States, or any other taxing authority, then, in any such case, the Company will pay as interest on such series such additional interest ("Additional Interest") as may be necessary in order that the net amounts received and retained by such Trust after the payment of such taxes, duties, assessments or governmental charges shall result in such Trust's having such funds as it would have had in the absence of any such payments.

Whenever in this Indenture there is mentioned, in any context, the payment of interest on the Securities, such mention shall be deemed to include the payment of Additional Interest to the extent that, in such context, Additional Interest is, was or would be payable in respect thereof.

ARTICLE FOUR

Redemption of Securities

SECTION 401. Applicability of Article.

Securities of any series, or any Tranche thereof, which are redeemable before their Stated Maturity shall be redeemable in accordance with their terms and (except as otherwise specified as contemplated by Section 301 for Securities of such series or Tranche) in accordance with this Article.

SECTION 402. Election to Redeem; Notice to Trustee.

The election of the Company to redeem any Securities shall be evidenced by a Board Resolution or an Officer's Certificate. The Company shall, at least 45 days prior to the Redemption Date fixed by the Company (unless a shorter notice shall be satisfactory to the Trustee), notify the Trustee and in the case of Securities of a series held by a Trust, the Property Trustee under the related Trust Agreement, in writing of such Redemption Date and of the principal amount of such Securities to be redeemed. In the case of any redemption of Securities (a) prior to the expiration of any restriction on such redemption provided in the terms of such Securities or elsewhere in this Indenture or (b) pursuant to an election of the Company which is subject to a condition specified in the terms of such Securities or elsewhere in this Indenture, the Company shall furnish the Trustee with an Officer's Certificate evidencing compliance with such restriction or condition.

SECTION 403. Selection of Securities to Be Redeemed.

If less than all the Securities of any series, or any Tranche thereof, are to be redeemed, the particular Securities to be redeemed shall be selected by the Trustee from the Outstanding Securities of such series or Tranche not previously called for redemption, by such method as shall be provided for

any particular series or Tranche, or, in the absence of any such provision, by such method as the Trustee shall deem fair and appropriate and which may, in any case, provide for the selection for redemption of portions (equal to the minimum authorized denomination for Securities of such series or Tranche or any integral multiple thereof) of the principal amount of Securities of such series or Tranche of a denomination larger than the minimum authorized denomination for Securities of such series or Tranche; provided, however, that if, as indicated in an Officer's Certificate, the Company shall have offered to purchase all or any principal amount of the Securities then Outstanding of any series, or any Tranche thereof, and less than all of such Securities as to which such offer was made shall have been tendered to the Company for such purchase, the Trustee, if so directed by Company Order, shall select for redemption all or any principal amount of such Securities which have not been so tendered.

The Trustee shall promptly notify the Company and the Security Registrar in writing of the Securities selected for redemption and, in the case of any Securities selected to be redeemed in part the principal amount thereof to be redeemed.

For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Securities shall relate, in the case of any Securities redeemed or to be redeemed only in part, to the portion of the principal amount of such Securities which has been or is to be redeemed.

SECTION 404. Notice of Redemption.

Notice of redemption shall be given in the manner provided in Section 106 to the Holder of the Securities to be redeemed not less than 30 nor more than 60 days prior to the Redemption Date.

Except as otherwise specified as contemplated by Section 301 for Securities of any series or any Tranche thereof, all notices of redemption shall state:

(a) the Redemption Date,

(b) the Redemption Price, or the formula pursuant to which the Redemption Price is to be determined if the Redemption Price cannot be determined at the time the notice is given,

(c) if less than all the Outstanding Securities of any series or Tranche are to be redeemed, the identification of the particular Securities to be redeemed and the portion of the principal amount of any Security to be redeemed in part,

(d) that on the Redemption Date the Redemption Price, together with accrued interest, if any, to the Redemption Date, will become due and payable upon each such Security to be redeemed and, if applicable, that interest thereon will cease to accrue on and after said date,

(e) the place or places where such Securities are to be surrendered for payment of the Redemption Price and accrued interest, if any, unless it shall have been specified as contemplated by Section 301 with respect to such Securities that such surrender shall not be required,

(f) that the redemption is for a sinking or other fund, if such is the case,

(g) the CUSIP numbers, if any, assigned to such Securities; provided however, that such notice may state that no representation is made as to the correctness of CUSIP numbers, and the redemption of such Securities shall not be affected by any defect in or omission of such numbers, and

(h) such other matters as the Company shall deem desirable or appropriate.

Unless otherwise specified with respect to any Securities in accordance with Section 301, with respect to any notice of redemption of Securities at the election of the Company, unless, upon the giving of such notice, such Securities shall be deemed to have been paid in accordance with Section 701, such notice may state that such redemption shall be conditional upon the receipt by the Paying Agent or Agents for such Securities, on or prior to the date fixed for such redemption, of money sufficient to pay the principal of and premium, if any, and interest, if any, on such Securities and that if such money shall not have been so received such notice shall be of no force or effect and the Company shall not be required to redeem such Securities. In the event that such notice of redemption contains such a condition and such money is not so received, the redemption shall not be made and within a reasonable time thereafter notice shall be given, in the manner in which the notice of redemption was given, that such money was not so received and such redemption was not required to be made, and the Paying Agent or Agents for the Securities otherwise to have been redeemed shall promptly return to the Holders thereof any of such Securities which had been surrendered for payment upon such redemption.

Notice of redemption of Securities to be redeemed at the election of the Company, and any notice of non-satisfaction of a condition for redemption as aforesaid, shall be given by the Company or, at the Company's request, by the Trustee in the name and at the expense of the Company. Notice of mandatory redemption of Securities shall be given by the Trustee in the name and at the expense of the Company.

SECTION 405. Securities Payable on Redemption Date.

Notice of redemption having been given as aforesaid, and the conditions, if any, set forth in such notice having been satisfied, the Securities or portions thereof so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless, in the case of an unconditional notice of redemption, the Company shall default in the payment of the Redemption Price and accrued interest, if any) such Securities or portions thereof, if interest-bearing, shall cease to bear interest. Upon surrender of any such Security for redemption in accordance with such notice, such Security or portion thereof shall be paid by the Company at the Redemption Price, together with accrued interest, if any, to the Redemption Date; provided, however, that no such surrender shall be a condition to such payment if so specified as contemplated by Section 301 with respect to such Security; and provided, further, that except as otherwise specified as contemplated by Section 301 with respect to such Security, any installment of interest on any Security the Stated Maturity of which installment is on or prior to the Redemption Date shall be payable to the Holder of such Security, or one or more Predecessor Securities, registered as such at the close of business on the related Regular Record Date according to the terms of such Security and subject to the provisions of Section 307.

SECTION 406. Securities Redeemed in Part.

Upon the surrender of any Security which is to be redeemed only in part at a Place of Payment therefor (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or his attorney duly authorized in writing), the Company shall execute, and the Trustee shall authenticate and deliver to the Holder of such Security, without service charge, a new Security or Securities of the same series and Tranche, of any authorized denomination requested by such Holder and of like tenor and in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Security so surrendered.

ARTICLE FIVE

Sinking Funds

SECTION 501. Applicability of Article.

The provisions of this Article shall be applicable to any sinking fund for the retirement of the Securities of any series, or any Tranche thereof, except as otherwise specified as contemplated by Section 301 for Securities of such series or Tranche.

The minimum amount of any sinking fund payment provided for by the terms of Securities of any series, or any Tranche thereof, is herein referred to as a "mandatory sinking fund payment", and any payment in excess of such minimum amount provided for by the terms of Securities of any series, or any Tranche thereof, is herein referred to as an "optional sinking fund payment". If provided for by the terms of Securities of any series, or any Tranche thereof, the cash amount of any sinking fund payment may be subject to reduction as provided in Section 502. Each sinking fund payment shall be applied to the redemption of Securities of the series or Tranche in respect of which it was made as provided for by the terms of such Securities.

SECTION 502. Satisfaction of Sinking Fund Payments with Securities.

The Company (a) may deliver to the Trustee Outstanding Securities (other than any previously called for redemption) of a series or Tranche in respect of which a mandatory sinking fund payment is to be made and (b) may apply as a credit Securities of such series or Tranche which have been (i) redeemed either at the election of the Company pursuant to the terms of such Securities or through the application of permitted optional sinking fund payments pursuant to the terms of such Securities or (ii) repurchased by the Company in the open market, by tender offer or otherwise, in each case in satisfaction of all or any part of such mandatory sinking fund payment; provided, however, that no Securities shall be applied in satisfaction of a mandatory sinking fund payment if such Securities shall have been previously so applied. Securities so applied shall be received and credited for such purpose by the Trustee at the Redemption Price specified in such Securities for redemption through operation of the sinking fund and the amount of such mandatory sinking fund payment shall be reduced accordingly.

SECTION 503. Redemption of Securities for Sinking Fund.

Not less than 45 days prior to each sinking fund payment date for the Securities of any series, or any Tranche thereof, the Company shall deliver to the Trustee an Officer's Certificate specifying:

(a) the amount of the next succeeding mandatory sinking fund payment for such series or Tranche;

(b) the amount, if any, of the optional sinking fund payment to be made together with such mandatory sinking fund payment;

(c) the aggregate sinking fund payment;

(d) the portion, if any, of such aggregate sinking fund payment which is to be satisfied by the payment of cash; and

(e) the portion, if any, of such aggregate sinking fund payment which is to be satisfied by delivering and crediting Securities of such series or Tranche pursuant to Section 502 and stating the basis for such credit and that such Securities have not previously been so credited, and the Company shall also deliver to the Trustee not later than 45 days prior to such sinking fund payment date, any Securities to be so delivered.

If the Company shall not deliver such Officer's Certificate, the next succeeding sinking fund payment for such series or Tranche shall be made entirely in cash in the amount of the mandatory sinking fund payment. Not less than 40 days before each such sinking fund payment date, the Trustee shall select the Securities to be redeemed upon such sinking fund payment date in the manner specified in Section 403 and cause notice of the redemption thereof to be given in the name of and at the expense of the Company in the manner provided in Section 404. Such notice having been duly given, the redemption of such Securities shall be made upon the terms and in the manner stated in Sections 405 and 406.

ARTICLE SIX

Covenants

SECTION 601. Payment of Principal, Premium and Interest.

The Company shall pay the principal of and premium, if any, and interest, if any (including Additional Interest), on the Securities of each series in accordance with the terms of such Securities and this Indenture.

SECTION 602. Maintenance of Office or Agency.

The Company shall maintain in each Place of Payment for the Securities of each series, or any Tranche thereof, an office or agency where payment of such Securities shall be made or such Securities shall be surrendered for payment, where the registration of transfer or exchange of such Securities may be effected and where notices and demands to or upon the Company in respect of such Securities and this Indenture may be served. The Company shall give prompt written notice to the Trustee of the location, and any change in the location, of each such office or agency and prompt notice to the Holders of any such change in the manner specified in Section 106. If at any time the Company shall fail to maintain any such required office or agency in respect of Securities of any series, or any Tranche thereof, or shall fail to furnish the Trustee with the address thereof, payment of such Securities may be made, registration of transfer or exchange thereof may be effected and notices and demands in respect thereof may be served at the Corporate Trust Office of the Trustee, and the Company hereby appoints the Trustee as its agent for all such purposes in any such event.

The Company may also from time to time designate one or more other offices or agencies with respect to the Securities of one or more series, or any Tranche thereof, for any or all of the foregoing purposes and may from time to time rescind such designations; provided, however, that, unless otherwise specified as contemplated by Section 301 with respect to the Securities of such series or Tranche, no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency for such purposes in each Place of Payment for such Securities in accordance with the requirements set forth above. The Company shall give prompt written notice to the Trustee, and prompt notice to the Holders in the manner specified in Section 106, of any such designation or rescission and of any change in the location of any such other office or agency.

Anything herein to the contrary notwithstanding, any office or agency required by this Section may be maintained at an office of the Company or any Affiliate of the Company, in which event

the Company or such Affiliate, as the case may be, shall perform all functions to be performed at such office or agency.

SECTION 603. Money for Securities Payments to Be Held in Trust.

If the Company shall at any time act as its own Paying Agent with respect to the Securities of any series, or any Tranche thereof, it shall, on or before each due date of the principal of and premium, if any, and interest, if any, on any of such Securities, segregate and hold in trust for the benefit of the Persons entitled thereto a sum sufficient to pay the principal and premium, if any, or interest so becoming due until such sums shall be paid to such Persons or otherwise disposed of as herein provided. The Company shall promptly notify the Trustee of any failure by the Company (or any other obligor on such Securities) to make any payment of principal of or premium, if any, or interest, if any, on such Securities.

Whenever the Company shall have one or more Paying Agents for the Securities of any series, or any Tranche thereof, it shall, on or before each due date of the principal of and premium, if any, and interest, if any, on such Securities, deposit with such Paying Agents sums sufficient (without duplication) to pay the principal and premium or interest so becoming due, such sums to be held in trust for the benefit of the Persons entitled to such principal, premium or interest, and (unless such Paying Agent is the Trustee) the Company shall promptly notify the Trustee of any failure by it so to act.

The Company shall cause each Paying Agent for the Securities of any series, or any Tranche thereof, other than the Company or the Trustee, to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section, that such Paying Agent shall:

(a) hold all sums held by it for the payment of the principal of and premium, if any, or interest, if any, on such Securities in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided;

(b) give the Trustee notice of any failure by the Company (or any other obligor upon such Securities) to make any payment of principal of or premium, if any, or interest, if any, on such Securities; and

(c) at any time during the continuance of any such failure, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such Paying Agent and furnish to the Trustee such information as it possesses regarding the names and addresses of the Persons entitled to such sums.

The Company may at any time pay, or by Company Order direct any Paying Agent to pay, to the Trustee all sums held in trust by the Company or such Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which such sums were held by the Company or such Paying Agent and, if so stated in a Company Order delivered to the Trustee, in accordance with the provisions of Article Seven; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such money.

Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of and premium, if any, or interest, if any, on any Security and remaining unclaimed for two years after such principal and premium, if any, or interest, if any, has become due and payable shall be paid to the Company on Company Request, or, if then held by the Company, shall be discharged from such trust; and, upon such payment or discharge, the Holder

such Security shall, as an unsecured general creditor and not as a Holder of an Outstanding Security, look only to the Company for payment of the amount so due and payable and remaining unpaid, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease; provided, however, that the Trustee or such Paying Agent, before being required to make any such payment to the Company, may at the expense of the Company cause to be mailed, on one occasion only, notice to such Holder that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such mailing, any unclaimed balance of such money then remaining will be paid to the Company.

SECTION 604. Corporate Existence.

Subject to the rights of the Company under Article Eleven, the Company shall do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence.

SECTION 605. Maintenance of Properties.

The Company shall cause (or, with respect to property owned in common with others, make reasonable effort to cause) all its properties used or useful in the conduct of its business to be maintained and kept in good condition, repair and working order and shall cause (or, with respect to property owned in common with others, make reasonable effort to cause) to be made all necessary repairs, renewals, replacements, betterments and improvements thereof, all as, in the judgment of the Company, may be necessary so that the business carried on in connection therewith may be properly conducted; provided, however, that nothing in this Section shall prevent the Company from discontinuing, or causing the discontinuance of, the operation and maintenance of any of its properties if such discontinuance is, in the judgment of the Company, desirable in the conduct of its business.

SECTION 606. Annual Officer's Certificate as to Compliance.

Not later than April 1 in each year, commencing April 1, ____, the Company shall deliver to the Trustee an Officer's Certificate which need not comply with Section 102, executed by the principal executive officer, principal financial officer or the principal accounting officer of the Company, as to such officer's knowledge of the Company's compliance with all conditions and covenants under this Indenture, such compliance to be determined without regard to any period of grace or requirement of notice under this Indenture.

SECTION 607. Waiver of Certain Covenants.

The Company may omit in any particular instance to comply with any term, provision or condition set forth in (a) Sections 602, 608, 609 or any additional covenant or restriction specified with respect to the Securities of any series, or any Tranche thereof, as contemplated by Section 301 or by clause (b) of Section 1201 if before the time for such compliance the Holders of a majority in aggregate principal amount of the Outstanding Securities of all series and Tranches with respect to which compliance with Section 602, 608, 609 or such additional covenant or restriction is to be omitted, considered as one class, shall, by Act of such Holders, either waive such compliance in such instance or generally waive compliance with such term, provision or condition and (b) Section 604, 605 or Article Eleven if before the time for such compliance the Holders of a majority in aggregate principal amount of Securities Outstanding under this Indenture shall, by Act of such Holders, either waive such compliance in such instance or generally waive compliance with such term, provision or condition; but, in the case of (a) or (b), no such waiver shall extend to or affect such term, provision or condition except to the extent so expressly waived, and, until such waiver shall become effective, the obligations of the Company and the duties of the Trustee in respect of any such term, provision or condition shall remain in full force and

effect; provided, however, so long as a Trust holds Securities of any series, such Trust may not waive compliance or waive any default in compliance by the Company with any covenant or other term contained in this Indenture or the Securities of such series without the approval of the holders of a majority (or such greater percentage as shall be required by the Trust Agreement pertaining to such Trust) in aggregate liquidation preference of the outstanding Preferred Securities issued by such Trust affected, obtained as provided in the Trust Agreement pertaining to such Trust.

SECTION 608. Restrictions on Dividends and Debt Payments.

So long as any Preferred Securities of any series remain outstanding, if at such time (a) there shall have occurred and be continuing an Event of Default (whether before or after expiration of any period of grace) resulting from a payment default hereunder or (b) the Company shall have elected to extend any interest payment period as provided in Section 312, and any such period, or any extension thereof, shall be continuing, then the Company shall not (i) declare or pay any dividends or distributions on its capital stock, (ii) redeem, purchase, acquire or make a liquidation payment with respect to any of its capital stock, (iii) pay any principal, interest or premium on, or repay, repurchase or redeem any debt securities that are equal or junior in right of payment to the Securities, or (iv) make any payments with respect to any guarantee of debt securities if such guarantee is equal or junior in right of payment to the Securities.

The foregoing provisions do not prevent or restrict the Company from making: (1) purchases, redemptions or other acquisitions of its capital stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or agents or a stock purchase or dividend reinvestment plan, or the satisfaction of its obligations pursuant to any contract or security outstanding on the date that the interest payment period is extended requiring it to purchase, redeem or acquire its capital stock, (2) any payment, repayment, redemption, purchase, acquisition or declaration of dividend described in clauses (i) and (ii) above as a result of a reclassification of its capital stock, or the exchange or conversion of all or a portion of one class or series of its capital stock for another class or series of its capital stock, (3) the purchase of fractional interests in shares of its capital stock pursuant to the conversion or exchange provisions of its capital stock or the security being converted or exchanged, or in connection with the settlement of stock purchase contracts, (4) dividends or distributions paid or made in its capital stock (or rights to acquire its capital stock), or repurchases, redemptions or acquisitions of capital stock in connection with the issuance or exchange of capital stock (or of securities convertible into or exchangeable for shares of its capital stock and distributions in connection with the settlement of stock purchase contracts), (5) redemptions, exchanges or repurchases of, or with respect to, any rights outstanding under a shareholder rights plan or the declaration or payment thereunder of a dividend or distribution of or with respect to rights in the future and (6) payments under any preferred trust securities guarantee or guarantee of junior subordinated debentures executed and delivered by the Company concurrently with the issuance by a trust of any preferred trust securities, so long as the amount of payments made on any preferred trust securities or junior subordinated debentures (as the case may be) is paid on all preferred trust securities or junior subordinated debentures (as the case may be) then outstanding on a pro rata basis in proportion to the full distributions to which each series of preferred trust securities or junior subordinated debentures (as the case may be) is then entitled if paid in full.

SECTION 609. Maintenance of Trust Existence.

So long as Preferred Securities of any series remain outstanding, the Company shall (i) maintain direct or indirect ownership of all interests in the Trust which issued such Preferred Securities other than such Preferred Securities, (ii) not voluntarily (to the extent permitted by law) dissolve, liquidate or wind up such Trust, except in connection with a distribution of the Securities to the holders

the Preferred Securities in liquidation of such Trust, (iii) remain the sole Depositor under the Trust Agreement (the "Depositor") of such Trust and timely perform in all material respects all of its duties as Depositor of such Trust, and (iv) use reasonable efforts to cause such Trust to remain a statutory trust and otherwise continue to be treated as a grantor trust for Federal income tax purposes, provided that any permitted successor to the Company under this Indenture may succeed to the Company's duties as Depositor of such Trust; and provided further that the Company may permit such Trust to consolidate or merge with or into another statutory or business trust or other permitted successor under the Trust Agreement pertaining to such Trust so long as the Company (or such permitted successor) agrees to comply with this Section 609 with respect to such successor statutory or business trust or other permitted successor.

SECTION 610. Rights of Holders of Preferred Securities.

The Company agrees that, for so long as any Preferred Securities remain outstanding, its obligations under this Indenture will also be for the benefit of the holders from time to time of Preferred Securities, and the Company acknowledges and agrees that such holders will be entitled to enforce this Indenture, as third party beneficiaries, directly against the Company to the same extent as if such holders of Preferred Securities held a principal amount of Securities equal to the stated liquidation amount of the Preferred Securities held by such holders.

ARTICLE SEVEN

Satisfaction and Discharge

SECTION 701. Satisfaction and Discharge of Securities.

Any Security or Securities, or any portion of the principal amount thereof, shall be deemed to have been paid for all purposes of this Indenture, and the entire indebtedness of the Company in respect thereof shall be deemed to have been satisfied and discharged, if there shall have been irrevocably deposited with the Trustee or any Paying Agent (other than the Company), in trust:

(a) money in an amount which shall be sufficient, or

(b) in the case of a deposit made prior to the Maturity of such Securities or portions thereof, Eligible Obligations, which shall not contain provisions permitting the redemption or other prepayment thereof at the option of the issuer thereof, the principal of and the interest on which when due, without any regard to reinvestment thereof, will provide moneys which, together with the money, if any, deposited with or held by the Trustee or such Paying Agent, shall be sufficient, or

(c) a combination of (a) or (b) which shall be sufficient,

to pay when due the principal of and premium, if any, and interest (including any Additional Interest), if any, due and to become due on such Securities or portions thereof on or prior to Maturity; provided, however, that in the case of the provision for payment or redemption of less than all the Securities of any series or Tranche, such Securities or portions thereof shall have been selected by the Trustee as provided herein and, in the case of a redemption, the notice requisite to the validity of such redemption shall have been given or irrevocable authority shall have been given by the Company to the Trustee to give such notice, under arrangements satisfactory to the Trustee; and provided, further, that the Company shall have delivered to the Trustee and such Paying Agent:

(x) if such deposit shall have been made prior to the Maturity of such Securities, a Company Order stating that the money and Eligible Obligations deposited in accordance with this Section shall be held in trust, as provided in Section 703;

(y) if Eligible Obligations shall have been deposited, an Opinion of Counsel that the obligations so deposited constitute Eligible Obligations and do not contain provisions permitting the redemption or other prepayment at the option of the issuer thereof, and an opinion of an independent public accountant of nationally recognized standing, selected by the Company, to the effect that the requirements set forth in clause (b) above have been satisfied; and

(z) if such deposit shall have been made prior to the Maturity of such Securities, an Officer's Certificate stating the Company's intention that, upon delivery of such Officer's Certificate, its indebtedness in respect of such Securities or portions thereof will have been satisfied and discharged as contemplated in this Section.

Upon the deposit of money or Eligible Obligations, or both, in accordance with this Section, together with the documents required by clauses (x), (y) and (z) above, the Trustee shall, upon receipt of a Company Request, acknowledge in writing that the Security or Securities or portions thereof with respect to which such deposit was made are deemed to have been paid for all purposes of this Indenture and that the entire indebtedness of the Company in respect thereof has been satisfied and discharged as contemplated in this Section. In the event that all of the conditions set forth in the preceding paragraph shall have been satisfied in respect of any Securities or portions thereof except that, for any reason, the Officer's Certificate specified in clause (z) (if otherwise required) shall not have been delivered, such Securities or portions thereof shall nevertheless be deemed to have been paid for all purposes of this Indenture, and the Holders of such Securities or portions thereof shall nevertheless be no longer entitled to the benefits of this Indenture or of any of the covenants of the Company under Article Six (except the covenants contained in Sections 602 and 603) or any other covenants made in respect of such Securities or portions thereof as contemplated by Section 301 or Section 1201(b), but the indebtedness of the Company in respect of such Securities or portions thereof shall not be deemed to have been satisfied and discharged prior to Maturity for any other purpose, and the Holders of such Securities or portions thereof shall continue to be entitled to look to the Company for payment of the indebtedness represented thereby; and, upon Company Request, the Trustee shall acknowledge in writing that such Securities or portions thereof are deemed to have been paid for all purposes of this Indenture.

If payment at Stated Maturity of less than all of the Securities of any series, or any Tranche thereof, is to be provided for in the manner and with the effect provided in this Section, the Trustee shall select such Securities, or portions of principal amount thereof, in the manner specified by Section 403 for selection for redemption of less than all the Securities of a series or Tranche.

In the event that Securities which shall be deemed to have been paid for purposes of this Indenture, and, if such is the case, the Company's indebtedness in respect thereof shall have been satisfied and discharged, all as provided in this Section do not mature and are not to be redeemed within the 60 day period commencing with the date of the deposit of moneys or Eligible Obligations, as aforesaid, the Company shall, as promptly as practicable, give a notice, in the same manner as a notice of redemption with respect to such Securities, to the Holders of such Securities to the effect that such deposit has been made and the effect thereof.

Notwithstanding that any Securities shall be deemed to have been paid for purposes of this Indenture, as aforesaid, the obligations of the Company and the Trustee in respect of such Securities

under Sections 304, 305, 306, 403, 404, 406, 503 (as to notice of redemption), 602, 603, 907, 909, 910 and 915 and this Article Seven shall survive.

The Company shall pay, and shall indemnify the Trustee or any Paying Agent with which Eligible Obligations shall have been deposited as provided in this Section against, any tax, fee or other charge imposed on or assessed against such Eligible Obligations or the principal or interest received in respect of such Eligible Obligations, including, but not limited to, any such tax payable by any entity deemed, for tax purposes, to have been created as a result of such deposit.

Anything herein to the contrary notwithstanding, (a) if, at any time after a Security would be deemed to have been paid for purposes of this Indenture, and, if such is the case, the Company's indebtedness in respect thereof would be deemed to have been satisfied or discharged, pursuant to this Section (without regard to the provisions of this paragraph), the Trustee or any Paying Agent, as the case may be, (i) shall be required to return the money or Eligible Obligations, or combination thereof, deposited with it as aforesaid to the Company or its representative under any applicable Federal or State bankruptcy, insolvency or other similar law, or (ii) are unable to apply any money in accordance with this Article with respect to any Securities by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, such Security shall thereupon be deemed retroactively not to have been paid and any satisfaction and discharge of the Company's indebtedness in respect thereof shall retroactively be deemed not to have been effected, and such Security shall be deemed to remain Outstanding and (b) any satisfaction and discharge of the Company's indebtedness in respect of any Security shall be subject to the provisions of the last paragraph of Section 603.

SECTION 702. Satisfaction and Discharge of Indenture.

This Indenture shall upon Company Request cease to be of further effect (except as hereinafter expressly provided), and the Trustee, at the expense of the Company, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture, when

(a) no Securities remain Outstanding hereunder; and

(b) the Company has paid or caused to be paid all other sums payable hereunder by the Company;

provided, however, that if, in accordance with the last paragraph of Section 701, any Security, previously deemed to have been paid for purposes of this Indenture, shall be deemed retroactively not to have been so paid, this Indenture shall thereupon be deemed retroactively not to have been satisfied and discharged, as aforesaid, and to remain in full force and effect, and the Company shall execute and deliver such instruments as the Trustee shall reasonably request to evidence and acknowledge the same.

Notwithstanding the satisfaction and discharge of this Indenture as aforesaid, the obligations of the Company and the Trustee under Sections 304, 305, 306, 403, 404, 406, 503 (as to notice of redemption), 602, 603, 907, 909, 910 and 915 and this Article Seven shall survive.

Upon satisfaction and discharge of this Indenture as provided in this Section, the Trustee shall assign, transfer and turn over to the Company or to the order of the Company, subject to the lien provided by Section 907, any and all money, securities and other property then held by the Trustee for the benefit of the Holders of the Securities other than money and Eligible Obligations held by the Trustee pursuant to Section 703 and shall execute and deliver to the Company such instruments as, in the

judgment of the Company, shall be necessary, desirable or appropriate to effect or evidence the satisfaction and discharge of this Indenture.

SECTION 703. Application of Trust Money.

Neither the Eligible Obligations nor the money deposited pursuant to Section 701, nor the principal or interest payments on any such Eligible Obligations, shall be withdrawn or used for any purpose other than, and such Eligible Obligations and money deposited and the principal and interest payments on any such Eligible Obligations shall be held in trust for, the payment of the principal of and premium, if any, and interest, if any, on the Securities or portions of principal amount thereof in respect of which such deposit was made, all subject, however, to the provisions of Section 603; provided, however, that, so long as there shall not have occurred and be continuing an Event of Default, any cash received from such principal or interest payments on such Eligible Obligations, if not then needed for such purpose, shall, to the extent practicable, be invested in Eligible Obligations of the type described in clause (b) in the first paragraph of Section 701 maturing at such times and in such amounts as shall be sufficient, together with any other moneys and the proceeds of any other Eligible Obligations then held by the Trustee, to pay when due the principal of and premium, if any, and interest, if any, due and to become due on such Securities or portions thereof on and prior to the Maturity thereof, and interest earned from such reinvestment shall be paid over to the Company or to the order of the Company as received, free and clear of any trust, lien or pledge under this Indenture except the lien provided by Section 907; and provided, further, that, so long as there shall not have occurred and be continuing an Event of Default, any moneys held in accordance with this Section on the Maturity of all such Securities in excess of the amount required to pay the principal of and premium, if any, and interest, if any, then due on such Securities shall be paid over to the Company or to the order of the Company free and clear of any trust, lien or pledge under this Indenture except the lien provided by Section 907; and provided, further, that if an Event of Default shall have occurred and be continuing, moneys to be paid over to the Company or to the order of the Company pursuant to this Section shall be held until such Event of Default shall have been waived or cured.

ARTICLE EIGHT

Events of Default; Remedies

SECTION 801. Events of Default.

"Event of Default," wherever used herein with respect to Securities of any series, means any one of the following events, subject to such additions and exceptions as may be provided pursuant to Section 301:

(a) failure to pay interest, including any Additional Interest, if any, on any Security of such series within 30 days after the same becomes due and payable (whether or not payment is prohibited by the subordination provisions of Article Fourteen hereof); provided, however, that a valid extension of the interest payment period by the Company as contemplated in Section 312 of this Indenture shall not constitute a default in the payment of interest for this purpose; or

(b) failure to pay the principal of or premium, if any, on any Security of such series when it becomes due and payable (whether or not payment is prohibited by the subordination provisions of Article Fourteen hereof); or

(c) failure to perform, or breach of, any covenant or warranty of the Company in this Indenture (other than a covenant or warranty a default in the performance of which or breach of

which is elsewhere in this Section specifically dealt with or which has expressly been included in this Indenture solely for the benefit of one or more series of Securities other than such series) and the continuance of such default or breach for a period of 90 days after there has been given, by registered or certified mail, to the Company by the Trustee, or to the Company and the Trustee by the Holders of at least 33% in principal amount of the Outstanding Securities of such series, a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder, unless the Trustee, or the Trustee and the Holders of a principal amount of Securities of such series not less than the principal amount of Securities the Holders of which gave such notice, as the case may be, shall agree in writing to an extension of such period prior to its expiration; provided, however, that the Trustee, or the Trustee and the Holders of such principal amount of Securities of such series, as the case may be, shall be deemed to have agreed to an extension of such period if corrective action is initiated by the Company within such period and is being diligently pursued in good faith; or

(d) the entry by a court having jurisdiction in the premises of (1) a decree or order for relief in respect of the Company in an involuntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or (2) a decree or order adjudging the Company a bankrupt or insolvent, or approving as properly filed a petition by one or more Persons other than the Company seeking reorganization, arrangement, adjustment or composition of or in respect of the Company under any applicable Federal or State law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official for the Company or for any substantial part of its property, or ordering the winding up or liquidation of its affairs, and any such decree or order for relief or any such other decree or order shall have remained unstayed and in effect for a period of 90 consecutive days; or

(e) the commencement by the Company of a voluntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by the Company to the entry of a decree or order for relief in respect of the Company in a case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against the Company, or the filing by the Company of a petition or answer or consent seeking reorganization or relief under any applicable Federal or State law, or the consent by the Company to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of the Company or of any substantial part of its property, or the making by the Company of an assignment for the benefit of creditors, or the admission by the Company in writing of its inability to pay its debts generally as they become due, or the authorization of such action by the Board of Directors; or

(f) any other Event of Default specified with respect to Securities of such series.

SECTION 802. Acceleration of Maturity; Rescission and Annulment.

If an Event of Default applicable to the Securities of one or more series, but not applicable to all Outstanding Securities, shall have occurred and be continuing, either the Trustee or the Holders of not less than 33% in aggregate principal amount of the Securities of each such series may then declare the principal amount of all Securities of such series (or, if any of the Securities of such series are Discount Securities, such portion of the principal amount of such Securities as may be specified in the terms thereof as contemplated by Section 301) and interest accrued thereon to be due and payable immediately (provided that the payment of principal and interest on such Securities shall remain subordinated to the extent provided in this Indenture), by a notice in writing to the Company (and to the

Trustee if given by Holders), and, upon receipt by the Company of notice of such declaration of acceleration, such principal amount (or specified amount) and interest accrued thereon shall become immediately due and payable. If an Event of Default applicable to all Outstanding Securities shall have occurred and be continuing, either the Trustee or the Holders of not less than 33% in principal amount of all Securities then Outstanding (considered as one class), and not the Holders of the Securities of any one of such series, may declare the principal of all Securities (or, if any of the Securities of such series are Discount Securities, such portion of the principal amount of such Securities as may be specified in the terms thereof as contemplated by Section 301) and interest accrued thereon to be due and payable immediately (provided that the payment of principal and interest on such Securities shall remain subordinated to the extent provided in this Indenture), by a notice in writing to the Company (and to the Trustee if given by Holders), and, upon receipt by the Company of notice of such declaration of acceleration, such principal amount (or specified amount) and interest accrued thereon shall become immediately due and payable.

At any time after such a declaration of acceleration with respect to Securities of any series shall have been made and before a judgment or decree for payment of the money due shall have been obtained by the Trustee as hereinafter in this Article provided, the Event or Events of Default giving rise to such declaration of acceleration shall, without further act, be deemed to have been waived, and such declaration and its consequences shall, without further act, be deemed to have been rescinded and annulled, if

(a) the Company shall have paid or deposited with the Trustee a sum sufficient to pay

(1) all overdue interest (including Additional Interest), if any, on all Securities of such series then Outstanding;

(2) the principal of and premium, if any, on any Securities of such series then Outstanding which have become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates prescribed therefor in such Securities;

(3) to the extent that payment of such interest is lawful, interest upon overdue interest at the rate or rates prescribed therefor in such Securities;

(4) all amounts due to the Trustee under Section 907;

and

(b) if, after application of money paid or deposited in accordance with clause (a) of this Section 802, Securities of such series would remain Outstanding, any other Event or Events of Default with respect to Securities of such series, other than the non-payment of the principal of Securities of such series which shall have become due solely by such declaration of acceleration, shall have been cured or waived as provided in Section 813.

No such rescission shall affect any subsequent Event of Default or impair any right consequent thereon.

SECTION 803. Collection of Indebtedness and Suits for Enforcement by Trustee.

If an Event of Default described in clause (a) or (b) of Section 801 shall have occurred and be continuing, the Company shall, upon demand of the Trustee, pay to it, for the benefit of the Holders of the Securities of the series with respect to which such Event of Default shall have occurred,

the whole amount then due and payable on such Securities for principal and premium, if any, and interest, if any, and, to the extent permitted by law, interest on premium, if any, and on any overdue principal and interest, at the rate or rates prescribed therefor in such Securities, and, in addition thereto, such further amount as shall be sufficient to cover any amounts due to the Trustee under Section 907. Unless otherwise specified pursuant to Section 301 with respect to any series of Securities, the rate or rates at which Securities shall bear interest on overdue principal, premium, interest and Additional Interest, if any, shall be, to the extent permitted by law, the same rate or rates at which such Securities shall bear interest prior to Maturity.

If the Company shall fail to pay such amounts forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid, may prosecute such proceeding to judgment or final decree and may enforce the same against the Company or any other obligor upon such Securities and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Company or any other obligor upon such Securities, wherever situated.

If an Event of Default with respect to Securities of any series shall have occurred and be continuing, the Trustee may in its discretion proceed to protect and enforce its rights and the rights of the Holders of Securities of such series by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy.

SECTION 804. Trustee May File Proofs of Claim.

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Company or any other obligor upon the Securities or the property of the Company or of such other obligor or their creditors, the Trustee (irrespective of whether the principal of the Securities shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Company for the payment of overdue principal or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise,

(a) to file and prove a claim for the whole amount of principal, premium, if any, and interest, if any, owing and unpaid in respect of the Securities and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for amounts due to the Trustee under Section 907) and of the Holders allowed in such judicial proceeding, and

(b) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amounts due it under Section 907.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Securities or the rights of any Holder thereof or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

SECTION 805. Trustee May Enforce Claims Without Possession of Securities.

All rights of action and claims under this Indenture or the Securities may be prosecuted and enforced by the Trustee without the possession of any of the Securities or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Holders in respect of which such judgment has been recovered.

SECTION 806. Application of Money Collected.

Any money collected by the Trustee pursuant to this Article shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal or premium, if any, or interest, if any, upon presentation of the Securities in respect of which or for the benefit of which such money shall have been collected and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

First: To the payment of all amounts due the Trustee under Section 907;

Second: Subject to the provisions of Articles Fourteen, the payment of the amounts then due and unpaid upon the Securities for principal of and premium, if any, and interest (including Additional Interest), if any, in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Securities for principal, premium, if any, and interest, if any, respectively; and

Third: To the Company.

SECTION 807. Limitation on Suits.

No Holder shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

(a) such Holder shall have previously given written notice to the Trustee of a continuing Event of Default with respect to the Securities of such series;

(b) the Holders of a majority in aggregate principal amount of the Outstanding Securities of all series in respect of which an Event of Default shall have occurred and be continuing, considered as one class, shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee hereunder;

(c) such Holder or Holders shall have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;

(d) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity shall have failed to institute any such proceeding; and

(e) no direction inconsistent with such written request shall have been given to the Trustee during such 60-day period by the Holders of a majority in aggregate principal amount of

the Outstanding Securities of all series in respect of which an Event of Default shall have occurred and be continuing, considered as one class;

it being understood and intended that no one or more of such Holders shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other of such Holders or to obtain or to seek to obtain priority or preference over any other of such Holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all of such Holders.

SECTION 808. Unconditional Right of Holders to Receive Principal, Premium and Interest.

Notwithstanding any other provision in this Indenture, the Holder of any Security shall have the right, which is absolute and unconditional, to receive payment of the principal of and premium, if any, and (subject to Section 307 and 312) interest (including Additional Interest), if any, on such Security on the Stated Maturity or Maturities expressed in such Security (or, in the case of redemption, on the Redemption Date) and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Holder.

SECTION 809. Restoration of Rights and Remedies.

If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee or to such Holder, then and in every such case, subject to any determination in such proceeding, the Company and Trustee and such Holder shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Trustee and such Holder shall continue as though no such proceeding had been instituted.

SECTION 810. Rights and Remedies Cumulative.

Except as otherwise provided with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities in the last paragraph of Section 306, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 811. Delay or Omission Not Waiver.

No delay or omission of the Trustee or of any Holder to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

SECTION 812. Control by Holders of Securities.

If an Event of Default shall have occurred and be continuing in respect of a series of Securities, the Holders of a majority in principal amount of the Outstanding Securities of such series shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee, with respect to the Securities of

such series; provided, however, that if an Event of Default shall have occurred and be continuing with respect to more than one series of Securities, the Holders of a majority in aggregate principal amount of the Outstanding Securities of all such series, considered as one class, shall have the right to make such direction, and not the Holders of the Securities of any one of such series; and provided, further, that

(a) such direction shall not be in conflict with any rule of law or with this Indenture, and could not involve the Trustee in personal liability in circumstances where indemnity would not, in the Trustee's sole discretion, be adequate, and

(b) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

SECTION 813. Waiver of Past Defaults.

The Holders of a majority in aggregate principal amount of the Outstanding Securities of any series may on behalf of the Holders of all the Securities of such series waive any past default hereunder with respect to such series and its consequences, except a default

(a) in the payment of the principal of or premium, if any, or interest (including Additional Interest), if any, on any Security of such series, or

(b) in respect of a covenant or provision hereof which under Section 1202 cannot be modified or amended without the consent of the Holder of each Outstanding Security of such series affected;

provided, however, that so long as a Trust holds the Securities of any series, such Trust may not waive any past default without the consent of a majority (or such greater percentage as shall be required by the Trust Agreement pertaining to such Trust) in aggregate liquidation preference of the outstanding Preferred Securities issued by such Trust affected, obtained as provided in the Trust Agreement pertaining to such Trust. Any such waiver by holders of a majority in aggregate liquidation preference of outstanding Preferred Securities issued by any such Trust shall be deemed to be on behalf of all holders of Preferred Securities issued by any such Trust.

Upon any such waiver, such default shall cease to exist, and any and all Events of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

SECTION 814. Undertaking for Costs.

The Company and the Trustee agree, and each Holder by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken, suffered or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Company, to any suit instituted by the Trustee, to any suit instituted by any Holder, or group of Holders, holding in the aggregate more than 10% in aggregate principal amount of the Outstanding Securities of all series in respect of which such suit may be brought, considered as one class, or to any suit instituted by any Holder for the enforcement of the payment of the principal of or premium,

if any, or interest, if any, on any Security on or after the Stated Maturity or Maturities expressed in such Security (or, in the case of redemption, on or after the Redemption Date).

SECTION 815. Waiver of Usury, Stay or Extension Laws.

The Company covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any usury, stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE NINE

The Trustee

SECTION 901. Certain Duties and Responsibilities.

(a) Except during the continuance of an Event of Default with respect to Securities of any series,

(i) the Trustee undertakes to perform, with respect to Securities of such series, such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of bad faith on its part, the Trustee may, with respect to Securities of such series, conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provisions hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture.

(b) In case an Event of Default with respect to Securities of any series shall have occurred and be continuing, the Trustee shall exercise, with respect to the Securities of such series, such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(c) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(i) this subsection shall not be construed to limit the effect of subsection (a) of this Section;

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(iii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of a majority in principal amount of the Outstanding Securities of any one or more series, as provided herein, relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture with respect to the Securities of such series; and

(iv) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(d) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

SECTION 902. Notice of Defaults.

The Trustee shall give notice of any default hereunder with respect to the Securities of any series to the Holders of Securities of such series in the manner and to the extent required to do so by the Trust Indenture Act, unless such default shall have been cured or waived; provided, however, that in the case of any default of the character specified in Section 801(c), no such notice to Holders shall be given until at least 45 days after the occurrence thereof. For the purpose of this Section, the term "default" means any event which is, or after notice or lapse of time, or both, would become, an Event of Default with respect to the Securities of such series.

SECTION 903. Certain Rights of Trustee.

Subject to the provisions of Section 901 and to the applicable provisions of the Trust Indenture Act:

(a) the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request or direction of the Company mentioned herein shall be sufficiently evidenced by a Company Request or Company Order, or as otherwise expressly provided herein, and any resolution of the Board of Directors may be sufficiently evidenced by a Board Resolution thereof;

(c) whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, conclusively rely upon an Officer's Certificate;

(d) the Trustee may consult with counsel of its selection and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;

(e) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any Holder pursuant to this Indenture, unless such Holder shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;

(f) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall (subject to applicable legal requirements) with prior notice to the Company be entitled to examine, during normal business hours, the books, records and premises of the Company, personally or by agent or attorney;

(g) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder;

(h) except as otherwise provided in Section 801, the Trustee shall not be charged with knowledge of any Event of Default with respect to the Securities of any series for which it is acting as Trustee unless either (1) a Responsible Officer of the Trustee shall have actual knowledge of the Event of Default or (2) written notice of such Event of Default shall have been given to the Trustee by the Company or any other obligor on such Securities or by any Holder of such Securities;

(i) the Trustee shall not be liable for any action taken, suffered, or omitted to be taken by it in good faith and reasonably believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture; and

(j) the rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder.

SECTION 904. Not Responsible for Recitals or Issuance of Securities.

The recitals contained herein and in the Securities (except the Trustee's certificates of authentication) shall be taken as the statements of the Company and neither the Trustee nor any Authenticating Agent assumes responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Securities. Neither the Trustee nor any Authenticating Agent shall be accountable for the use or application by the Company of Securities or the proceeds thereof.

SECTION 905. May Hold Securities.

Each of the Trustee, any Authenticating Agent, any Paying Agent, any Security Registrar or any other agent of the Company or the Trustee, in its individual or any other capacity, may become the owner or pledgee of Securities and/or Preferred Securities and, subject to Sections 908 and 913, may otherwise deal with the Company with the same rights it would have if it were not the Trustee, Authenticating Agent, Paying Agent, Security Registrar or such other agent.

SECTION 906. Money Held in Trust.

Money held by the Trustee in trust hereunder need not be segregated from other funds, except to the extent required by law. The Trustee shall be under no liability for interest on or investment of any money received by it hereunder except as expressly provided herein or otherwise agreed with, and for the sole benefit of, the Company.

SECTION 907. Compensation and Reimbursement.

The Company agrees

(a) to pay to the Trustee from time to time such compensation for all services rendered by it hereunder as the Company and the Trustee shall from time to time agree in writing (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(b) except as otherwise expressly provided herein, to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances reasonably incurred or made by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except to the extent that any such expense, disbursement or advance may be attributable to the Trustee's negligence, willful misconduct or bad faith; and

(c) to indemnify the Trustee and hold it harmless from and against, any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of the trust or trusts hereunder or the performance of its duties hereunder, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder, except to the extent any such loss, liability or expense may be attributable to its negligence, willful misconduct or bad faith.

As security for the performance of the obligations of the Company under this Section, the Trustee shall have a lien prior to the Securities upon all property and funds held or collected by the Trustee as such other than property and funds held in trust under Section 703 (except as otherwise provided in Section 703). "Trustee" for purposes of this Section shall include any predecessor Trustee; provided, however, that the negligence, willful misconduct or bad faith of any Trustee hereunder shall not affect the rights of any other Trustee hereunder.

When the Trustee incurs expenses or renders services in connection with an Event of Default specified in Section 801(d) or Section 801(e), the expenses (including the reasonable charges and expenses of its counsel) and the compensation for the services are intended to constitute expenses of administration under any applicable Federal or State bankruptcy, insolvency or other similar law.

The provisions of this Section 907 shall survive the termination of this Indenture.

SECTION 908. Disqualification; Conflicting Interests.

If the Trustee shall have or acquire any conflicting interest within the meaning of the Trust Indenture Act, it shall either eliminate such conflicting interest or resign to the extent, in the manner and with the effect, and subject to the conditions, provided in the Trust Indenture Act and this Indenture. To the extent permitted by the Trust Indenture Act, the Trustee shall not be deemed to have a conflicting

interest by virtue of being a trustee under [insert indentures/agreements, if any,] and such agreements, guarantees and the Securities of any other series shall be deemed to be specifically described in this Indenture for the purposes of clause (i) of the first proviso contained in Section 310(b) of the Trust Indenture Act.

SECTION 909. Corporate Trustee Required; Eligibility.

There shall at all times be a Trustee hereunder which shall be

(a) a Corporation organized and doing business under the laws of the United States, any State or Territory thereof or the District of Columbia, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least $50,000,000 and subject to supervision or examination by Federal or State authority, or

(b) if and to the extent permitted by the Commission by rule, regulation or order upon application, a Corporation or other Person organized and doing business under the laws of a foreign government, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least $50,000,000 or the Dollar equivalent of the applicable foreign currency and subject to supervision or examination by authority of such foreign government or a political subdivision thereof substantially equivalent to supervision or examination applicable to United States institutional trustees,

and, in either case, qualified and eligible under this Article and the Trust Indenture Act. If such Corporation publishes reports of condition at least annually, pursuant to law or to the requirements of such supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such Corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section and the Trust Indenture Act, it shall resign immediately in the manner and with the effect hereinafter specified in this Article.

SECTION 910. Resignation and Removal; Appointment of Successor.

(a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee in accordance with the applicable requirements of Section 911.

(b) The Trustee may resign at any time with respect to the Securities of one or more series by giving written notice thereof to the Company. If the instrument of acceptance by a successor Trustee required by Section 911 shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.

(c) The Trustee may be removed at any time with respect to the Securities of any series by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series delivered to the Trustee and to the Company; provided that so long as any Preferred Securities remain outstanding, the Trust which issued such Preferred Securities shall not execute any Act to remove the Trustee without the consent of the holders of a majority in aggregate liquidation preference of Preferred Securities issued by such Trust outstanding, obtained as provided in the Trust Agreement pertaining to such Trust.

(d) If at any time:

(1) the Trustee shall fail to comply with Section 908 after written request therefor by the Company or by any Holder who has been a bona fide Holder for at least six months, or

(2) the Trustee shall cease to be eligible under Section 909 or Section 310(a) of the Trust Indenture Act and shall fail to resign after written request therefor by the Company or by any such Holder, or

(3) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (x) the Company by Board Resolutions may remove the Trustee with respect to all Securities or (y) subject to Section 814, any Holder who has been a bona fide Holder for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee with respect to all Securities and the appointment of a successor Trustee or Trustees.

(e) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause (other than as contemplated in clause (y) in subsection (d) of this Section), with respect to the Securities of one or more series, the Company, by Board Resolutions, shall promptly appoint a successor Trustee or Trustees with respect to the Securities of that or those series (it being understood that any such successor Trustee may be appointed with respect to the Securities of one or more or all of such series and that at any time (subject to Section 914) there shall be only one Trustee with respect to the Securities of any particular series) and shall comply with the applicable requirements of Section 911. If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee with respect to the Securities of any series shall be appointed by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series delivered to the Company and the retiring Trustee, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment in accordance with the applicable requirements of Section 911, become the successor Trustee with respect to the Securities of such series and to that extent supersede the successor Trustee appointed by the Company. If no successor Trustee with respect to the Securities of any series shall have been so appointed by the Company or the Holders and accepted appointment in the manner required by Section 911, any Holder who has been a bona fide Holder of a Security of such series for at least six months may, on behalf of itself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.

(f) So long as no event which is, or after notice or lapse of time, or both, would become, an Event of Default shall have occurred and be continuing, and except with respect to a Trustee appointed by Act of the Holders of a majority in principal amount of the Outstanding Securities pursuant to subsection (e) of this Section, if the Company shall have delivered to the Trustee (i) Board Resolutions appointing a successor Trustee, effective as of a date specified therein, and (ii) an instrument of acceptance of such appointment, effective as of such date, by such successor Trustee in accordance with Section 911, the Trustee shall be deemed to have resigned as contemplated in subsection (b) of this Section, the successor Trustee shall be deemed to have been appointed by the Company pursuant to subsection (e) of this Section and such appointment shall be deemed to have been accepted as contemplated in Section 911, all as of such

date, and all other provisions of this Section and Section 911 shall be applicable to such resignation, appointment and acceptance except to the extent inconsistent with this subsection (f).

(g) The Company shall give notice of each resignation and each removal of the Trustee with respect to the Securities of any series and each appointment of a successor Trustee with respect to the Securities of any series by mailing written notice of such event by first-class mail, postage prepaid, to all Holders of Securities of such series as their names and addresses appear in the Security Register. Each notice shall include the name of the successor Trustee with respect to the Securities of such series and the address of its Corporate Trust Office.

SECTION 911. Acceptance of Appointment by Successor.

(a) In case of the appointment hereunder of a successor Trustee with respect to the Securities of all series, every such successor Trustee so appointed shall execute, acknowledge and deliver to the Company and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee; but, on the request of the Company or the successor Trustee, such retiring Trustee shall, upon payment of all sums owed to it, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder.

(b) In case of the appointment hereunder of a successor Trustee with respect to the Securities of one or more (but not all) series, the Company, the retiring Trustee and each successor Trustee with respect to the Securities of such series shall execute and deliver an indenture supplemental hereto wherein each successor Trustee shall accept such appointment and which (1) shall contain such provisions as shall be necessary or desirable to transfer and confirm to, and to vest in, each successor Trustee all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates, (2) if the retiring Trustee is not retiring with respect to all Securities, shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series as to which the retiring Trustee is not retiring shall continue to be vested in the retiring Trustee and (3) shall add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, it being understood that nothing herein or in such supplemental indenture shall constitute such Trustees co-trustees of the same trust and that each such Trustee shall be trustee of a trust or trusts hereunder separate and apart from any trust or trusts hereunder administered by any other such Trustee; and upon the execution and delivery of such supplemental indenture the resignation or removal of the retiring Trustee shall become effective to the extent provided therein and each such successor Trustee, without any further act, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates; but, on request of the Company or any successor Trustee, such retiring Trustee, upon payment of all sums owed to it, shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder with respect to the Securities of that or those series to which the appointment of such successor Trustee relates.

(c) Upon request of any such successor Trustee, the Company shall execute any instruments which fully vest in and confirm to such successor Trustee all such rights, powers and trusts referred to in subsection (a) or (b) of this Section, as the case may be.

(d) No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article.

SECTION 912. Merger, Conversion, Consolidation or Succession to Business.

Any Corporation or other Person into which the Trustee may be merged or converted or with which it may be consolidated, or any Corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any Corporation succeeding to all or substantially all the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such Corporation shall be otherwise qualified and eligible under this Article, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Securities shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Securities so authenticated with the same effect as if such successor Trustee had itself authenticated such Securities.

SECTION 913. Preferential Collection of Claims Against Company.

If the Trustee shall be or become a creditor of the Company or any other obligor upon the Securities (other than by reason of a relationship described in Section 311(b) of the Trust Indenture Act), the Trustee shall be subject to any and all applicable provisions of the Trust Indenture Act regarding the collection of claims against the Company, or such other obligor. For purposes of Section 311(b) of the Trust Indenture Act:

(a) the term "cash transaction" means any transaction in which full payment for goods or securities sold is made within seven days after delivery of the goods or securities in currency or in checks or other orders drawn upon banks or bankers and payable upon demand;

(b) the term "self-liquidating paper" means any draft, bill of exchange, acceptance or obligation which is made, drawn, negotiated or incurred by the Company or such obligor for the purpose of financing the purchase, processing, manufacturing, shipment, storage or sale of goods, wares or merchandise and which is secured by documents evidencing title to, possession of, or a lien upon, the goods, wares or merchandise or the receivables or proceeds arising from the sale of the goods, wares or merchandise previously constituting the security, provided the security is received by the Trustee simultaneously with the creation of the creditor relationship with the Company, or such obligor arising from the making, drawing, negotiating or incurring of the draft, bill of exchange, acceptance or obligation.

SECTION 914. Co-trustees and Separate Trustees.

At any time or times, for the purpose of meeting the legal requirements of any applicable jurisdiction, the Company and the Trustee shall have power to appoint, and, upon the written request of the Trustee or of the Holders of at least 33% in principal amount of the Securities then Outstanding, the Company shall for such purpose join with the Trustee in the execution and delivery of all instruments and agreements necessary or proper to appoint, one or more Persons approved by the Trustee either to act as co-trustee, jointly with the Trustee, or to act as separate trustee, in either case with such powers as may be provided in the instrument of appointment, and to vest in such Person or Persons, in the capacity

aforesaid, any property, title, right or power deemed necessary or desirable, subject to the other provisions of this Section. If the Company does not join in such appointment within 15 days after the receipt by it of a request so to do, or if an Event of Default shall have occurred and be continuing, the Trustee alone shall have power to make such appointment.

Should any written instrument or instruments from the Company be required by any co-trustee or separate trustee to more fully confirm to such co-trustee or separate trustee such property, title, right or power, any and all such instruments shall, on request, be executed, acknowledged and delivered by the Company.

Every co-trustee or separate trustee shall, to the extent permitted by law, but to such extent only, be appointed subject to the following conditions:

(a) the Securities shall be authenticated and delivered, and all rights, powers, duties and obligations hereunder in respect of the custody of securities, cash and other personal property held by, or required to be deposited or pledged with, the Trustee hereunder, shall be exercised solely, by the Trustee;

(b) the rights, powers, duties and obligations hereby conferred or imposed upon the Trustee in respect of any property covered by such appointment shall be conferred or imposed upon and exercised or performed either by the Trustee or by the Trustee and such co-trustee or separate trustee jointly, as shall be provided in the instrument appointing such co-trustee or separate trustee, except to the extent that under any law of any jurisdiction in which any particular act is to be performed, the Trustee shall be incompetent or unqualified to perform such act, in which event such rights, powers, duties and obligations shall be exercised and performed by such co-trustee or separate trustee.

(c) the Trustee at any time, by an instrument in writing executed by it, with the concurrence of the Company, may accept the resignation of or remove any co-trustee or separate trustee appointed under this Section, and, if an Event of Default shall have occurred and be continuing, the Trustee shall have power to accept the resignation of, or remove, any such co-trustee or separate trustee without the concurrence of the Company. Upon the written request of the Trustee, the Company shall join with the Trustee in the execution and delivery of all instruments and agreements necessary or proper to effectuate such resignation or removal. A successor to any co-trustee or separate trustee so resigned or removed may be appointed in the manner provided in this Section;

(d) no co-trustee or separate trustee hereunder shall be personally liable by reason of any act or omission of the Trustee, or any other such trustee hereunder, and the Trustee shall not be personally liable by reason of any act or omission of any such co-trustee or separate trustee; and

(e) any Act of Holders delivered to the Trustee shall be deemed to have been delivered to each such co-trustee and separate trustee.

SECTION 915. Appointment of Authenticating Agent.

The Trustee may appoint an Authenticating Agent or Agents acceptable to the Company with respect to the Securities of one or more series, or any Tranche thereof, which shall be authorized to act on behalf of the Trustee to authenticate Securities of such series or Tranche, issued upon original issuance, exchange, registration of transfer or partial redemption thereof or pursuant to Section 306, and

Securities so authenticated shall be entitled to the benefits of this Indenture and shall be valid and obligatory for all purposes as if authenticated by the Trustee hereunder. Wherever reference is made in this Indenture to the authentication and delivery of Securities by the Trustee or the Trustee's certificate of authentication, such reference shall be deemed to include authentication and delivery on behalf of the Trustee by an Authenticating Agent and a certificate of authentication executed on behalf of the Trustee by an Authenticating Agent. Each Authenticating Agent shall be acceptable to the Company and shall at all times be a Corporation organized and doing business under the laws of the United States, any State or Territory thereof or the District of Columbia or the Commonwealth of Puerto Rico, authorized under such laws to act as Authenticating Agent, having a combined capital and surplus of not less than $50,000,000 and subject to supervision or examination by Federal or State authority. If such Authenticating Agent publishes reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such Authenticating Agent shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time an Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, such Authenticating Agent shall resign immediately in the manner and with the effect specified in this Section.

Any Corporation into which an Authenticating Agent may be merged or converted or with which it may be consolidated, or any Corporation resulting from any merger, conversion or consolidation to which such Authenticating Agent shall be a party, or any Corporation succeeding to the corporate agency or corporate trust business of an Authenticating Agent, shall continue to be an Authenticating Agent, provided such Corporation shall be otherwise eligible under this Section, without the execution or filing of any paper or any further act on the part of the Trustee or the Authenticating Agent.

An Authenticating Agent may resign at any time by giving written notice thereof to the Trustee and the Company. The Trustee may at any time terminate the agency of an Authenticating Agent by giving written notice thereof to such Authenticating Agent and the Company. Upon receiving such a notice of resignation or upon such a termination, or in case at any time such Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, the Trustee may appoint a successor Authenticating Agent which shall be acceptable to the Company. Any successor Authenticating Agent upon acceptance of its appointment hereunder shall become vested with all the rights, powers and duties of its predecessor hereunder, with like effect as if originally named as an Authenticating Agent. No successor Authenticating Agent shall be appointed unless eligible under the provisions of this Section.

The Company agrees to pay to each Authenticating Agent from time to time reasonable compensation for its services under this Section.

The provisions of Sections 308, 904 and 905 shall be applicable to each Authenticating Agent.

If an appointment with respect to the Securities of one or more series, or any Tranche thereof, shall be made pursuant to this Section, the Securities of such series or Tranche may have endorsed thereon, in addition to the Trustee's certificate of authentication, an alternative certificate of authentication substantially in the following form:

This is one of the Securities of the series designated therein referred to in the within mentioned Indenture.

THE BANK OF NEW YORK, as Trustee

By: _____
As Authenticating Agent

By: _____
Authorized Signatory

If all of the Securities of a series may not be originally issued at one time, and if the Trustee does not have an office capable of authenticating Securities upon original issuance located in a Place of Payment where the Company wishes to have Securities of such series authenticated upon original issuance, the Trustee, if so requested by the Company in writing (which writing need not comply with Section 102 and need not be accompanied by an Opinion of Counsel), shall appoint, in accordance with this Section and in accordance with such procedures as shall be acceptable to the Trustee, an Authenticating Agent having an office in a Place of Payment designated by the Company with respect to such series of Securities.

ARTICLE TEN

Holders' Lists and Reports by Trustee and Company

SECTION 1001. Lists of Holders.

Semiannually, not later than June 1 and December 1 in each year, commencing _____, 20__, and at such other times as the Trustee may request in writing, the Company shall furnish or cause to be furnished to the Trustee information as to the names and addresses of the Holders, and the Trustee shall preserve such information and similar information received by it in any other capacity and afford to the Holders access to information so preserved by it, all to such extent, if any, and in such manner as shall be required by the Trust Indenture Act; provided, however, that no such list need be furnished so long as the Trustee shall be the Security Registrar.

SECTION 1002. Reports by Trustee and Company.

Not later than July 15 in each year, commencing July 15, 20__, the Trustee shall transmit to the Holders, the Commission and each securities exchange upon which any Securities are listed, a report, dated as of the next preceding April 15, with respect to any events and other matters described in Section 313(a) of the Trust Indenture Act, in such manner and to the extent required by the Trust Indenture Act. The Trustee shall transmit to the Holders, the Commission and each securities exchange upon which any Securities are listed, and the Company shall file with the Trustee (within 30 days after filing with the Commission in the case of reports which pursuant to the Trust Indenture Act must be filed with the Commission and furnished to the Trustee) and transmit to the Holders, such other information, reports and other documents, if any, at such times and in such manner, as shall be required by the Trust Indenture Act. The Company shall notify the Trustee of the listing of any Securities on any securities exchange or of the delisting thereof.

ARTICLE ELEVEN

Consolidation, Merger, Conveyance or Other Transfer

SECTION 1101. Company May Consolidate, etc., Only on Certain Terms.

The Company shall not consolidate with or merge into any other entity, or convey or otherwise transfer or lease its properties and assets substantially as an entirety to any Person, unless

(a) the Person formed by such consolidation or into which the Company is merged or the Person which acquires by conveyance or transfer, or which leases, the properties and assets of the Company substantially as an entirety shall be a Person organized and existing under the laws of the United States, any State thereof or the District of Columbia, and shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, the due and punctual payment of the principal of and premium, if any, and interest, if any, on all Outstanding Securities and the performance of every covenant of this Indenture on the part of the Company to be performed or observed;

(b) immediately after giving effect to such transaction, no Event of Default and no event which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing; and

(c) the Company shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that such consolidation, merger, conveyance, or other transfer or lease and such supplemental indenture comply with this Article and that all conditions precedent herein provided for relating to such transactions have been complied with.

SECTION 1102. Successor Entity Substituted.

Upon any consolidation by the Company with or merger by the Company into any other Person or any conveyance, or other transfer or lease of the properties and assets of the Company substantially as an entirety in accordance with Section 1101, the successor Person formed by such consolidation or into which the Company is merged or the Person to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture with the same effect as if such successor Person had been named as the Company herein, and thereafter, except in the case of a lease, the predecessor Person shall be relieved of all obligations and covenants under this Indenture and the Securities Outstanding hereunder.

SECTION 1103. Limitation.

Nothing in this Indenture shall be deemed to prevent or restrict:

(a) any consolidation or merger after the consummation of which the Company would be the surviving or resulting entity,

(b) any consolidation of the Company with any other Person all of the outstanding voting securities of which are owned, directly or indirectly, by the Company; or any merger of any of such Persons into any other of such Persons; or any conveyance or other transfer, or lease, of its properties substantially as an entirety by any thereof to any other thereof,

(c) any conveyance or other transfer, or lease, of any part of the properties and/or assets of the Company which does not constitute the entirety, or substantially the entirety, of its properties and assets,

(d) the approval by the Company of, or the consent by the Company to, any consolidation or merger to which any direct or indirect subsidiary or affiliate of the Company may be a party or any conveyance, transfer or lease by any such subsidiary or affiliate of any of its properties or assets, or

(e) any other transaction not contemplated by Section 1101.

ARTICLE TWELVE

Supplemental Indentures

SECTION 1201. Supplemental Indentures Without Consent of Holders.

Without the consent of any Holders, the Company and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto, in form reasonably satisfactory to the Trustee, for any of the following purposes:

(a) to evidence the succession of another Person to the Company and the assumption by any such successor of the covenants of the Company herein and in the Securities, all as provided in Article Eleven; or

(b) to add one or more covenants of the Company or other provisions for the benefit of all Holders or for the benefit of the Holders of, or to remain in effect only so long as there shall be Outstanding, Securities of one or more specified series, or one or more specified Tranches thereof, or to surrender any right or power herein conferred upon the Company; or

(c) to add any additional Events of Default with respect to all or any series of Securities Outstanding hereunder; or

(d) to change or eliminate any provision of this Indenture or to add any new provision to this Indenture; provided, however, that if such change, elimination or addition shall adversely affect the interests of the Holders of Securities of any series or Tranche Outstanding on the date of such indenture supplemental hereto in any material respect, such change, elimination or addition shall become effective (i) with respect to such series or Tranche only pursuant to the provisions of Section 1202 hereof or (ii) when no Security of such series or Tranche remains Outstanding; or

(e) to provide collateral security for all but not part of the Securities; or

(f) to establish the form or terms of Securities of any series or Tranche as contemplated by Sections 201 and 301; or

(g) to provide for the authentication and delivery of bearer securities and coupons appertaining thereto representing interest, if any, thereon and for the procedures for the registration, exchange and replacement thereof and for the giving of notice to, and the solicitation of the vote or consent of, the holders thereof, and for any and all other matters incidental thereto; or

(h) to evidence and provide for the acceptance of appointment hereunder by a separate or successor Trustee or co-trustee with respect to the Securities of one or more series and to add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, pursuant to the requirements of Section 911(b); or

(i) to provide for the procedures required to permit the Company to utilize, at its option, a non-certificated system of registration for all, or any series or Tranche of, the Securities; or

(j) to change any place or places where (1) the principal of and premium, if any, and interest, if any, on all or any series of Securities, or any Tranche thereof, shall be payable, (2) all or any series of Securities, or any Tranche thereof, may be surrendered for registration of transfer, (3) all or any series of Securities, or any Tranche thereof, may be surrendered for exchange and (4) notices and demands to or upon the Company in respect of all or any series of Securities, or any Tranche thereof, and this Indenture may be served; or

(k) to cure any ambiguity, to correct or supplement any provision herein which may be defective or inconsistent with any other provision herein, or to make any other changes to the provisions hereof or to add other provisions with respect to matters or questions arising under this Indenture, provided that such other changes or additions shall not adversely affect the interests of the Holders of Securities of any series or Tranche in any material respect.

Without limiting the generality of the foregoing, if the Trust Indenture Act as in effect at the date of the execution and delivery of this Indenture or at any time thereafter shall be amended and

(x) if any such amendment shall require one or more changes to any provisions hereof or the inclusion herein of any additional provisions, or shall by operation of law be deemed to effect such changes or incorporate such provisions by reference or otherwise, this Indenture shall be deemed to have been amended so as to conform to such amendment to the Trust Indenture Act, and the Company and the Trustee may, without the consent of any Holders, enter into an indenture supplemental hereto to effect or evidence such changes or additional provisions; or

(y) if any such amendment shall permit one or more changes to, or the elimination of, any provisions hereof which, at the date of the execution and delivery hereof or at any time thereafter, are required by the Trust Indenture Act to be contained herein, this Indenture shall be deemed to have been amended to effect such changes or elimination, and the Company and the Trustee may, without the consent of any Holders, enter into an indenture supplemental hereto to evidence such amendment hereof.

SECTION 1202. Supplemental Indentures With Consent of Holders.

With the consent of the Holders of a majority in aggregate principal amount of the Securities of all series then Outstanding under this Indenture, considered as one class, by Act of said Holders delivered to the Company and the Trustee, the Company, when authorized by Board Resolutions, and the Trustee may enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, this Indenture or modifying in any manner the rights of the Holders of Securities of such series under the Indenture; provided, however, that if there shall be Securities of more than one series Outstanding hereunder and if a proposed supplemental indenture shall directly affect the rights of the Holders of Securities of one or

more, but less than all, of such series, then the consent only of the Holders of a majority in aggregate principal amount of the Outstanding Securities of all series so directly affected, considered as one class, shall be required; and provided, further, that if the Securities of any series shall have been issued in more than one Tranche and if the proposed supplemental indenture shall directly affect the rights of the Holders of Securities of one or more, but less than all, of such Tranches, then the consent only of the Holders of a majority in aggregate principal amount of the Outstanding Securities of all Tranches so directly affected, considered as one class, shall be required; and provided, further, that no such supplemental indenture shall:

(a) change the Stated Maturity of the principal of, or any installment of principal of or interest on (except as provided in Section 312 hereof), any Security, or reduce the principal amount thereof or the rate of interest thereon (or the amount of any installment of interest thereon) or change the method of calculating such rate or reduce any premium payable upon the redemption thereof, or reduce the amount of the principal of a Discount Security that would be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 802, or change the coin or currency (or other property), in which any Security or any premium or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity of any Security (or, in the case of redemption, on or after the Redemption Date), without, in any such case, the consent of the Holder of such Security, or

(b) reduce the percentage in principal amount of the Outstanding Securities of any series or any Tranche thereof, the consent of the Holders of which is required for any such supplemental indenture, or the consent of the Holders of which is required for any waiver of compliance with any provision of this Indenture or of any default hereunder and its consequences, or reduce the requirements of Section 1304 for quorum or voting, without, in any such case, the consent of the Holders of each Outstanding Security of such series or Tranche, or

(c) modify any of the provisions of this Section, Section 607 or Section 813 with respect to the Securities of any series, or any Tranche thereof, or except to increase the percentages in principal amount referred to in this Section or such other Sections or to provide that other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Outstanding Security affected thereby; provided, however, that this clause shall not be deemed to require the consent of any Holder with respect to changes in the references to "the Trustee" and concomitant changes in this Section, or the deletion of this proviso, in accordance with the requirements of Sections 911(b), 914 and 1201(h).

Notwithstanding the foregoing, so long as any of the Preferred Securities remain outstanding, the Trustee may not consent to a supplemental indenture under this Section 1202 without the prior consent, obtained as provided in a Trust Agreement pertaining to a Trust which issued such Preferred Securities, of the holders of a majority in aggregate liquidation preference of all Preferred Securities issued by such Trust affected, considered as one class, or, in the case of changes described in clauses (a), (b) and (c) above, 100% in aggregate liquidation preference of all such Preferred Securities then outstanding which would be affected thereby, considered as one class.

A supplemental indenture which changes or eliminates any covenant or other provision of this Indenture which has expressly been included solely for the benefit of one or more particular series of Securities, or of one or more Tranches thereof, or which modifies the rights of the Holders of Securities of such series or Tranches with respect to such covenant or other provision, shall be deemed not to affect the rights under this Indenture of the Holders of Securities of any other series or Tranche.

It shall not be necessary for any Act of Holders under this Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such Act shall approve the substance thereof. A waiver by a Holder of such Holder's right to consent under this Section shall be deemed to be a consent of such Holder.

SECTION 1203. Execution of Supplemental Indentures.

In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article or the modifications thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and (subject to Section 901) shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture which affects the Trustee's own rights, duties, immunities or liabilities under this Indenture or otherwise.

SECTION 1204. Effect of Supplemental Indentures.

Upon the execution of any supplemental indenture under this Article this Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all purposes; and every Holder of Securities theretofore or thereafter authenticated and delivered hereunder shall be bound thereby. Any supplemental indenture permitted by this Article may restate this Indenture in its entirety, and, upon the execution and delivery thereof, any such restatement shall supersede this Indenture as theretofore in effect for all purposes.

SECTION 1205. Conformity With Trust Indenture Act.

Every supplemental indenture executed pursuant to this Article shall conform to the requirements of the Trust Indenture Act as then in effect.

SECTION 1206. Reference in Securities to Supplemental Indentures.

Securities of any series, or any Tranche thereof, authenticated and delivered after the execution of any supplemental indenture pursuant to this Article may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Company shall so determine, new Securities of any series, or any Tranche thereof, so modified as to conform, in the opinion of the Trustee and the Company, to any such supplemental indenture may be prepared and executed by the Company and authenticated and delivered by the Trustee in exchange for Outstanding Securities of such series or Tranche.

SECTION 1207. Modification Without Supplemental Indenture.

If the terms of any particular series of Securities shall have been established in a Board Resolution or an Officer's Certificate pursuant to a Board Resolution as contemplated by Section 301, and not in an indenture supplemental hereto, additions to, changes in or the elimination of any of such terms may be effected by means of a supplemental Board Resolution or Officer's Certificate, as the case may be, delivered to, and accepted in writing by, the Trustee; provided, however, that such supplemental Board Resolution or Officer's Certificate shall not be accepted by the Trustee or otherwise be effective unless all conditions set forth in this Indenture which would be required to be satisfied if such additions, changes or elimination were contained in a supplemental indenture shall have been appropriately satisfied. Upon the acceptance thereof by the Trustee, any such supplemental Board Resolution or

Officer's Certificate shall be deemed to be a "supplemental indenture" for purposes of Sections 1204 and 1206.

ARTICLE THIRTEEN

Meetings of Holders; Action Without Meeting

SECTION 1301. Purposes for Which Meetings May Be Called.

A meeting of Holders of Securities of one or more, or all, series, or any Tranche or Tranches thereof, may be called at any time and from time to time pursuant to this Article to make, give or take any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be made, given or taken by Holders of Securities of such series or Tranches.

SECTION 1302. Call, Notice and Place of Meetings.

(a) The Trustee may at any time call a meeting of Holders of Securities of one or more, or all, series, or any Tranche or Tranches thereof, for any purpose specified in Section 1301, to be held at such time and at such place in the Borough of Manhattan, The City of New York, New York as the Trustee shall determine, or, with the approval of the Company, at any other place. Notice of every such meeting, setting forth the time and the place of such meeting and in general terms the action proposed to be taken at such meeting, shall be given, in the manner provided in Section 106, not less than 21 nor more than 180 days prior to the date fixed for the meeting.

(b) If the Trustee shall have been requested to call a meeting of the Holders of Securities of one or more, or all, series, or any Tranche or Tranches thereof, by the Company or by the Holders of 33% in aggregate principal amount of all of such series and Tranches, considered as one class, for any purpose specified in Section 1301, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Trustee shall not have given the notice of such meeting within 21 days after receipt of such request or shall not thereafter proceed to cause the meeting to be held as provided herein, then the Company or the Holders of Securities of such series and Tranches in the amount above specified, as the case may be, may determine the time and the place in the Borough of Manhattan, The City of New York, or in such other place as shall be determined or approved by the Company, for such meeting and may call such meeting for such purposes by giving notice thereof as provided in subsection (a) of this Section.

(c) Any meeting of Holders of Securities of one or more, or all, series, or any Tranche or Tranches thereof, shall be valid without notice if the Holders of all Outstanding Securities of such series or Tranches are present in person or by proxy and if representatives of the Company and the Trustee are present, or if notice is waived in writing before or after the meeting by the Holders of all Outstanding Securities of such series, or any Tranche or Tranches thereof, or by such of them as are not present at the meeting in person or by proxy, and by the Company and the Trustee.

SECTION 1303. Persons Entitled to Vote at Meetings.

To be entitled to vote at any meeting of Holders of Securities of one or more, or all, series, or any Tranche or Tranches thereof, a Person shall be (a) a Holder of one or more Outstanding Securities of such series or Tranches, or (b) a Person appointed by an instrument in writing as proxy for a

Holder or Holders of one or more Outstanding Securities of such series or Tranches by such Holder or Holders. The only Persons who shall be entitled to attend any meeting of Holders of Securities of any series or Tranche shall be the Persons entitled to vote at such meeting and their counsel, any representatives of the Trustee and its counsel and any representatives of the Company and their counsel.

SECTION 1304. Quorum; Action.

The Persons entitled to vote a majority in aggregate principal amount of the Outstanding Securities of the series and Tranches with respect to which a meeting shall have been called as hereinbefore provided, considered as one class, shall constitute a quorum for a meeting of Holders of Securities of such series and Tranches; provided, however, that if any action is to be taken at such meeting which this Indenture expressly provides may be taken by the Holders of a specified percentage, which is less than a majority, in principal amount of the Outstanding Securities of such series and Tranches, considered as one class, the Persons entitled to vote such specified percentage in principal amount of the Outstanding Securities of such series and Tranches, considered as one class, shall constitute a quorum. In the absence of a quorum within one hour of the time appointed for any such meeting, the meeting shall, if convened at the request of Holders of Securities of such series and Tranches, be dissolved. In any other case the meeting may be adjourned for such period as may be determined by the chairman of the meeting prior to the adjournment of such meeting. In the absence of a quorum at any such adjourned meeting, such adjourned meeting may be further adjourned for such period as may be determined by the chairman of the meeting prior to the adjournment of such adjourned meeting. Except as provided by Section 1305(e), notice of the reconvening of any meeting adjourned for more than 30 days shall be given as provided in Section 1302(a) not less than 10 days prior to the date on which the meeting is scheduled to be reconvened. Notice of the reconvening of an adjourned meeting shall state expressly the percentage, as provided above, of the principal amount of the Outstanding Securities of such series and Tranches which shall constitute a quorum.

Except as limited by Section 1202, any resolution presented to a meeting or adjourned meeting duly reconvened at which a quorum is present as aforesaid may be adopted only by the affirmative vote of the Holders of a majority in aggregate principal amount of the Outstanding Securities of the series and Tranches with respect to which such meeting shall have been called, considered as one class; provided, however, that, except as so limited, any resolution with respect to any action which this Indenture expressly provides may be taken by the Holders of a specified percentage, which is less than a majority, in principal amount of the Outstanding Securities of such series and Tranches, considered as one class, may be adopted at a meeting or an adjourned meeting duly reconvened and at which a quorum is present as aforesaid by the affirmative vote of the Holders of such specified percentage in principal amount of the Outstanding Securities of such series and Tranches, considered as one class.

Any resolution passed or decision taken at any meeting of Holders of Securities duly held in accordance with this Section shall be binding on all the Holders of Securities of the series and Tranches with respect to which such meeting shall have been held, whether or not present or represented at the meeting.

SECTION 1305. Attendance at Meetings; Determination of Voting Rights; Conduct and Adjournment of Meetings.

(a) Attendance at meetings of Holders of Securities may be in person or by proxy; and, to the extent permitted by law, any such proxy shall remain in effect and be binding upon any future Holder of the Securities with respect to which it was given unless and until specifically revoked by the Holder or future Holder of such Securities before being voted.

(b) Notwithstanding any other provisions of this Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of Holders of Securities in regard to proof of the holding of such Securities and of the appointment of proxies and in regard to the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote, and such other matters concerning the conduct of the meeting as it shall deem appropriate. Except as otherwise permitted or required by any such regulations, the holding of Securities shall be proved in the manner specified in Section 104 and the appointment of any proxy shall be proved in the manner specified in Section 104. Such regulations may provide that written instruments appointing proxies, regular on their face, may be presumed valid and genuine without the proof specified in Section 104 or other proof.

(c) The Trustee shall, by an instrument in writing, appoint a temporary chairman of the meeting, unless the meeting shall have been called by the Company or by Holders as provided in Section 1302(b), in which case the Company or the Holders of Securities of the series and Tranches calling the meeting, as the case may be, shall in like manner appoint a temporary chairman. A permanent chairman and a permanent secretary of the meeting shall be elected by vote of the Persons entitled to vote a majority in aggregate principal amount of the Outstanding Securities of all series and Tranches represented at the meeting, considered as one class.

(d) At any meeting each Holder or proxy shall be entitled to one vote for each $1 principal amount of Securities held or represented by him; provided, however, that no vote shall be cast or counted at any meeting in respect of any Security challenged as not Outstanding and ruled by the chairman of the meeting to be not Outstanding. The chairman of the meeting shall have no right to vote, except as a Holder of a Security or proxy.

(e) Any meeting duly called pursuant to Section 1302 at which a quorum is present may be adjourned from time to time by Persons entitled to vote a majority in aggregate principal amount of the Outstanding Securities of all series and Tranches represented at the meeting, considered as one class; and the meeting may be held as so adjourned without further notice.

SECTION 1306. Counting Votes and Recording Action of Meetings.

The vote upon any resolution submitted to any meeting of Holders shall be by written ballots on which shall be subscribed the signatures of the Holders or of their representatives by proxy and the principal amounts and serial numbers of the Outstanding Securities, of the series and Tranches with respect to which the meeting shall have been called, held or represented by them. The permanent chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports of all votes cast at the meeting. A record in triplicate of the proceedings of each meeting of Holders shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits by one or more persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was given as provided in Section 1302 and, if applicable, Section 1304. Each copy shall be signed and verified by the affidavits of the permanent chairman and secretary of the meeting and one such copy shall be delivered to each of the Company and the Trustee to be preserved by the Trustee, the latter to have attached thereto the ballots voted at the meeting. Any record so signed and verified shall be conclusive evidence of the matters therein stated.

SECTION 1307. Action Without Meeting.

In lieu of a vote of Holders at a meeting as hereinbefore contemplated in this Article, any request, demand, authorization, direction, notice, consent, waiver or other action may be made, given or taken by Holders by written instruments as provided in Section 104.

ARTICLE FOURTEEN

Subordination of Securities

SECTION 1401. Securities Subordinate to Senior Indebtedness of the Company.

The Company, for itself, its successors and assigns, covenants and agrees, and each Holder of the Securities of each series, by its acceptance thereof, likewise covenants and agrees, that the payment of the principal of and premium, if any, and interest (including any Additional Interest), if any, on each and all of the Securities is hereby expressly subordinated and junior in right of payment, and subject, to the extent and in the manner set forth in this Article, in right of payment to the prior payment in full of all Senior Indebtedness of the Company.

Each Holder of the Securities of each series, by its acceptance thereof, authorizes and directs the Trustee on its behalf to take such action as may be necessary or appropriate to effectuate the subordination as provided in this Article, and appoints the Trustee its attorney-in-fact for any and all such purposes.

SECTION 1402. Payment Over of Proceeds of Securities.

In the event (a) of any insolvency or bankruptcy proceedings or any receivership, liquidation, reorganization or other similar proceedings in respect of the Company or a substantial part of its property and assets, or of any proceedings for liquidation, dissolution or other winding up of the Company, whether or not involving insolvency or bankruptcy, or (b) subject to the provisions of Section 1403, that (i) a default shall have occurred with respect to the payment of principal of or interest on or other monetary amounts due and payable on any Senior Indebtedness, or (ii) there shall have occurred a default (other than a default in the payment of principal or interest or other monetary amounts due and payable) in respect of any Senior Indebtedness, as defined therein or in the instrument under which the same is outstanding, permitting the holder or holders thereof, or any other Person on its or their behalf to accelerate the maturity thereof (with notice or lapse of time, or both), and such default shall have continued beyond the period of grace, if any, in respect thereof, and, in the cases of subclauses (i) and (ii) of this clause (b), such default shall not have been cured or waived or shall not have ceased to exist, or (c) that the principal of and/or premium, if any, and/or accrued interest (including Additional Interest), if any, on the Securities of any series shall have been declared due and payable pursuant to Section 801 and such declaration shall not have been rescinded and annulled as provided in Section 802, then:

(1) the holders of all Senior Indebtedness shall first be entitled to receive payment of the full amount due thereon, or provision shall be made for such payment in money or money's worth, before the Holders of any of the Securities are entitled to receive a payment on account of the principal of, premium if any, or interest on the indebtedness evidenced by the Securities, including, without limitation, any payments made pursuant to Articles Four and Five;

(2) any payment by, or distribution of property or assets of, the Company of any kind or character, whether in cash, property or securities, to which any Holder or the Trustee would be entitled except for the provisions of this Article, shall be paid or delivered by the Person making

such payment or distribution, whether a trustee in bankruptcy, a receiver or liquidating trustee or otherwise, directly to the holders of such Senior Indebtedness or their representative or representatives or to the trustee or trustees under any indenture under which any instruments evidencing any of such Senior Indebtedness may have been issued, ratably according to the aggregate amounts remaining unpaid on account of such Senior Indebtedness held or represented by each, to the extent necessary to make payment in full of all Senior Indebtedness remaining unpaid after giving effect to any concurrent payment or distribution (or provision therefor) to the holders of such Senior Indebtedness, before any payment or distribution is made to the Holders of the indebtedness evidenced by the Securities or to the Trustee under this Indenture; and

(3) in the event that, notwithstanding the foregoing, any payment by, or distribution of property or assets of, the Company of any kind or character, whether in cash, property or securities, in respect of principal of, or premium, if any, or interest on the Securities or in connection with any repurchase by the Company of the Securities, shall be received by the Trustee or any Holder before all Senior Indebtedness is paid in full, or provision is made for such payment in money or money's worth, such payment or distribution in respect of principal of, or premium, if any, or interest on the Securities or in connection with any repurchase by the Company of the Securities shall be paid over to the holders of such Senior Indebtedness or their representative or representatives or to the trustee or trustees under any indenture under which any instruments evidencing any such Senior Indebtedness may have been issued, ratably as aforesaid, for application to the payment of all Senior Indebtedness remaining unpaid until all such Senior Indebtedness shall have been paid in full, after giving effect to any concurrent payment or distribution (or provision therefor) to the holders of such Senior Indebtedness.

Notwithstanding the foregoing, at any time after the 123rd day following the date of deposit of cash or Eligible Obligations pursuant to Section 701 or 702 (provided all conditions set out in such Section shall have been satisfied), the funds so deposited and any interest thereon will not be subject to any rights of holders of Senior Indebtedness including, without limitation, those arising under this Article Fourteen; provided that no event described in clauses (d) and (e) of Section 801 with respect to the Company has occurred during such 123-day period.

For purposes of this Article only, the words "cash, property or securities" shall not be deemed to include shares of stock of the Company as reorganized or readjusted, or securities of the Company or any other Person provided for by a plan of reorganization or readjustment which are subordinate in right of payment to all Senior Indebtedness which may at the time be outstanding to the same extent as, or to a greater extent than, the Securities are so subordinated as provided in this Article. The consolidation of the Company with, or the merger of the Company into, another Person or the liquidation or dissolution of the Company following the conveyance or transfer of its property and assets as an entirety, or substantially as an entirety, to another Person upon the terms and conditions provided for in Article Eleven hereof shall not be deemed a dissolution, winding-up, liquidation or reorganization for the purposes of this Section 1402 if such other Person shall, as a part of such consolidation, merger, conveyance or transfer, comply with the conditions stated in Article Eleven hereof. Nothing in Section 1401 or in this Section 1402 shall apply to claims of, or payments to, the Trustee under or pursuant to Section 907.

SECTION 1403. Disputes with Holders of Certain Senior Indebtedness.

Any failure by the Company to make any payment on or perform any other obligation in respect of Senior Indebtedness, other than any indebtedness incurred by the Company or assumed or guaranteed, directly or indirectly, by the Company for money borrowed (or any deferral, renewal, extension or refunding thereof) or any other obligation as to which the provisions of this Section shall

have been waived by the Company in the instrument or instruments by which the Company incurred, assumed, guaranteed or otherwise created such indebtedness or obligation, shall not be deemed a default under clause (b) of Section 1402 if (i) the Company shall be disputing its obligation to make such payment or perform such obligation and (ii) either (A) no final judgment relating to such dispute shall have been issued against the Company which is in full force and effect and is not subject to further review, including a judgment that has become final by reason of the expiration of the time within which a party may seek further appeal or review, or (B) in the event that a judgment that is subject to further review or appeal has been issued, the Company shall in good faith be prosecuting an appeal or other proceeding for review and a stay or execution shall have been obtained pending such appeal or review.

SECTION 1404. Subrogation.

Senior Indebtedness shall not be deemed to have been paid in full unless the holders thereof shall have received cash (or securities or other property satisfactory to such holders) in full payment of such Senior Indebtedness then outstanding. Upon the payment in full of all Senior Indebtedness, the rights of the Holders of the Securities shall be subrogated to the rights of the holders of Senior Indebtedness to receive any further payments or distributions of cash, property or securities of the Company applicable to the holders of the Senior Indebtedness until all amounts owing on the Securities shall be paid in full; and such payments or distributions of cash, property or securities received by the Holders of the Securities, by reason of such subrogation, which otherwise would be paid or distributed to the holders of such Senior Indebtedness shall, as between the Company, its creditors other than the holders of Senior Indebtedness, and the Holders, be deemed to be a payment by the Company to or on account of Senior Indebtedness, it being understood that the provisions of this Article are and are intended solely for the purpose of defining the relative rights of the Holders, on the one hand, and the holders of the Senior Indebtedness, on the other hand.

SECTION 1405. Obligation of the Company Unconditional.

Nothing contained in this Article or elsewhere in this Indenture or in the Securities is intended to or shall impair, as among the Company, its creditors other than the holders of Senior Indebtedness and the Holders, the obligation of the Company, which is absolute and unconditional, to pay to the Holders the principal of, premium, if any, and interest (including Additional Interest), if any, on the Securities as and when the same shall become due and payable in accordance with their terms, or is intended to or shall affect the relative rights of the Holders and creditors of the Company other than the holders of Senior Indebtedness, nor shall anything herein or therein prevent the Trustee or any Holder from exercising all remedies otherwise permitted by applicable law upon default under this Indenture, subject to the rights, if any, under this Article of the holders of Senior Indebtedness in respect of cash, property or securities of the Company received upon the exercise of any such remedy.

Upon any payment or distribution of assets, cash or property or securities of the Company referred to in this Article, the Trustee and the Holders shall be entitled to rely upon any order or decree of a court of competent jurisdiction in which such dissolution, winding up, liquidation or reorganization proceedings are pending for the purpose of ascertaining the Persons entitled to participate in such distribution, the holders of the Senior Indebtedness and other indebtedness of the Company, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon, and all other facts pertinent thereto or to this Article.

The Trustee shall be entitled to rely on the delivery to it of a written notice by a Person representing himself to be a holder of Senior Indebtedness (or a representative of such holder or a trustee under any indenture under which any instruments evidencing any such Senior Indebtedness may have been issued) to establish that such notice has been given by a holder of such Senior Indebtedness or such

representative or trustee on behalf of such holder. In the event that the Trustee determines in good faith that further evidence is required with respect to the right of any Person as a holder of Senior Indebtedness, or its representative or representatives or trustee or trustees under any indenture under which any instruments evidencing any such Senior Indebtedness may have been issued, to participate in any payment or distribution pursuant to this Article, the Trustee may request such Person to furnish evidence to the reasonable satisfaction of the Trustee as to the amount of Senior Indebtedness held by such Person, the extent to which such Person is entitled to participate in such payment or distribution and any other facts pertinent to the right of such Person under this Article, and, if such evidence is not furnished, the Trustee may defer any payment to such Person pending judicial determination as to the right of such Person to receive such payment or distribution.

SECTION 1406. Priority of Senior Indebtedness Upon Maturity.

Upon the maturity of the principal of any Senior Indebtedness by lapse of time, acceleration or otherwise, all matured principal of Senior Indebtedness and interest, premium and other payment obligation, if any, thereon shall first be paid in full before any payment of principal or premium, if any, or interest (including Additional Interest), if any, is made upon the Securities or before any Securities can be acquired by the Company or any sinking fund payment is made with respect to the Securities (except that required sinking fund payments may be reduced by Securities acquired before such maturity of such Senior Indebtedness).

SECTION 1407. Trustee as Holder of Senior Indebtedness.

The Trustee shall be entitled to all rights set forth in this Article with respect to any Senior Indebtedness at any time held by it, to the same extent as any other holder of Senior Indebtedness. Nothing in this Article shall deprive the Trustee of any of its rights as such holder.

SECTION 1408. Notice to Trustee to Effectuate Subordination.

Notwithstanding the provisions of this Article or any other provision of this Indenture, the Trustee shall not be charged with knowledge of the existence of any facts which would prohibit the making of any payment of moneys to or by the Trustee unless and until the Trustee shall have received written notice thereof from the Company, from a Holder or from a holder of any Senior Indebtedness or from any representative or representatives of such holder or any trustee or trustees under any indenture under which any instruments evidencing any such Senior Indebtedness may have been issued and, prior to the receipt of any such written notice, the Trustee shall be entitled, subject to Section 901, in all respects to assume that no such facts exist; provided, however, that, if prior to the fifth Business Day preceding the date upon which by the terms of this Indenture any such moneys may become payable for any purpose, or in the event of the execution of an instrument pursuant to Section 701 or 702 acknowledging that Securities or portions thereof are deemed to have been paid for all purposes of this Indenture, acknowledging that the entire indebtedness of the Company in respect thereof has been satisfied and discharged or acknowledging satisfaction and discharge of this Indenture, then if prior to the second Business Day preceding the date of such execution, the Trustee shall not have received with respect to such moneys the notice provided for in this Section, then, anything herein contained to the contrary notwithstanding, the Trustee may, in its discretion, receive such moneys and/or apply the same to the purpose for which they were received, and shall not be affected by any notice to the contrary, which may be received by it on or after such date; provided, however, that no such application shall affect the obligations under this Article of the persons receiving such moneys from the Trustee.

SECTION 1409. Modification, Extension, etc. of Senior Indebtedness.

The holders of Senior Indebtedness or their representative or representatives or the trustee or trustees under any indenture under which any instruments evidencing any such Senior Indebtedness may have been issued may, without affecting in any manner the subordination of the payment of the principal of and premium, if any, and interest (including Additional Interest), if any, on the Securities, at any time or from time to time and in their absolute discretion, agree with the Company to change the manner, place or terms of payment, change or extend the time of payment of, or renew or alter, any Senior Indebtedness, or amend or supplement any instrument pursuant to which any Senior Indebtedness is issued, or exercise or refrain from exercising any other of their rights under the Senior Indebtedness including, without limitation, the waiver of default thereunder, all without notice to or assent from the Holders or the Trustee.

SECTION 1410. Trustee Has No Fiduciary Duty to Holders of Senior Indebtedness.

With respect to the holders of Senior Indebtedness, the Trustee undertakes to perform or to observe only such of its covenants and objectives as are specifically set forth in this Indenture, and no implied covenants or obligations with respect to the holders of Senior Indebtedness shall be read into this Indenture against the Trustee. The Trustee shall not be deemed to owe any fiduciary duty to the holders of Senior Indebtedness, and shall not be liable to any such holders if it shall mistakenly pay over or deliver to the Holders or the Company or any other Person, money or assets to which any holders of Senior Indebtedness shall be entitled by virtue of this Article or otherwise.

SECTION 1411. Paying Agents Other Than the Trustee.

In case at any time any Paying Agent other than the Trustee shall have been appointed by the Company and be then acting hereunder, the term "Trustee" as used in this Article shall in such case (unless the context shall otherwise require) be construed as extending to and including such Paying Agent within its meaning as fully for all intents and purposes as if such Paying Agent were named in this Article in addition to or in place of the Trustee; provided, however, that Sections 1407, 1408 and 1410 shall not apply to the Company if it acts as Paying Agent.

SECTION 1412. Rights of Holders of Senior Indebtedness Not Impaired.

No right of any present or future holder of Senior Indebtedness to enforce the subordination herein shall at any time or in any way be prejudiced or impaired by any act or failure to act on the part of the Company or by any noncompliance by the Company with the terms, provisions and covenants of this Indenture, regardless of any knowledge thereof any such holder may have or be otherwise charged with.

SECTION 1413. Effect of Subordination Provisions; Termination.

Notwithstanding anything contained herein to the contrary, other than as provided in the immediately succeeding sentence, all the provisions of this Indenture shall be subject to the provisions of this Article, so far as the same may be applicable thereto.

Notwithstanding anything contained herein to the contrary, the provisions of this Article Fourteen shall be of no further effect, and the Securities shall no longer be subordinated in right of payment to the prior payment of Senior Indebtedness, if, and to the extent, the Company shall have delivered to the Trustee a notice to such effect. Any such notice delivered by the Company shall not be deemed to be a supplemental indenture for purposes of Article Twelve.

ARTICLE FIFTEEN

Immunity of Incorporators, Stockholders, Officers and Directors

SECTION 1501. Liability Solely Corporate.

No recourse shall be had for the payment of the principal of or premium, if any, or interest (including Additional Interest), if any, on any Securities, or any part thereof, or for any claim based thereon or otherwise in respect thereof, or of the indebtedness represented thereby, or upon any obligation, covenant or agreement under this Indenture, against any incorporator, stockholder, officer or director, as such, past, present or future of the Company or of any predecessor or successor of the Company (either directly or through the Company, or a predecessor or successor of the Company), whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly agreed and understood that this Indenture and all the Securities are solely corporate obligations, and that, except as otherwise provided as contemplated by Section 301, no personal liability whatsoever shall attach to, or be incurred by, any incorporator, stockholder, officer or director, past, present or future, of the Company or of any predecessor or successor of the Company, either directly or indirectly through the Company or any predecessor or successor of the Company, because of the indebtedness hereby authorized or under or by reason of any of the obligations, covenants or agreements contained in this Indenture or in any of the Securities or to be implied herefrom or therefrom, and that any such personal liability is hereby expressly waived and released as a condition of, and as part of the consideration for, the execution of this Indenture and the issuance of the Securities.

This instrument may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, in New York, New York, as of the day and year first above written.

FLORIDA POWER & LIGHT COMPANY,
as Issuer

By:_____
Name:
Title:

THE BANK OF NEW YORK,
as Trustee

By:_____
Name:
Title:

Exhibit 4(bc)

FLORIDA POWER & LIGHT COMPANY

OFFICER'S CERTIFICATE

Creating the ___ Junior Subordinated Debentures, Series due __

_____, the _____ of Florida Power & Light Company (the "Company"), pursuant to the authority granted in the accompanying Board Resolutions (all capitalized terms used herein which are not defined herein or in Exhibit A hereto, but are defined in the Indenture referred to below, shall have the meanings specified in the Indenture), and Sections 201 and 301 of the Indenture, does hereby certify to The Bank of New York (the "Trustee"), as Trustee under the Indenture of the Company (For Unsecured Subordinated Debt Securities relating to Trust Securities) dated as of _____, 200__ (the "Indenture") that:

1. The securities to be issued under the Indenture shall be designated "_____ Junior Subordinated Debentures, Series due ___" (the "Debentures of the ____ Series") and shall be issued in substantially the form set forth in Exhibit A hereto. The Debentures of the ____ Series are to be issued to The Bank of New York, as Property Trustee (the "Property Trustee") of Florida Power & Light Company Trust __, a Delaware statutory trust (the "Trust");

2. The Debentures of the ____ Series shall mature and the principal shall be due and payable together with all accrued and unpaid interest thereon on _____, ____;

3. The Debentures of the ____ Series shall bear interest as provided in the form thereof set forth as Exhibit A hereto;

4. Each installment of interest on a Debenture of the ____ Series shall be payable as provided in the form thereof set forth as Exhibit A hereto;

5. Registration and registration of transfers and exchanges in respect of the Debentures of the ____ Series may be effected at the office or agency of the Company in The City of New York, New York. Notices and demands to or upon the Company in respect of the Debentures of the ____ Series may be served at the office or agency of the Company in The City of New York, New York. The Corporate Trust Office of the Trustee will initially be the agency of the Company for such payment, registration and registration of transfers and exchanges and service of notices and demands and the Company hereby appoints the Trustee as its agent for all such purposes; provided, however, that the Company reserves the right to change, by one or more Officer's Certificates, any such office or agency and such agent. The Trustee will initially be the Security Registrar and the Paying Agent for the Debentures of the ____ Series;

6. The Regular Record Date for the interest payable on any given Interest Payment Date with respect to the Debentures of the ____ Series shall be the close of business on the 15th calendar day next preceding such Interest Payment Date, provided that if the Debentures of the _____ Series are held by a securities depository in book-entry form, the Regular Record Date will be the close of business on the Business Day immediately preceding such Interest Payment Date;

7. [Redemption provisions, if any will be inserted];

8. [If at any time a Tax Event (as defined in the form of the Debentures of the _____ Series set forth as Exhibit A hereto) shall occur and be continuing, and either (i) in the opinion of tax counsel to the Trust or the Company experienced in such matters, there would in all cases, after effecting the

dissolution of the Trust, after satisfaction of liabilities to creditors of the Trust, if any, as provided by applicable law, and the distribution of the Debentures of the ____ Series to the holders of the Preferred Trust Securities issued by the Trust (the "Preferred Trust Securities"), in exchange therefor, be more than an insubstantial risk that an Adverse Tax Consequence (as defined in the form of the Debentures of the ____ Series set forth as Exhibit A hereto) would continue to exist or (ii) the Debentures of the ____ Series are not held by the Trust, then the Company shall have the right to redeem the Debentures of the ____ Series, in whole but not in part, at any time within 90 days following the occurrence of the Tax Event, at 100% of the principal amount thereof plus accrued and unpaid interest thereon, including Additional Interest, if any, to the Redemption Date;]

[If at any time an Investment Company Act Event (as defined in the form of the Debentures of the ____ Series set forth as Exhibit A hereto) shall occur and be continuing, then the Company shall have the right to redeem the Debentures of the ____ Series, in whole, but not in part, at any time within 90 days following the occurrence of the Investment Company Act Event, at 100% of the principal amount thereof plus accrued and unpaid interest thereon, including Additional Interest, if any, to the Redemption Date;]

9. So long as any Debentures of the ____ Series are Outstanding, the failure of the Company to pay interest, including Additional Interest, if any, on any Debentures of the ____ Series within 30 days after the same becomes due and payable (whether or not payment is prohibited by the subordination provisions of Article Fourteen of the Indenture) shall constitute an Event of Default; provided, however, that a valid extension of the interest payment period by the Company as contemplated in Section 312 of the Indenture and paragraph (10) of this Certificate shall not constitute a failure to pay interest for this purpose;

10. Pursuant to Section 312 of the Indenture, so long as no Event of Default under the Indenture has occurred and is continuing with respect to the Securities of any series, the Company shall have the right, at any time and from time to time during the term of the Debentures of the ____ Series, to extend the interest payment period to a period not exceeding 20 consecutive quarterly periods (an "Extension Period"); provided that no Extension Period shall extend beyond the Stated Maturity or end on a day other than an Interest Payment Date. During the Extension Period interest (calculated for each Interest Period in the manner provided for in Exhibit A hereto, as if the interest payment period had not been so extended) will be compounded [quarterly]. At the end of the Extension Period, which shall be an Interest Payment Date, the Company shall pay all interest accrued and unpaid thereon (together with interest thereon at the rate specified for the Debentures of the _____ Series, compounded [quarterly], to the extent permitted by applicable law) and Additional Interest, if any, to the Person in whose name the Debentures of the____ Series are registered at the close of business on the Regular Record Date for the Interest Payment Date on which such Extension Period ended; provided that any such accrued and unpaid interest payable at Stated Maturity or any Redemption Date will be paid to the Person to whom principal is payable. With respect to the Debentures of _____ Series, the term "Interest Period" shall mean each period from, and including, an Interest Payment Date to, but excluding, the next succeeding Interest Payment Date, except that the first Interest Period shall commence on the date of original issuance. However, during any such Extension Period, the Company shall not

(A) declare or pay any dividends or distributions on its capital stock, or

(B) redeem, purchase, acquire or make a liquidation payment with respect to any of its capital stock, or

(C) pay any principal, interest or premium on, or repay, repurchase or redeem any debt securities that are equal or junior in right of payment to the Debentures of the _____ Series; or

(D) make any payments with respect to any guarantee of debt securities by the Company if such guarantee is equal or junior in right of payment to the Debentures of the _____ Series ("Restricted Payments").

The foregoing provisions shall not prevent or restrict the Company from making:

(a) purchases, redemptions or other acquisitions of its capital stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or agents or a stock purchase or dividend reinvestment plan, or the satisfaction of its obligations pursuant to any contract or security outstanding on the date that the interest payment period is extended requiring it to purchase, redeem or acquire its capital stock;

(b) any payment, repayment, redemption, purchase, acquisition or declaration of dividend described in clauses (A) and (B) above as a result of a reclassification of its capital stock, or the exchange or conversion of all or a portion of one class or series of its capital stock for another class or series of its capital stock;

(c) the purchase of fractional interests in shares of its capital stock pursuant to the conversion or exchange provisions of its capital stock or the security being converted or exchanged, or in connection with the settlement of stock purchase contracts;

(d) dividends or distributions paid or made in its capital stock (or rights to acquire its capital stock), or repurchases, redemptions or acquisitions of capital stock in connection with the issuance or exchange of capital stock (or of securities convertible into or exchangeable for shares of its capital stock and distributions in connection with the settlement of stock purchase contracts);

(e) redemptions, exchanges or repurchases of, or with respect to, any rights outstanding under a shareholder rights plan or the declaration or payment thereunder of a dividend or distribution of or with respect to rights in the future; or

(f) payments under any preferred trust securities guarantee or guarantee of junior subordinated debentures executed and delivered by the Company concurrently with the issuance by a trust of any preferred trust securities, so long as the amount of payments made on any preferred trust securities or junior subordinated debentures (as the case may be) is paid on all preferred trust securities or junior subordinated debentures (as the case may be) then outstanding on a pro rata basis in proportion to the full distributions to which each series of preferred trust securities or junior subordinated debentures (as the case may be) is then entitled if paid in full.

Prior to the termination of any such Extension Period, the Company may further extend the interest payment period, provided that such Extension Period together with all such previous and further extensions thereof shall not exceed 20 consecutive quarterly periods at any one time or extend beyond the Maturity of the Debentures of the ____ Series. Upon the termination of any such Extension Period and the payment of all amounts then due, including interest on deferred interest payments, the Company may elect to begin a new Extension Period, subject to the above

requirements. No interest shall be due and payable during an Extension Period, except at the end thereof. The Company will give the Trust and the Trustee notice of its election of an Extension Period before the earlier of (i) the Business Day prior to the record date for the distribution on the Preferred Trust Securities which would occur but for such election or (ii) the date the Administrative Trustees of the Trust are required to give notice to any securities exchange or any other applicable self-regulatory organization of the record date for such distribution. The Trustee will cause the Trust to send notice of such election to the holders of Preferred Trust Securities;

11. At any time, the Company will have the right to dissolve the Trust and, after satisfaction of liabilities to creditors, if any, of the Trust as provided by applicable law, cause a proportionate amount of the Debentures of the ____ Series to be distributed to the holders of the Preferred Trust Securities and the Common Trust Securities;

12. In the event that, at any time subsequent to the initial authentication and delivery of the Debentures of the ____ Series, the Debentures of the ____ Series are to be held in global form by a securities depositary, the Company may at such time establish the matters contemplated in clause (r) in the second paragraph of Section 301 of the Indenture in an Officer's Certificate supplemental to this certificate;

13. No service charge shall be made for the registration of transfer or exchange of the Debentures of the ____ Series; provided, however, that the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the exchange or transfer;

14. The Trust for Debentures of the ____ Series shall be Florida Power & Light Company Trust __, a Delaware statutory trust. The Trust Agreement for Debentures of the ____ Series shall be the Amended and Restated Trust Agreement dated as of _____, 200__ relating to the Trust, as it may be modified, amended or supplemented from time to time;

15. If the Company shall make any deposit of money and/or Eligible Obligations with respect to any Debentures of the ____ Series, or any portion of the principal amount thereof, as contemplated by Section 701 of the Indenture, the Company shall not deliver an Officer's Certificate described in clause (z) in the first paragraph of said Section 701 unless the Company shall also deliver to the Trustee, together with such Officer's Certificate, either:

(A) an instrument wherein the Company, notwithstanding the satisfaction and discharge of its indebtedness in respect of the Debentures of the ____ Series, shall assume the obligation (which shall be absolute and unconditional) to irrevocably deposit with the Trustee or Paying Agent such additional sums of money, if any, or additional Eligible Obligations (meeting the requirements of Section 701), if any, or any combination thereof, at such time or times, as shall be necessary, together with the money and/or Eligible Obligations theretofore so deposited, to pay when due the principal of and premium, if any, and interest due and to become due on such Debentures of the ____ Series or portions thereof, all in accordance with and subject to the provisions of said Section 701; provided, however, that such instrument may state that the obligation of the Company to make additional deposits as aforesaid shall be subject to the delivery to the Company by the Trustee of a notice asserting the deficiency accompanied by an opinion of an independent public accountant of nationally recognized standing, selected by the Trustee, showing the calculation thereof; or

(B) an Opinion of Counsel to the effect that, as a result of (i) the receipt by the Company from, or the publication by, the Internal Revenue Service of a ruling or (ii) a change in

law occurring after the date of this certificate, the Holders of such Debentures of the ____ Series, or portions of the principal amount thereof, will not recognize income, gain or loss for United States federal income tax purposes as a result of the satisfaction and discharge of the Company's indebtedness in respect thereof and will be subject to United States federal income tax on the same amounts, at the same times and in the same manner as if such satisfaction and discharge had not been effected;

16. The Company reserves the right to require legends on Debentures of the ____ Series as it may determine are necessary to ensure compliance with the securities laws of the United States and the states therein and any other applicable laws;

17. The Debentures of the ____ Series shall have such other terms and provisions as are provided in the form set forth as Exhibit A hereto;

18. The undersigned has read all of the covenants and conditions contained in the Indenture relating to the issuance of the Debentures of the ____ Series and the definitions in the Indenture relating thereto and in respect of which this certificate is made;

19. The statements contained in this certificate are based upon the familiarity of the undersigned with the Indenture, the documents accompanying this certificate, and upon discussions by the undersigned with officers and employees of the Company familiar with the matters set forth herein;

20. In the opinion of the undersigned, he or she has made such examination or investigation as is necessary to enable him or her to express an informed opinion as to whether or not such covenants and conditions have been complied with; and

21. In the opinion of the undersigned, such conditions and covenants and conditions precedent, if any (including any covenants compliance with which constitutes a condition precedent) to the authentication and delivery of the Debentures of the ____ Series requested in the accompanying Company Order No. __, have been complied with.

IN WITNESS WHEREOF, I have executed this Officer's Certificate on behalf of the Company this _____ day of _____, ____ in New York, New York.

By:_____

Exhibit A

No._____ **CUSIP No. _____**

[FORM OF FACE OF JUNIOR SUBORDINATED DEBENTURE]

FLORIDA POWER & LIGHT COMPANY

[_____] JUNIOR SUBORDINATED DEBENTURES, SERIES DUE _____

FLORIDA POWER & LIGHT COMPANY, a corporation duly organized and existing under the laws of the State of Florida (herein referred to as the "Company", which term includes any successor Person under the Indenture), for value received, hereby promises to pay to The Bank of New York, as Property Trustee under the Amended and Restated Trust Agreement, dated as of _____, 200__ of Florida Power & Light Company Trust __, a Delaware statutory trust, or registered assigns, the principal sum of _____ Dollars on _____ and to pay interest on said principal sum _____ on _____, _____, _____ and _____ of each year commencing _____ (each an "Interest Payment Date") at the rate of _____% per annum until the principal hereof is paid or made available for payment. [Provision for reset of interest rate will be inserted, if applicable.] Interest on the Securities of this series will accrue from and including _____, to and excluding the first Interest Payment Date, and thereafter will accrue from and including the last Interest Payment Date to which interest has been paid or duly provided for. No interest will accrue on the Securities with respect to the day on which the Securities mature. In the event that any Interest Payment Date is not a Business Day, then payment of interest payable on such date will be made on the next succeeding day which is a Business Day (and without any interest or other payment in respect of such delay); provided, however, that if such Business Day is in the next succeeding calendar year, payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on the Interest Payment Date. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Indenture, be payable to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the "Regular Record Date" for such interest installment which shall be the close of business on the 15th calendar day next preceding such Interest Payment Date, provided that if the Securities are held by a securities depository in book-entry form, the Regular Record Date will be the close of business on the Business Day immediately preceding such Interest Payment Date, and provided further that interest payable at Maturity or on any Redemption Date will be paid to the Person to whom principal is payable. Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder of this Security on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange, if any, on which the Securities of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in the Indenture referred to on the reverse hereof.

Payment of the principal of (and premium, if any) and interest on this Security will be made at the office or agency of the Company maintained for that purpose in The City of New York, the State of New York in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; provided, however, that at the option of the Company, interest on this Security may be paid by check mailed to the address of the Person entitled

thereto, as such address shall appear on the Security Register or by a wire transfer to an account designated by the Person entitled thereto.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed in New York, New York.

FLORIDA POWER & LIGHT COMPANY

By:_____

[FORM OF CERTIFICATE OF AUTHENTICATION]

CERTIFICATE OF AUTHENTICATION

Dated:

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

THE BANK OF NEW YORK, as Trustee

By:_____
Authorized Signatory

[FORM OF REVERSE OF JUNIOR SUBORDINATED DEBENTURE]

This Security is one of a duly authorized issue of securities of the Company (herein called the "Securities"), issued and to be issued in one or more series under an Indenture (For Unsecured Subordinated Debt Securities relating to Trust Securities), dated as of _____ (herein, together with any amendments thereto, called the "Indenture", which term shall have the meaning assigned to it in such instrument), between the Company and The Bank of New York, as Trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture), and reference is hereby made to the Indenture, including the Board Resolutions and Officer's Certificate filed with the Trustee on _____, creating the series designated on the face hereof (herein called, the "Officer's Certificate"), for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Security is one of the series designated on the face hereof.

[Redemption provisions, if any, will be inserted]

[If at any time a Tax Event (as defined below) shall occur and be continuing, and either (i) in the opinion of tax counsel to the Trust or the Company experienced in such matters, there would in all cases, after effecting the dissolution of the Trust, after satisfaction of liabilities to creditors of the Trust, if any, as provided by applicable law, and the distribution of this Security to the holders of the Preferred Trust Securities issued by the Trust (the "Preferred Trust Securities"), in exchange therefor, be more than an insubstantial risk that an Adverse Tax Consequence (as defined below) would continue to exist or (ii) this Security is not held by the Trust, then the Company shall have the right to redeem this Security, in whole but not in part, at any time within 90 days following the occurrence of the Tax Event, at 100% of the principal amount thereof plus accrued and unpaid interest thereon, including the Additional Interest, if any, to the Redemption Date.]

["Tax Event" means the receipt by the Trust or the Company of an Opinion of Counsel experienced in such matters to the effect that, as a result of (a) any amendment to, clarification of, or change (including any announced prospective change) in, the laws or treaties (or any regulations thereunder) of the United States or any political subdivision or taxing authorities thereof or therein; (b) any judicial decision or any official administrative pronouncement, ruling, regulatory procedure, notice or announcement (including any notice or announcement of intent to issue or adopt any such administrative pronouncement, ruling, regulatory procedure or regulation) (each, an "Administrative Action"), or (c) any amendment to, clarification of, or change in the official position or the interpretation of any such Administrative Action or judicial decision or any interpretation or pronouncement that provides for a position with respect to such Administrative Action or judicial decision that differs from the theretofore generally accepted position, in each case by any legislative body, court, governmental authority or regulatory body, irrespective of the time or manner in which such amendment, clarification or change is introduced or made known, which amendment, clarification, or change is effective, or which Administrative Action is taken or which judicial decision, interpretation or pronouncement is issued, in each case on or after _____, 200_, there is more than an insubstantial risk that (i) the Trust is, or will be, subject to United States Federal income tax with respect to interest received on this Security, (ii) interest payable by the Company on this Security is not, or will not be, fully deductible by the Company for United States Federal income tax purposes, or (iii) the Trust is, or will be, subject to more than a de minimis amount of other taxes, duties or other governmental charges (each of the circumstances described in clauses (i), (ii) or (iii) being an "Adverse Tax Consequence").]

[If at any time an Investment Company Act Event (as defined below) shall occur and be continuing, then the Company shall have the right to redeem this Security, in whole, but not in part, at any

time within 90 days following the occurrence of the Investment Company Act Event, at 100% of the principal amount thereof plus accrued and unpaid interest thereon, including Additional Interest, if any, to the Redemption Date.

An "Investment Company Act Event" occurs when the Trust or the Company has received an Opinion of Counsel experienced in such matters to the effect that, as a result of a change in law or regulation or a written change in interpretation or application of law or regulation by any legislative body, court, governmental agency or regulatory authority after _____, 200_, there is more than an insubstantial risk that the Trust is or will be considered an investment company under the Investment Company Act of 1940, as amended.]

Interest installments whose Stated Maturity is on or prior to such Redemption Date will be payable to the Holder of such Security, or one or more Predecessor Securities, of record at the close of business on the related Regular Record Date referred to on the face hereof, all as provided in the Indenture.

In the event of redemption of this Security in part only, a new Security or Securities of this series and of like tenor for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the cancellation hereof.

The indebtedness evidenced by this Security is, to the extent provided in the Indenture, subordinated and subject in right of payment to the prior payment in full of all Senior Indebtedness of the Company, and this Security is issued subject to the provisions of the Indenture with respect thereto. Each Holder of this Security, by accepting the same, (a) agrees to and shall be bound by such provisions, (b) authorizes and directs the Trustee on his behalf to take such action as may be necessary or appropriate to acknowledge or effectuate the subordination so provided and (c) appoints the Trustee his attorney-in-fact for any and all such purposes. Each Holder hereof, by his acceptance hereof, hereby waives all notice of the acceptance of the subordination provisions contained herein and in the Indenture by each holder of Senior Indebtedness, whether now outstanding or hereafter incurred, and waives reliance by each such Holder upon said provisions.

The Indenture contains provisions for defeasance at any time of the entire indebtedness of this Security upon compliance with certain conditions set forth in the Indenture including the Officer's Certificate described above.

If an Event of Default with respect to Securities of this series shall occur and be continuing, the principal of and interest on the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of a majority in principal amount of the Securities at the time Outstanding of all series to be affected. The Indenture also contains provisions permitting the Holders of specified percentages in principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

As provided in and subject to the provisions of the Indenture, the Holder of this Security shall not have the right to institute any proceeding with respect to the Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default with respect to the Securities of this series, the Holders of a majority in aggregate principal amount of the Securities of all series at the time Outstanding in respect of which an Event of Default shall have occurred and be continuing shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee reasonable indemnity, and the Trustee shall not have received from the Holders of a majority in aggregate principal amount of Securities of all series at the time Outstanding in respect of which an Event of Default shall have occurred and be continuing a direction inconsistent with such request, and shall have failed to institute any such proceeding, for 60 days after receipt of such notice, request and offer of indemnity. The foregoing shall not apply to any suit instituted by the Holder of this Security for the enforcement of any payment of principal hereof or any premium or interest hereon on or after the respective due dates expressed herein.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and any premium and interest on this Security at the times, place and rate, and in the coin or currency, herein prescribed.

Pursuant to Section 312 of the Indenture, so long as no Event of Default under the Indenture has occurred and is continuing with respect to the Securities of any series, the Company shall have the right, at any time and from time to time during the term of the Securities of this series, to extend the interest payment period to a period not exceeding 20 consecutive quarterly periods (an "Extension Period"); provided that no Extension Period shall extend beyond the Stated Maturity or end on a day other than an Interest Payment Date. During the Extension Period interest (calculated for each Interest Period in the manner provided for on the face hereof, as if the interest payment period had not been so extended) will be compounded [quarterly]. At the end of the Extension Period, which shall be an Interest Payment Date, the Company shall pay all interest accrued and unpaid hereon (together with interest hereon at the rate specified for the Securities of this series, compounded [quarterly], to the extent permitted by applicable law) and Additional Interest, if any, to the Person in whose name the Securities of this series are registered at the close of business on the Regular Record Date for the Interest Payment Date on which such Extension Period ended; provided that any such accrued and unpaid interest payable at Stated Maturity or any Redemption Date will be paid to the Person to whom principal is payable. With respect to the Securities of this series, the term "Interest Period" shall mean each period from, and including, an Interest Payment Date to, but excluding, the next succeeding Interest Payment Date, except that the first Interest Period shall commence on the date of original issuance. However, during any such Extension Period, the Company shall not (i) declare or pay any dividends or distributions on its capital stock, or (ii) redeem, purchase, acquire or make a liquidation payment with respect to any of its capital stock, or (iii) pay any principal, interest or premium on, or repay, repurchase or redeem any debt securities that are equal or junior in right of payment to the Securities of this series, or (iv) make any payments with respect to any guarantee of debt securities by the Company if such guarantee is equal or junior in right of payment to the Securities of this series ("Restricted Payments").

The foregoing provisions shall not prevent or restrict the Company from making:

(a) purchases, redemptions or other acquisitions of its capital stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or agents or a stock purchase or dividend reinvestment plan, or the satisfaction of its obligations pursuant to any contract

or security outstanding on the date that the interest payment period is extended requiring it to purchase, redeem or acquire its capital stock;

(b) any payment, repayment, redemption, purchase, acquisition or declaration of dividend described in clauses (i) and (ii) above as a result of a reclassification of its capital stock, or the exchange or conversion of all or a portion of one class or series of its capital stock for another class or series of its capital stock;

(c) the purchase of fractional interests in shares of its capital stock pursuant to the conversion or exchange provisions of its capital stock or the security being converted or exchanged, or in connection with the settlement of stock purchase contracts;

(d) dividends or distributions paid or made in its capital stock (or rights to acquire its capital stock), or repurchases, redemptions or acquisitions of capital stock in connection with the issuance or exchange of capital stock (or of securities convertible into or exchangeable for shares of its capital stock and distributions in connection with the settlement of stock purchase contracts);

(e) redemptions, exchanges or repurchases of, or with respect to, any rights outstanding under a shareholder rights plan or the declaration or payment thereunder of a dividend or distribution of or with respect to rights in the future; or

(f) payments under any preferred trust securities guarantee or guarantee of junior subordinated debentures executed and delivered by the Company concurrently with the issuance by a trust of any preferred trust securities, so long as the amount of payments made on any preferred trust securities or junior subordinated debentures (as the case may be) is paid on all preferred trust securities or junior subordinated debentures (as the case may be) then outstanding on a pro rata basis in proportion to the full distributions to which each series of preferred trust securities or junior subordinated debentures (as the case may be) is then entitled if paid in full.

Prior to the termination of any such Extension Period, the Company may further extend the interest payment period, provided that such Extension Period together with all such previous and further extensions thereof shall not exceed 20 consecutive quarterly periods at any one time or extend beyond the Maturity of the Securities of this series. Upon the termination of any such Extension Period and the payment of all amounts then due, including interest on deferred interest payments, the Company may elect to begin a new Extension Period, subject to the above requirements. No interest shall be due and payable during an Extension Period, except at the end thereof. The Company shall give the Trustee notice of its election of an Extension Period before the Business Day prior to the record date for the distribution which would occur but for such election and the Trustee will cause the Trust to send notice of such election to the holders of Preferred Trust Securities.

The Securities of this series are issuable only in registered form without coupons in denominations of $[1,000][25] and integral multiples thereof. As provided in the Indenture and subject to certain limitations therein set forth, Securities of this series are exchangeable for a like aggregate principal amount of Securities of this series and of like tenor and of authorized denominations, as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

The Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the absolute owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

All terms used in this Security which are defined either in the Indenture or in the Officer's Certificate shall have the meanings assigned to them in the Indenture or in the Officer's Certificate.

Exhibit 5(a)

SQUIRE, SANDERS & DEMPSEY L.L.P.
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SQUIRE SANDERS | LEGAL COUNSEL WORLDWIDE

September 5, 2006

FPL Group, Inc.
FPL Group Capital Inc
Florida Power & Light Company
FPL Group Capital Trust II
FPL Group Capital Trust III
FPL Group Trust I
FPL Group Trust II
Florida Power & Light Company Trust I
Florida Power & Light Company Trust II
700 Universe Boulevard
Juno Beach, Florida 33408

Ladies and Gentlemen:

As counsel for FPL Group, Inc., a Florida corporation ("FPL Group"), FPL Group Capital Inc, a Florida corporation ("FPL Group Capital"), Florida Power & Light Company, a Florida corporation ("FPL"), FPL Group Capital Trust II, a Delaware statutory trust, FPL Group Capital Trust III, a Delaware statutory trust (together with FPL Group Capital Trust II, the "FPL Group Capital Trusts"), FPL Group Trust I, a Delaware statutory trust, FPL Group Trust II, a Delaware statutory trust (together with FPL Group Trust I, the "FPL Group Trusts"), Florida Power & Light Company Trust I, a Delaware statutory trust, and Florida Power & Light Company Trust II, a Delaware statutory trust (together with Florida Power & Light Company Trust I, the "FPL Trusts") (the FPL Group Capital Trusts, the FPL Group Trusts and the FPL Trusts are herein referred to collectively as the "Trusts"), we have participated in the preparation of a joint registration statement on Form S-3 to be filed on or about the date hereof with the Securities and Exchange Commission ("Commission") under the Securities Act of 1933, as amended ("Securities Act"), in connection with the registration by:

(a) FPL Group of an unspecified amount of (i) its guarantee relating to FPL Group Capital Senior Debt Securities (as defined below) ("FPL Group Senior Debt Securities Guarantee"); (ii) its guarantee of the FPL Group Capital Subordinated Debentures (as defined below) ("FPL Group Subordinated Debenture Guarantee"); (iii) its unsecured debt securities ("FPL Group Senior Debt Securities"); (iv) its junior subordinated debentures ("FPL Group Subordinated Debentures"); and (v) its guarantee of Preferred Trust Securities (as defined below)

of FPL Group Capital Trust and FPL Group Trust ("FPL Group Preferred Trust Securities Guarantee");

(b) FPL Group Capital of an unspecified amount of (i) its unsecured debt securities ("FP Group Capital Senior Debt Securities") and (ii) its junior subordinated debentures ("FPL Group Capital Subordinated Debentures");

(c) FPL of an unspecified amount of (i) its first mortgage bonds (the "Bonds"); (ii) its junior subordinated debentures ("FPL Subordinated Debentures"); and (iii) its guarantee of Preferred Trust Securities (as defined below) of the FPL Trusts ("FPL Preferred Trust Securitie Guarantee"); and

(d) the Trusts of an unspecified amount of their preferred trust securities ("Preferred Trust Securities").

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 upon the foregoing, we are of the opinion that:

1. The FPL Group Capital Senior Debt Securities and the FPL Group Senior Debt Securities Guarantee will be valid, legal and binding obligations of FPL Group Capital and FPL Group, respectively, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity, when:

a. a duly-authorized officer of FPL Group Capital, acting within the authority granted by the then current resolutions of the Board of Directors of FPL Group Capital approves and establishes the terms and provisions of the FPL Group Capital Senior Debt Securities in accordance with the Indenture (For Unsecured Debt Securities) dated as of June 1, 1999, between FPL Group Capital and The Bank of New York, as Trustee; and

b. the FPL Group Capital Senior Debt Securities are issued and sold in accordance with their respective terms and provisions and as contemplated by the Registration Statement.

2. The FPL Group Senior Debt Securities will be valid, legal and binding obligations of FPL Group, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity, when:

a. an indenture ("FPL Group Indenture") with respect to such FPL Group Senior Debt Securities shall have been executed and delivered by a duly-authorized officer of FPL Group and by the trustee under such FPL Group Indenture;

b. a duly-authorized officer of FPL Group, acting within the authority granted by the then current resolutions of the Board of Directors of FPL Group, approves and establishes the terms and provisions of the FPL Group Senior Debt Securities in accordance with the FPL Group Indenture; and

c. the FPL Group Senior Debt Securities are issued and sold in accordance with their respective terms and provisions and as contemplated by the Registration Statement.

3. The FPL Group Subordinated Debentures will be valid, legal and binding obligations of FPL Group, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity, when:

a. a subordinated indenture ("FPL Group Subordinated Indenture") with respect to such FPL Group Subordinated Debentures shall have been executed and delivered by a duly-authorized officer of FPL Group and by the trustee under such FPL Group Subordinated Indenture;

b. a duly-authorized officer of FPL Group, acting within the authority granted by the then current resolutions of the Board of Directors of FPL Group, approves and establishes the terms and provisions of the FPL Group Subordinated Debentures in accordance with the FPL Group Subordinated Indenture; and

c. the FPL Group Subordinated Debentures are issued and sold in accordance with their respective terms and provisions and as contemplated by the Registration Statement.

4. The FPL Group Capital Subordinated Debentures and the FPL Group Subordinated Debenture Guarantee will be valid, legal and binding obligations of FPL Group

Capital and FPL Group, respectively, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity, when:

a. if the FPL Group Capital Subordinated Debentures will not be issued pursuant to the Indenture (For Unsecured Subordinated Debt Securities relating to Trust Securities) dated as of March 1, 2004 ("FPL Group Capital 2004 Subordinated Indenture"), among FPL Group Capital, FPL Group and The Bank of New York, as Trustee, then a subordinated indenture ("FPL Group Capital New Subordinated Indenture") with respect to such FPL Group Capital Subordinated Debentures shall have been executed and delivered by a duly-authorized officer of FPL Group Capital, by a duly-authorized officer of FPL Group and by the trustee under such FPL Group Capital New Subordinated Indenture;

b. a duly-authorized officer of FPL Group Capital, acting within the authority granted by the then current resolutions of the Board of Directors of FPL Group Capital approves and establishes the terms and provisions of the FPL Group Capital Subordinated Debentures in accordance with the FPL Group Capital 2004 Subordinated Indenture or the FPL Group Capital New Subordinated Indenture;

c. a duly-authorized officer of FPL Group, acting within the authority granted by the then current resolutions of the Board of Directors of FPL Group, endorses the FPL Group Subordinated Debenture Guarantee onto the FPL Group Capital Subordinated Debentures; and

d. the FPL Group Capital Subordinated Debentures are issued and sold in accordance with their respective terms and provisions and as contemplated by the Registration Statement.

5. The FPL Group Preferred Trust Securities Guarantee will be a valid, legal and binding obligation of FPL Group, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity, when:

a. a preferred trust securities guarantee agreement ("FPL Group Preferred Trust Securities Guarantee Agreement") with respect to such FPL Group Preferred Trust Securities Guarantee shall have been executed and delivered by a duly-authorized officer of FPL

Group and by the trustee under such FPL Group Preferred Trust Securities Guarantee Agreement; and

b. the Preferred Trust Securities are issued and sold by an FPL Group Trust or an FPL Group Capital Trust in accordance with their respective terms and provisions and as contemplated by the Registration Statement.

6. The Bonds will be valid, legal and binding obligations of FPL, 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:

a. the Bonds are issued and sold pursuant to authority contained in an order of the Florida Public Service Commission ("FPSC");

b. a duly-authorized officer of FPL, acting within the authority granted by the then current resolutions of the Board of Directors of FPL and, if applicable, of the Finance Committee of the Board of Directors of FPL, 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 FPL to Deutsche Bank Trust Company Americas, as Trustee; and

c. the Bonds are issued and sold in accordance with their respective terms and provisions and as contemplated by the Registration Statement.

7. The FPL Subordinated Debentures will be valid, legal and binding obligations of FPL, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity, when:

a. the FPL Subordinated Debentures are issued and sold pursuant to authority contained in an order of the FPSC;

b. a subordinated indenture ("FPL Subordinated Indenture") with respect to such FPL Subordinated Debentures shall have been executed and delivered by a duly-authorized officer of FPL and by the trustee under such FPL Subordinated Indenture;

c. a duly-authorized officer of FPL, acting within the authority granted by the then current resolutions of the Board of Directors of FPL and, if applicable, of the Finance Committee of the Board of Directors of FPL, approves and establishes the terms and provisions of the FPL Subordinated Debentures in accordance with the FPL Subordinated Indenture; and

d. the FPL Subordinated Debentures are issued and sold in accordance with their respective terms and provisions and as contemplated by the Registration Statement.

8. The FPL Preferred Trust Securities Guarantee will be a valid, legal and binding obligation of FPL, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity, when:

a. a preferred trust securities guarantee agreement ("FPL Preferred Trust Securities Guarantee Agreement") with respect to such FPL Preferred Trust Securities Guarantee shall have been executed and delivered by a duly-authorized officer of FPL pursuant to authority contained in an order of the FPSC and by the trustee under such FPL Preferred Trust Securities Guarantee Agreement;

b. the Preferred Trust Securities are issued and sold by an FPL Trust pursuant to authority contained in an order of the FPSC; and

c. the Preferred Trust Securities are issued and sold in accordance with their respective terms and provisions and as contemplated by the Registration Statement.

Notwithstanding that the Registration Statement provides for the registration of an unspecified amount of the securities described above, the amount of any particular securities, as well as the aggregate amount of all such securities and any combination of such securities, that may be offered and sold as contemplated by the Registration Statement is limited to the amounts authorized from time to time by the respective board of directors (or duly authorized committee of the board of directors) of FPL Group, FPL Group Capital and FPL, as the case may be.

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 prospectuses included in the Registration Statement under the caption "Legal Opinions." In giving the foregoing consents, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission thereunder.

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 Delaware law, we have relied, with your consent, on the opinions of even date rendered to you by Morris, James, Hitchens & Williams LLP, Wilmington, Delaware. 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,

Squire, Sanders & Dempsey L.L.P.

SQUIRE, SANDERS & DEMPSEY L.L.P.

Exhibit 5(b)

Exhibit 5(b)

Thelen Reid & Priest LLP
Attorneys At Law

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September 5, 2006

FPL Group, Inc.
FPL Group Capital Inc
Florida Power & Light Company
FPL Group Capital Trust II
FPL Group Capital Trust III
FPL Group Trust I
FPL Group Trust II
Florida Power & Light Company Trust I
Florida Power & Light Company Trust II
700 Universe Boulevard
Juno Beach, Florida 33408

Ladies and Gentlemen:

As counsel for FPL Group, Inc., a Florida corporation ("FPL Group"), FPL Group Capital Inc, a Florida corporation ("FPL Group Capital"), Florida Power & Light Company, a Florida corporation ("FPL"), FPL Group Capital Trust II, a Delaware statutory trust, FPL Group Capital Trust III, a Delaware statutory trust (together with FPL Group Capital Trust II, the "FPL Group Capital Trusts"), FPL Group Trust I, a Delaware statutory trust, FPL Group Trust II, a Delaware statutory trust (together with FPL Group Trust I, the "FPL Group Trusts"), Florida Power & Light Company Trust I, a Delaware statutory trust, and Florida Power & Light Company Trust II, a Delaware statutory trust (together with Florida Power & Light Company Trust I, the "FPL Trusts") (the FPL Group Capital Trusts, the FPL Group Trusts and the FPL Trusts are herein referred to collectively as the "Trusts"), we have participated in the preparation of a joint registration statement on Form S-3 to be filed on or about the date hereof with the Securities and Exchange Commission ("Commission") under the Securities Act of 1933, as amended ("Securities Act"), in connection with the registration by:

(a) FPL Group of an unspecified amount of (i) its guarantee relating to FPL Group Capital Senior Debt Securities (as defined below) ("FPL Group Senior Debt Securities Guarantee"); (ii) its guarantee of the FPL Group Capital Subordinated Debentures (as defined below) ("FPL Group Subordinated Debenture Guarantee"); (iii) its unsecured debt securities ("FPL Group Senior Debt Securities"); (iv) its junior subordinated debentures ("FPL Group Subordinated Debentures"); and (v) its guarantee of Preferred Trust Securities (as defined below) of FPL Group Capital Trust and FPL Group Trust ("FPL Group Preferred Trust Securities Guarantee");

(b) FPL Group Capital of an unspecified amount of (i) its unsecured debt securities ("FPL Group Capital Senior Debt Securities") and (ii) its junior subordinated debentures ("FPL Group Capital Subordinated Debentures");

(c) FPL of an unspecified amount of (i) its first mortgage bonds (the "Bonds"); (ii) its junior subordinated debentures ("FPL Subordinated Debentures"); and (iii) its guarantee of Preferred Trust Securities (as defined below) of the FPL Trusts ("FPL Preferred Trust Securities Guarantee"); and

(d) the Trusts of an unspecified amount of their preferred trust securities ("Preferred Trust Securities").

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 upon the foregoing, we are of the opinion that:

1. The FPL Group Capital Senior Debt Securities and the FPL Group Senior Debt Securities Guarantee will be valid, legal and binding obligations of FPL Group Capital and FPL Group, respectively, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity, when:

a. a duly-authorized officer of FPL Group Capital, acting within the authority granted by the then current resolutions of the Board of Directors of FPL Group Capital, approves and establishes the terms and provisions of the FPL Group Capital Senior Debt Securities in accordance with the Indenture (For Unsecured Debt Securities) dated as of June 1, 1999, between FPL Group Capital and The Bank of New York, as Trustee; and

b. the FPL Group Capital Senior Debt Securities are issued and sold in accordance with their respective terms and provisions and as contemplated by the Registration Statement.

2. The FPL Group Senior Debt Securities will be valid, legal and binding obligations of FPL Group, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity, when:

a. an indenture ("FPL Group Indenture") with respect to such FPL Group Senior Debt Securities shall have been executed and delivered by a duly-authorized officer of FPL Group and by the trustee under such FPL Group Indenture;

b. a duly-authorized officer of FPL Group, acting within the authority granted by the then current resolutions of the Board of Directors of FPL Group, approves and establishes the terms and provisions of the FPL Group Senior Debt Securities in accordance with the FPL Group Indenture; and

c. the FPL Group Senior Debt Securities are issued and sold in accordance with their respective terms and provisions and as contemplated by the Registration Statement.

3. The FPL Group Subordinated Debentures will be valid, legal and binding obligations of FPL Group, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity, when:

a. a subordinated indenture ("FPL Group Subordinated Indenture") with respect to such FPL Group Subordinated Debentures shall have been executed and delivered by a duly-authorized officer of FPL Group and by the trustee under such FPL Group Subordinated Indenture;

b. a duly-authorized officer of FPL Group, acting within the authority granted by the then current resolutions of the Board of Directors of FPL Group, approves and establishes the terms and provisions of the FPL Group Subordinated Debentures in accordance with the FPL Group Subordinated Indenture; and

c. the FPL Group Subordinated Debentures are issued and sold in accordance with their respective terms and provisions and as contemplated by the Registration Statement.

4. The FPL Group Capital Subordinated Debentures and the FPL Group Subordinated Debenture Guarantee will be valid, legal and binding obligations of FPL Group Capital and FPL Group, respectively, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity, when:

a. if the FPL Group Capital Subordinated Debentures will not be issued pursuant to the Indenture (For Unsecured Subordinated Debt Securities relating to Trust Securities) dated as of March 1, 2004 ("FPL Group Capital 2004 Subordinated Indenture"), among FPL Group Capital, FPL Group and The Bank of New York, as Trustee, then a subordinated indenture ("FPL Group Capital New Subordinated Indenture") with respect to such FPL Group Capital Subordinated Debentures shall have been executed and delivered by a

duly-authorized officer of FPL Group Capital, by a duly-authorized officer of FPL Group and by the trustee under such FPL Group Capital New Subordinated Indenture;

b. a duly-authorized officer of FPL Group Capital, acting within the authority granted by the then current resolutions of the Board of Directors of FPL Group Capital, approves and establishes the terms and provisions of the FPL Group Capital Subordinated Debentures in accordance with the FPL Group Capital 2004 Subordinated Indenture or the FPL Group Capital New Subordinated Indenture;

c. a duly-authorized officer of FPL Group, acting within the authority granted by the then current resolutions of the Board of Directors of FPL Group, endorses the FPL Group Subordinated Debenture Guarantee onto the FPL Group Capital Subordinated Debentures; and

d. the FPL Group Capital Subordinated Debentures are issued and sold in accordance with their respective terms and provisions and as contemplated by the Registration Statement.

5. The FPL Group Preferred Trust Securities Guarantee will be a valid, legal and binding obligation of FPL Group, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity, when:

a. a preferred trust securities guarantee agreement ("FPL Group Preferred Trust Securities Guarantee Agreement") with respect to such FPL Group Preferred Trust Securities Guarantee shall have been executed and delivered by a duly-authorized officer of FPL Group and by the trustee under such FPL Group Preferred Trust Securities Guarantee Agreement; and

b. the Preferred Trust Securities are issued and sold by an FPL Group Trust or an FPL Group Capital Trust in accordance with their respective terms and provisions and as contemplated by the Registration Statement.

6. The Bonds will be valid, legal and binding obligations of FPL, 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:

a. the Bonds are issued and sold pursuant to authority contained in an order of the Florida Public Service Commission ("FPSC");

b. a duly-authorized officer of FPL, acting within the authority granted by the then current resolutions of the Board of Directors of FPL and, if applicable, of the Finance Committee of the Board of Directors of FPL, 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 FPL to Deutsche Bank Trust Company Americas, as Trustee; and

c. the Bonds are issued and sold in accordance with their respective terms and provisions and as contemplated by the Registration Statement.

7. The FPL Subordinated Debentures will be valid, legal and binding obligations of FPL, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity, when:

a. the FPL Subordinated Debentures are issued and sold pursuant to authority contained in an order of the FPSC;

b. a subordinated indenture ("FPL Subordinated Indenture") with respect to such FPL Subordinated Debentures shall have been executed and delivered by a duly-authorized officer of FPL and by the trustee under such FPL Subordinated Indenture;

c. a duly-authorized officer of FPL, acting within the authority granted by the then current resolutions of the Board of Directors of FPL and, if applicable, of the Finance Committee of the Board of Directors of FPL, approves and establishes the terms and provisions of the FPL Subordinated Debentures in accordance with the FPL Subordinated Indenture; and

d. the FPL Subordinated Debentures are issued and sold in accordance with their respective terms and provisions and as contemplated by the Registration Statement.

8. The FPL Preferred Trust Securities Guarantee will be a valid, legal and binding obligation of FPL, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity, when:

a. a preferred trust securities guarantee agreement ("FPL Preferred Trust Securities Guarantee Agreement") with respect to such FPL Preferred Trust Securities Guarantee shall have been executed and delivered by a duly-authorized officer of FPL pursuant to authority contained in an order of the FPSC and by the trustee under such FPL Preferred Trust Securities Guarantee Agreement;

b. the Preferred Trust Securities are issued and sold by an FPL Trust pursuant to authority contained in an order of the FPSC; and

c. the Preferred Trust Securities are issued and sold in accordance with their respective terms and provisions and as contemplated by the Registration Statement.

Notwithstanding that the Registration Statement provides for the registration of an unspecified amount of the securities described above, the amount of any particular securities, as well as the aggregate amount of all such securities and any combination of such securities, that may be offered and sold as contemplated by the Registration Statement is limited to the amounts authorized from time to time by the respective board of directors (or duly authorized committee of the board of directors) of FPL Group, FPL Group Capital and FPL, as the case may be.

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 prospectuses included in the Registration Statement under the caption "Legal Opinions." In giving the foregoing consents, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission thereunder.

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 Squire, Sanders & Dempsey L.L.P., Miami, Florida. As to all matters of Delaware law, we have relied, with your consent, on the opinions o even date rendered to you by Morris, James, Hitchens & Williams LLP, Wilmington, Delaware. As to all matters of New York law, Squire, Sanders & Dempsey L.L.P., is authorized to rely upon this opinion as if it were addressed to it.

Very truly yours,

Thelen Reid & Priest L

THELEN REID & PRIEST LLP

Exhibit 5(c)

MORRIS, JAMES, HITCHENS & WILLIAMS LLP

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Wilmington, DE 19899-2306

September 5, 2006

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

RE: FPL GROUP CAPITAL TRUST II

Ladies and Gentlemen:

We have acted as special Delaware counsel for FPL Group, Inc., a Florida corporation ("FPL Group"), FPL Group Capital Inc, a Florida corporation ("FPL Group Capital"), and FPL Group Capital Trust II, a Delaware statutory trust (the "Trust"), for the purpose of giving the opinions set forth herein. At your request, this opinion letter is being furnished to you.

For purposes of giving the opinions hereinafter set forth, our examination of documents has been limited to the examination of originals or copies furnished to us of the following:

(a) The Certificate of Trust of the Trust, as filed in the office of the Secretary of State of the State of Delaware (the "Secretary of State") on February 27, 2003 (the "Certificate");

(b) The Trust Agreement of the Trust, dated as of February 27, 2003, by and among FPL Group, as depositor, and the trustees of the Trust named therein (the "Initial Trust Agreement");

(c) The Registration Statement (the "Registration Statement") on Form S-3, including a prospectus (the "Prospectus"), relating, among other things, to the Preferred Trust Securities of the Trust representing undivided beneficial ownership interests in the assets of the Trust (each, a "Preferred Trust Security" and collectively, the "Preferred Trust Securities"), as proposed to be filed by FPL Group, FPL Group Capital, Florida Power & Light Company, a Florida corporation, the Trust, FPL Group Capital Trust

III, a Delaware statutory trust, FPL Group Trust I, a Delaware statutory trust, FPL Group Trust II, a Delaware statutory trust, Florida Power & Light Company Trust I, a Delaware statutory trust, and Florida Power & Light Company Trust II, a Delaware statutory trust, with the Securities and Exchange Commission ("Commission") on or about the date hereof (other than the documents incorporated by reference);

(d) A form of Amended and Restated Trust Agreement of the Trust (including Exhibits A, B, C and D attached thereto) (the "Trust Agreement"), to be entered into among FPL Group, the trustees of the Trust named therein, and the holders, from time to time, of preferred undivided beneficial interests in the assets of the Trust, filed as an exhibit to the Registration Statement; and

(e) A Certificate of Good Standing for the Trust, dated a recent date, obtained from the Secretary of State.

Unless otherwise defined herein, all capitalized terms used in this opinion letter shall have the respective meanings provided in the Trust Agreement, except that reference herein to any document shall mean such document as in effect on the date hereof.

For purposes of this opinion letter, we have relied upon the foregoing documents, the statements and information set forth therein and the additional matters recited or assumed herein, and such other certificates or documents as we have considered necessary or appropriate for the purposes of this opinion letter, all of which we have assumed to be true, complete and accurate in all material respects.

With respect to all documents examined by us, we have assumed (i) the authenticity of all documents submitted to us as authentic originals, (ii) the conformity with the originals of all documents submitted to us as copies or forms, and (iii) the genuineness of all signatures.

For purposes of this opinion letter, we have assumed (i) that the Trust Agreement constitutes the entire agreement among the parties thereto with respect to the subject matter thereof, including with respect to the creation, operation and termination of the Trust, and that the Trust Agreement and the Certificate are in full force and effect and have not been amended; (ii) except to the extent provided in paragraph 1 below, the due creation, due formation or due organization, as the case may be, and the valid existence in good standing of each party to the

documents examined by us under the laws of the jurisdiction governing its creation, formation or organization; (iii) the legal capacity of natural persons who are parties or signatories to the documents examined by us; (iv) that each of the parties to the documents examined by us has the power and authority to execute and deliver, and to perform its obligations under, such documents; (v) that each of the parties to the documents examined by us has duly authorized, executed and delivered such documents; (vi) the receipt by each Person to whom a Preferred Trust Security is to be issued by the Trust (collectively, the "Preferred Trust Security Holders") of a Preferred Trust Securities Certificate for the Preferred Trust Security and the payment for the Preferred Trust Security acquired by it, in accordance with the Trust Agreement, and as described in the Prospectus; and (vii) that the Preferred Trust Securities are issued to the Preferred Trust Security Holders in accordance with the Trust Agreement. We have not participated in the preparation of the Registration Statement or Prospectus and assume no responsibility for its contents.

The opinions in this letter are limited to the laws of the State of Delaware (other than the securities laws of the State of Delaware) and we have not considered and express no opinion on the effect of or concerning matters involving the laws of any other jurisdiction, or rules, regulations, orders and decisions relating to such laws, including, without limitation, the federal laws of the United States of America.

Based upon the foregoing, and subject to the assumptions, qualifications, limitations and exceptions set forth herein, we are of the opinion that:

1. The Trust has been duly formed and is validly existing in good standing as a statutory trust under the Delaware Statutory Trust Act, 12 Del. C. §3801 et seq.

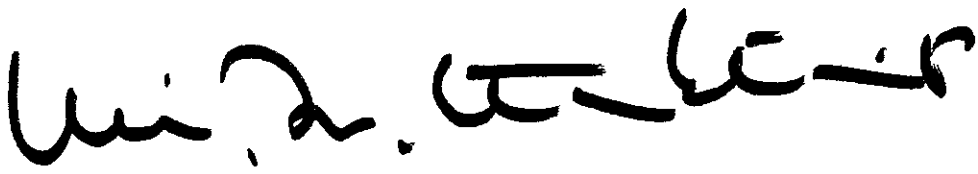
2. The Preferred Trust Securities will be validly issued, and, subject to the qualifications set forth in paragraph 3 below, fully paid and non-assessable undivided beneficial ownership interests in the assets of the Trust.

3. The Preferred Trust Security Holders, as beneficial owners of the Trust, will be entitled to the same limitation of personal liability extended to stockholders of private corporations for profit organized under the General Corporation Law of the State of Delaware. We note that the Preferred Trust Security Holders may be obligated to make payments and provide indemnity and/or security as set forth in the Trust Agreement.

We consent to the filing of this opinion letter with the Commission as an exhibit to the Registration Statement. In addition, we hereby consent to the use of our name under the

heading "Legal Opinions" in the Prospectus. In giving the foregoing consents, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the rules and regulations of the Commission thereunder. We also consent to the reliance by Squire, Sanders & Dempsey L.L.P. and Thelen Reid & Priest LLP as to all matters of Delaware law upon this opinion in connection with opinions to be rendered by them on the date hereof. Except as stated above, without our prior written consent, this opinion may not be furnished or quoted to, or relied upon by, any other Person or relied upon for any other purpose.

Very truly yours,



LCL/sek

Exhibit 5(d)

MORRIS, JAMES, HITCHENS & WILLIAMS LLP

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September 5, 2006

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

RE: FPL GROUP CAPITAL TRUST III

Ladies and Gentlemen:

We have acted as special Delaware counsel for FPL Group, Inc., a Florida corporation ("FPL Group"), FPL Group Capital Inc, a Florida corporation ("FPL Group Capital"), and FPL Group Capital Trust III, a Delaware statutory trust (the "Trust"), for the purpose of giving the opinions set forth herein. At your request, this opinion letter is being furnished to you.

For purposes of giving the opinions hereinafter set forth, our examination of documents has been limited to the examination of originals or copies furnished to us of the following:

(a) The Certificate of Trust of the Trust, as filed in the office of the Secretary of State of the State of Delaware (the "Secretary of State") on June 2, 2004 (the "Certificate");

(b) The Trust Agreement of the Trust, dated as of June 2, 2004, by and among FPL Group, as depositor, and the trustees of the Trust named therein (the "Initial Trust Agreement");

(c) The Registration Statement (the "Registration Statement") on Form S-3, including a prospectus (the "Prospectus"), relating, among other things, to the Preferred Trust Securities of the Trust representing undivided beneficial ownership interests in the assets of the Trust (each, a "Preferred Trust Security" and collectively, the "Preferred Trust Securities"), as proposed to be filed by FPL Group, FPL Group Capital, Florida Power & Light Company, a Florida corporation, the Trust, FPL Group Capital Trust

II, a Delaware statutory trust, FPL Group Trust I, a Delaware statutory trust, FPL Group Trust II, a Delaware statutory trust, Florida Power & Light Company Trust I, a Delaware statutory trust, and Florida Power & Light Company Trust II, a Delaware statutory trust, with the Securities and Exchange Commission ("Commission") on or about the date hereof (other than the documents incorporated by reference);

(d) A form of Amended and Restated Trust Agreement of the Trust (including Exhibits A, B, C and D attached thereto) (the "Trust Agreement"), to be entered into among FPL Group, the trustees of the Trust named therein, and the holders, from time to time, of preferred undivided beneficial interests in the assets of the Trust, filed as an exhibit to the Registration Statement; and

(e) A Certificate of Good Standing for the Trust, dated a recent date, obtained from the Secretary of State.

Unless otherwise defined herein, all capitalized terms used in this opinion letter shall have the respective meanings provided in the Trust Agreement, except that reference herein to any document shall mean such document as in effect on the date hereof.

For purposes of this opinion letter, we have relied upon the foregoing documents, the statements and information set forth therein and the additional matters recited or assumed herein, and such other certificates or documents as we have considered necessary or appropriate for the purposes of this opinion letter, all of which we have assumed to be true, complete and accurate in all material respects.

With respect to all documents examined by us, we have assumed (i) the authenticity of all documents submitted to us as authentic originals, (ii) the conformity with the originals of all documents submitted to us as copies or forms, and (iii) the genuineness of all signatures.

For purposes of this opinion letter, we have assumed (i) that the Trust Agreement constitutes the entire agreement among the parties thereto with respect to the subject matter thereof, including with respect to the creation, operation and termination of the Trust, and that the Trust Agreement and the Certificate are in full force and effect and have not been amended; (ii) except to the extent provided in paragraph 1 below, the due creation, due formation or due organization, as the case may be, and the valid existence in good standing of each party to the

documents examined by us under the laws of the jurisdiction governing its creation, formation or organization; (iii) the legal capacity of natural persons who are parties or signatories to the documents examined by us; (iv) that each of the parties to the documents examined by us has the power and authority to execute and deliver, and to perform its obligations under, such documents; (v) that each of the parties to the documents examined by us has duly authorized, executed and delivered such documents; (vi) the receipt by each Person to whom a Preferred Trust Security is to be issued by the Trust (collectively, the "Preferred Trust Security Holders") of a Preferred Trust Securities Certificate for the Preferred Trust Security and the payment for the Preferred Trust Security acquired by it, in accordance with the Trust Agreement, and as described in the Prospectus; and (vii) that the Preferred Trust Securities are issued to the Preferred Trust Security Holders in accordance with the Trust Agreement. We have not participated in the preparation of the Registration Statement or Prospectus and assume no responsibility for its contents.

The opinions in this letter are limited to the laws of the State of Delaware (other than the securities laws of the State of Delaware) and we have not considered and express no opinion on the effect of or concerning matters involving the laws of any other jurisdiction, or rules, regulations, orders and decisions relating to such laws, including, without limitation, the federal laws of the United States of America.

Based upon the foregoing, and subject to the assumptions, qualifications, limitations and exceptions set forth herein, we are of the opinion that:

1. The Trust has been duly formed and is validly existing in good standing as a statutory trust under the Delaware Statutory Trust Act, 12 Del. C. §3801 et seq.

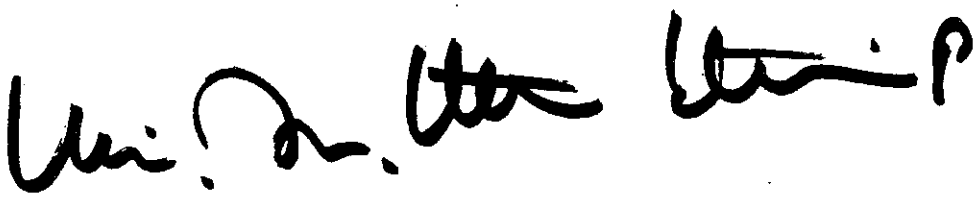
2. The Preferred Trust Securities will be validly issued, and, subject to the qualifications set forth in paragraph 3 below, fully paid and non-assessable undivided beneficial ownership interests in the assets of the Trust.

3. The Preferred Trust Security Holders, as beneficial owners of the Trust, will be entitled to the same limitation of personal liability extended to stockholders of private corporations for profit organized under the General Corporation Law of the State of Delaware. We note that the Preferred Trust Security Holders may be obligated to make payments and provide indemnity and/or security as set forth in the Trust Agreement.

We consent to the filing of this opinion letter with the Commission as an exhibit to the Registration Statement. In addition, we hereby consent to the use of our name under the

heading "Legal Opinions" in the Prospectus. In giving the foregoing consents, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the rules and regulations of the Commission thereunder. We also consent to the reliance by Squire, Sanders & Dempsey L.L.P. and Thelen Reid & Priest LLP as to all matters of Delaware law upon this opinion in connection with opinions to be rendered by them on the date hereof. Except as stated above, without our prior written consent, this opinion may not be furnished or quoted to, or relied upon by, any other Person or relied upon for any other purpose.

Very truly yours,



LCL/sek

Exhibit 5(e)

MORRIS, JAMES, HITCHENS & WILLIAMS LLP

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September 5, 2006

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

RE: FPL GROUP TRUST I

Ladies and Gentlemen:

We have acted as special Delaware counsel for FPL Group, Inc., a Florida corporation ("FPL Group"), and FPL Group Trust I, a Delaware statutory trust (the "Trust"), for the purpose of giving the opinions set forth herein. At your request, this opinion letter is being furnished to you.

For purposes of giving the opinions hereinafter set forth, our examination of documents has been limited to the examination of originals or copies furnished to us of the following:

(a) The Certificate of Trust of the Trust, as filed in the office of the Secretary of State of the State of Delaware (the "Secretary of State") on June 2, 2004 (the "Certificate");

(b) The Trust Agreement of the Trust, dated as of June 2, 2004, by and among FPL Group, as depositor, and the trustees of the Trust named therein (the "Initial Trust Agreement");

(c) The Registration Statement (the "Registration Statement") on Form S-3, including a prospectus (the "Prospectus"), relating, among other things, to the Preferred Trust Securities of the Trust representing undivided beneficial ownership interests in the assets of the Trust (each, a "Preferred Trust Security" and collectively, the "Preferred Trust Securities"), as proposed to be filed by FPL Group, FPL Group Capital Inc, a Florida corporation, Florida Power & Light Company, a Florida corporation, the Trust, FPL Group Capital Trust II, a Delaware statutory trust, FPL Group Capital Trust III, a Delaware statutory trust, FPL Group Trust II, a

Delaware statutory trust, Florida Power & Light Company Trust I, a Delaware statutory trust, and Florida Power & Light Company Trust II, a Delaware statutory trust, with the Securities and Exchange Commission ("Commission") on or about the date hereof (other than the documents incorporated by reference);

(d) A form of Amended and Restated Trust Agreement of the Trust (including Exhibits A, B, C and D attached thereto) (the "Trust Agreement"), to be entered into among FPL Group, the trustees of the Trust named therein, and the holders, from time to time, of preferred undivided beneficial interests in the assets of the Trust, filed as an exhibit to the Registration Statement; and

(e) A Certificate of Good Standing for the Trust, dated a recent date, obtained from the Secretary of State.

Unless otherwise defined herein, all capitalized terms used in this opinion letter shall have the respective meanings provided in the Trust Agreement, except that reference herein to any document shall mean such document as in effect on the date hereof.

For purposes of this opinion letter, we have relied upon the foregoing documents, the statements and information set forth therein and the additional matters recited or assumed herein, and such other certificates or documents as we have considered necessary or appropriate for the purposes of this opinion letter, all of which we have assumed to be true, complete and accurate in all material respects.

With respect to all documents examined by us, we have assumed (i) the authenticity of all documents submitted to us as authentic originals, (ii) the conformity with the originals of all documents submitted to us as copies or forms, and (iii) the genuineness of all signatures.

For purposes of this opinion letter, we have assumed (i) that the Trust Agreement constitutes the entire agreement among the parties thereto with respect to the subject matter thereof, including with respect to the creation, operation and termination of the Trust, and that the Trust Agreement and the Certificate are in full force and effect and have not been amended; (ii) except to the extent provided in paragraph 1 below, the due creation, due formation or due organization, as the case may be, and the valid existence in good standing of each party to the documents examined by us under the laws of the jurisdiction governing its creation, formation or organization; (iii) the legal capacity of natural persons who are parties or signatories to the

documents examined by us; (iv) that each of the parties to the documents examined by us has the power and authority to execute and deliver, and to perform its obligations under, such documents; (v) that each of the parties to the documents examined by us has duly authorized, executed and delivered such documents; (vi) the receipt by each Person to whom a Preferred Trust Security is to be issued by the Trust (collectively, the "Preferred Trust Security Holders") of a Preferred Trust Securities Certificate for the Preferred Trust Security and the payment for the Preferred Trust Security acquired by it, in accordance with the Trust Agreement, and as described in the Prospectus; and (vii) that the Preferred Trust Securities are issued to the Preferred Trust Security Holders in accordance with the Trust Agreement. We have not participated in the preparation of the Registration Statement or Prospectus and assume no responsibility for its contents.

The opinions in this letter are limited to the laws of the State of Delaware (other than the securities laws of the State of Delaware) and we have not considered and express no opinion on the effect of or concerning matters involving the laws of any other jurisdiction, or rules, regulations, orders and decisions relating to such laws, including, without limitation, the federal laws of the United States of America.

Based upon the foregoing, and subject to the assumptions, qualifications, limitations and exceptions set forth herein, we are of the opinion that:

1. The Trust has been duly formed and is validly existing in good standing as a statutory trust under the Delaware Statutory Trust Act, 12 Del. C. §3801 et seq.

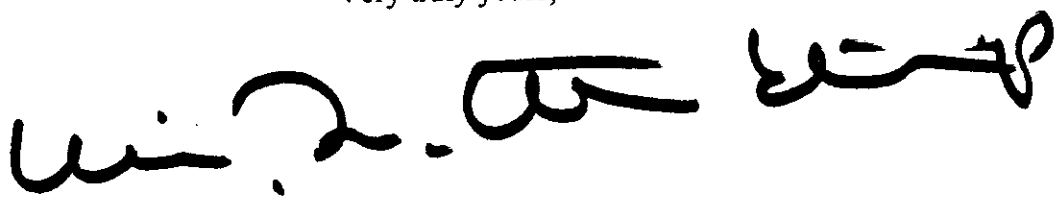
2. The Preferred Trust Securities will be validly issued, and, subject to the qualifications set forth in paragraph 3 below, fully paid and non-assessable undivided beneficial ownership interests in the assets of the Trust.

3. The Preferred Trust Security Holders, as beneficial owners of the Trust, will be entitled to the same limitation of personal liability extended to stockholders of private corporations for profit organized under the General Corporation Law of the State of Delaware. We note that the Preferred Trust Security Holders may be obligated to make payments and provide indemnity and/or security as set forth in the Trust Agreement.

We consent to the filing of this opinion letter with the Commission as an exhibit to the Registration Statement. In addition, we hereby consent to the use of our name under the heading "Legal Opinions" in the Prospectus. In giving the foregoing consents, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the rules and regulations of the Commission

thereunder. We also consent to the reliance by Squire, Sanders & Dempsey L.L.P. and Thelen Reid & Priest LLP as to all matters of Delaware law upon this opinion in connection with opinions to be rendered by them on the date hereof. Except as stated above, without our prior written consent, this opinion may not be furnished or quoted to, or relied upon by, any other Person or relied upon for any other purpose.

Very truly yours,



LCL/sek

Exhibit 5(f)

MORRIS, JAMES, HITCHENS & WILLIAMS LLP

222 Delaware Avenue, 10th Floor
Wilmington, Delaware 19801-1621
(302) 888-6800
Facsimile (302) 888-6989
www.morrisjames.com

Mailing Address
P.O. Box 2306
Wilmington, DE 19899-2306

September 5, 2006

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

RE: FPL GROUP TRUST II

Ladies and Gentlemen:

We have acted as special Delaware counsel for FPL Group, Inc., a Florida corporation ("FPL Group"), and FPL Group Trust II, a Delaware statutory trust (the "Trust"), for the purpose of giving the opinions set forth herein. At your request, this opinion letter is being furnished to you.

For purposes of giving the opinions hereinafter set forth, our examination of documents has been limited to the examination of originals or copies furnished to us of the following:

(a) The Certificate of Trust of the Trust, as filed in the office of the Secretary of State of the State of Delaware (the "Secretary of State") on June 2, 2004 (the "Certificate");

(b) The Trust Agreement of the Trust, dated as of June 2, 2004, by and among FPL Group, as depositor, and the trustees of the Trust named therein (the "Initial Trust Agreement");

(c) The Registration Statement (the "Registration Statement") on Form S-3, including a prospectus (the "Prospectus"), relating, among other things, to the Preferred Trust Securities of the Trust representing undivided beneficial ownership interests in the assets of the Trust (each, a "Preferred Trust Security" and collectively, the "Preferred Trust Securities"), as proposed to be filed by FPL Group, FPL Group Capital Inc, a Florida corporation, Florida Power & Light Company, a Florida corporation, the Trust, FPL Group Capital Trust II, a Delaware statutory trust, FPL Group Capital Trust III, a Delaware statutory trust, FPL Group Trust I, a

Delaware statutory trust, Florida Power & Light Company Trust I, a Delaware statutory trust, and Florida Power & Light Company Trust II, a Delaware statutory trust, with the Securities and Exchange Commission ("Commission") on or about the date hereof (other than the documents incorporated by reference);

(d) A form of Amended and Restated Trust Agreement of the Trust (including Exhibits A, B, C and D attached thereto) (the "Trust Agreement"), to be entered into among FPL Group, the trustees of the Trust named therein, and the holders, from time to time, of preferred undivided beneficial interests in the assets of the Trust, filed as an exhibit to the Registration Statement; and

(e) A Certificate of Good Standing for the Trust, dated a recent date, obtained from the Secretary of State.

Unless otherwise defined herein, all capitalized terms used in this opinion letter shall have the respective meanings provided in the Trust Agreement, except that reference herein to any document shall mean such document as in effect on the date hereof.

For purposes of this opinion letter, we have relied upon the foregoing documents, the statements and information set forth therein and the additional matters recited or assumed herein, and such other certificates or documents as we have considered necessary or appropriate for the purposes of this opinion letter, all of which we have assumed to be true, complete and accurate in all material respects.

With respect to all documents examined by us, we have assumed (i) the authenticity of all documents submitted to us as authentic originals, (ii) the conformity with the originals of all documents submitted to us as copies or forms, and (iii) the genuineness of all signatures.

For purposes of this opinion letter, we have assumed (i) that the Trust Agreement constitutes the entire agreement among the parties thereto with respect to the subject matter thereof, including with respect to the creation, operation and termination of the Trust, and that the Trust Agreement and the Certificate are in full force and effect and have not been amended; (ii) except to the extent provided in paragraph 1 below, the due creation, due formation or due organization, as the case may be, and the valid existence in good standing of each party to the documents examined by us under the laws of the jurisdiction governing its creation, formation or organization; (iii) the legal capacity of natural persons who are parties or signatories to the

documents examined by us; (iv) that each of the parties to the documents examined by us has the power and authority to execute and deliver, and to perform its obligations under, such documents; (v) that each of the parties to the documents examined by us has duly authorized, executed and delivered such documents; (vi) the receipt by each Person to whom a Preferred Trust Security is to be issued by the Trust (collectively, the "Preferred Trust Security Holders") of a Preferred Trust Securities Certificate for the Preferred Trust Security and the payment for the Preferred Trust Security acquired by it, in accordance with the Trust Agreement, and as described in the Prospectus; and (vii) that the Preferred Trust Securities are issued to the Preferred Trust Security Holders in accordance with the Trust Agreement. We have not participated in the preparation of the Registration Statement or Prospectus and assume no responsibility for its contents.

The opinions in this letter are limited to the laws of the State of Delaware (other than the securities laws of the State of Delaware) and we have not considered and express no opinion on the effect of or concerning matters involving the laws of any other jurisdiction, or rules, regulations, orders and decisions relating to such laws, including, without limitation, the federal laws of the United States of America.

Based upon the foregoing, and subject to the assumptions, qualifications, limitations and exceptions set forth herein, we are of the opinion that:

1. The Trust has been duly formed and is validly existing in good standing as a statutory trust under the Delaware Statutory Trust Act, 12 Del. C. §3801 et seq.

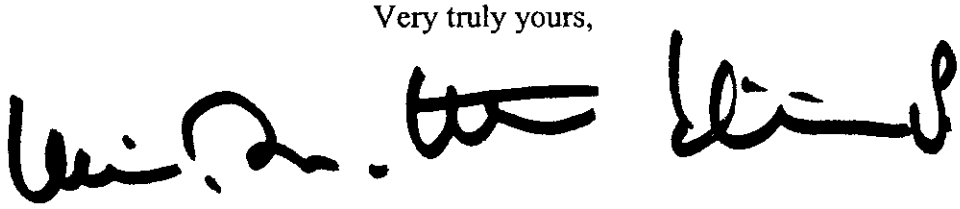
2. The Preferred Trust Securities will be validly issued, and, subject to the qualifications set forth in paragraph 3 below, fully paid and non-assessable undivided beneficial ownership interests in the assets of the Trust.

3. The Preferred Trust Security Holders, as beneficial owners of the Trust, will be entitled to the same limitation of personal liability extended to stockholders of private corporations for profit organized under the General Corporation Law of the State of Delaware. We note that the Preferred Trust Security Holders may be obligated to make payments and provide indemnity and/or security as set forth in the Trust Agreement.

We consent to the filing of this opinion letter with the Commission as an exhibit to the Registration Statement. In addition, we hereby consent to the use of our name under the heading "Legal Opinions" in the Prospectus. In giving the foregoing consents, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the rules and regulations of the Commission

thereunder. We also consent to the reliance by Squire, Sanders & Dempsey L.L.P. and Thelen Reid & Priest LLP as to all matters of Delaware law upon this opinion in connection with opinions to be rendered by them on the date hereof. Except as stated above, without our prior written consent, this opinion may not be furnished or quoted to, or relied upon by, any other Person or relied upon for any other purpose.

Very truly yours,



LCL/sek

Exhibit 5(g)

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Mailing Address
P.O. Box 2306
Wilmington, DE 19899-2306

September 5, 2006

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

RE: FLORIDA POWER & LIGHT COMPANY TRUST I

Ladies and Gentlemen:

We have acted as special Delaware counsel for Florida Power & Light Company, a Florida corporation ("FPL"), and Florida Power & Light Company Trust I, a Delaware statutory trust (the "Trust"), for the purpose of giving the opinions set forth herein. At your request, this opinion letter is being furnished to you.

For purposes of giving the opinions hereinafter set forth, our examination of documents has been limited to the examination of originals or copies furnished to us of the following:

(a) The Certificate of Trust of the Trust, as filed in the office of the Secretary of State of the State of Delaware (the "Secretary of State") on June 2, 2004 (the "Certificate");

(b) The Trust Agreement of the Trust, dated as of June 2, 2004, by and among FPL, as depositor, and the trustees of the Trust named therein (the "Initial Trust Agreement");

(c) The Registration Statement (the "Registration Statement") on Form S-3, including a prospectus (the "Prospectus"), relating, among other things, to the Preferred Trust Securities of the Trust representing undivided beneficial ownership interests in the assets of the Trust (each, a "Preferred Trust Security" and collectively, the "Preferred Trust Securities"), as proposed to be filed by FPL Group, Inc., a Florida corporation, FPL Group Capital Inc, a Florida corporation, FPL, the Trust, FPL Group Capital Trust II, a Delaware statutory trust, FPL Group Capital Trust III, a Delaware statutory trust, FPL Group Trust I, a Delaware statutory trust, FPL Group Trust II, a Delaware statutory trust, and Florida Power & Light

Company Trust II, a Delaware statutory trust, with the Securities and Exchange Commission ("Commission") on or about the date hereof (other than the documents incorporated by reference);

(d) A form of Amended and Restated Trust Agreement of the Trust (including Exhibits A, B, C and D attached thereto) (the "Trust Agreement"), to be entered into among FPL, the trustees of the Trust named therein, and the holders, from time to time, of preferred undivided beneficial interests in the assets of the Trust, filed as an exhibit to the Registration Statement; and

(e) A Certificate of Good Standing for the Trust, dated a recent date, obtained from the Secretary of State.

Unless otherwise defined herein, all capitalized terms used in this opinion letter shall have the respective meanings provided in the Trust Agreement, except that reference herein to any document shall mean such document as in effect on the date hereof.

For purposes of this opinion letter, we have relied upon the foregoing documents, the statements and information set forth therein and the additional matters recited or assumed herein, and such other certificates or documents as we have considered necessary or appropriate for the purposes of this opinion letter, all of which we have assumed to be true, complete and accurate in all material respects.

With respect to all documents examined by us, we have assumed (i) the authenticity of all documents submitted to us as authentic originals, (ii) the conformity with the originals of all documents submitted to us as copies or forms, and (iii) the genuineness of all signatures.

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documents; (v) that each of the parties to the documents examined by us has duly authorized, executed and delivered such documents; (vi) the receipt by each Person to whom a Preferred Trust Security is to be issued by the Trust (collectively, the "Preferred Trust Security Holders") of a Preferred Trust Securities Certificate for the Preferred Trust Security and the payment for the Preferred Trust Security acquired by it, in accordance with the Trust Agreement, and as described in the Prospectus; and (vii) that the Preferred Trust Securities are issued to the Preferred Trust Security Holders in accordance with the Trust Agreement. We have not participated in the preparation of the Registration Statement or Prospectus and assume no responsibility for its contents.

The opinions in this letter are limited to the laws of the State of Delaware (other than the securities laws of the State of Delaware) and we have not considered and express no opinion on the effect of or concerning matters involving the laws of any other jurisdiction, or rules, regulations, orders and decisions relating to such laws, including, without limitation, the federal laws of the United States of America.

Based upon the foregoing, and subject to the assumptions, qualifications, limitations and exceptions set forth herein, we are of the opinion that:

1. The Trust has been duly formed and is validly existing in good standing as a statutory trust under the Delaware Statutory Trust Act, 12 Del. C. §3801 et seq.

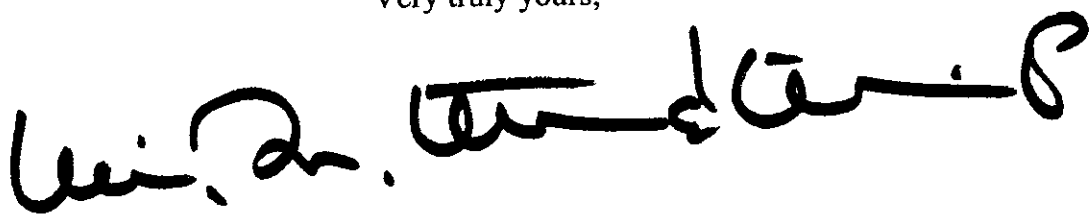
2. The Preferred Trust Securities will be validly issued, and, subject to the qualifications set forth in paragraph 3 below, fully paid and non-assessable undivided beneficial ownership interests in the assets of the Trust.

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We consent to the filing of this opinion letter with the Commission as an exhibit to the Registration Statement. In addition, we hereby consent to the use of our name under the heading "Legal Opinions" in the Prospectus. In giving the foregoing consents, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the rules and regulations of the Commission thereunder. We also consent to the reliance by Squire, Sanders & Dempsey L.L.P. and Thelen Reid & Priest LLP as to all matters of Delaware law upon this opinion in connection with

opinions to be rendered by them on the date hereof. Except as stated above, without our prior written consent, this opinion may not be furnished or quoted to, or relied upon by, any other Person or relied upon for any other purpose.

Very truly yours,



LCL/sek

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Mailing Address
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Wilmington, DE 19899-2306

September 5, 2006

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

RE: FLORIDA POWER & LIGHT COMPANY TRUST II

Ladies and Gentlemen:

We have acted as special Delaware counsel for Florida Power & Light Company, a Florida corporation ("FPL"), and Florida Power & Light Company Trust II, a Delaware statutory trust (the "Trust"), for the purpose of giving the opinions set forth herein. At your request, this opinion letter is being furnished to you.

For purposes of giving the opinions hereinafter set forth, our examination of documents has been limited to the examination of originals or copies furnished to us of the following:

(a) The Certificate of Trust of the Trust, as filed in the office of the Secretary of State of the State of Delaware (the "Secretary of State") on June 2, 2004 (the "Certificate");

(b) The Trust Agreement of the Trust, dated as of June 2, 2004, by and among FPL, as depositor, and the trustees of the Trust named therein (the "Initial Trust Agreement");

(c) The Registration Statement (the "Registration Statement") on Form S-3, including a prospectus (the "Prospectus"), relating, among other things, to the Preferred Trust Securities of the Trust representing undivided beneficial ownership interests in the assets of the Trust (each, a "Preferred Trust Security" and collectively, the "Preferred Trust Securities"), as proposed to be filed by FPL Group, Inc., a Florida corporation, FPL Group Capital Inc, a Florida corporation, FPL, the Trust, FPL Group Capital

Trust II, a Delaware statutory trust, FPL Group Capital Trust III, a Delaware statutory trust, FPL Group Trust I, a Delaware statutory trust, FPL Group Trust II, a Delaware statutory trust, and Florida Power & Light Company Trust I, a Delaware statutory trust, with the Securities and Exchange Commission ("Commission") on or about the date hereof (other than the documents incorporated by reference);

(d) A form of Amended and Restated Trust Agreement of the Trust (including Exhibits A, B, C and D attached thereto) (the "Trust Agreement"), to be entered into among FPL, the trustees of the Trust named therein, and the holders, from time to time, of preferred undivided beneficial interests in the assets of the Trust, filed as an exhibit to the Registration Statement; and

(e) A Certificate of Good Standing for the Trust, dated a recent date, obtained from the Secretary of State.

Unless otherwise defined herein, all capitalized terms used in this opinion letter shall have the respective meanings provided in the Trust Agreement, except that reference herein to any document shall mean such document as in effect on the date hereof.

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organization; (iii) the legal capacity of natural persons who are parties or signatories to the documents examined by us; (iv) that each of the parties to the documents examined by us has the power and authority to execute and deliver, and to perform its obligations under, such documents; (v) that each of the parties to the documents examined by us has duly authorized, executed and delivered such documents; (vi) the receipt by each Person to whom a Preferred Trust Security is to be issued by the Trust (collectively, the "Preferred Trust Security Holders") of a Preferred Trust Securities Certificate for the Preferred Trust Security and the payment for the Preferred Trust Security acquired by it, in accordance with the Trust Agreement, and as described in the Prospectus; and (vii) that the Preferred Trust Securities are issued to the Preferred Trust Security Holders in accordance with the Trust Agreement. We have not participated in the preparation of the Registration Statement or Prospectus and assume no responsibility for its contents.

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Based upon the foregoing, and subject to the assumptions, qualifications, limitations and exceptions set forth herein, we are of the opinion that:

1. The Trust has been duly formed and is validly existing in good standing as a statutory trust under the Delaware Statutory Trust Act, 12 Del. C. §3801 et seq.

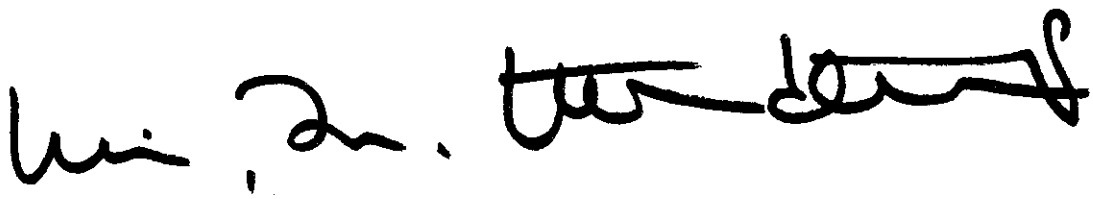
2. The Preferred Trust Securities will be validly issued, and, subject to the qualifications set forth in paragraph 3 below, fully paid and non-assessable undivided beneficial ownership interests in the assets of the Trust.

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We consent to the filing of this opinion letter with the Commission as an exhibit to the Registration Statement. In addition, we hereby consent to the use of our name under the heading "Legal Opinions" in the Prospectus. In giving the foregoing consents, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of

the Securities Act of 1933, as amended, or the rules and regulations of the Commission thereunder. We also consent to the reliance by Squire, Sanders & Dempsey L.L.P. and Thelen Reid & Priest LLP as to all matters of Delaware law upon this opinion in connection with opinions to be rendered by them on the date hereof. Except as stated above, without our prior written consent, this opinion may not be furnished or quoted to, or relied upon by, any other Person or relied upon for any other purpose.

Very truly yours,



LCL/sek

Exhibit 25(a)

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in this Registration Statement on Form S-3 of our reports dated February 22, 2006, relating to the consolidated financial statements of FPL Group, Inc. and Florida Power & Light Company, and management's report on the effectiveness of internal control over financial reporting appearing in the Annual Report on Form 10-K of FPL Group, Inc. and Florida Power & Light Company for the year ended December 31, 2005 and to the reference to us under the heading "Experts" in each Prospectus, which are part of this Registration Statement.

Deloitte & Touche LLP

Miami, Florida
September 5, 2006

Exhibit 23(a)

Exhibit 25(a)

FORM T-1

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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) |__|

THE BANK OF NEW YORK

(Exact name of trustee as specified in its charter)

New York (State of incorporation if not a U.S. national bank)	13-5160382 (I.R.S. employer identification no.)
One Wall Street, New York, N.Y. (Address of principal executive offices)	10286 (Zip code)

FPL Group, Inc.
(Exact name of obligor as specified in its charter)

Florida (State or other jurisdiction of incorporation or organization)	59-2449419 (I.R.S. employer identification no.)
700 Universe Boulevard Juno Beach, Florida (Address of principal executive offices)	33408 (Zip code)

Guarantee of Senior Debt Securities of FPL Group Capital Inc
(Title of the indenture securities)

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
Superintendent of Banks of the State of New York	One State Street, New York, N.Y. 10004-1417, and Albany, N.Y. 12223
Federal Reserve Bank of New York	33 Liberty Street, New York, N.Y. 10045
Federal Deposit Insurance Corporation	Washington, D.C. 20429
New York Clearing House Association	New York, New York 10005

(b) Whether it is authorized to exercise corporate trust powers.

Yes.

2. Affiliations with Obligor.

If the obligor is an affiliate of the trustee, describe each such affiliation.

None.

16. List of Exhibits.

Exhibits identified in parentheses below, on file with the Commission, are incorporated herein by reference as an exhibit hereto, pursuant to Rule 7a-29 under the Trust Indenture Act of 1939 (the "Act") and 17 C.F.R. 229.10(d).

1. A copy of the Organization Certificate of The Bank of New York (formerly Irving Trust Company) as now in effect, which contains the authority to commence business and a grant of powers to exercise corporate trust powers. (Exhibit 1 to Amendment No. 1 to Form T-1 filed with Registration Statement No. 33-6215, Exhibits 1a and 1b to Form T-1 filed with Registration Statement No. 33-21672, Exhibit 1 to Form T-1 filed with Registration Statement No. 33-29637 and Exhibit 1 to Form T-1 filed with Registration Statement No. 333-121195.)

4. A copy of the existing By-laws of the Trustee. (Exhibit 4 to Form T-1 filed with Registration Statement No. 333-121195.)

6. The consent of the Trustee required by Section 321(b) of the Act. (Exhibit 6 to Form T-1 filed with Registration Statement No. 333-106702.)

7. A copy of the latest report of condition of the Trustee published pursuant to law or to the requirements of its supervising or examining authority.

SIGNATURE

Pursuant to the requirements of the Act, the Trustee, The Bank of New York, 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 the 31st day of August, 2006.

THE BANK OF NEW YORK

By: Robert A Massimillo
Name: Robert A. Massimillo
Title: Vice President

EXHIBIT 7

Consolidated Report of Condition of

THE BANK OF NEW YORK

of One Wall Street, New York, N.Y. 10286
And Foreign and Domestic Subsidiaries,
a member of the Federal Reserve System, at the close of business June 30, 2006, published in accordance with a call made by the Federal Reserve Bank of this District pursuant to the provisions of the Federal Reserve Act.

	Dollar Amounts In Thousands
ASSETS	
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin	3,372,000
Interest-bearing balances	11,005,000
Securities:	
Held-to-maturity securities	2,269,000
Available-for-sale securities	23,124,000
Federal funds sold and securities purchased under agreements to resell	
Federal funds sold in domestic offices	490,000
Securities purchased under agreements to resell	252,000
Loans and lease financing receivables:	
Loans and leases held for sale	0
Loans and leases, net of unearned income	36,722,000
LESS: Allowance for loan and lease losses	414,000
Loans and leases, net of unearned income and allowance	36,308,000
Trading assets	5,770,000
Premises and fixed assets (including capitalized leases)	848,000
Other real estate owned	0
Investments in unconsolidated subsidiaries and associated companies	302,000
Not applicable	
Intangible assets:	
Goodwill	2,177,000
Other intangible assets	750,000
Other assets	7,196,000

Total assets	93,863,000
LIABILITIES	
Deposits:	
In domestic offices	40,014,000
Noninterest-bearing	21,153,000
Interest-bearing	18,861,000
In foreign offices, Edge and Agreement subsidiaries, and IBFs	31,312,000
Noninterest-bearing	286,000
Interest-bearing	31,026,000
Federal funds purchased and securities sold under agreements to repurchase	
Federal funds purchased in domestic offices	839,000
Securities sold under agreements to repurchase	396,000
Trading liabilities	3,045,000
Other borrowed money: (includes mortgage indebtedness and obligations under capitalized leases)	1,670,000
Not applicable	
Not applicable	
Subordinated notes and debentures	1,955,000
Other liabilities	6,011,000
Total liabilities	85,242,000
Minority interest in consolidated subsidiaries	150,000
EQUITY CAPITAL	
Perpetual preferred stock and related surplus	0
Common stock	1,135,000
Surplus (exclude all surplus related to preferred stock)	2,112,000
Retained earnings	5,444,000
Accumulated other comprehensive income	-220,000
Other equity capital components	0
Total equity capital	8,471,000
Total liabilities, minority interest, and equity capital	93,863,000

I, Thomas J. Mastro, Executive Vice President and Comptroller of the above-named bank do hereby declare that this Report of Condition is true and correct to the best of my knowledge and belief.

Thomas J. Mastro,
Executive Vice President and Comptroller

We, the undersigned directors, attest to the correctness of this statement of resources and liabilities. We declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the instructions and is true and correct.

Thomas A. Renyi
Gerald L. Hassell

Directors

Exhibit 24(b)

Exhibit 25(b)

= = = =

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
Superintendent of Banks of the State of New York	One State Street, New York, N.Y. 10004-1417, and Albany, N.Y. 12223
Federal Reserve Bank of New York	33 Liberty Street, New York, N.Y. 10045
Federal Deposit Insurance Corporation	Washington, D.C. 20429
New York Clearing House Association	New York, New York 10005

(b) **Whether it is authorized to exercise corporate trust powers.**

Yes.

2. **Affiliations with Obligor.**

If the obligor is an affiliate of the trustee, describe each such affiliation.

None.

16. **List of Exhibits.**

Exhibits identified in parentheses below, on file with the Commission, are incorporated herein by reference as an exhibit hereto, pursuant to Rule 7a-29 under the Trust Indenture Act of 1939 (the "Act") and 17 C.F.R. 229.10(d).

1. A copy of the Organization Certificate of The Bank of New York (formerly Irving Trust Company) as now in effect, which contains the authority to commence business and a grant of powers to exercise corporate trust powers. (Exhibit 1 to Amendment No. 1 to Form T-1 filed with Registration Statement No. 33-6215, Exhibits 1a and 1b to Form T-1 filed with Registration Statement No. 33-21672, Exhibit 1 to Form T-1 filed with Registration Statement No. 33-29637 and Exhibit 1 to Form T-1 filed with Registration Statement No. 333-121195.)

4. A copy of the existing By-laws of the Trustee. (Exhibit 4 to Form T-1 filed with Registration Statement No. 333-121195.)

6. The consent of the Trustee required by Section 321(b) of the Act. (Exhibit 6 to Form T-1 filed with Registration Statement No. 333-106702.)

7. A copy of the latest report of condition of the Trustee published pursuant to law or to the requirements of its supervising or examining authority.

SIGNATURE

Pursuant to the requirements of the Act, the Trustee, The Bank of New York, 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 the 31st day of August, 2006.

THE BANK OF NEW YORK

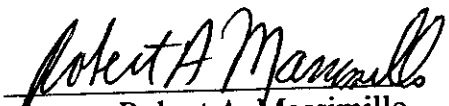
By: 
Name: Robert A. Massimillo
Title: Vice President

EXHIBIT 7

Consolidated Report of Condition of

THE BANK OF NEW YORK

of One Wall Street, New York, N.Y. 10286
And Foreign and Domestic Subsidiaries,

a member of the Federal Reserve System, at the close of business June 30, 2006, published in accordance with a call made by the Federal Reserve Bank of this District pursuant to the provisions of the Federal Reserve Act.

	Dollar Amounts In Thousands
ASSETS	
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin	3,372,000
Interest-bearing balances	11,005,000
Securities:	
Held-to-maturity securities	2,269,000
Available-for-sale securities	23,124,000
Federal funds sold and securities purchased under agreements to resell	
Federal funds sold in domestic offices	490,000
Securities purchased under agreements to resell	252,000
Loans and lease financing receivables:	
Loans and leases held for sale	0
Loans and leases, net of unearned income	36,722,000
LESS: Allowance for loan and lease losses	414,000
Loans and leases, net of unearned income and allowance	36,308,000
Trading assets	5,770,000
Premises and fixed assets (including capitalized leases)	848,000
Other real estate owned	0
Investments in unconsolidated subsidiaries and associated companies	302,000
Not applicable	
Intangible assets:	
Goodwill	2,177,000
Other intangible assets	750,000
Other assets	7,196,000

Total assets	93,863,000
LIABILITIES	
Deposits:	
In domestic offices	40,014,000
Noninterest-bearing	21,153,000
Interest-bearing	18,861,000
In foreign offices, Edge and Agreement subsidiaries, and IBFs	31,312,000
Noninterest-bearing	286,000
Interest-bearing	31,026,000
Federal funds purchased and securities sold under agreements to repurchase	
Federal funds purchased in domestic offices	839,000
Securities sold under agreements to repurchase	396,000
Trading liabilities	3,045,000
Other borrowed money: (includes mortgage indebtedness and obligations under capitalized leases)	1,670,000
Not applicable	
Not applicable	
Subordinated notes and debentures	1,955,000
Other liabilities	6,011,000
Total liabilities	85,242,000
Minority interest in consolidated subsidiaries	150,000
EQUITY CAPITAL	
Perpetual preferred stock and related surplus	0
Common stock	1,135,000
Surplus (exclude all surplus related to preferred stock)	2,112,000
Retained earnings	5,444,000
Accumulated other comprehensive income	-220,000
Other equity capital components	0
Total equity capital	8,471,000
Total liabilities, minority interest, and equity capital	93,863,000

I, Thomas J. Mastro, Executive Vice President and Comptroller of the above-named bank do hereby declare that this Report of Condition is true and correct to the best of my knowledge and belief.

Thomas J. Mastro,
Executive Vice President and Comptroller

We, the undersigned directors, attest to the correctness of this statement of resources and liabilities. We declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the instructions and is true and correct.

Thomas A. Renyi
Gerald L. Hassell

Directors

Exhibit 25(c)

Exhibit 25(c)

FORM T-1

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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) |__|

THE BANK OF NEW YORK

(Exact name of trustee as specified in its charter)

New York (State of incorporation if not a U.S. national bank)	13-5160382 (I.R.S. employer identification no.)
One Wall Street, New York, N.Y. (Address of principal executive offices)	10286 (Zip code)

FPL Group, Inc.
(Exact name of obligor as specified in its charter)

Florida (State or other jurisdiction of incorporation or organization)	59-2449419 (I.R.S. employer identification no.)
700 Universe Boulevard Juno Beach, Florida (Address of principal executive offices)	33408 (Zip code)

Senior Debt Securities
(Title of the indenture securities)

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
Superintendent of Banks of the State of New York	One State Street, New York, N.Y. 10004-1417, and Albany, N.Y. 12223
Federal Reserve Bank of New York	33 Liberty Street, New York, N.Y. 10045
Federal Deposit Insurance Corporation	Washington, D.C. 20429
New York Clearing House Association	New York, New York 10005

(b) Whether it is authorized to exercise corporate trust powers.

Yes.

2. Affiliations with Obligor.

If the obligor is an affiliate of the trustee, describe each such affiliation.

None.

16. List of Exhibits.

Exhibits identified in parentheses below, on file with the Commission, are incorporated herein by reference as an exhibit hereto, pursuant to Rule 7a-29 under the Trust Indenture Act of 1939 (the "Act") and 17 C.F.R. 229.10(d).

1. A copy of the Organization Certificate of The Bank of New York (formerly Irving Trust Company) as now in effect, which contains the authority to commence business and a grant of powers to exercise corporate trust powers. (Exhibit 1 to Amendment No. 1 to Form T-1 filed with Registration Statement No. 33-6215, Exhibits 1a and 1b to Form T-1 filed with Registration Statement No. 33-21672, Exhibit 1 to Form T-1 filed with Registration Statement No. 33-29637 and Exhibit 1 to Form T-1 filed with Registration Statement No. 333-121195.)

4. A copy of the existing By-laws of the Trustee. (Exhibit 4 to Form T-1 filed with Registration Statement No. 333-121195.)

6. The consent of the Trustee required by Section 321(b) of the Act. (Exhibit 6 to Form T-1 filed with Registration Statement No. 333-106702.)

7. A copy of the latest report of condition of the Trustee published pursuant to law or to the requirements of its supervising or examining authority.

SIGNATURE

Pursuant to the requirements of the Act, the Trustee, The Bank of New York, 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 the 31st day of August, 2006.

THE BANK OF NEW YORK

By: 
Name: Robert A. Massimillo
Title: Vice President

EXHIBIT 7

Consolidated Report of Condition of

THE BANK OF NEW YORK

of One Wall Street, New York, N.Y. 10286
And Foreign and Domestic Subsidiaries,

a member of the Federal Reserve System, at the close of business June 30, 2006, published in accordance with a call made by the Federal Reserve Bank of this District pursuant to the provisions of the Federal Reserve Act.

	Dollar Amounts In Thousands
ASSETS	
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin	3,372,000
Interest-bearing balances	11,005,000
Securities:	
Held-to-maturity securities	2,269,000
Available-for-sale securities	23,124,000
Federal funds sold and securities purchased under agreements to resell	
Federal funds sold in domestic offices	490,000
Securities purchased under agreements to resell	252,000
Loans and lease financing receivables:	
Loans and leases held for sale	0
Loans and leases, net of unearned income	36,722,000
LESS: Allowance for loan and lease losses	414,000
Loans and leases, net of unearned income and allowance	36,308,000
Trading assets	5,770,000
Premises and fixed assets (including capitalized leases)	848,000
Other real estate owned	0
Investments in unconsolidated subsidiaries and associated companies	302,000
Not applicable	
Intangible assets:	
Goodwill	2,177,000
Other intangible assets	750,000
Other assets	7,196,000

Total assets	93,863,000
LIABILITIES	
Deposits:	
In domestic offices	40,014,000
Noninterest-bearing	21,153,000
Interest-bearing	18,861,000
In foreign offices, Edge and Agreement subsidiaries, and IBFs	31,312,000
Noninterest-bearing	286,000
Interest-bearing	31,026,000
Federal funds purchased and securities sold under agreements to repurchase	
Federal funds purchased in domestic offices	839,000
Securities sold under agreements to repurchase	396,000
Trading liabilities	3,045,000
Other borrowed money: (includes mortgage indebtedness and obligations under capitalized leases)	1,670,000
Not applicable	
Not applicable	
Subordinated notes and debentures	1,955,000
Other liabilities	6,011,000
Total liabilities	85,242,000
Minority interest in consolidated subsidiaries	150,000
EQUITY CAPITAL	
Perpetual preferred stock and related surplus	0
Common stock	1,135,000
Surplus (exclude all surplus related to preferred stock)	2,112,000
Retained earnings	5,444,000
Accumulated other comprehensive income	-220,000
Other equity capital components	0
Total equity capital	8,471,000
Total liabilities, minority interest, and equity capital	93,863,000

I, Thomas J. Mastro, Executive Vice President and Comptroller of the above-named bank do hereby declare that this Report of Condition is true and correct to the best of my knowledge and belief.

Thomas J. Mastro,
Executive Vice President and Comptroller

We, the undersigned directors, attest to the correctness of this statement of resources and liabilities. We declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the instructions and is true and correct.

Thomas A. Renyi
Gerald L. Hassell

Directors

Exhibit 25(d)

FORM T-1

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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) |__|

THE BANK OF NEW YORK

(Exact name of trustee as specified in its charter)

New York (State of incorporation if not a U.S. national bank)	13-5160382 (I.R.S. employer identification no.)
One Wall Street, New York, N.Y. (Address of principal executive offices)	10286 (Zip code)

FPL Group Capital Inc
(Exact name of obligor as specified in its charter)

Florida (State or other jurisdiction of incorporation or organization)	59-2576416 (I.R.S. employer identification no.)
700 Universe Boulevard Juno Beach, Florida (Address of principal executive offices)	33408 (Zip code)

Junior Subordinated Debentures
(Title of the indenture securities)

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
Superintendent of Banks of the State of New York	One State Street, New York, N.Y. 10004-1417, and Albany, N.Y. 12223
Federal Reserve Bank of New York	33 Liberty Street, New York, N.Y. 10045
Federal Deposit Insurance Corporation	Washington, D.C. 20429
New York Clearing House Association	New York, New York 10005

(b) **Whether it is authorized to exercise corporate trust powers.**

Yes.

2. **Affiliations with Obligor.**

If the obligor is an affiliate of the trustee, describe each such affiliation.

None.

16. **List of Exhibits.**

Exhibits identified in parentheses below, on file with the Commission, are incorporated herein by reference as an exhibit hereto, pursuant to Rule 7a-29 under the Trust Indenture Act of 1939 (the "Act") and 17 C.F.R. 229.10(d).

1. A copy of the Organization Certificate of The Bank of New York (formerly Irving Trust Company) as now in effect, which contains the authority to commence business and a grant of powers to exercise corporate trust powers. (Exhibit 1 to Amendment No. 1 to Form T-1 filed with Registration Statement No. 33-6215, Exhibits 1a and 1b to Form T-1 filed with Registration Statement No. 33-21672, Exhibit 1 to Form T-1 filed with Registration Statement No. 33-29637 and Exhibit 1 to Form T-1 filed with Registration Statement No. 333-121195.)

4. A copy of the existing By-laws of the Trustee. (Exhibit 4 to Form T-1 filed with Registration Statement No. 333-121195.)

6. The consent of the Trustee required by Section 321(b) of the Act. (Exhibit 6 to Form T-1 filed with Registration Statement No. 333-106702.)

7. A copy of the latest report of condition of the Trustee published pursuant to law or to the requirements of its supervising or examining authority.

SIGNATURE

Pursuant to the requirements of the Act, the Trustee, The Bank of New York, 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 the 31st day of August, 2006.

THE BANK OF NEW YORK

By: 
Name: Robert A. Massimillo
Title: Vice President

EXHIBIT 7

Consolidated Report of Condition of

THE BANK OF NEW YORK

of One Wall Street, New York, N.Y. 10286
And Foreign and Domestic Subsidiaries,
a member of the Federal Reserve System, at the close of business June 30, 2006, published in accordance with a call made by the Federal Reserve Bank of this District pursuant to the provisions of the Federal Reserve Act.

ASSETS	Dollar Amounts In Thousands
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin	3,372,000
Interest-bearing balances	11,005,000
Securities:	
Held-to-maturity securities	2,269,000
Available-for-sale securities	23,124,000
Federal funds sold and securities purchased under agreements to resell	
Federal funds sold in domestic offices	490,000
Securities purchased under agreements to resell	252,000
Loans and lease financing receivables:	
Loans and leases held for sale	0
Loans and leases, net of unearned income	36,722,000
LESS: Allowance for loan and lease losses	414,000
Loans and leases, net of unearned income and allowance	36,308,000
Trading assets	5,770,000
Premises and fixed assets (including capitalized leases)	848,000
Other real estate owned	0
Investments in unconsolidated subsidiaries and associated companies	302,000
Not applicable	
Intangible assets:	
Goodwill	2,177,000
Other intangible assets	750,000
Other assets	7,196,000

Total assets	93,863,000
LIABILITIES	
Deposits:	
In domestic offices	40,014,000
Noninterest-bearing	21,153,000
Interest-bearing	18,861,000
In foreign offices, Edge and Agreement subsidiaries, and IBFs	31,312,000
Noninterest-bearing	286,000
Interest-bearing	31,026,000
Federal funds purchased and securities sold under agreements to repurchase	
Federal funds purchased in domestic offices	839,000
Securities sold under agreements to repurchase	396,000
Trading liabilities	3,045,000
Other borrowed money: (includes mortgage indebtedness and obligations under capitalized leases)	1,670,000
Not applicable	
Not applicable	
Subordinated notes and debentures	1,955,000
Other liabilities	6,011,000
Total liabilities	85,242,000
Minority interest in consolidated subsidiaries	150,000
EQUITY CAPITAL	
Perpetual preferred stock and related surplus	0
Common stock	1,135,000
Surplus (exclude all surplus related to preferred stock)	2,112,000
Retained earnings	5,444,000
Accumulated other comprehensive income	-220,000
Other equity capital components	0
Total equity capital	8,471,000
Total liabilities, minority interest, and equity capital	93,863,000

I, Thomas J. Mastro, Executive Vice President and Comptroller of the above-named bank do hereby declare that this Report of Condition is true and correct to the best of my knowledge and belief.

Thomas J. Mastro,
Executive Vice President and Comptroller

We, the undersigned directors, attest to the correctness of this statement of resources and liabilities. We declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the instructions and is true and correct.

Thomas A. Renyi
Gerald L. Hassell

Directors

Exhibit 25(e)

Exhibit 25(e)

FORM T-1

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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) |__|

THE BANK OF NEW YORK

(Exact name of trustee as specified in its charter)

New York (State of incorporation if not a U.S. national bank)	13-5160382 (I.R.S. employer identification no.)
One Wall Street, New York, N.Y. (Address of principal executive offices)	10286 (Zip code)

FPL Group, Inc.
(Exact name of obligor as specified in its charter)

Florida (State or other jurisdiction of incorporation or organization)	59-2449419 (I.R.S. employer identification no.)
700 Universe Boulevard Juno Beach, Florida (Address of principal executive offices)	33408 (Zip code)

Junior Subordinated Debentures
(Title of the indenture securities)

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
Superintendent of Banks of the State of New York	One State Street, New York, N.Y. 10004-1417, and Albany, N.Y. 12223
Federal Reserve Bank of New York	33 Liberty Street, New York, N.Y. 10045
Federal Deposit Insurance Corporation	Washington, D.C. 20429
New York Clearing House Association	New York, New York 10005

(b) **Whether it is authorized to exercise corporate trust powers.**

Yes.

2. **Affiliations with Obligor.**

If the obligor is an affiliate of the trustee, describe each such affiliation.

None.

16. **List of Exhibits.**

Exhibits identified in parentheses below, on file with the Commission, are incorporated herein by reference as an exhibit hereto, pursuant to Rule 7a-29 under the Trust Indenture Act of 1939 (the "Act") and 17 C.F.R. 229.10(d).

1. A copy of the Organization Certificate of The Bank of New York (formerly Irving Trust Company) as now in effect, which contains the authority to commence business and a grant of powers to exercise corporate trust powers. (Exhibit 1 to Amendment No. 1 to Form T-1 filed with Registration Statement No. 33-6215, Exhibits 1a and 1b to Form T-1 filed with Registration Statement No. 33-21672, Exhibit 1 to Form T-1 filed with Registration Statement No. 33-29637 and Exhibit 1 to Form T-1 filed with Registration Statement No. 333-121195.)

4. A copy of the existing By-laws of the Trustee. (Exhibit 4 to Form T-1 filed with Registration Statement No. 333-121195.)

6. The consent of the Trustee required by Section 321(b) of the Act. (Exhibit 6 to Form T-1 filed with Registration Statement No. 333-106702.)

7. A copy of the latest report of condition of the Trustee published pursuant to law or to the requirements of its supervising or examining authority.

SIGNATURE

Pursuant to the requirements of the Act, the Trustee, The Bank of New York, 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 the 31st day of August, 2006.

THE BANK OF NEW YORK

By: Robert A Massimillo
Name: Robert A. Massimillo
Title: Vice President

EXHIBIT 7

Consolidated Report of Condition of

THE BANK OF NEW YORK

of One Wall Street, New York, N.Y. 10286
And Foreign and Domestic Subsidiaries,

a member of the Federal Reserve System, at the close of business June 30, 2006, published in accordance with a call made by the Federal Reserve Bank of this District pursuant to the provisions of the Federal Reserve Act.

	Dollar Amounts In Thousands
ASSETS	
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin	3,372,000
Interest-bearing balances	11,005,000
Securities:	
Held-to-maturity securities	2,269,000
Available-for-sale securities	23,124,000
Federal funds sold and securities purchased under agreements to resell	
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Securities purchased under agreements to resell	252,000
Loans and lease financing receivables:	
Loans and leases held for sale	0
Loans and leases, net of unearned income	36,722,000
LESS: Allowance for loan and lease losses	414,000
Loans and leases, net of unearned income and allowance	36,308,000
Trading assets	5,770,000
Premises and fixed assets (including capitalized leases)	848,000
Other real estate owned	0
Investments in unconsolidated subsidiaries and associated companies	302,000
Not applicable	
Intangible assets:	
Goodwill	2,177,000
Other intangible assets	750,000
Other assets	7,196,000

Total assets	93,863,000
LIABILITIES	
Deposits:	40,014,000
In domestic offices	21,153,000
Noninterest-bearing	18,861,000
Interest-bearing	
In foreign offices, Edge and Agreement subsidiaries, and IBFs	31,312,000
Noninterest-bearing	286,000
Interest-bearing	31,026,000
Federal funds purchased and securities sold under agreements to repurchase	
Federal funds purchased in domestic offices	839,000
Securities sold under agreements to repurchase	396,000
Trading liabilities	3,045,000
Other borrowed money: (includes mortgage indebtedness and obligations under capitalized leases)	1,670,000
Not applicable	
Not applicable	
Subordinated notes and debentures	1,955,000
Other liabilities	6,011,000
Total liabilities	85,242,000
Minority interest in consolidated subsidiaries	150,000
EQUITY CAPITAL	
Perpetual preferred stock and related surplus	0
Common stock	1,135,000
Surplus (exclude all surplus related to preferred stock)	2,112,000
Retained earnings	5,444,000
Accumulated other comprehensive income	-220,000
Other equity capital components	0
Total equity capital	8,471,000
Total liabilities, minority interest, and equity capital	93,863,000

I, Thomas J. Mastro, Executive Vice President and Comptroller of the above-named bank do hereby declare that this Report of Condition is true and correct to the best of my knowledge and belief.

Thomas J. Mastro,
Executive Vice President and Comptroller

We, the undersigned directors, attest to the correctness of this statement of resources and liabilities. We declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the instructions and is true and correct.

Thomas A. Renyi
Gerald L. Hassell

Directors

Exhibit 3(d)

Exhibit 25(f)

FORM T-1

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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) |__|

THE BANK OF NEW YORK

(Exact name of trustee as specified in its charter)

New York (State of incorporation if not a U.S. national bank)	13-5160382 (I.R.S. employer identification no.)
One Wall Street, New York, N.Y. (Address of principal executive offices)	10286 (Zip code)

FPL Group Capital Trust II
(Exact name of obligor as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	71-6208700 (I.R.S. employer identification no.)
700 Universe Boulevard Juno Beach, Florida (Address of principal executive offices)	33408 (Zip code)

Preferred Trust Securities
(Title of the indenture securities)

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
Superintendent of Banks of the State of New York	One State Street, New York, N.Y. 10004-1417, and Albany, N.Y. 12223
Federal Reserve Bank of New York	33 Liberty Street, New York, N.Y. 10045
Federal Deposit Insurance Corporation	Washington, D.C. 20429
New York Clearing House Association	New York, New York 10005

(b) Whether it is authorized to exercise corporate trust powers.

Yes.

2. **Affiliations with Obligor.**

If the obligor is an affiliate of the trustee, describe each such affiliation.

None.

16. **List of Exhibits.**

Exhibits identified in parentheses below, on file with the Commission, are incorporated herein by reference as an exhibit hereto, pursuant to Rule 7a-29 under the Trust Indenture Act of 1939 (the "Act") and 17 C.F.R. 229.10(d).

1. A copy of the Organization Certificate of The Bank of New York (formerly Irving Trust Company) as now in effect, which contains the authority to commence business and a grant of powers to exercise corporate trust powers. (Exhibit 1 to Amendment No. 1 to Form T-1 filed with Registration Statement No. 33-6215, Exhibits 1a and 1b to Form T-1 filed with Registration Statement No. 33-21672, Exhibit 1 to Form T-1 filed with Registration Statement No. 33-29637 and Exhibit 1 to Form T-1 filed with Registration Statement No. 333-121195.)

4. A copy of the existing By-laws of the Trustee. (Exhibit 4 to Form T-1 filed with Registration Statement No. 333-121195.)

6. The consent of the Trustee required by Section 321(b) of the Act. (Exhibit 6 to Form T-1 filed with Registration Statement No. 333-106702.)

7. A copy of the latest report of condition of the Trustee published pursuant to law or to the requirements of its supervising or examining authority.

SIGNATURE

Pursuant to the requirements of the Act, the Trustee, The Bank of New York, 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 the 31st day of August, 2006.

THE BANK OF NEW YORK

By: Robert A Massimillo
Name: Robert A. Massimillo
Title: Vice President

EXHIBIT 7

Consolidated Report of Condition of

THE BANK OF NEW YORK

of One Wall Street, New York, N.Y. 10286
And Foreign and Domestic Subsidiaries,

a member of the Federal Reserve System, at the close of business June 30, 2006, published in accordance with a call made by the Federal Reserve Bank of this District pursuant to the provisions of the Federal Reserve Act.

	Dollar Amounts In Thousands
ASSETS	
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin	3,372,000
Interest-bearing balances	11,005,000
Securities:	
Held-to-maturity securities	2,269,000
Available-for-sale securities	23,124,000
Federal funds sold and securities purchased under agreements to resell	
Federal funds sold in domestic offices	490,000
Securities purchased under agreements to resell	252,000
Loans and lease financing receivables:	
Loans and leases held for sale	0
Loans and leases, net of unearned income	36,722,000
LESS: Allowance for loan and lease losses	414,000
Loans and leases, net of unearned income and allowance	36,308,000
Trading assets	5,770,000
Premises and fixed assets (including capitalized leases)	848,000
Other real estate owned	0
Investments in unconsolidated subsidiaries and associated companies	302,000
Not applicable	
Intangible assets:	
Goodwill	2,177,000
Other intangible assets	750,000
Other assets	7,196,000

Total assets	93,863,000
LIABILITIES	
Deposits:	
In domestic offices	40,014,000
Noninterest-bearing	21,153,000
Interest-bearing	18,861,000
In foreign offices, Edge and Agreement subsidiaries, and IBFs	31,312,000
Noninterest-bearing	286,000
Interest-bearing	31,026,000
Federal funds purchased and securities sold under agreements to repurchase	
Federal funds purchased in domestic offices	839,000
Securities sold under agreements to repurchase	396,000
Trading liabilities	3,045,000
Other borrowed money: (includes mortgage indebtedness and obligations under capitalized leases)	1,670,000
Not applicable	
Not applicable	
Subordinated notes and debentures	1,955,000
Other liabilities	6,011,000
Total liabilities	85,242,000
Minority interest in consolidated subsidiaries	150,000
EQUITY CAPITAL	
Perpetual preferred stock and related surplus	0
Common stock	1,135,000
Surplus (exclude all surplus related to preferred stock)	2,112,000
Retained earnings	5,444,000
Accumulated other comprehensive income	-220,000
Other equity capital components	0
Total equity capital	8,471,000
Total liabilities, minority interest, and equity capital	93,863,000

I, Thomas J. Mastro, Executive Vice President and Comptroller of the above-named bank do hereby declare that this Report of Condition is true and correct to the best of my knowledge and belief.

Thomas J. Mastro,
Executive Vice President and Comptroller

We, the undersigned directors, attest to the correctness of this statement of resources and liabilities. We declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the instructions and is true and correct.

Thomas A. Renyi
Gerald L. Hassell

Directors

Exhibit 25(g)

Exhibit 25(g)

= = = =

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
Superintendent of Banks of the State of New York	One State Street, New York, N.Y. 10004-1417, and Albany, N.Y. 12223
Federal Reserve Bank of New York	33 Liberty Street, New York, N.Y. 10045
Federal Deposit Insurance Corporation	Washington, D.C. 20429
New York Clearing House Association	New York, New York 10005

(b) Whether it is authorized to exercise corporate trust powers.

Yes.

2. **Affiliations with Obligor.**

If the obligor is an affiliate of the trustee, describe each such affiliation.

None.

16. **List of Exhibits.**

Exhibits identified in parentheses below, on file with the Commission, are incorporated herein by reference as an exhibit hereto, pursuant to Rule 7a-29 under the Trust Indenture Act of 1939 (the "Act") and 17 C.F.R. 229.10(d).

1. A copy of the Organization Certificate of The Bank of New York (formerly Irving Trust Company) as now in effect, which contains the authority to commence business and a grant of powers to exercise corporate trust powers. (Exhibit 1 to Amendment No. 1 to Form T-1 filed with Registration Statement No. 33-6215, Exhibits 1a and 1b to Form T-1 filed with Registration Statement No. 33-21672, Exhibit 1 to Form T-1 filed with Registration Statement No. 33-29637 and Exhibit 1 to Form T-1 filed with Registration Statement No. 333-121195.)

4. A copy of the existing By-laws of the Trustee. (Exhibit 4 to Form T-1 filed with Registration Statement No. 333-121195.)

6. The consent of the Trustee required by Section 321(b) of the Act. (Exhibit 6 to Form T-1 filed with Registration Statement No. 333-106702.)

7. A copy of the latest report of condition of the Trustee published pursuant to law or to the requirements of its supervising or examining authority.

SIGNATURE

Pursuant to the requirements of the Act, the Trustee, The Bank of New York, 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 the 31st day of August, 2006.

THE BANK OF NEW YORK

By: Robert A Massimillo
Name: Robert A. Massimillo
Title: Vice President

EXHIBIT 7

Consolidated Report of Condition of

THE BANK OF NEW YORK

of One Wall Street, New York, N.Y. 10286
And Foreign and Domestic Subsidiaries,

a member of the Federal Reserve System, at the close of business June 30, 2006, published in accordance with a call made by the Federal Reserve Bank of this District pursuant to the provisions of the Federal Reserve Act.

	Dollar Amounts In Thousands
ASSETS	
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin	3,372,000
Interest-bearing balances	11,005,000
Securities:	
Held-to-maturity securities	2,269,000
Available-for-sale securities	23,124,000
Federal funds sold and securities purchased under agreements to resell	
Federal funds sold in domestic offices	490,000
Securities purchased under agreements to resell	252,000
Loans and lease financing receivables:	
Loans and leases held for sale	0
Loans and leases, net of unearned income	36,722,000
LESS: Allowance for loan and lease losses	414,000
Loans and leases, net of unearned income and allowance	36,308,000
Trading assets	5,770,000
Premises and fixed assets (including capitalized leases)	848,000
Other real estate owned	0
Investments in unconsolidated subsidiaries and associated companies	302,000
Not applicable	
Intangible assets:	
Goodwill	2,177,000
Other intangible assets	750,000
Other assets	7,196,000

Total assets	93,863,000
LIABILITIES	
Deposits:	
In domestic offices	40,014,000
Noninterest-bearing	21,153,000
Interest-bearing	18,861,000
In foreign offices, Edge and Agreement subsidiaries, and IBFs	31,312,000
Noninterest-bearing	286,000
Interest-bearing	31,026,000
Federal funds purchased and securities sold under agreements to repurchase	
Federal funds purchased in domestic offices	839,000
Securities sold under agreements to repurchase	396,000
Trading liabilities	3,045,000
Other borrowed money: (includes mortgage indebtedness and obligations under capitalized leases)	1,670,000
Not applicable	
Not applicable	
Subordinated notes and debentures	1,955,000
Other liabilities	6,011,000
Total liabilities	85,242,000
Minority interest in consolidated subsidiaries	150,000
EQUITY CAPITAL	
Perpetual preferred stock and related surplus	0
Common stock	1,135,000
Surplus (exclude all surplus related to preferred stock)	2,112,000
Retained earnings	5,444,000
Accumulated other comprehensive income	-220,000
Other equity capital components	0
Total equity capital	8,471,000
Total liabilities, minority interest, and equity capital	93,863,000

I, Thomas J. Mastro, Executive Vice President and Comptroller of the above-named bank do hereby declare that this Report of Condition is true and correct to the best of my knowledge and belief.

Thomas J. Mastro,
Executive Vice President and Comptroller

We, the undersigned directors, attest to the correctness of this statement of resources and liabilities. We declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the instructions and is true and correct.

Thomas A. Renyi
Gerald L. Hassell

Directors

Exhibit 25(h)

Exhibit 25(h)

= = = =

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
Superintendent of Banks of the State of New York	One State Street, New York, N.Y. 10004-1417, and Albany, N.Y. 12223
Federal Reserve Bank of New York	33 Liberty Street, New York, N.Y. 10045
Federal Deposit Insurance Corporation	Washington, D.C. 20429
New York Clearing House Association	New York, New York 10005

(b) Whether it is authorized to exercise corporate trust powers.

Yes.

2. **Affiliations with Obligor.**

If the obligor is an affiliate of the trustee, describe each such affiliation.

None.

16. **List of Exhibits.**

Exhibits identified in parentheses below, on file with the Commission, are incorporated herein by reference as an exhibit hereto, pursuant to Rule 7a-29 under the Trust Indenture Act of 1939 (the "Act") and 17 C.F.R. 229.10(d).

1. A copy of the Organization Certificate of The Bank of New York (formerly Irving Trust Company) as now in effect, which contains the authority to commence business and a grant of powers to exercise corporate trust powers. (Exhibit 1 to Amendment No. 1 to Form T-1 filed with Registration Statement No. 33-6215, Exhibits 1a and 1b to Form T-1 filed with Registration Statement No. 33-21672, Exhibit 1 to Form T-1 filed with Registration Statement No. 33-29637 and Exhibit 1 to Form T-1 filed with Registration Statement No. 333-121195.)

4. A copy of the existing By-laws of the Trustee. (Exhibit 4 to Form T-1 filed with Registration Statement No. 333-121195.)

FORM T-1

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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) |__|

THE BANK OF NEW YORK

(Exact name of trustee as specified in its charter)

New York (State of incorporation if not a U.S. national bank)	13-5160382 (I.R.S. employer identification no.)
One Wall Street, New York, N.Y. (Address of principal executive offices)	10286 (Zip code)

FPL Group Trust I
(Exact name of obligor as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	20-6218700 (I.R.S. employer identification no.)
700 Universe Boulevard Juno Beach, Florida (Address of principal executive offices)	33408 (Zip code)

Preferred Trust Securities
(Title of the indenture securities)

SIGNATURE

Pursuant to the requirements of the Act, the Trustee, The Bank of New York, 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 the 31st day of August, 2006.

THE BANK OF NEW YORK

By: Robert A Massimillo
Name: Robert A. Massimillo
Title: Vice President

EXHIBIT 7

Consolidated Report of Condition of

THE BANK OF NEW YORK

of One Wall Street, New York, N.Y. 10286
And Foreign and Domestic Subsidiaries,

a member of the Federal Reserve System, at the close of business June 30, 2006, published in accordance with a call made by the Federal Reserve Bank of this District pursuant to the provisions of the Federal Reserve Act.

ASSETS	Dollar Amounts In Thousands
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin	3,372,000
Interest-bearing balances	11,005,000
Securities:	
Held-to-maturity securities	2,269,000
Available-for-sale securities	23,124,000
Federal funds sold and securities purchased under agreements to resell	
Federal funds sold in domestic offices	490,000
Securities purchased under agreements to resell	252,000
Loans and lease financing receivables:	
Loans and leases held for sale	0
Loans and leases, net of unearned income	36,722,000
LESS: Allowance for loan and lease losses	414,000
Loans and leases, net of unearned income and allowance	36,308,000
Trading assets	5,770,000
Premises and fixed assets (including capitalized leases)	848,000
Other real estate owned	0
Investments in unconsolidated subsidiaries and associated companies	302,000
Not applicable	
Intangible assets:	
Goodwill	2,177,000
Other intangible assets	750,000
Other assets	7,196,000

Total assets	93,863,000
LIABILITIES	
Deposits:	
In domestic offices	40,014,000
Noninterest-bearing	21,153,000
Interest-bearing	18,861,000
In foreign offices, Edge and Agreement subsidiaries, and IBFs	31,312,000
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Interest-bearing	31,026,000
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Federal funds purchased in domestic offices	839,000
Securities sold under agreements to repurchase	396,000
Trading liabilities	3,045,000
Other borrowed money: (includes mortgage indebtedness and obligations under capitalized leases)	1,670,000
Not applicable	
Not applicable	
Subordinated notes and debentures	1,955,000
Other liabilities	6,011,000
Total liabilities	85,242,000
Minority interest in consolidated subsidiaries	150,000
EQUITY CAPITAL	
Perpetual preferred stock and related surplus	0
Common stock	1,135,000
Surplus (exclude all surplus related to preferred stock)	2,112,000
Retained earnings	5,444,000
Accumulated other comprehensive income	-220,000
Other equity capital components	0
Total equity capital	8,471,000
Total liabilities, minority interest, and equity capital	93,863,000

I, Thomas J. Mastro, Executive Vice President and Comptroller of the above-named bank do hereby declare that this Report of Condition is true and correct to the best of my knowledge and belief.

Thomas J. Mastro,
Executive Vice President and Comptroller

We, the undersigned directors, attest to the correctness of this statement of resources and liabilities. We declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the instructions and is true and correct.

Thomas A. Renyi
Gerald L. Hassell

Directors

Exhibit 25(i)

Exhibit 25(i)

= = = =

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
Superintendent of Banks of the State of New York	One State Street, New York, N.Y. 10004-1417, and Albany, N.Y. 12223
Federal Reserve Bank of New York	33 Liberty Street, New York, N.Y. 10045
Federal Deposit Insurance Corporation	Washington, D.C. 20429
New York Clearing House Association	New York, New York 10005

(b) Whether it is authorized to exercise corporate trust powers.

Yes.

2. **Affiliations with Obligor.**

If the obligor is an affiliate of the trustee, describe each such affiliation.

None.

16. **List of Exhibits.**

Exhibits identified in parentheses below, on file with the Commission, are incorporated herein by reference as an exhibit hereto, pursuant to Rule 7a-29 under the Trust Indenture Act of 1939 (the "Act") and 17 C.F.R. 229.10(d).

1. A copy of the Organization Certificate of The Bank of New York (formerly Irving Trust Company) as now in effect, which contains the authority to commence business and a grant of powers to exercise corporate trust powers. (Exhibit 1 to Amendment No. 1 to Form T-1 filed with Registration Statement No. 33-6215, Exhibits 1a and 1b to Form T-1 filed with Registration Statement No. 33-21672, Exhibit 1 to Form T-1 filed with Registration Statement No. 33-29637 and Exhibit 1 to Form T-1 filed with Registration Statement No. 333-121195.)

4. A copy of the existing By-laws of the Trustee. (Exhibit 4 to Form T-1 filed with Registration Statement No. 333-121195.)

6. The consent of the Trustee required by Section 321(b) of the Act. (Exhibit 6 to Form T-1 filed with Registration Statement No. 333-106702.)

7. A copy of the latest report of condition of the Trustee published pursuant to law or to the requirements of its supervising or examining authority.

SIGNATURE

Pursuant to the requirements of the Act, the Trustee, The Bank of New York, 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 the 31st day of August, 2006.

THE BANK OF NEW YORK

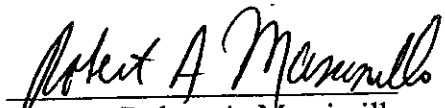
By: 
Name: Robert A. Massimillo
Title: Vice President

EXHIBIT 7

Consolidated Report of Condition of

THE BANK OF NEW YORK

of One Wall Street, New York, N.Y. 10286
And Foreign and Domestic Subsidiaries,
a member of the Federal Reserve System, at the close of business June 30, 2006, published in accordance with a call made by the Federal Reserve Bank of this District pursuant to the provisions of the Federal Reserve Act.

ASSETS	Dollar Amounts In Thousands
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin	3,372,000
Interest-bearing balances	11,005,000
Securities:	
Held-to-maturity securities	2,269,000
Available-for-sale securities	23,124,000
Federal funds sold and securities purchased under agreements to resell	
Federal funds sold in domestic offices	490,000
Securities purchased under agreements to resell	252,000
Loans and lease financing receivables:	
Loans and leases held for sale	0
Loans and leases, net of unearned income	36,722,000
LESS: Allowance for loan and lease losses	414,000
Loans and leases, net of unearned income and allowance	36,308,000
Trading assets	5,770,000
Premises and fixed assets (including capitalized leases)	848,000
Other real estate owned	0
Investments in unconsolidated subsidiaries and associated companies	302,000
Not applicable	
Intangible assets:	
Goodwill	2,177,000
Other intangible assets	750,000
Other assets	7,196,000

Total assets	93,863,000
LIABILITIES	
Deposits:	
In domestic offices	40,014,000
Noninterest-bearing	21,153,000
Interest-bearing	18,861,000
In foreign offices, Edge and Agreement subsidiaries, and IBFs	31,312,000
Noninterest-bearing	286,000
Interest-bearing	31,026,000
Federal funds purchased and securities sold under agreements to repurchase	
Federal funds purchased in domestic offices	839,000
Securities sold under agreements to repurchase	396,000
Trading liabilities	3,045,000
Other borrowed money: (includes mortgage indebtedness and obligations under capitalized leases)	1,670,000
Not applicable	
Not applicable	
Subordinated notes and debentures	1,955,000
Other liabilities	6,011,000
Total liabilities	85,242,000
Minority interest in consolidated subsidiaries	150,000
EQUITY CAPITAL	
Perpetual preferred stock and related surplus	0
Common stock	1,135,000
Surplus (exclude all surplus related to preferred stock)	2,112,000
Retained earnings	5,444,000
Accumulated other comprehensive income	-220,000
Other equity capital components	0
Total equity capital	8,471,000
Total liabilities, minority interest, and equity capital	93,863,000

I, Thomas J. Mastro, Executive Vice President and Comptroller of the above-named bank do hereby declare that this Report of Condition is true and correct to the best of my knowledge and belief.

Thomas J. Mastro,
Executive Vice President and Comptroller

We, the undersigned directors, attest to the correctness of this statement of resources and liabilities. We declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the instructions and is true and correct.

Thomas A. Renyi
Gerald L. Hassell

Directors

Exhibit 25(j)

Exhibit 25(j)

FORM T-1

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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) |__|

THE BANK OF NEW YORK

(Exact name of trustee as specified in its charter)

New York (State of incorporation if not a U.S. national bank)	13-5160382 (I.R.S. employer identification no.)
One Wall Street, New York, N.Y. (Address of principal executive offices)	10286 (Zip code)

FPL Group, Inc.
(Exact name of obligor as specified in its charter)

Florida (State or other jurisdiction of incorporation or organization)	59-2449419 (I.R.S. employer identification no.)
700 Universe Boulevard Juno Beach, Florida (Address of principal executive offices)	33408 (Zip code)

Guarantee of Preferred Trust Securities of FPL Group Capital Trust II
(Title of the indenture securities)

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
Superintendent of Banks of the State of New York	One State Street, New York, N.Y. 10004-1417, and Albany, N.Y. 12223
Federal Reserve Bank of New York	33 Liberty Street, New York, N.Y. 10045
Federal Deposit Insurance Corporation	Washington, D.C. 20429
New York Clearing House Association	New York, New York 10005

(b) **Whether it is authorized to exercise corporate trust powers.**

Yes.

2. **Affiliations with Obligor.**

If the obligor is an affiliate of the trustee, describe each such affiliation.

None.

16. **List of Exhibits.**

Exhibits identified in parentheses below, on file with the Commission, are incorporated herein by reference as an exhibit hereto, pursuant to Rule 7a-29 under the Trust Indenture Act of 1939 (the "Act") and 17 C.F.R. 229.10(d).

1. A copy of the Organization Certificate of The Bank of New York (formerly Irving Trust Company) as now in effect, which contains the authority to commence business and a grant of powers to exercise corporate trust powers. (Exhibit 1 to Amendment No. 1 to Form T-1 filed with Registration Statement No. 33-6215, Exhibits 1a and 1b to Form T-1 filed with Registration Statement No. 33-21672, Exhibit 1 to Form T-1 filed with Registration Statement No. 33-29637 and Exhibit 1 to Form T-1 filed with Registration Statement No. 333-121195.)

4. A copy of the existing By-laws of the Trustee. (Exhibit 4 to Form T-1 filed with Registration Statement No. 333-121195.)

6. The consent of the Trustee required by Section 321(b) of the Act. (Exhibit 6 to Form T-1 filed with Registration Statement No. 333-106702.)

7. A copy of the latest report of condition of the Trustee published pursuant to law or to the requirements of its supervising or examining authority.

SIGNATURE

Pursuant to the requirements of the Act, the Trustee, The Bank of New York, 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 the 31st day of August, 2006.

THE BANK OF NEW YORK

By: Robert A Massimillo
Name: Robert A. Massimillo
Title: Vice President

EXHIBIT 7

Consolidated Report of Condition of

THE BANK OF NEW YORK

of One Wall Street, New York, N.Y. 10286
And Foreign and Domestic Subsidiaries,
a member of the Federal Reserve System, at the close of business June 30, 2006, published in accordance with a call made by the Federal Reserve Bank of this District pursuant to the provisions of the Federal Reserve Act.

ASSETS	Dollar Amounts In Thousands
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin	3,372,000
Interest-bearing balances	11,005,000
Securities:	
Held-to-maturity securities	2,269,000
Available-for-sale securities	23,124,000
Federal funds sold and securities purchased under agreements to resell	
Federal funds sold in domestic offices	490,000
Securities purchased under agreements to resell	252,000
Loans and lease financing receivables:	
Loans and leases held for sale	0
Loans and leases, net of unearned income	36,722,000
LESS: Allowance for loan and lease losses	414,000
Loans and leases, net of unearned income and allowance	36,308,000
Trading assets	5,770,000
Premises and fixed assets (including capitalized leases)	848,000
Other real estate owned	0
Investments in unconsolidated subsidiaries and associated companies	302,000
Not applicable	
Intangible assets:	
Goodwill	2,177,000
Other intangible assets	750,000
Other assets	7,196,000

Total assets	93,863,000
LIABILITIES	
Deposits:	
In domestic offices	40,014,000
Noninterest-bearing	21,153,000
Interest-bearing	18,861,000
In foreign offices, Edge and Agreement subsidiaries, and IBFs	31,312,000
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Interest-bearing	31,026,000
Federal funds purchased and securities sold under agreements to repurchase	
Federal funds purchased in domestic offices	839,000
Securities sold under agreements to repurchase	396,000
Trading liabilities	3,045,000
Other borrowed money: (includes mortgage indebtedness and obligations under capitalized leases)	1,670,000
Not applicable	
Not applicable	
Subordinated notes and debentures	1,955,000
Other liabilities	6,011,000
Total liabilities	85,242,000
Minority interest in consolidated subsidiaries	150,000
EQUITY CAPITAL	
Perpetual preferred stock and related surplus	0
Common stock	1,135,000
Surplus (exclude all surplus related to preferred stock)	2,112,000
Retained earnings	5,444,000
Accumulated other comprehensive income	-220,000
Other equity capital components	0
Total equity capital	8,471,000
Total liabilities, minority interest, and equity capital	93,863,000

I, Thomas J. Mastro, Executive Vice President and Comptroller of the above-named bank do hereby declare that this Report of Condition is true and correct to the best of my knowledge and belief.

Thomas J. Mastro,
Executive Vice President and Comptroller

We, the undersigned directors, attest to the correctness of this statement of resources and liabilities. We declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the instructions and is true and correct.

Thomas A. Renyi
Gerald L. Hassell

Directors

Exhibit 25(k)

Exhibit 25(k)

= = = =

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
Superintendent of Banks of the State of New York	One State Street, New York, N.Y. 10004-1417, and Albany, N.Y. 12223
Federal Reserve Bank of New York	33 Liberty Street, New York, N.Y. 10045
Federal Deposit Insurance Corporation	Washington, D.C. 20429
New York Clearing House Association	New York, New York 10005

(b) Whether it is authorized to exercise corporate trust powers.

Yes.

2. **Affiliations with Obligor.**

If the obligor is an affiliate of the trustee, describe each such affiliation.

None.

16. **List of Exhibits.**

Exhibits identified in parentheses below, on file with the Commission, are incorporated herein by reference as an exhibit hereto, pursuant to Rule 7a-29 under the Trust Indenture Act of 1939 (the "Act") and 17 C.F.R. 229.10(d).

1. A copy of the Organization Certificate of The Bank of New York (formerly Irving Trust Company) as now in effect, which contains the authority to commence business and a grant of powers to exercise corporate trust powers. (Exhibit 1 to Amendment No. 1 to Form T-1 filed with Registration Statement No. 33-6215, Exhibits 1a and 1b to Form T-1 filed with Registration Statement No. 33-21672, Exhibit 1 to Form T-1 filed with Registration Statement No. 33-29637 and Exhibit 1 to Form T-1 filed with Registration Statement No. 333-121195.)

4. A copy of the existing By-laws of the Trustee. (Exhibit 4 to Form T-1 filed with Registration Statement No. 333-121195.)

6. The consent of the Trustee required by Section 321(b) of the Act. (Exhibit 6 to Form T-1 filed with Registration Statement No. 333-106702.)

7. A copy of the latest report of condition of the Trustee published pursuant to law or to the requirements of its supervising or examining authority.

SIGNATURE

Pursuant to the requirements of the Act, the Trustee, The Bank of New York, 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 the 31st day of August, 2006.

THE BANK OF NEW YORK

By: Robert A Massimillo
Name: Robert A. Massimillo
Title: Vice President

EXHIBIT 7

Consolidated Report of Condition of

THE BANK OF NEW YORK

of One Wall Street, New York, N.Y. 10286
And Foreign and Domestic Subsidiaries,

a member of the Federal Reserve System, at the close of business June 30, 2006, published in accordance with a call made by the Federal Reserve Bank of this District pursuant to the provisions of the Federal Reserve Act.

	Dollar Amounts In Thousands
ASSETS	
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin	3,372,000
Interest-bearing balances	11,005,000
Securities:	
Held-to-maturity securities	2,269,000
Available-for-sale securities	23,124,000
Federal funds sold and securities purchased under agreements to resell	
Federal funds sold in domestic offices	490,000
Securities purchased under agreements to resell	252,000
Loans and lease financing receivables:	
Loans and leases held for sale	0
Loans and leases, net of unearned income	36,722,000
LESS: Allowance for loan and lease losses	414,000
Loans and leases, net of unearned income and allowance	36,308,000
Trading assets	5,770,000
Premises and fixed assets (including capitalized leases)	848,000
Other real estate owned	0
Investments in unconsolidated subsidiaries and associated companies	302,000
Not applicable	
Intangible assets:	
Goodwill	2,177,000
Other intangible assets	750,000
Other assets	7,196,000

Total assets	93,863,000
LIABILITIES	
Deposits:	
In domestic offices	40,014,000
Noninterest-bearing	21,153,000
Interest-bearing	18,861,000
In foreign offices, Edge and Agreement subsidiaries, and IBFs	31,312,000
Noninterest-bearing	286,000
Interest-bearing	31,026,000
Federal funds purchased and securities sold under agreements to repurchase	
Federal funds purchased in domestic offices	839,000
Securities sold under agreements to repurchase	396,000
Trading liabilities	3,045,000
Other borrowed money: (includes mortgage indebtedness and obligations under capitalized leases)	1,670,000
Not applicable	
Not applicable	
Subordinated notes and debentures	1,955,000
Other liabilities	6,011,000
Total liabilities	85,242,000
Minority interest in consolidated subsidiaries	150,000
EQUITY CAPITAL	
Perpetual preferred stock and related surplus	0
Common stock	1,135,000
Surplus (exclude all surplus related to preferred stock)	2,112,000
Retained earnings	5,444,000
Accumulated other comprehensive income	-220,000
Other equity capital components	0
Total equity capital	8,471,000
Total liabilities, minority interest, and equity capital	93,863,000

I, Thomas J. Mastro, Executive Vice President and Comptroller of the above-named bank do hereby declare that this Report of Condition is true and correct to the best of my knowledge and belief.

Thomas J. Mastro,
Executive Vice President and Comptroller

We, the undersigned directors, attest to the correctness of this statement of resources and liabilities. We declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the instructions and is true and correct.

Thomas A. Renyi
Gerald L. Hassell

Directors

Exhibit 25(l)

Exhibit 25(l)

FORM T-1

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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) |__|

THE BANK OF NEW YORK

(Exact name of trustee as specified in its charter)

New York (State of incorporation if not a U.S. national bank)	13-5160382 (I.R.S. employer identification no.)
One Wall Street, New York, N.Y. (Address of principal executive offices)	10286 (Zip code)

FPL Group, Inc.
(Exact name of obligor as specified in its charter)

Florida (State or other jurisdiction of incorporation or organization)	59-2449419 (I.R.S. employer identification no.)
700 Universe Boulevard Juno Beach, Florida (Address of principal executive offices)	33408 (Zip code)

Guarantee of Preferred Trust Securities of FPL Group Trust I
(Title of the indenture securities)

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
Superintendent of Banks of the State of New York	One State Street, New York, N.Y. 10004-1417, and Albany, N.Y. 12223
Federal Reserve Bank of New York	33 Liberty Street, New York, N.Y. 10045
Federal Deposit Insurance Corporation	Washington, D.C. 20429
New York Clearing House Association	New York, New York 10005

(b) Whether it is authorized to exercise corporate trust powers.

Yes.

2. Affiliations with Obligor.

If the obligor is an affiliate of the trustee, describe each such affiliation.

None.

16. List of Exhibits.

Exhibits identified in parentheses below, on file with the Commission, are incorporated herein by reference as an exhibit hereto, pursuant to Rule 7a-29 under the Trust Indenture Act of 1939 (the "Act") and 17 C.F.R. 229.10(d).

1. A copy of the Organization Certificate of The Bank of New York (formerly Irving Trust Company) as now in effect, which contains the authority to commence business and a grant of powers to exercise corporate trust powers. (Exhibit 1 to Amendment No. 1 to Form T-1 filed with Registration Statement No. 33-6215, Exhibits 1a and 1b to Form T-1 filed with Registration Statement No. 33-21672, Exhibit 1 to Form T-1 filed with Registration Statement No. 33-29637 and Exhibit 1 to Form T-1 filed with Registration Statement No. 333-121195.)

4. A copy of the existing By-laws of the Trustee. (Exhibit 4 to Form T-1 filed with Registration Statement No. 333-121195.)

6. The consent of the Trustee required by Section 321(b) of the Act. (Exhibit 6 to Form T-1 filed with Registration Statement No. 333-106702.)

7. A copy of the latest report of condition of the Trustee published pursuant to law or to the requirements of its supervising or examining authority.

SIGNATURE

Pursuant to the requirements of the Act, the Trustee, The Bank of New York, 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 the 31st day of August, 2006.

THE BANK OF NEW YORK

By: 
Name: Robert A. Massimillo
Title: Vice President

EXHIBIT 7

Consolidated Report of Condition of

THE BANK OF NEW YORK

of One Wall Street, New York, N.Y. 10286
And Foreign and Domestic Subsidiaries,

a member of the Federal Reserve System, at the close of business June 30, 2006, published in accordance with a call made by the Federal Reserve Bank of this District pursuant to the provisions of the Federal Reserve Act.

ASSETS	Dollar Amounts In Thousands
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin	3,372,000
Interest-bearing balances	11,005,000
Securities:	
Held-to-maturity securities	2,269,000
Available-for-sale securities	23,124,000
Federal funds sold and securities purchased under agreements to resell	
Federal funds sold in domestic offices	490,000
Securities purchased under agreements to resell	252,000
Loans and lease financing receivables:	
Loans and leases held for sale	0
Loans and leases, net of unearned income	36,722,000
LESS: Allowance for loan and lease losses	414,000
Loans and leases, net of unearned income and allowance	36,308,000
Trading assets	5,770,000
Premises and fixed assets (including capitalized leases)	848,000
Other real estate owned	0
Investments in unconsolidated subsidiaries and associated companies	302,000
Not applicable	
Intangible assets:	
Goodwill	2,177,000
Other intangible assets	750,000
Other assets	7,196,000

Total assets	93,863,000
LIABILITIES	
Deposits:	
In domestic offices	40,014,000
Noninterest-bearing	21,153,000
Interest-bearing	18,861,000
In foreign offices, Edge and Agreement subsidiaries, and IBFs	31,312,000
Noninterest-bearing	286,000
Interest-bearing	31,026,000
Federal funds purchased and securities sold under agreements to repurchase	
Federal funds purchased in domestic offices	839,000
Securities sold under agreements to repurchase	396,000
Trading liabilities	3,045,000
Other borrowed money: (includes mortgage indebtedness and obligations under capitalized leases)	1,670,000
Not applicable	
Not applicable	
Subordinated notes and debentures	1,955,000
Other liabilities	6,011,000
Total liabilities	85,242,000
Minority interest in consolidated subsidiaries	150,000
EQUITY CAPITAL	
Perpetual preferred stock and related surplus	0
Common stock	1,135,000
Surplus (exclude all surplus related to preferred stock)	2,112,000
Retained earnings	5,444,000
Accumulated other comprehensive income	-220,000
Other equity capital components	0
Total equity capital	8,471,000
Total liabilities, minority interest, and equity capital	93,863,000

I, Thomas J. Mastro, Executive Vice President and Comptroller of the above-named bank do hereby declare that this Report of Condition is true and correct to the best of my knowledge and belief.

Thomas J. Mastro,
Executive Vice President and Comptroller

We, the undersigned directors, attest to the correctness of this statement of resources and liabilities. We declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the instructions and is true and correct.

Thomas A. Renyi
Gerald L. Hassell

Directors

Exhibit 25(m)

Exhibit 25(m)

= = = =

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
Superintendent of Banks of the State of New York	One State Street, New York, N.Y. 10004-1417, and Albany, N.Y. 12223
Federal Reserve Bank of New York	33 Liberty Street, New York, N.Y. 10045
Federal Deposit Insurance Corporation	Washington, D.C. 20429
New York Clearing House Association	New York, New York 10005

(b) Whether it is authorized to exercise corporate trust powers.

Yes.

2. **Affiliations with Obligor.**

If the obligor is an affiliate of the trustee, describe each such affiliation.

None.

16. **List of Exhibits.**

Exhibits identified in parentheses below, on file with the Commission, are incorporated herein by reference as an exhibit hereto, pursuant to Rule 7a-29 under the Trust Indenture Act of 1939 (the "Act") and 17 C.F.R. 229.10(d).

1. A copy of the Organization Certificate of The Bank of New York (formerly Irving Trust Company) as now in effect, which contains the authority to commence business and a grant of powers to exercise corporate trust powers. (Exhibit 1 to Amendment No. 1 to Form T-1 filed with Registration Statement No. 33-6215, Exhibits 1a and 1b to Form T-1 filed with Registration Statement No. 33-21672, Exhibit 1 to Form T-1 filed with Registration Statement No. 33-29637 and Exhibit 1 to Form T-1 filed with Registration Statement No. 333-121195.)

4. A copy of the existing By-laws of the Trustee. (Exhibit 4 to Form T-1 filed with Registration Statement No. 333-121195.)

6. The consent of the Trustee required by Section 321(b) of the Act. (Exhibit 6 to Form T-1 filed with Registration Statement No. 333-106702.)

7. A copy of the latest report of condition of the Trustee published pursuant to law or to the requirements of its supervising or examining authority.

SIGNATURE

Pursuant to the requirements of the Act, the Trustee, The Bank of New York, 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 the 31st day of August, 2006.

THE BANK OF NEW YORK

By: 
Name: Robert A. Massimillo
Title: Vice President

EXHIBIT 7

Consolidated Report of Condition of

THE BANK OF NEW YORK

of One Wall Street, New York, N.Y. 10286
And Foreign and Domestic Subsidiaries,

a member of the Federal Reserve System, at the close of business June 30, 2006, published in accordance with a call made by the Federal Reserve Bank of this District pursuant to the provisions of the Federal Reserve Act.

ASSETS	Dollar Amounts In Thousands
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin	3,372,000
Interest-bearing balances	11,005,000
Securities:	
Held-to-maturity securities	2,269,000
Available-for-sale securities	23,124,000
Federal funds sold and securities purchased under agreements to resell	
Federal funds sold in domestic offices	490,000
Securities purchased under agreements to resell	252,000
Loans and lease financing receivables:	
Loans and leases held for sale	0
Loans and leases, net of unearned income	36,722,000
LESS: Allowance for loan and lease losses	414,000
Loans and leases, net of unearned income and allowance	36,308,000
Trading assets	5,770,000
Premises and fixed assets (including capitalized leases)	848,000
Other real estate owned	0
Investments in unconsolidated subsidiaries and associated companies	302,000
Not applicable	
Intangible assets:	
Goodwill	2,177,000
Other intangible assets	750,000
Other assets	7,196,000

Total assets	93,863,000
LIABILITIES	
Deposits:	
In domestic offices	40,014,000
Noninterest-bearing	21,153,000
Interest-bearing	18,861,000
In foreign offices, Edge and Agreement subsidiaries, and IBFs	31,312,000
Noninterest-bearing	286,000
Interest-bearing	31,026,000
Federal funds purchased and securities sold under agreements to repurchase	
Federal funds purchased in domestic offices	839,000
Securities sold under agreements to repurchase	396,000
Trading liabilities	3,045,000
Other borrowed money: (includes mortgage indebtedness and obligations under capitalized leases)	1,670,000
Not applicable	
Not applicable	
Subordinated notes and debentures	1,955,000
Other liabilities	6,011,000
Total liabilities	85,242,000
Minority interest in consolidated subsidiaries	150,000
EQUITY CAPITAL	
Perpetual preferred stock and related surplus	0
Common stock	1,135,000
Surplus (exclude all surplus related to preferred stock)	2,112,000
Retained earnings	5,444,000
Accumulated other comprehensive income	-220,000
Other equity capital components	0
Total equity capital	8,471,000
Total liabilities, minority interest, and equity capital	93,863,000

I, Thomas J. Mastro, Executive Vice President and Comptroller of the above-named bank do hereby declare that this Report of Condition is true and correct to the best of my knowledge and belief.

Thomas J. Mastro,
Executive Vice President and Comptroller

We, the undersigned directors, attest to the correctness of this statement of resources and liabilities. We declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the instructions and is true and correct.

Thomas A. Renyi
Gerald L. Hassell

Directors

Exhibit 25(n)

Exhibit 25(n)

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 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: Lynne Malina
Legal Department
60 Wall Street, 37th Floor
New York, New York 10005
(212) 250–0677
(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, Florida 33408
(561) 694-4000

(Address and Zip Code of Principal Executive Offices)

First Mortgage Bonds
(Title of the 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

To the best of the Trustee's knowledge, the obligor is not in default under an Indenture for which the Trustee acts as Trustee.

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 27, 2002. Incorporated herein by reference to Exhibit 1 filed with Form T-1 Statement, Registration No. 33-102172.

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 Bankers Trust Company, as amended on April 15, 2002. Incorporated herein by reference to Exhibit 1 filed with Form T-1 Statement, Registration No. 33-102172.

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 June 30, 2006. 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 1st day of September, 2006.

DEUTSCHE BANK TRUST COMPANY AMERICAS

By: _____
Annie Jaghatspanyan
Assistant Vice President

DEUTSCHE BANK TRUST COMPANY AMERICAS
Legal Title of Bank

NEW YORK
City

NY 10005-2858
State Zip Code

FDIC Certificate Number: 00623

FFIEC 031
Page RC-1
13

Consolidated Report of Condition for Insured Commercial and State-Chartered Savings Banks for June 30, 2006

All schedules are to be reported in thousands of dollars. Unless otherwise indicated, report the amount outstanding as of the last business day of the quarter.

Schedule RC—Balance Sheet

Dollar Amounts in Thousands			RCFD	Trl | Bil | Mil | Thou	
ASSETS					
1. Cash and balances due from depository institutions (from Schedule RC-A):					
a. Noninterest-bearing balances and currency and coin (1)			0081	2,408,000	1.a
b. Interest-bearing balances (2)			0071	250,000	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	1,552,000	2.b
3. Federal funds sold and securities purchased under agreements to resell:			RCON		
a. Federal funds sold in domestic offices			B987	257,000	3.a
			RCFD		
b. Securities purchased under agreements to resell (3)			B989	245,000	3.b
4. Loans and lease financing receivables (from Schedule RC-C):					
a. Loans and leases held for sale			5369	632,000	4.a
b. Loans and leases, net of unearned income	B528	7,060,000			4.b
c. LESS: Allowance for loan and lease losses	3123	100,000			4.c
d. Loans and leases, net of unearned income and allowance (item 4.b minus 4.c)			B529	6,960,000	4.d
5. Trading assets (from Schedule RC-D)			3545	18,661,000	5
6. Premises and fixed assets (including capitalized leases)			2145	153,000	6
7. Other real estate owned (from Schedule RC-M)			2150	1,000	7
8. Investments in unconsolidated subsidiaries and associated companies (from Schedule RC-M)			2130	8,000	8
9. Not applicable					
10. Intangible assets:					
a. Goodwill			3163	0	10.a
b. Other intangible assets (from Schedule RC-M)			0426	47,000	10.b
11. Other assets (from Schedule RC-F)			2160	5,375,000	11
12. Total assets (sum of items 1 through 11)			2170	36,549,000	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	Bil | Mil | Thou	
LIABILITIES					
13. Deposits:					
a. In domestic offices (sum of totals of columns A and C from Schedule RC-E, part I)			RCON 2200	11,181,000	13.a
(1) Noninterest-bearing (1)	6631	3,048,000			13.a.1
(2) Interest-bearing	6636	8,133,000			13.a.2
b. In foreign offices, Edge and Agreement subsidiaries, and IBFs (from Schedule RC-E, part II)			RCFN 2200	7,260,000	13.b
(1) Noninterest-bearing	6631	1,824,000			13.b.1
(2) Interest-bearing	6636	5,436,000			13.b.2
14. Federal funds purchased and securities sold under agreements to repurchase:			RCON		
a. Federal funds purchased in domestic offices (2)			B993	5,249,000	14.a
			RCFD		
b. Securities sold under agreements to repurchase (3)			B995	0	14.b
15. Trading liabilities (from Schedule RC-D)			3548	427,000	15
16. Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases) (from Schedule RC-M)			3190	736,000	16
17. and 18. Not applicable					
19. Subordinated notes and debentures(4)			3200	8,000	19
20. Other liabilities (from Schedule RC-G)			2930	3,197,000	20
21. Total liabilities (sum of items 13 through 20)			2948	28,060,000	21
22. Minority interest in consolidated subsidiaries			3000	437,000	22
EQUITY CAPITAL					
23. Perpetual preferred stock and related surplus			3838	1,500,000	23
24. Common stock			3230	2,127,000	24
25. Surplus (exclude all surplus related to preferred stock)			3839	584,000	25
26. a. Retained earnings			3632	3,833,000	26.a
b. Accumulated other comprehensive income (5)			B530	8,000	26.b
27. Other equity capital components (6)			A130	0	27
28. Total equity capital (sum of items 23 through 27)			3210	8,052,000	28
29. Total liabilities, minority interest, and equity capital (sum of items 21, 22, and 28)			3300	36,549,000	29

Memorandum

To be reported with the March Report of Condition.

	RCFD	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 2005	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 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 Ownership Plan shares.

Exhibit 25(o)

Exhibit 25(o)

FORM T-1

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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) |__|

THE BANK OF NEW YORK

(Exact name of trustee as specified in its charter)

New York (State of incorporation if not a U.S. national bank)	13-5160382 (I.R.S. employer identification no.)
One Wall Street, New York, N.Y. (Address of principal executive offices)	10286 (Zip code)

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, Florida (Address of principal executive offices)	33408 (Zip code)

Junior Subordinated Debentures
(Title of the indenture securities)

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
Superintendent of Banks of the State of New York	One State Street, New York, N.Y. 10004-1417, and Albany, N.Y. 12223
Federal Reserve Bank of New York	33 Liberty Street, New York, N.Y. 10045
Federal Deposit Insurance Corporation	Washington, D.C. 20429
New York Clearing House Association	New York, New York 10005

(b) **Whether it is authorized to exercise corporate trust powers.**

Yes.

2. **Affiliations with Obligor.**

If the obligor is an affiliate of the trustee, describe each such affiliation.

None.

16. **List of Exhibits.**

Exhibits identified in parentheses below, on file with the Commission, are incorporated herein by reference as an exhibit hereto, pursuant to Rule 7a-29 under the Trust Indenture Act of 1939 (the "Act") and 17 C.F.R. 229.10(d).

1. A copy of the Organization Certificate of The Bank of New York (formerly Irving Trust Company) as now in effect, which contains the authority to commence business and a grant of powers to exercise corporate trust powers. (Exhibit 1 to Amendment No. 1 to Form T-1 filed with Registration Statement No. 33-6215, Exhibits 1a and 1b to Form T-1 filed with Registration Statement No. 33-21672, Exhibit 1 to Form T-1 filed with Registration Statement No. 33-29637 and Exhibit 1 to Form T-1 filed with Registration Statement No. 333-121195.)

4. A copy of the existing By-laws of the Trustee. (Exhibit 4 to Form T-1 filed with Registration Statement No. 333-121195.)

6. The consent of the Trustee required by Section 321(b) of the Act. (Exhibit 6 to Form T-1 filed with Registration Statement No. 333-106702.)

7. A copy of the latest report of condition of the Trustee published pursuant to law or to the requirements of its supervising or examining authority.

SIGNATURE

Pursuant to the requirements of the Act, the Trustee, The Bank of New York, 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 the 31st day of August, 2006.

THE BANK OF NEW YORK

By: 
Name: Robert A. Massimillo
Title: Vice President

EXHIBIT 7

Consolidated Report of Condition of

THE BANK OF NEW YORK

of One Wall Street, New York, N.Y. 10286
And Foreign and Domestic Subsidiaries,
a member of the Federal Reserve System, at the close of business June 30, 2006, published in accordance with a call made by the Federal Reserve Bank of this District pursuant to the provisions of the Federal Reserve Act.

	Dollar Amounts In Thousands
ASSETS	
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin	3,372,000
Interest-bearing balances	11,005,000
Securities:	
Held-to-maturity securities	2,269,000
Available-for-sale securities	23,124,000
Federal funds sold and securities purchased under agreements to resell	
Federal funds sold in domestic offices	490,000
Securities purchased under agreements to resell	252,000
Loans and lease financing receivables:	
Loans and leases held for sale	0
Loans and leases, net of unearned income	36,722,000
LESS: Allowance for loan and lease losses	414,000
Loans and leases, net of unearned income and allowance	36,308,000
Trading assets	5,770,000
Premises and fixed assets (including capitalized leases)	848,000
Other real estate owned	0
Investments in unconsolidated subsidiaries and associated companies	302,000
Not applicable	
Intangible assets:	
Goodwill	2,177,000
Other intangible assets	750,000
Other assets	7,196,000

Total assets	93,863,000
LIABILITIES	
Deposits:	
In domestic offices	40,014,000
Noninterest-bearing	21,153,000
Interest-bearing	18,861,000
In foreign offices, Edge and Agreement subsidiaries, and IBFs	31,312,000
Noninterest-bearing	286,000
Interest-bearing	31,026,000
Federal funds purchased and securities sold under agreements to repurchase	
Federal funds purchased in domestic offices	839,000
Securities sold under agreements to repurchase	396,000
Trading liabilities	3,045,000
Other borrowed money: (includes mortgage indebtedness and obligations under capitalized leases)	1,670,000
Not applicable	
Not applicable	
Subordinated notes and debentures	1,955,000
Other liabilities	6,011,000
Total liabilities	85,242,000
Minority interest in consolidated subsidiaries	150,000
EQUITY CAPITAL	
Perpetual preferred stock and related surplus	0
Common stock	1,135,000
Surplus (exclude all surplus related to preferred stock)	2,112,000
Retained earnings	5,444,000
Accumulated other comprehensive income	-220,000
Other equity capital components	0
Total equity capital	8,471,000
Total liabilities, minority interest, and equity capital	93,863,000

I, Thomas J. Mastro, Executive Vice President and Comptroller of the above-named bank do hereby declare that this Report of Condition is true and correct to the best of my knowledge and belief.

Thomas J. Mastro,
Executive Vice President and Comptroller

We, the undersigned directors, attest to the correctness of this statement of resources and liabilities. We declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the instructions and is true and correct.

Thomas A. Renyi
Gerald L. Hassell

Directors

Exhibit 25(p)

Exhibit 25(p)

FORM T-1

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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) |__|

THE BANK OF NEW YORK

(Exact name of trustee as specified in its charter)

New York (State of incorporation if not a U.S. national bank)	13-5160382 (I.R.S. employer identification no.)
One Wall Street, New York, N.Y. (Address of principal executive offices)	10286 (Zip code)

Florida Power & Light Company Trust I
(Exact name of obligor as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	20-6218709 (I.R.S. employer identification no.)
700 Universe Boulevard Juno Beach, Florida (Address of principal executive offices)	33408 (Zip code)

Preferred Trust Securities
(Title of the indenture securities)

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
Superintendent of Banks of the State of New York	One State Street, New York, N.Y. 10004-1417, and Albany, N.Y. 12223
Federal Reserve Bank of New York	33 Liberty Street, New York, N.Y. 10045
Federal Deposit Insurance Corporation	Washington, D.C. 20429
New York Clearing House Association	New York, New York 10005

(b) **Whether it is authorized to exercise corporate trust powers.**

Yes.

2. **Affiliations with Obligor.**

If the obligor is an affiliate of the trustee, describe each such affiliation.

None.

16. **List of Exhibits.**

Exhibits identified in parentheses below, on file with the Commission, are incorporated herein by reference as an exhibit hereto, pursuant to Rule 7a-29 under the Trust Indenture Act of 1939 (the "Act") and 17 C.F.R. 229.10(d).

1. A copy of the Organization Certificate of The Bank of New York (formerly Irving Trust Company) as now in effect, which contains the authority to commence business and a grant of powers to exercise corporate trust powers. (Exhibit 1 to Amendment No. 1 to Form T-1 filed with Registration Statement No. 33-6215, Exhibits 1a and 1b to Form T-1 filed with Registration Statement No. 33-21672, Exhibit 1 to Form T-1 filed with Registration Statement No. 33-29637 and Exhibit 1 to Form T-1 filed with Registration Statement No. 333-121195.)

4. A copy of the existing By-laws of the Trustee. (Exhibit 4 to Form T-1 filed with Registration Statement No. 333-121195.)

6. The consent of the Trustee required by Section 321(b) of the Act. (Exhibit 6 to Form T-1 filed with Registration Statement No. 333-106702.)

7. A copy of the latest report of condition of the Trustee published pursuant to law or to the requirements of its supervising or examining authority.

SIGNATURE

Pursuant to the requirements of the Act, the Trustee, The Bank of New York, 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 the 31st day of August, 2006.

THE BANK OF NEW YORK

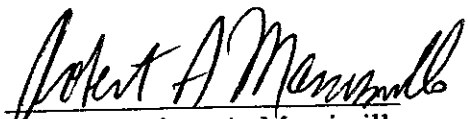
By: 
Name: Robert A. Massimillo
Title: Vice President

EXHIBIT 7

Consolidated Report of Condition of

THE BANK OF NEW YORK

of One Wall Street, New York, N.Y. 10286
And Foreign and Domestic Subsidiaries,

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Common stock	1,135,000
Surplus (exclude all surplus related to preferred stock)	2,112,000
Retained earnings	5,444,000
Accumulated other comprehensive income	-220,000
Other equity capital components	0
Total equity capital	8,471,000
Total liabilities, minority interest, and equity capital	93,863,000

I, Thomas J. Mastro, Executive Vice President and Comptroller of the above-named bank do hereby declare that this Report of Condition is true and correct to the best of my knowledge and belief.

Thomas J. Mastro,
Executive Vice President and Comptroller

We, the undersigned directors, attest to the correctness of this statement of resources and liabilities. We declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the instructions and is true and correct.

Thomas A. Renyi
Gerald L. Hassell

Directors

Exhibit 25(q)

Exhibit 25(q)

= = = =

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
Superintendent of Banks of the State of New York	One State Street, New York, N.Y. 10004-1417, and Albany, N.Y. 12223
Federal Reserve Bank of New York	33 Liberty Street, New York, N.Y. 10045
Federal Deposit Insurance Corporation	Washington, D.C. 20429
New York Clearing House Association	New York, New York 10005

(b) Whether it is authorized to exercise corporate trust powers.

Yes.

2. **Affiliations with Obligor.**

If the obligor is an affiliate of the trustee, describe each such affiliation.

None.

16. **List of Exhibits.**

Exhibits identified in parentheses below, on file with the Commission, are incorporated herein by reference as an exhibit hereto, pursuant to Rule 7a-29 under the Trust Indenture Act of 1939 (the "Act") and 17 C.F.R. 229.10(d).

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4. A copy of the existing By-laws of the Trustee. (Exhibit 4 to Form T-1 filed with Registration Statement No. 333-121195.)

6. The consent of the Trustee required by Section 321(b) of the Act. (Exhibit 6 to Form T-1 filed with Registration Statement No. 333-106702.)

7. A copy of the latest report of condition of the Trustee published pursuant to law or to the requirements of its supervising or examining authority.

SIGNATURE

Pursuant to the requirements of the Act, the Trustee, The Bank of New York, 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 the 31st day of August, 2006.

THE BANK OF NEW YORK

By: Robert A Massimillo
Name: Robert A. Massimillo
Title: Vice President

EXHIBIT 7

Consolidated Report of Condition of

THE BANK OF NEW YORK

of One Wall Street, New York, N.Y. 10286
And Foreign and Domestic Subsidiaries,
a member of the Federal Reserve System, at the close of business June 30, 2006, published in accordance with a call made by the Federal Reserve Bank of this District pursuant to the provisions of the Federal Reserve Act.

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Cash and balances due from depository institutions:	
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Loans and leases, net of unearned income and allowance	36,308,000
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Other liabilities	6,011,000
Total liabilities	85,242,000
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Common stock	1,135,000
Surplus (exclude all surplus related to preferred stock)	2,112,000
Retained earnings	5,444,000
Accumulated other comprehensive income	-220,000
Other equity capital components	0
Total equity capital	8,471,000
Total liabilities, minority interest, and equity capital	93,863,000

I, Thomas J. Mastro, Executive Vice President and Comptroller of the above-named bank do hereby declare that this Report of Condition is true and correct to the best of my knowledge and belief.

Thomas J. Mastro,
Executive Vice President and Comptroller

We, the undersigned directors, attest to the correctness of this statement of resources and liabilities. We declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the instructions and is true and correct.

Thomas A. Renyi
Gerald L. Hassell

Directors

Exhibit 25(r)

Exhibit 25(r)

= = = =

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.**

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Federal Reserve Bank of New York	33 Liberty Street, New York, N.Y. 10045
Federal Deposit Insurance Corporation	Washington, D.C. 20429
New York Clearing House Association	New York, New York 10005

(b) **Whether it is authorized to exercise corporate trust powers.**

Yes.

2. **Affiliations with Obligor.**

If the obligor is an affiliate of the trustee, describe each such affiliation.

None.

16. **List of Exhibits.**

Exhibits identified in parentheses below, on file with the Commission, are incorporated herein by reference as an exhibit hereto, pursuant to Rule 7a-29 under the Trust Indenture Act of 1939 (the "Act") and 17 C.F.R. 229.10(d).

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SIGNATURE

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THE BANK OF NEW YORK

By: _____
Name: Robert A. Massimillo
Title: Vice President

EXHIBIT 7

Consolidated Report of Condition of

THE BANK OF NEW YORK

of One Wall Street, New York, N.Y. 10286
And Foreign and Domestic Subsidiaries,

a member of the Federal Reserve System, at the close of business June 30, 2006, published in accordance with a call made by the Federal Reserve Bank of this District pursuant to the provisions of the Federal Reserve Act.

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Federal funds sold and securities purchased under agreements to resell	
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Securities purchased under agreements to resell	252,000
Loans and lease financing receivables:	
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Loans and leases, net of unearned income	36,722,000
LESS: Allowance for loan and lease losses	414,000
Loans and leases, net of unearned income and allowance	36,308,000
Trading assets	5,770,000
Premises and fixed assets (including capitalized leases)	848,000
Other real estate owned	0
Investments in unconsolidated subsidiaries and associated companies	302,000
Not applicable	
Intangible assets:	
Goodwill	2,177,000
Other intangible assets	750,000
Other assets	7,196,000

Total assets	93,863,000
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Deposits:	
In domestic offices	40,014,000
Noninterest-bearing	21,153,000
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Securities sold under agreements to repurchase	396,000
Trading liabilities	3,045,000
Other borrowed money: (includes mortgage indebtedness and obligations under capitalized leases)	1,670,000
Not applicable	
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Subordinated notes and debentures	1,955,000
Other liabilities	6,011,000
Total liabilities	85,242,000
Minority interest in consolidated subsidiaries	150,000
EQUITY CAPITAL	
Perpetual preferred stock and related surplus	0
Common stock	1,135,000
Surplus (exclude all surplus related to preferred stock)	2,112,000
Retained earnings	5,444,000
Accumulated other comprehensive income	-220,000
Other equity capital components	0
Total equity capital	8,471,000
Total liabilities, minority interest, and equity capital	93,863,000

I, Thomas J. Mastro, Executive Vice President and Comptroller of the above-named bank do hereby declare that this Report of Condition is true and correct to the best of my knowledge and belief.

Thomas J. Mastro,
Executive Vice President and Comptroller

We, the undersigned directors, attest to the correctness of this statement of resources and liabilities. We declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the instructions and is true and correct.

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Gerald L. Hassell

Directors

Exhibit 25(s)

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FORM T-1

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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) |__|

THE BANK OF NEW YORK

(Exact name of trustee as specified in its charter)

New York (State of incorporation if not a U.S. national bank)	13-5160382 (I.R.S. employer identification no.)
One Wall Street, New York, N.Y. (Address of principal executive offices)	10286 (Zip code)

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, Florida (Address of principal executive offices)	33408 (Zip code)

Guarantee of Preferred Trust Securities of Florida Power & Light Company Trust II
(Title of the indenture securities)

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.**

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(b) **Whether it is authorized to exercise corporate trust powers.**

Yes.

2. **Affiliations with Obligor.**

If the obligor is an affiliate of the trustee, describe each such affiliation.

None.

16. **List of Exhibits.**

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THE BANK OF NEW YORK

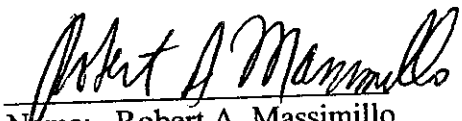
By: 
Name: Robert A. Massimillo
Title: Vice President

EXHIBIT 7

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Total equity capital	8,471,000
Total liabilities, minority interest, and equity capital	93,863,000

I, Thomas J. Mastro, Executive Vice President and Comptroller of the above-named bank do hereby declare that this Report of Condition is true and correct to the best of my knowledge and belief.

Thomas J. Mastro,
Executive Vice President and Comptroller

We, the undersigned directors, attest to the correctness of this statement of resources and liabilities. We declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the instructions and is true and correct.

Thomas A. Renyi
Gerald L. Hassell

Directors

Exhibit (c)-1A

As filed with the Securities and Exchange Commission on May 3, 2007
Registration Statement Nos. 333-137120, 333-137120-01, 333-137120-02, 333-137120-03, 333-137120-04, 333-137120-05, 333-137120-06, 333-137120-07 and 333-137120-08

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

POST-EFFECTIVE AMENDMENT NO. 1 TO FORM S-3

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

FPL Group, Inc.	**Florida**	**59-2449419**
FPL Group Capital Inc	**Florida**	**59-2576416**
Florida Power & Light Company	**Florida**	**59-0247775**
FPL Group Capital Trust II	**Delaware**	**71-6208700**
FPL Group Capital Trust III	**Delaware**	**20-6218691**
FPL Group Trust I	**Delaware**	**20-6218700**
FPL Group Trust II	**Delaware**	**20-6218704**
Florida Power & Light Company Trust I	**Delaware**	**20-6218709**
Florida Power & Light Company Trust II	**Delaware**	**20-6218713**
(Exact name of each registrant as specified in its charter)	(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 registrants' principal executive office)

Edward F. Tancer, Esq.	Thomas R. McGuigan, Esq.	Robert J. Reger, Jr., Esq.
Vice President & General Counsel	Squire, Sanders & Dempsey L.L.P.	Thelen Reid Brown Raysman
FPL Group, Inc.	1900 Phillips Point West	& Steiner LLP
700 Universe Boulevard	777 South Flagler Drive	875 Third Avenue
Juno Beach, Florida 33408	West Palm Beach, Florida 33401	New York, New York 10022
(561) 694-4000	(561) 650-7200	(212) 603-2000

(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. ☐

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 this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box. ☒

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box. ☐

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price [1]	Amount of Registration Fee
FPL Group, Inc.		
FPL Group, Inc. Guarantee of FPL Group Capital Inc Senior Debt Securities [2]		(3)
FPL Group, Inc. Subordinated Guarantee of FPL Group Capital Inc Junior Subordinated Debentures [2]		(3)
FPL Group, Inc. Guarantee of FPL Group Capital Trust II, FPL Group Capital Trust III, FPL Group Trust I and FPL Group Trust II Preferred Trust Securities [4][5]		(3)
FPL Group, Inc. Senior Debt Securities		
FPL Group, Inc. Junior Subordinated Debentures [5][7]		
FPL Group Trust I and FPL Group Trust II Preferred Trust Securities [5][7]		
FPL Group, Inc. Common Stock, $.01 par value		
FPL Group, Inc. Stock Purchase Contracts [6]		
FPL Group, Inc. Stock Purchase Units [6]		
FPL Group, Inc. Preferred Stock		
FPL Group, Inc. Guarantee of FPL Group Capital Inc Preferred Stock [2]		(3)
FPL Group Capital Inc [8]		
FPL Group Capital Inc Senior Debt Securities		
FPL Group Capital Inc Junior Subordinated Debentures [5][7]		
FPL Group Capital Trust II and FPL Group Capital Trust III Preferred Trust Securities [5][7]		
FPL Group Capital Inc Preferred Stock		
Florida Power & Light Company [8]		
Florida Power & Light Company First Mortgage Bonds		
Florida Power & Light Company Guarantee of Florida Power & Light Company Trust I and Florida Power & Light Company Trust II Preferred Trust Securities [4][5]		(3)
Florida Power & Light Company Junior Subordinated Debentures [5][7]		
Florida Power & Light Company Trust I and Florida Power & Light Company Trust II Preferred Trust Securities [5][7]		
Florida Power & Light Company Preferred Stock		
Total		$0

(1) An unspecified aggregate initial offering of the securities of each identified class is being registered as may from time to time be offered by FPL Group, Inc., FPL Group Capital Inc, FPL Group Capital Trust II, FPL Group Capital Trust III, FPL Group Trust I, FPL Group Trust II, Florida Power & Light Company, Florida Power & Light Company Trust I and Florida Power & Light Company Trust II at unspecified prices, along with an indeterminate number of securities that may be issued upon exercise, settlement, exchange or conversion of securities offered hereunder. Separate consideration may or may not be received for securities that are issuable upon exercise, settlement, conversion or exchange of other securities or that are issued in units. Prior to the filing of this registration statement on September 5, 2006, $1,337,450,000 aggregate principal amount of securities remained registered and unsold, pursuant to Registration Statement Nos. 333-102173, 333-102173-01, 333-102173-02 and 333-102173-03 ("Registration Statement No. 333-102173") which was initially filed by FPL Group, Inc. and FPL Group Capital Inc on December 23, 2002, and amended on March 18, 2003 to add FPL Group Capital Trust I and FPL Group Capital Trust II as registrants, and $2,800,000,000 aggregate principal amount of securities remained registered and unsold pursuant to Registration Statement Nos. 333-116209, 333-116209-01, 333-116209-02, 333-116209-03, 333-116209-04 and 333-116209-05 ("Registration Statement No. 333-116209") which was filed by FPL Group, Inc., FPL Group Capital Inc, FPL Group Capital Trust II, FPL Group Capital Trust III, FPL Group Trust I and FPL Group Trust II on June 4, 2004. In accordance with Rules 456(b) and 457(r) under

the Securities Act of 1933, as amended (the "Securities Act"), the registrants are deferring payment of all of the registration fee, except for $402,906 that currently may be offset pursuant to Rule 457(p) for fees paid with respect to securities that were previously registered pursuant to Registration Statement No. 333-102173 and Registration Statement No. 333-116209 and not sold thereunder. At the time of filing of this registration statement on September 5, 2006, $477,806 was available to be offset pursuant to Rule 457(p) for fees paid with respect to $4,137,450,000 aggregate initial offering price of securities that were previously registered pursuant to Registration Statement No. 333-102173 and Registration Statement No. 333-116209 and not sold thereunder. Following the offering of FPL Group Capital Inc's Series A Enhanced Junior Subordinated Debentures and Series B Enhanced Junior Subordinated Debentures, the registrants have $402,906 remaining available for future registration fees, being the sum of (a) $48,146 from the $123,046 that has already been paid with respect to $1,337,450,000 aggregate amount of securities that were previously registered pursuant to Registration Statement Nos. 333-102173 and were not issued or sold thereunder and (b) $354,760 from the $354,760 that has already been paid with respect to $2,800,000,000 aggregate amount of securities that were previously registered pursuant to Registration Statement Nos. 333-116209 and were not issued or sold thereunder. In connection with the securities offered hereby, except as specified in this paragraph, the registrants will pay "pay-as-you-go registration fees" in accordance with Rule 456(b). Registration Statement No. 333-102173 and Registration Statement No. 333-116209 were withdrawn upon the filing of this registration statement on September 5, 2006.

(2) The value attributable to the FPL Group, Inc. guarantees, if any, is reflected in the market price of the FPL Group Capital Inc Senior Debt Securities, FPL Group Capital Inc Junior Subordinated Debentures or FPL Group Capital Inc Preferred Stock, as the case may be.

(3) Pursuant to Rule 457(n) under the Securities Act, no separate fee for the FPL Group, Inc. guarantees or the Florida Power & Light Company guarantees will be payable.

(4) The value attributable to the FPL Group, Inc. guarantee, if any, is reflected in the market price of the FPL Group Capital Trust II, FPL Group Capital Trust III, FPL Group Trust I, and FPL Group Trust II Preferred Trust Securities. The value attributable to the Florida Power & Light Company guarantees, if any, is reflected in the market price of the Florida Power & Light Company Trust I and Florida Power & Light Company Trust II Preferred Trust Securities.

(5) This registration statement is deemed to include the rights of the holders of the Preferred Trust Securities of (a) FPL Group Trust I and FPL Group Trust II under the FPL Group, Inc. Junior Subordinated Debentures, the FPL Group, Inc. Subordinated Indenture and the Agreement as to Expenses and Liabilities, each as described in this registration statement, (b) FPL Group Capital Trust II and FPL Group Capital Trust III under the FPL Group, Inc. Subordinated Guarantee of FPL Group Capital Inc Junior Subordinated Debentures, the FPL Group Capital Inc Junior Subordinated Debentures, the FPL Group Capital Inc Subordinated Indenture and the Agreement as to Expenses and Liabilities, each as described in this registration statement, and (c) Florida Power & Light Company Trust I and Florida Power & Light Company Trust II under the Florida Power & Light Company Junior Subordinated Debentures, the Florida Power & Light Company Subordinated Indenture and the Agreement as to Expenses and Liabilities, each as described in this registration statement.

(6) There is being registered hereunder an indeterminate number of shares of common stock and preferred stock issuable by FPL Group, Inc. upon settlement of the stock purchase contracts or stock purchase units.

(7) FPL Group, Inc. Junior Subordinated Debentures may be purchased by FPL Group Trust I and/or FPL Group Trust II with the proceeds from the sale of their respective Preferred Trust Securities. FPL Group Capital Inc Junior Subordinated Debentures may be purchased by FPL Group Capital Trust II and/or FPL Group Capital Trust III with the proceeds from the sale of their respective Preferred Trust Securities. Florida Power & Light Company Junior Subordinated Debentures may be purchased by Florida Power & Light Company Trust I and/or Florida Power & Light Company Trust II with the proceeds from the sale of their respective Preferred Trust Securities. No separate consideration will be received for the FPL Group, Inc., FPL Group Capital Inc or Florida Power & Light Company Junior Subordinated Debentures purchased by any of such trusts.

(8) FPL Group Capital Inc is only registering the offering of non-convertible securities and Florida Power & Light Company is only registering the offering of investment-grade non-convertible securities.

EXPLANATORY NOTE

This Post-Effective Amendment No. 1 to this registration statement is being filed to provide for the offer and sale from time to time of FPL Group, Inc. common stock, preferred stock, stock purchase contracts and stock purchase units, FPL Group Capital Inc preferred stock (which will be guaranteed by FPL Group, Inc.) and Florida Power & Light Company preferred stock, to file as exhibits to this registration statement exhibits with respect thereto and to make certain other changes.

This registration statement contains two forms of prospectuses, each of which is to be used in connection with offerings of the securities in either clause (1) or clause (2) below:

(1) the securities of FPL Group, FPL Group Capital, FPL Group Capital Trust II, FPL Group Capital Trust III, FPL Group Trust I and FPL Group Trust II registered pursuant to this registration statement; and

(2) the securities of Florida Power & Light Company, Florida Power & Light Company Trust I and Florida Power & Light Company Trust II registered pursuant to this registration statement.

Each offering of securities made under this registration statement will be made pursuant to one of these prospectuses, with the specific terms of the securities offered thereby set forth in an accompanying prospectus supplement.

PROSPECTUS

FPL GROUP, INC.

Common Stock, Preferred Stock, Senior Debt Securities, Junior Subordinated Debentures, Stock Purchase Contracts and Stock Purchase Units

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FPL GROUP CAPITAL INC

Senior Debt Securities, Junior Subordinated Debentures and Preferred Stock

Guaranteed as described in this prospectus by

FPL GROUP, INC.

FPL GROUP CAPITAL TRUST II
FPL GROUP CAPITAL TRUST III
FPL GROUP TRUST I
FPL GROUP TRUST II

Preferred Trust Securities

Guaranteed as described in this prospectus by

FPL GROUP, INC.

Each of FPL Group, Inc., FPL Group Capital Inc, FPL Group Capital Trust II, FPL Group Capital Trust III, FPL Group Trust I and FPL Group Trust II may offer any combination of the securities described in this prospectus in one or more offerings from time to time in amounts authorized from time to time.

FPL Group, FPL Group Capital, FPL Group Capital Trust II, FPL Group Capital Trust III, FPL Group Trust I and FPL Group Trust II will provide specific terms of the securities, including the 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.

FPL Group's common stock is listed on the New York Stock Exchange and trades under the symbol "FPL."

FPL Group, FPL Group Capital, FPL Group Capital Trust II, FPL Group Capital Trust III, FPL Group Trust I and FPL Group Trust II 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 55 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 purchasing any of the securities being offered.

FPL Group's, FPL Group Capital's, FPL Group Capital Trust II's, FPL Group Capital Trust III's, FPL Group Trust I's and FPL Group Trust II's principal executive offices are located at 700 Universe Boulevard, Juno Beach, Florida 33408, telephone number (561) 694-4000, and their 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.

May 3, 2007

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement, as amended, that FPL Group, FPL Group Capital, FPL Group Capital Trust II, FPL Group Capital Trust III, FPL Group Trust I and FPL Group Trust II, among other registrants, have filed with the Securities and Exchange Commission ("SEC") using a "shelf" registration process. FPL Group Capital Trust II and FPL Group Capital Trust III are each referred to in this prospectus as "FPL Group Capital Trust" and FPL Group Trust I and FPL Group Trust II are each referred to in this prospectus as "FPL Group Trust." In addition, FPL Group Capital Trust and FPL Group Trust are each referred to in this prospectus as the "Trust."

Under this shelf registration process, FPL Group, FPL Group Capital and/or the Trust may issue and sell any combination of the securities described in this prospectus in one or more offerings from time to time. As of the date of this prospectus, FPL Group, FPL Group Capital and/or the Trust are each authorized to issue securities up to a maximum aggregate offering price of $2,000,000,000, provided that the aggregate amount of all such securities or combinations of such securities offered by FPL Group, FPL Group Capital and the Trust under the registration statement as of this date may not exceed $2,000,000,000. The aggregate amount of securities which FPL Group, FPL Group Capital and/or the Trust are authorized to issue pursuant to this registration statement may be increased in the future. FPL Group may offer any of the following securities: common stock, preferred stock, senior debt securities or subordinated debt securities, each of which may be convertible or exchangeable into FPL Group common stock, stock purchase contracts, stock purchase units and guarantees related to the preferred trust securities which the Trust may offer and guarantees related to the preferred stock, senior debt securities and subordinated debt securities FPL Group Capital may offer. FPL Group Capital may offer any of the following securities: preferred stock, senior debt securities or subordinated debt securities. The Trust may offer preferred trust securities.

This prospectus provides you with a general description of the securities that FPL Group, FPL Group Capital and/or the Trust may offer. Each time FPL Group, FPL Group Capital and/or the Trust sells securities, FPL Group, FPL Group Capital and/or the Trust will provide a prospectus supplement that will contain specific information about the terms of that offering. Material United States federal income tax considerations applicable to the offered securities will be discussed in the applicable prospectus supplement if necessary. 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 risk factors and 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 Group and FPL Group Capital are subject to complex laws and regulations and to changes in laws and regulations as well as changing governmental policies and regulatory actions, including initiatives regarding deregulation and restructuring of the energy industry and environmental matters. Florida Power & Light Company holds franchise agreements with local municipalities and counties, and must renegotiate expiring agreements. These factors may have a negative impact on the business and results of operations of FPL Group and FPL Group Capital.

FPL Group and FPL Group Capital are subject to complex laws and regulations, and to changes in laws or regulations, including the Public Utility Regulatory Policies Act of 1978, the Public Utility Holding Company Act of 2005, the Federal Power Act, the Atomic Energy Act of 1954, the Energy Policy Act of 2005 and certain sections of the Florida statutes relating to public utilities, changing governmental policies and regulatory actions, including those of the Federal Energy Regulatory Commission, the Florida Public Service Commission and the legislatures

and utility commissions of other states in which FPL Group and FPL Group Capital have operations, 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 by Florida Power & Light Company of any and all costs that it considers excessive or imprudently incurred. The regulatory process generally restricts Florida Power & Light Company's ability to grow earnings and does not provide any assurance as to achievement of earnings levels.

FPL Group and FPL Group Capital are subject to extensive federal, state and local environmental statutes as well as the effect of changes in or additions to applicable statutes, rules and regulations relating to air quality, water quality, climate change, 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 Group Capital operate in a changing market environment influenced by various legislative and regulatory initiatives regarding deregulation, regulation or restructuring of the energy industry, including deregulation or restructuring 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 results of operations could be affected by Florida Power & Light Company's ability to renegotiate franchise agreements with municipalities and counties in Florida.

The operation and maintenance of power generation facilities, including nuclear facilities, involve significant risks that could adversely affect the results of operations and financial condition of FPL Group and FPL Group Capital.

The operation and maintenance of power generation facilities involve many risks, including, but not limited to, start up risks, breakdown or failure of equipment, transmission lines or pipelines, the inability to properly manage or mitigate known equipment defects throughout our generation fleets unless and until such defects are remediated, use of new technology, the dependence on a specific fuel source, including the supply and transportation of fuel, 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, including, but not limited to, the requirement to purchase power in the market at potentially higher prices to meet contractual obligations. 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 Group Capital's nuclear units face certain risks that are unique to the nuclear industry including, but not limited to, the ability to store and/or dispose of spent nuclear fuel and the potential payment of significant retrospective insurance premiums, 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 Group Capital's plants, or at the plants of other nuclear operators. Breakdown or failure of an operating facility of FPL Energy, LLC, a subsidiary of FPL Group Capital, 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.

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 Group and FPL Group Capital could be adversely affected.

FPL Group's and FPL Group Capital'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 within established budgets is contingent upon many variables and subject to substantial risks. Should any

such efforts be unsuccessful, FPL Group and FPL Group Capital could be subject to additional costs, termination payments under committed contracts, and/or the write-off of their investment in the project or improvement.

The use of derivative contracts by FPL Group and FPL Group Capital in the normal course of business could result in financial losses that negatively impact the results of operations of FPL Group and FPL Group Capital.

FPL Group and FPL Group Capital use derivative instruments, such as swaps, options and forwards to manage their commodity and financial market risks. FPL Group and FPL Group Capital provide full energy and capacity requirements services and engage in trading activities. FPL Group and FPL Group Capital 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, Florida Power & Light Company's use of such instruments could be subject to prudency challenges and if found imprudent, cost recovery could be disallowed by the Florida Public Service Commission.

FPL Group's competitive energy business is subject to risks, many of which are beyond the control of FPL Group and FPL Group Capital, that may reduce the revenues and adversely impact the results of operations and financial condition of FPL Group and FPL Group Capital.

There are other risks associated with FPL Group's and FPL Group Capital's competitive energy business. 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 (including transportation), 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 and FPL Group Capital'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 and FPL Group Capital'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's and FPL Group Capital's ability to successfully identify, complete and integrate acquisitions is subject to significant risks, including the effect of increased competition for acquisitions resulting from the consolidation of the power industry.

FPL Group and FPL Group Capital are likely to encounter significant competition for acquisition opportunities that may become available as a result of the consolidation of the power industry, in general, as well as the passage of the Energy Policy Act of 2005. In addition, FPL Group and FPL Group Capital may be unable to identify attractive acquisition opportunities at favorable prices and to successfully and timely complete and integrate them.

Because FPL Group and FPL Group Capital rely on access to capital markets, the inability to maintain current credit ratings and access capital markets on favorable terms may limit the ability of FPL Group and FPL Group Capital to grow their businesses and would likely increase interest costs.

FPL Group, FPL Group Capital and Florida Power & Light Company 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 Florida Power & Light Company 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 Group Capital's ability to grow their businesses and would likely increase their interest costs.

Customer growth in Florida Power & Light Company's service area affects FPL Group's results of operations.

FPL Group's results of operations are affected by the growth in customer accounts in Florida Power & Light Company's service area. Customer growth can be affected by population growth as well as economic factors in Florida, including job and income growth, housing starts and new home prices. Customer growth directly influences the demand for electricity and the need for additional power generation and power delivery facilities at Florida Power & Light Company.

Weather affects FPL Group's and FPL Group Capital's results of operations.

FPL Group's and FPL Group Capital'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. FPL Group's and FPL Group Capital's results of operations can be affected by the impact of severe weather which can be destructive, causing outages and/or property damage, may affect fuel supply, and could require additional costs to be incurred. At Florida Power & Light Company, recovery of these costs is subject to Florida Public Service Commission approval.

FPL Group and FPL Group Capital are subject to costs and other effects of legal proceedings as well as changes in or additions to applicable tax laws, rates or policies, rates of inflation, accounting standards, securities laws and corporate governance requirements.

FPL Group and FPL Group Capital 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 and corporate governance requirements.

Threats of terrorism and catastrophic events that could result from terrorism may impact the operations of FPL Group and FPL Group Capital in unpredictable ways.

FPL Group and FPL Group Capital 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 U.S., and the increased cost and adequacy of security and insurance.

The ability of FPL Group and FPL Group Capital to obtain insurance and the terms of any available insurance coverage could be affected by national, state or local events and company-specific events.

FPL Group's and FPL Group Capital'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 Group Capital are subject to employee workforce factors that could affect the businesses and financial condition of FPL Group and FPL Group Capital.

FPL Group and FPL Group Capital are subject to employee workforce factors, including loss or retirement of key executives, availability of qualified personnel, collective bargaining agreements with union employees and work stoppage that could affect the businesses and financial condition of FPL Group and FPL Group Capital.

FPL GROUP

FPL Group is a holding company incorporated in 1984 as a Florida corporation. FPL Group's principal subsidiary, Florida Power & Light Company, is a rate-regulated utility engaged primarily in the generation, transmission, distribution and sale of electric energy. Other operations are conducted through FPL Group Capital.

FPL GROUP CAPITAL

FPL Group Capital was incorporated in 1985 as a Florida corporation and is a wholly-owned subsidiary of FPL Group. FPL Group Capital holds the capital stock or other ownership interests of, and provides funding for, FPL Group's operating subsidiaries other than Florida Power & Light Company. These operating subsidiaries' business activities primarily consist of FPL Energy, LLC's competitive energy business.

FPL GROUP CAPITAL TRUST II, FPL GROUP CAPITAL TRUST III, FPL GROUP TRUST I AND FPL GROUP TRUST II

FPL Group Capital Trust II, FPL Group Capital Trust III, FPL Group Trust I and FPL Group Trust II are Delaware statutory trusts created pursuant to separate trust agreements among FPL Group as depositor of the Trust, The Bank of New York as the Property Trustee, The Bank of New York (Delaware) as the Delaware Trustee and one or more Administrative Trustees appointed by FPL Group. The trust agreements will be amended and restated substantially in the form filed as an exhibit to the registration statement. Each trust agreement, as so amended and restated, is referred to in this prospectus as the "Trust Agreement." FPL Group Capital 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. FPL Group Trust exists only to issue its preferred trust securities and common trust securities and to hold the junior subordinated debentures of FPL Group as trust assets. All of the common trust securities will be owned by FPL Group. Unless otherwise stated in a prospectus supplement, the common trust securities will represent at least 3% of the total capital of the Trust. Payments on any distribution payment date or redemption date will be made on the common trust securities pro rata with the preferred trust securities, except that the common trust securities' right to payment will be subordinated to the rights of the preferred trust securities if there is a default under the Trust Agreement. The Trust will have a term as stated in the applicable prospectus supplement, but may dissolve earlier as provided in the Trust Agreement.

The Trust's business and affairs will be conducted by its Administrative Trustees. The office of the Delaware Trustee in the State of Delaware is White Clay Center, Route 273, Newark, Delaware 19711. The principal place of business of the Trust is 700 Universe Boulevard, Juno Beach, Florida 33408, and the telephone number is (561) 694-4000.

USE OF PROCEEDS

Unless otherwise stated in a prospectus supplement, FPL Group and FPL Group Capital will each add the net proceeds from the sale of their securities to its respective general funds. FPL Group uses its general funds for corporate purposes, including to provide funds for its subsidiaries and to repurchase common stock. FPL Group Capital uses its general funds for corporate purposes, including to repay short-term borrowings and to repay, redeem or repurchase outstanding long-term debt obligations. FPL Group and FPL Group Capital will each temporarily invest any proceeds that it does not need to use immediately in short-term instruments.

FPL Group Capital Trust will use the proceeds from the sale of preferred trust securities and common trust securities to invest in junior subordinated debentures issued by FPL Group Capital. FPL Group Capital will add the net proceeds from the sale of such junior subordinated debentures to its general funds, which will be used as described above.

FPL Group Trust will use the proceeds from the sale of preferred trust securities and common trust securities to invest in junior subordinated debentures issued by FPL Group. FPL Group will add the net proceeds from the sale of such junior subordinated debentures to its general funds, which will be used as described above.

CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES AND RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

The following table shows FPL Group's consolidated ratio of earnings to fixed charges and consolidated ratio of earnings to combined fixed charges and preferred stock dividends for each of its last five fiscal years:

Years Ended December 31,				
2006	2005	2004	2003	2002
3.11	2.80	2.98	3.32	2.97

FPL Group's consolidated ratio of earnings to fixed charges and consolidated ratio of earnings to combined fixed charges and preferred stock dividends for the three months ended March 31, 2007 was 2.14.

WHERE YOU CAN FIND MORE INFORMATION

FPL Group files annual, quarterly and other reports and other information with the SEC. You can read and copy any information filed by FPL Group with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., 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 (www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, including FPL Group. FPL Group also maintains an Internet site (www.fplgroup.com).

FPL Group Capital does not file reports or other information with the SEC. FPL Group includes summarized financial information relating to FPL Group Capital in some of its reports filed with the SEC. FPL Group does not intend to include any separate financial information with respect to FPL Group Capital in its consolidated financial statements because FPL Group and FPL Group Capital have determined that this information is not material to the holders of FPL Group Capital's debt securities.

No separate financial statements of the Trust are included in this prospectus. FPL Group and the Trust do not consider those financial statements to be material to holders of the preferred trust securities because (1) the Trust is a special purpose entity and has no operating history or independent operations, and (2) the Trust is not engaged in and does not propose to engage in any activity other than holding as trust assets the junior subordinated debentures of FPL Group Capital, in the case of FPL Group Capital Trust, and the junior subordinated debentures of FPL Group in the case of FPL Group Trust, and issuing its preferred trust securities and common trust securities. FPL Group and the Trust do not expect the Trust to file periodic reports under Sections 13 or 15(d) of the Securities Exchange Act of 1934.

INCORPORATION BY REFERENCE

The SEC allows FPL Group, FPL Group Capital and the Trust to "incorporate by reference" the information that FPL Group files with the SEC, which means that FPL Group, FPL Group Capital and the Trust 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 Group files in the future with the SEC will automatically update and supersede this information. FPL Group, FPL Group Capital and the Trust are incorporating by reference the documents listed below and any future filings FPL Group makes with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 after the date of this prospectus until FPL Group, FPL Group Capital and/or the Trust sell all of these securities:

(1) FPL Group's Annual Report on Form 10-K for the year ended December 31, 2006;

(2) FPL Group's Quarterly Report on Form 10-Q for the quarter ended March 31, 2007; and

(3) FPL Group's Current Reports on Form 8-K filed with the SEC on February 21, 2007, March 20, 2007 and April 5, 2007

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

FORWARD-LOOKING STATEMENTS

In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, FPL Group, FPL Group Capital and the Trust are hereby filing cautionary statements identifying important factors that could cause FPL Group's and FPL Group Capital'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 Group, FPL Group Capital and the Trust 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," "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 specific factors discussed in "Risk Factors" herein and in FPL Group's 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 have a significant impact on FPL Group's and FPL Group Capital's operations and financial results, and could cause FPL Group's or FPL Group Capital's actual results to differ materially from those contained in forward-looking statements made by or on behalf of FPL Group, FPL Group Capital or the Trust.

Any forward-looking statement speaks only as of the date on which that statement is made, and neither FPL Group, FPL Group Capital nor the Trust undertakes any obligation to update any forward-looking statement to reflect events or circumstances, including unanticipated events, after the date on which that statement is made. 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 herein by reference are not the only ones FPL Group or FPL Group Capital 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 Group's and FPL Group Capital's businesses in the future.

DESCRIPTION OF FPL GROUP CAPITAL SENIOR DEBT SECURITIES

General. FPL Group Capital will issue its debt securities (other than the FPL Group Capital Junior Subordinated Debentures (as defined below under "Description of the FPL Group and FPL Group Capital Junior Subordinated Debentures and the FPL Group Subordinated Guarantee")), in one or more series, under an Indenture, dated as of June 1, 1999, between FPL Group Capital and The Bank of New York, as trustee. This Indenture, as it may be amended and supplemented from time to time, is referred to in this prospectus as the "Indenture." The Bank of New York, as trustee under the Indenture, is referred to in this prospectus as the "Indenture Trustee." These debt securities are referred to in this prospectus as the "Offered Senior Debt Securities."

The Indenture provides for the issuance from time to time of debentures, notes or other debt by FPL Group Capital in an unlimited amount. The Offered Senior Debt Securities and all other debentures, notes or other debt of FPL Group Capital issued under the Indenture are collectively referred to in this prospectus as the "Senior Debt Securities."

This section briefly summarizes some of the terms of the Offered Senior Debt Securities and some of the provisions of the Indenture. This summary does not contain a complete description of the Offered Senior Debt Securities or the Indenture. You should read this summary together with the Indenture and the officer's certificates or other documents establishing the Offered Senior Debt Securities for a complete understanding of all the provisions and for the definitions of some terms used in this summary. The Indenture, the form of officer's certificate that may be used to establish a series of Offered Senior Debt Securities and a form of Offered Senior Debt Securities 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 Indenture is qualified 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.

All Offered Senior Debt Securities of one series need not be issued at the same time, and a series may be re-opened for issuances of additional Offered Senior Debt Securities of such series. This means that FPL Group Capital may from time to time, without notice to, or the consent of the existing holders of the Offered Senior Debt Securities of a particular series, create and issue additional Offered Senior Debt Securities of such series. Such additional Offered Senior Debt Securities will have the same terms as the Offered Senior Debt Securities of such series in all respects (except for the payment of interest accruing prior to the issue date of the additional Offered Senior Debt Securities or except for the first payments of interest following the issue date of the additional Offered Senior Debt Securities) so that the additional Offered Senior Debt Securities may be consolidated and form a single series with the Offered Senior Debt Securities of such series.

Each series of Offered Senior Debt Securities may have different terms. FPL Group Capital will include some or all of the following information about a specific series of Offered Senior Debt Securities in the prospectus supplement relating to those Offered Senior Debt Securities:

(1) the title of those Offered Senior Debt Securities,

(2) any limit upon the aggregate principal amount of those Offered Senior Debt Securities,

(3) the date(s) on which FPL Group Capital will pay the principal of those Offered Senior Debt Securities,

(4) the rate(s) of interest on those Offered Senior Debt Securities, or how the rate(s) of interest will be determined, the date(s) from which interest will accrue, the dates on which FPL Group Capital will pay interest and the record date for any interest payable on any interest payment date,

(5) the person to whom FPL Group Capital will pay interest on those Offered Senior Debt Securities on any interest payment date, if other than the person in whose name those Offered Senior Debt Securities are registered at the close of business on the record date for that interest payment,

(6) the place(s) at which or methods by which FPL Group Capital will make payments on those Offered Senior Debt Securities and the place(s) at which or methods by which the registered owners of those Offered Senior Debt Securities may transfer or exchange those Offered Senior Debt Securities and serve notices and demands to or upon FPL Group Capital,

(7) the security registrar and any paying agent or agents for those Offered Senior Debt Securities,

(8) any date(s) on which, the price(s) at which and the terms and conditions upon which FPL Group Capital may, at its option, redeem those Offered Senior Debt Securities, in whole or in part, and any restrictions on those redemptions,

(9) any sinking fund or other provisions or options held by the registered owners of those Offered Senior Debt Securities that would obligate FPL Group Capital to repurchase or redeem those Offered Senior Debt Securities,

(10) the denominations in which FPL Group Capital may issue those Offered Senior Debt Securities, if other than denominations of $1,000 and any integral multiple of $1,000,

(11) the currency or currencies in which FPL Group Capital may pay the principal of or premium, if any, or interest on those Offered Senior Debt Securities (if other than in U.S. dollars),

(12) if FPL Group Capital or a registered owner may elect to pay, or receive, principal of or premium, if any, or interest on those Offered Senior Debt Securities in a currency other than that in which those Offered Senior Debt Securities are stated to be payable, the terms and conditions upon which that election may be made,

(13) if FPL Group Capital will, or may, pay the principal of or premium, if any, or interest on those Offered Senior Debt Securities in securities or other property, the type and amount of those securities or other property and the terms and conditions upon which FPL Group Capital or a registered owner may elect to pay or receive those payments,

(14) if the amount payable in respect of principal of or premium, if any, or interest on those Offered Senior Debt Securities may be determined by reference to an index or other fact or event ascertainable outside of the Indenture, the manner in which those amounts will be determined,

(15) the portion of the principal amount of those Offered Senior Debt Securities that FPL Group Capital will pay upon declaration of acceleration of the maturity of those Offered Senior Debt Securities, if other than the entire principal amount of those Offered Senior Debt Securities,

(16) any events of default with respect to those Offered Senior Debt Securities and any covenants of FPL Group Capital for the benefit of the registered owners of those Offered Senior Debt Securities, other than those specified in the Indenture,

(17) the terms, if any, pursuant to which those Offered Senior Debt Securities may be exchanged for shares of capital stock or other securities of any other entity,

(18) a definition of "Eligible Obligations" under the Indenture with respect to those Offered Senior Debt Securities denominated in a currency other than U.S. dollars, and any other provisions for the reinstatement of FPL Group Capital's indebtedness in respect of those Offered Senior Debt Securities after their satisfaction and discharge,

(19) if FPL Group Capital will issue those Offered Senior Debt Securities in global form, necessary information relating to the issuance of those Offered Senior Debt Securities in global form,

(20) if FPL Group Capital will issue those Offered Senior Debt Securities as bearer securities, necessary information relating to the issuance of those Offered Senior Debt Securities as bearer securities,

(21) any limits on the rights of the registered owners of those Offered Senior Debt Securities to transfer or exchange those Offered Senior Debt Securities or to register their transfer, and any related service charges,

(22) any exceptions to the provisions governing payments due on legal holidays or any variations in the definition of business day with respect to those Offered Senior Debt Securities,

(23) other than the Guarantee described under "Description of the FPL Group Capital Senior Debt Securities Guarantee" below, any collateral security, assurance, or guarantee for those Offered Senior Debt Securities, and

(24) any other terms of those Offered Senior Debt Securities that are not inconsistent with the provisions of the Indenture. (Indenture, Section 301).

FPL Group Capital may sell Offered Senior Debt Securities at a discount below their principal amount. Some of the important United States federal income tax considerations applicable to Offered Senior Debt Securities sold at a discount below their principal amount may be discussed in the related prospectus supplement. In addition, some of the important United States federal income tax or other considerations applicable to any Offered Senior Debt Securities that are denominated in a currency other than U.S. dollars may be discussed in the related prospectus supplement.

Except as otherwise stated in the related prospectus supplement, the covenants in the Indenture would not give registered owners of Offered Senior Debt Securities protection in the event of a highly-leveraged transaction involving FPL Group Capital or FPL Group.

Security and Ranking. The Offered Senior Debt Securities will be unsecured obligations of FPL Group Capital. The Indenture does not limit FPL Group Capital's ability to provide security with respect to other Senior Debt Securities. All Senior Debt Securities issued under the Indenture will rank equally and ratably with all other Senior Debt Securities issued under the Indenture, except to the extent that FPL Group Capital elects to provide security with respect to any Senior Debt Security without providing that security to all outstanding Senior Debt Securities as allowed under the Indenture. The Offered Senior Debt Securities will rank senior to FPL Group Capital's Junior Subordinated Debentures. The Indenture does not limit FPL Group Capital's ability to issue other unsecured debt.

FPL Group Capital is a holding company that derives substantially all of its income from its operating subsidiaries. Therefore, the Senior Debt Securities will be effectively subordinated to all indebtedness and other liabilities, including trade payables, debt and preferred stock, incurred or issued by FPL Group Capital's subsidiaries. The Indenture does not place any limit on the amounts of liabilities, including debt or preferred stock, that FPL Group Capital's subsidiaries may issue, guarantee or otherwise incur.

Payment and Paying Agents. Except as stated in the related prospectus supplement, on each interest payment date FPL Group Capital will pay interest on each Offered Senior Debt Security to the person in whose name that Offered Senior Debt Security is registered as of the close of business on the record date relating to that interest payment date. However, on the date that the Offered Senior Debt Securities mature, FPL Group Capital will pay the interest to the person to whom it pays the principal. Also, if FPL Group Capital has defaulted in the payment of interest on any Offered Senior Debt Security, it may pay that defaulted interest to the registered owner of that Offered Senior Debt Security:

(1) as of the close of business on a date that the Indenture Trustee selects, which may not be more than 15 days or less than 10 days before the date that FPL Group Capital proposes to pay the defaulted interest, or

(2) in any other lawful manner that does not violate the requirements of any securities exchange on which that Offered Senior Debt Security is listed and that the Indenture Trustee believes is acceptable. (Indenture, Section 307).

Unless otherwise stated in the related prospectus supplement, the principal, premium, if any, and interest on the Offered Senior Debt Securities at maturity will be payable when such Offered Senior Debt Securities are presented at the main corporate trust office of The Bank of New York, as paying agent, in The City of New York. FPL Group Capital may change the place of payment on the Offered Senior Debt Securities, appoint one or more additional paying agents, including itself, and remove any paying agent. (Indenture, Section 602).

Transfer and Exchange. Unless otherwise stated in the related prospectus supplement, Offered Senior Debt Securities may be transferred or exchanged at the main corporate trust office of The Bank of New York, as security registrar, in The City of New York. FPL Group Capital may change the place for transfer and exchange of the Offered Senior Debt Securities and may designate one or more additional places for that transfer and exchange.

Except as otherwise stated in the related prospectus supplement, there will be no service charge for any transfer or exchange of the Offered Senior Debt Securities. However, FPL Group Capital may require payment of

any tax or other governmental charge in connection with any transfer or exchange of the Offered Senior Debt Securities.

FPL Group Capital will not be required to transfer or exchange any Offered Senior Debt Security selected for redemption. Also, FPL Group Capital will not be required to transfer or exchange any Offered Senior Debt Security during a period of 15 days before selection of Offered Senior Debt Securities to be redeemed. (Indenture, Section 305).

Defeasance. FPL Group Capital may, at any time, elect to have all of its obligations discharged with respect to all or a portion of any Senior Debt Securities. To do so, FPL Group Capital must irrevocably deposit with the Indenture Trustee or any paying agent, in trust:

(1) money in an amount that will be sufficient to pay all or that portion of the principal, premium, if any, and interest due and to become due on those Senior Debt Securities, on or prior to their maturity, or

(2) in the case of a deposit made prior to the maturity of that series of Senior Debt Securities,

  (a) direct obligations of, or obligations unconditionally guaranteed by, the United States and entitled to the benefit of its full faith and credit that do not contain provisions permitting their redemption or other prepayment at the option of their issuer, and

  (b) certificates, depositary receipts or other instruments that evidence a direct ownership interest in those obligations or in any specific interest or principal payments due in respect of those obligations that do not contain provisions permitting their redemption or other prepayment at the option of their issuer, the principal of and the interest on which, when due, without any regard to reinvestment of that principal or interest, will provide money that, together with any money deposited with or held by the Indenture Trustee, will be sufficient to pay all or that portion of the principal, premium, if any, and interest due and to become due on those Senior Debt Securities, on or prior to their maturity, or

(3) a combination of (1) and (2) that will be sufficient to pay all or that portion of the principal, premium, if any, and interest due and to become due on those Senior Debt Securities, on or prior to their maturity. (Indenture, Section 701).

Limitation on Liens. So long as any Senior Debt Securities remain outstanding, FPL Group Capital will not secure any indebtedness with a lien on any shares of the capital stock of any of its majority-owned subsidiaries, which shares of capital stock FPL Group Capital now or hereafter directly owns, unless FPL Group Capital equally secures all Senior Debt Securities. However, this restriction does not apply to or prevent:

(1) any lien on capital stock created at the time FPL Group Capital acquires that capital stock, or within 270 days after that time, to secure all or a portion of the purchase price for that capital stock,

(2) any lien on capital stock existing at the time FPL Group Capital acquires that capital stock (whether or not FPL Group Capital assumes the obligations secured by the lien and whether or not the lien was created in contemplation of the acquisition),

(3) any extensions, renewals or replacements of the liens described in (1) and (2) above, or of any indebtedness secured by those liens; provided, that,

  (a) the principal amount of indebtedness secured by those liens immediately after the extension, renewal or replacement may not exceed the principal amount of indebtedness secured by those liens immediately before the extension, renewal or replacement, and

  (b) the extension, renewal or replacement lien is limited to no more than the same proportion of all shares of capital stock as were covered by the lien that was extended, renewed or replaced, or

(4) any lien arising in connection with court proceedings; provided, that, either

(a) the execution or enforcement of that lien is effectively stayed within 30 days after entry of the corresponding judgment (or the corresponding judgment has been discharged within that 30 day period) and the claims secured by that lien are being contested in good faith by appropriate proceedings,

(b) the payment of that lien is covered in full by insurance and the insurance company has not denied or contested coverage, or

(c) so long as that lien is adequately bonded, any appropriate legal proceedings that have been duly initiated for the review of the corresponding judgment, decree or order have not been fully terminated or the periods within which those proceedings may be initiated have not expired.

Liens on any shares of the capital stock of any of FPL Group Capital's majority-owned subsidiaries, which shares of capital stock FPL Group Capital now or hereafter directly owns, other than liens described in (1) through (4) above, are referred to in this prospectus as "Restricted Liens." The foregoing limitation does not apply to the extent that FPL Group Capital creates any Restricted Liens to secure indebtedness that, together with all other indebtedness of FPL Group Capital secured by Restricted Liens, does not at the time exceed 5% of FPL Group Capital's Consolidated Capitalization. (Indenture, Section 608).

For this purpose, "Consolidated Capitalization" means the sum of:

(1) Consolidated Shareholders' Equity;

(2) Consolidated Indebtedness for borrowed money (exclusive of any amounts which are due and payable within one year); and, without duplication

(3) any preference or preferred stock of FPL Group Capital or any Consolidated Subsidiary which is subject to mandatory redemption or sinking fund provisions.

The term "Consolidated Shareholders' Equity" as used above means the total assets of FPL Group Capital and its Consolidated Subsidiaries less all liabilities of FPL Group Capital and its Consolidated Subsidiaries. As used in this definition, the term "liabilities" means all obligations which would, in accordance with generally accepted accounting principles, be classified on a balance sheet as liabilities, including without limitation:

(1) indebtedness secured by property of FPL Group Capital or any of its Consolidated Subsidiaries whether or not FPL Group Capital or such Consolidated Subsidiary is liable for the payment thereof unless, in the case that FPL Group Capital or such Consolidated Subsidiary is not so liable, such property has not been included among the assets of FPL Group Capital or such Consolidated Subsidiary on such balance sheet,

(2) deferred liabilities, and

(3) indebtedness of FPL Group Capital or any of its Consolidated Subsidiaries that is expressly subordinated in right and priority of payment to other liabilities of FPL Group Capital or such Consolidated Subsidiary.

As used in this definition, "liabilities" includes preference or preferred stock of FPL Group Capital or any Consolidated Subsidiary only to the extent of any such preference or preferred stock that is subject to mandatory redemption or sinking fund provisions.

The term "Consolidated Indebtedness" means total indebtedness as shown on the consolidated balance sheet of FPL Group Capital and its Consolidated Subsidiaries.

The term "Consolidated Subsidiary," means at any date any direct or indirect majority-owned subsidiary whose financial statements would be consolidated with those of FPL Group Capital in FPL Group Capital's consolidated financial statements as of such date in accordance with generally accepted accounting principles. (Indenture, Section 608).

The foregoing limitation does not limit in any manner the ability of:

(1) FPL Group Capital to place liens on any of its assets other than the capital stock of directly held, majority-owned subsidiaries,

(2) FPL Group Capital or FPL Group to cause the transfer of its assets or those of its subsidiaries, including the capital stock covered by the foregoing restrictions,

(3) FPL Group to place liens on any of its assets, or

(4) any of the direct or indirect subsidiaries of FPL Group Capital or FPL Group (other than FPL Group Capital) to place liens on any of their assets.

Consolidation, Merger, and Sale of Assets. Under the Indenture, FPL Group Capital may not consolidate with or merge into any other entity or convey, transfer or lease its properties and assets substantially as an entirety to any entity, unless:

(1) the entity formed by that consolidation, or the entity into which FPL Group Capital is merged, or the entity that acquires or leases FPL Group Capital's property and assets, is an entity organized and existing under the laws of the United States, any state or the District of Columbia and that entity expressly assumes FPL Group Capital's obligations on all Senior Debt Securities and under the Indenture,

(2) immediately after giving effect to the transaction, no event of default under the Indenture and no event that, after notice or lapse of time or both, would become an event of default under the Indenture exists, and

(3) FPL Group Capital delivers an officer's certificate and an opinion of counsel to the Indenture Trustee, as provided in the Indenture. (Indenture, Section 1101).

The Indenture does not restrict FPL Group Capital in a merger in which FPL Group Capital is the surviving entity.

Events of Default. Each of the following is an event of default under the Indenture with respect to the Senior Debt Securities of any series:

(1) failure to pay interest on the Senior Debt Securities of that series within 30 days after it is due,

(2) failure to pay principal or premium, if any, on the Senior Debt Securities of that series when it is due,

(3) failure to comply with any other covenant in the Indenture, other than a covenant that does not relate to that series of Senior Debt Securities, that continues for 90 days after FPL Group Capital receives written notice of such failure to comply from the Indenture Trustee, or FPL Group Capital and the Indenture Trustee receive written notice of such failure to comply from the registered owners of at least 33% in principal amount of the Senior Debt Securities of that series,

(4) certain events of bankruptcy, insolvency or reorganization of FPL Group Capital, and

(5) any other event of default specified with respect to the Senior Debt Securities of that series. (Indenture, Section 801).

In the case of the third event of default listed above, the Indenture Trustee may extend the grace period. In addition, if registered owners of a particular series have given a notice of default, then registered owners of at least the same percentage of Senior Debt Securities of that series, together with the Indenture Trustee, may also extend the grace period. The grace period will be automatically extended if FPL Group Capital has initiated and is diligently pursuing corrective action. (Indenture, Section 801). An event of default with respect to the Senior Debt Securities of a particular series will not necessarily constitute an event of default with respect to Senior Debt Securities of any other series issued under the Indenture.

Remedies. If an event of default applicable to the Senior Debt Securities of one or more series, but not applicable to all outstanding Senior Debt Securities, exists, then either the Indenture Trustee or the registered owners of at least 33% in aggregate principal amount of the Senior Debt Securities of each of the affected series may declare the principal of and accrued but unpaid interest on all the Senior Debt Securities of that series to be due and payable immediately. However, under the Indenture, some Senior Debt Securities may provide for a specified amount less than their entire principal amount to be due and payable upon that declaration. These Senior Debt Securities are defined as "Discount Securities" in the Indenture.

If the event of default is applicable to all outstanding Senior Debt Securities, then only the Indenture Trustee or the registered owners of at least 33% in aggregate principal amount of all outstanding Senior Debt Securities of all series, voting as one class, and not the registered owners of any one series, may make a declaration of acceleration. However, the event of default giving rise to the declaration relating to any series of Senior Debt Securities will be automatically waived, and that declaration and its consequences will be automatically rescinded and annulled, if, at any time after that declaration and before a judgment or decree for payment of the money due has been obtained:

(1) FPL Group Capital deposits with the Indenture Trustee a sum sufficient to pay:

   (a) all overdue interest on all Senior Debt Securities of that series,

   (b) the principal of and any premium on any Senior Debt Securities of that series that have become due for reasons other than that declaration, and interest that is then due,

   (c) interest on overdue interest for that series, and

   (d) all amounts due to the Indenture Trustee under the Indenture, and

(2) any other event of default with respect to the Senior Debt Securities of that series has been cured or waived as provided in the Indenture. (Indenture, Section 802).

Other than its obligations and duties in case of an event of default under the Indenture, the Indenture Trustee is not obligated to exercise any of its rights or powers under the Indenture at the request or direction of any of the registered owners, unless those registered owners offer reasonable indemnity to the Indenture Trustee. (Indenture, Section 903). If they provide this reasonable indemnity, the registered owners of a majority in principal amount of any series of Senior Debt Securities will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred on the Indenture Trustee, with respect to the Senior Debt Securities of that series. However, if an event of default under the Indenture relates to more than one series of Senior Debt Securities, only the registered owners of a majority in aggregate principal amount of all affected series of Senior Debt Securities, considered as one class, will have the right to make that direction. Also, the direction must not violate any law or the Indenture, and may not expose the Indenture Trustee to personal liability in circumstances where its indemnity would not, in the Indenture Trustee's sole discretion, be adequate. (Indenture, Section 812).

No registered owner of Senior Debt Securities of any series will have any right to institute any proceeding under the Indenture, or any remedy under the Indenture, unless:

(1) that registered owner has previously given to the Indenture Trustee written notice of a continuing event of default with respect to the Senior Debt Securities of that series,

(2) the registered owners of a majority in aggregate principal amount of the outstanding Senior Debt Securities of all series in respect of which an event of default under the Indenture exists, considered as one class, have made written request to the Indenture Trustee, and have offered reasonable indemnity to the Indenture Trustee to institute that proceeding in its own name as trustee, and

(3) the Indenture Trustee has failed to institute any proceeding, and has not received from the registered owners of a majority in aggregate principal amount of the outstanding Senior Debt Securities of all series in respect of which an event of default under the Indenture exists, considered as one class, a direction inconsistent with that request, within 60 days after that notice, request and offer. (Indenture, Section 807).

However, these limitations do not apply to a suit instituted by a registered owner of a Senior Debt Security for the enforcement of payment of the principal of or premium, if any, or interest on that Senior Debt Security on or after the applicable due date specified in that Senior Debt Security. (Indenture, Section 808).

FPL Group Capital is required to deliver to the Indenture Trustee an annual statement as to its compliance with all conditions and covenants under the Indenture. (Indenture, Section 606).

Modification and Waiver. Without the consent of any registered owner of Senior Debt Securities, FPL Group Capital and the Indenture Trustee may amend or supplement the Indenture for any of the following purposes:

(1) to provide for the assumption by any permitted successor to FPL Group Capital of FPL Group Capital's obligations under the Indenture and the Senior Debt Securities in the case of a merger or consolidation or a conveyance, transfer or lease of its assets substantially as an entirety,

(2) to add covenants of FPL Group Capital or to surrender any right or power conferred upon FPL Group Capital by the Indenture,

(3) to add any additional events of default,

(4) to change, eliminate or add any provision of the Indenture, provided that if that change, elimination or addition will materially adversely affect the interests of the registered owners of Senior Debt Securities of any series or tranche, that change, elimination or addition will become effective with respect to that series or tranche only

  (a) when the required consent of the registered owners of Senior Debt Securities of that series or tranche has been obtained, or

  (b) when no Senior Debt Securities of that series or tranche remain outstanding under the Indenture,

(5) to provide collateral security for all but not a part of the Senior Debt Securities,

(6) to establish the form or terms of Senior Debt Securities of any other series or tranche,

(7) to provide for the authentication and delivery of bearer securities and the related coupons and for other matters relating to those bearer securities,

(8) to accept the appointment of a successor Indenture Trustee with respect to the Senior Debt Securities of one or more series and to change any of the provisions of the Indenture as necessary to provide for the administration of the trusts under the Indenture by more than one trustee,

(9) to add procedures to permit the use of a non-certificated system of registration for the Senior Debt Securities of all or any series or tranche,

(10) to change any place where

(a) the principal of and premium, if any, and interest on all or any series or tranche of Senior Debt Securities are payable,

(b) all or any series or tranche of Senior Debt Securities may be transferred or exchanged, and

(c) notices and demands to or upon FPL Group Capital in respect of Senior Debt Securities and the Indenture may be served, or

(11) to cure any ambiguity or inconsistency or to add or change any other provisions with respect to matters and questions arising under the Indenture, provided those changes or additions may not materially adversely affect the interests of the registered owners of Senior Debt Securities of any series or tranche. (Indenture, Section 1201).

The registered owners of a majority in aggregate principal amount of the Senior Debt Securities of all series then outstanding may waive compliance by FPL Group Capital with certain restrictive provisions of the Indenture. (Indenture, Section 607). The registered owners of a majority in principal amount of the outstanding Senior Debt Securities of any series may waive any past default under the Indenture with respect to that series, except a default in the payment of principal, premium, if any, or interest and a default with respect to certain restrictive covenants or provisions of the Indenture that cannot be modified or amended without the consent of the registered owner of each outstanding Senior Debt Security of that series affected. (Indenture, Section 813).

In addition to any amendments described above, if the Trust Indenture Act of 1939 is amended after the date of the Indenture in a way that requires changes to the Indenture or in a way that permits changes to, or the elimination of, provisions that were previously required by the Trust Indenture Act of 1939, the Indenture will be deemed to be amended to conform to that amendment of the Trust Indenture Act of 1939 or to make those changes, additions or eliminations. FPL Group Capital and the Indenture Trustee may, without the consent of any registered owners, enter into supplemental indentures to make that amendment. (Indenture, Section 1201).

Except for any amendments described above, the consent of the registered owners of a majority in aggregate principal amount of the Senior Debt Securities of all series then outstanding, considered as one class, is required for all other modifications to the Indenture. However, if less than all of the series of Senior Debt Securities outstanding are directly affected by a proposed supplemental indenture, then the consent only of the registered owners of a majority in aggregate principal amount of outstanding Senior Debt Securities of all directly affected series, considered as one class, is required. But, if FPL Group Capital issues any series of Senior Debt Securities in more than one tranche and if the proposed supplemental indenture directly affects the rights of the registered owners of Senior Debt Securities of less than all of those tranches, then the consent only of the registered owners of a majority in aggregate principal amount of the outstanding Senior Debt Securities of all directly affected tranches, considered as one class, will be required. However, none of those amendments or modifications may:

(1) change the dates on which the principal of or interest on a Senior Debt Security is due without the consent of the registered owner of that Senior Debt Security,

(2) reduce any Senior Debt Security's principal amount or rate of interest (or the amount of any installment of that interest) or change the method of calculating that rate without the consent of the registered owner of that Senior Debt Security,

(3) reduce any premium payable upon the redemption of a Senior Debt Security without the consent of the registered owner of that Senior Debt Security,

(4) change the currency (or other property) in which a Senior Debt Security is payable without the consent of the registered owner of that Senior Debt Security,

(5) impair the right to sue to enforce payments on any Senior Debt Security on or after the date that it states that the payment is due (or, in the case of redemption, on or after the redemption date) without the consent of the registered owner of that Senior Debt Security,

(6) reduce the percentage in principal amount of the outstanding Senior Debt Security of any series or tranche whose owners must consent to an amendment, supplement or waiver without the consent of the registered owner of each outstanding Senior Debt Security of that series or tranche,

(7) reduce the requirements for quorum or voting of any series or tranche without the consent of the registered owner of each outstanding Senior Debt Security of that series or tranche, or

(8) modify certain of the provisions of the Indenture relating to supplemental indentures, waivers of certain covenants and waivers of past defaults with respect to the Senior Debt Securities of any series or tranche, without the consent of the registered owner of each outstanding Senior Debt Security affected by the modification.

A supplemental indenture that changes or eliminates any provision of the Indenture that has expressly been included only for the benefit of one or more particular series or tranches of Senior Debt Securities, or that modifies the rights of the registered owners of Senior Debt Securities of that series or tranche with respect to that provision, will not affect the rights under the Indenture of the registered owners of the Senior Debt Securities of any other series or tranche. (Indenture, Section 1202).

The Indenture provides that, in order to determine whether the registered owners of the required principal amount of the outstanding Senior Debt Securities have given any request, demand, authorization, direction, notice, consent or waiver under the Indenture, or whether a quorum is present at the meeting of the registered owners of Senior Debt Securities, Senior Debt Securities owned by FPL Group Capital or any other obligor upon the Senior Debt Securities or any affiliate of FPL Group Capital or of that other obligor (unless FPL Group Capital, that affiliate or that obligor owns all Senior Debt Securities outstanding under the Indenture, determined without regard to this provision) will be disregarded and deemed not to be outstanding. (Indenture, Section 101).

If FPL Group Capital solicits any action under the Indenture from registered owners of Senior Debt Securities, FPL Group Capital may, at its option, by signing a written request to the Indenture Trustee, fix in advance a record date for determining the registered owners of Senior Debt Securities entitled to take that action. However, FPL Group Capital will not be obligated to do this. If FPL Group Capital fixes such a record date, that action may be taken before or after that record date, but only the registered owners of record at the close of business on that record date will be deemed to be registered owners of Senior Debt Securities for the purposes of determining whether registered owners of the required proportion of the outstanding Senior Debt Securities have authorized that action. For these purposes, the outstanding Senior Debt Securities will be computed as of the record date. Any action of a registered owner of any Senior Debt Security under the Indenture will bind every future registered owner of that Senior Debt Security, or any Senior Debt Security replacing that Senior Debt Security, with respect to anything that the Indenture Trustee or FPL Group Capital do, fail to do, or allow to be done in reliance on that action, whether or not that action is noted upon that Senior Debt Security. (Indenture, Section 104).

Resignation and Removal of Indenture Trustee. The Indenture Trustee may resign at any time with respect to any series of Senior Debt Securities by giving written notice of its resignation to FPL Group Capital. Also, the registered owners of a majority in principal amount of the outstanding Senior Debt Securities of one or more series of Senior Debt Securities may remove the Indenture Trustee at any time with respect to the Senior Debt Securities of that series, by delivering an instrument evidencing this action to the Indenture Trustee and FPL Group Capital. The resignation or removal of the Indenture Trustee and the appointment of a successor trustee will not become effective until a successor trustee accepts its appointment.

Except with respect to an Indenture Trustee appointed by the registered owners of Senior Debt Securities, the Indenture Trustee will be deemed to have resigned and the successor will be deemed to have been appointed as trustee in accordance with the Indenture if:

(1) no event of default under the Indenture or event that, after notice or lapse of time, or both, would become an event of default under the Indenture exists, and

(2) FPL Group Capital has delivered to the Indenture Trustee a resolution of its Board of Directors appointing a successor trustee and that successor trustee has accepted that appointment in accordance with the terms of the Indenture. (Indenture, Section 910).

Notices. Notices to registered owners of Senior Debt Securities will be sent by mail to the addresses of those registered owners as they appear in the security register for those Senior Debt Securities. (Indenture, Section 106).

Title. FPL Group Capital, the Indenture Trustee, and any agent of FPL Group Capital or the Indenture Trustee, may treat the person in whose name a Senior Debt Security is registered as the absolute owner of that Senior Debt Security, whether or not that Senior Debt Security is overdue, for the purpose of making payments and for all other purposes, regardless of any notice to the contrary. (Indenture, Section 308).

Governing Law. The Indenture and the Senior Debt Securities will be governed by, and construed in accordance with, the laws of the State of New York, without regard to New York's conflict of law principles, except to the extent that the law of any other jurisdiction is mandatorily applicable. (Indenture, Section 112).

DESCRIPTION OF THE FPL GROUP GUARANTEE OF THE FPL GROUP CAPITAL SENIOR DEBT SECURITIES

General. This section briefly summarizes some of the provisions of the Guarantee Agreement, dated as of June 1, 1999, between FPL Group and The Bank of New York, as Guarantee Trustee. The Guarantee Agreement was executed for the benefit of the Indenture Trustee, which holds the Guarantee Agreement for the benefit of registered owners of the Senior Debt Securities covered by the Guarantee Agreement. This summary does not contain a complete description of the Guarantee Agreement. You should read this summary together with the Guarantee Agreement for a complete understanding of all the provisions. The Guarantee Agreement has been previously filed with the SEC and is an exhibit to the registration statement filed with the SEC of which this prospectus is a part. In addition, the Guarantee Agreement 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.

Under the Guarantee Agreement, FPL Group absolutely, irrevocably and unconditionally guarantees the prompt and full payment, when due and payable (including upon acceleration or redemption), of the principal, interest and premium, if any, on the Senior Debt Securities that are covered by the Guarantee Agreement to the registered owners of those Senior Debt Securities, according to the terms of those Senior Debt Securities and the Indenture. Pursuant to the Guarantee Agreement, all of the Senior Debt Securities are covered by the Guarantee Agreement except Senior Debt Securities that by their terms are expressly not entitled to the benefit of the Guarantee Agreement. All of the Offered Senior Debt Securities will be covered by the Guarantee Agreement. This guarantee is referred to in this prospectus as the "Guarantee." FPL Group is only required to make these payments if FPL Group Capital fails to pay or provide for punctual payment of any of those amounts on or before the expiration of any applicable grace periods. (Guarantee Agreement, Section 5.01). In the Guarantee Agreement, FPL Group has waived its right to require the Guarantee Trustee, the Indenture Trustee or the registered owners of Senior Debt Securities covered by the Guarantee Agreement to exhaust their remedies against FPL Group Capital prior to bringing suit against FPL Group. (Guarantee Agreement, Section 5.06).

The Guarantee is a guarantee of payment when due (i.e., the guaranteed party may institute a legal proceeding directly against FPL Group to enforce its rights under the Guarantee Agreement without first instituting

a legal proceeding against any other person or entity). The Guarantee is not a guarantee of collection. (Guarantee Agreement, Section 5.01).

Except as otherwise stated in the related prospectus supplement, the covenants in the Guarantee Agreement would not give registered owners of the Senior Debt Securities covered by the Guarantee Agreement protection in the event of a highly-leveraged transaction involving FPL Group.

Security and Ranking. The Guarantee is an unsecured obligation of FPL Group and will rank equally and ratably with all other unsecured and unsubordinated indebtedness of FPL Group. The Guarantee will rank senior to the Preferred Trust Securities Guarantee, the Subordinated Guarantee and the FPL Group Junior Subordinated Debentures (each as defined below) and FPL Group's guarantee of FPL Group Capital's preferred stock. There is no limit on the amount of other indebtedness, including guarantees, that FPL Group may incur or issue.

FPL Group is a holding company that derives substantially all of its income from its operating subsidiaries. Therefore, the Guarantee is effectively subordinated to all indebtedness and other liabilities, including trade payables, debt and preferred stock, incurred or issued by FPL Group's subsidiaries. Neither the Indenture nor the Guarantee Agreement places any limit on the amount of liabilities, including debt or preferred stock, that FPL Group's subsidiaries may issue, guarantee or otherwise incur.

Events of Default. An event of default under the Guarantee Agreement will occur upon the failure of FPL Group to perform any of its payment obligations under the Guarantee Agreement. (Guarantee Agreement, Section 1.01). The registered owners of a majority of the aggregate principal amount of the outstanding Senior Debt Securities covered by the Guarantee Agreement have the right to:

(1) direct the time, method and place of conducting any proceeding for any remedy available to the Guarantee Trustee under the Guarantee Agreement, or

(2) direct the exercise of any trust or power conferred upon the Guarantee Trustee under the Guarantee Agreement. (Guarantee Agreement, Section 3.01).

The Guarantee Trustee must give notice of any event of default under the Guarantee Agreement known to the Guarantee Trustee to the registered owners of Senior Debt Securities covered by the Guarantee Agreement within 90 days after the occurrence of that event of default, in the manner and to the extent provided in subsection (c) of Section 313 of the Trust Indenture Act of 1939, unless such event of default has been cured or waived prior to the giving of such notice. (Guarantee Agreement, Section 2.07). The registered owners of all outstanding Senior Debt Securities may waive any past event of default and its consequences. (Guarantee Agreement, Section 2.06).

The Guarantee Trustee, the Indenture Trustee and the registered owners of Senior Debt Securities covered by the Guarantee Agreement have all of the rights and remedies available under applicable law and may sue to enforce the terms of the Guarantee Agreement and to recover damages for the breach of the Guarantee Agreement. The remedies of each of the Guarantee Trustee, the Indenture Trustee and the registered owners of Senior Debt Securities covered by the Guarantee Agreement, to the extent permitted by law, are cumulative and in addition to any other remedy now or hereafter existing at law or in equity. At the option of any of the Guarantee Trustee, the Indenture Trustee or the registered owners of Senior Debt Securities covered by the Guarantee Agreement, that person or entity may join FPL Group in any lawsuit commenced by that person or entity against FPL Group Capital with respect to any obligations under the Guarantee Agreement. Also, that person or entity may recover against FPL Group in that lawsuit, or in any independent lawsuit against FPL Group, without first asserting, prosecuting or exhausting any remedy or claim against FPL Group Capital. (Guarantee Agreement, Section 5.06).

FPL Group is required to deliver to the Guarantee Trustee an annual statement as to its compliance with all conditions under the Guarantee Agreement. (Guarantee Agreement, Section 2.04).

Modification. FPL Group and the Guarantee Trustee may, without the consent of any registered owner of Senior Debt Securities covered by the Guarantee Agreement, agree to any changes to the Guarantee Agreement that do not materially adversely affect the rights of registered owners. The Guarantee Agreement also may be amended

with the prior approval of the registered owners of a majority in aggregate principal amount of all outstanding Senior Debt Securities covered by the Guarantee Agreement. However, the right of any registered owner of Senior Debt Securities covered by the Guarantee Agreement to receive payment under the Guarantee Agreement on the due date of the Senior Debt Securities held by that registered owner, or to institute suit for the enforcement of that payment on or after that due date, may not be impaired or affected without the consent of that registered owner. (Guarantee Agreement, Section 6.01).

Termination of the Guarantee Agreement. The Guarantee Agreement will terminate and be of no further force and effect upon full payment of all Senior Debt Securities covered by the Guarantee Agreement. (Guarantee Agreement, Section 5.05).

Governing Law. The Guarantee Agreement will be governed by and construed in accordance with the laws of the State of New York, without regard to conflict of laws principles thereunder, except to the extent that the law of any other jurisdiction is mandatorily applicable. (Guarantee Agreement, Section 5.07).

DESCRIPTION OF FPL GROUP SENIOR DEBT SECURITIES

FPL Group will issue its debt securities (other than the FPL Group Junior Subordinated Debentures (as defined below under "Description of the FPL Group and FPL Group Capital Junior Subordinated Debentures and the FPL Group Subordinated Guarantee")), in one or more series, under an Indenture, between FPL Group and The Bank of New York, as trustee. The terms of any offered debt securities will be described in a supplement to this prospectus.

DESCRIPTION OF FPL GROUP COMMON STOCK

General. The following statements describing FPL Group's common stock are not intended to be a complete description. For additional information, please see FPL Group's Restated Articles of Incorporation, as amended ("Charter"), and its bylaws, which set forth the terms of the common stock. Please also see the Mortgage and Deed of Trust, dated as of January 1, 1944, between Florida Power & Light Company and Deutsche Bank Trust Company Americas, as trustee, as amended and supplemented (the "Mortgage"), which contains restrictions which may limit the ability of Florida Power & Light Company to pay dividends to FPL Group. Each of these documents has been previously filed with the SEC and they are exhibits to the registration statement filed with the SEC of which this prospectus is a part. Reference is also made to the laws of the State of Florida.

FPL Group's authorized capital stock consists of 800,000,000 shares of common stock, $.01 par value, and 100,000,000 shares of serial preferred stock, $.01 par value. As of March 31, 2007, 406,415,900 shares of common stock were issued and outstanding and no shares of serial preferred stock were issued and outstanding. The FPL Group common stock has no preemptive, subscription or conversion rights, and there are no redemption or sinking fund provisions applicable thereto. The outstanding shares of common stock are, and when issued the shares offered hereby will be, fully paid and nonassessable. In some cases, the issuance of preferred stock could make it difficult for another company to acquire FPL Group and make it harder to remove current management. See "Description of Preferred Stock and FPL Group Guarantee of FPL Group Capital Preferred Stock—FPL Group Preferred Stock" below.

All outstanding FPL Group common stock is listed on the NYSE and trades under the symbol "FPL." The registrar and transfer agent for the FPL Group common stock is Computershare Investor Services, LLC.

A number of provisions that are in FPL Group's Charter and bylaws will make it difficult for another company to acquire FPL Group and for a holder of FPL Group common stock to receive any related takeover premium for its shares. See "—Voting Rights and Non-Cumulative Voting" and "Description of Preferred Stock and FPL Group Guarantee of FPL Group Capital Preferred Stock—FPL Group Preferred Stock" below.

Dividend Rights. Each share of common stock is entitled to participate equally with respect to dividends declared on the common stock out of funds legally available for the payment thereof.

FPL Group's Charter does not limit the dividends that can be paid on the common stock. However, as a practical matter, the ability of FPL Group to pay dividends on the common stock is dependent upon, among other things, dividends paid to it by its subsidiaries, including Florida Power & Light Company. Florida Power & Light Company's ability to pay dividends is limited by restrictions contained in the Mortgage. However, these restrictions do not currently limit Florida Power & Light Company's ability to pay dividends to FPL Group from its retained earnings.

FPL Group Capital has issued junior subordinated debentures in connection with preferred trust securities previously issued by FPL Group Capital Trust I, which junior subordinated debentures are guaranteed by FPL Group. FPL Group Capital has the right, from time to time, to defer the payment of interest on its outstanding junior subordinated debentures for a deferral period of up to 20 consecutive quarters. FPL Group Capital has also issued two series of junior subordinated debentures not in connection with preferred trust securities, which junior subordinated debentures are guaranteed by FPL Group. FPL Group Capital has the right, from time to time, to defer the payment of interest on these outstanding junior subordinated debentures on one or more occasions for up to 10 consecutive years. FPL Group, Florida Power & Light Company and/or FPL Group Capital may issue, from time to time, additional junior subordinated debentures. FPL Group, Florida Power & Light Company and/or FPL Group Capital may have similar rights to defer the payment of interest on those additional junior subordinated debentures. If FPL Group Capital and/or FPL Group exercises any such right to defer the payment of interest, FPL Group would not be able to pay dividends on its common stock or preferred stock during the periods when such payments are delayed with certain limited exceptions. If Florida Power & Light Company exercises any such right to defer the payment of interest , it would not be able to pay dividends to any holder of its common stock or preferred stock, including FPL Group, during the periods when such payments are delayed with certain limited exceptions. In addition, FPL Group, FPL Group Capital and Florida Power & Light Company may issue other securities in the future that have a similar right to delay interest or distribution payments and similar dividend restrictions in the event of the exercise of such rights.

In addition, FPL Group may issue one or more series of its serial preferred stock, $.01 par value, without the approval of its shareholders. Each series may have terms that differ from those of any other series and may provide for dividend, liquidation, voting and other rights that are superior or prior to those of FPL Group's common stock.

Voting Rights and Non-Cumulative Voting. In general, the holders of FPL Group common stock are entitled to one vote per share for the election of directors and for other corporate purposes. The Charter:

(1) permits the shareholders to remove a director only for cause and only by the affirmative vote of 75% in voting power of the outstanding shares of common stock and other outstanding voting stock, voting as a class;

(2) provides that a vacancy on the Board of Directors may be filled only by the remaining directors;

(3) permits shareholders to take action only at an annual meeting, or a special meeting duly called by certain officers, the Board of Directors or the holders of a majority in voting power of the outstanding shares of voting stock entitled to vote on the matter;

(4) requires the affirmative vote of 75% in voting power of the outstanding shares of voting stock to approve certain Business Combinations (as defined below) with an Interested Shareholder (as defined below) or its affiliate, unless approved by a majority of the Continuing Directors (as defined below) or, in certain cases, unless certain minimum price and procedural requirements are met; and

(5) requires the affirmative vote of 75% in voting power of the outstanding shares of voting stock to amend the bylaws or to amend certain provisions of the Charter including those provisions discussed in (1) through (4) above.

Such provisions may have significant effects on the ability of the shareholders to change the composition of an incumbent Board of Directors or to benefit from certain transactions which are opposed by an incumbent Board of Directors.

The term "Interested Shareholder" is defined in the Charter to include a security holder who owns 10% or more in voting power of the outstanding shares of voting stock, and the term "Continuing Director" is defined in the Charter to include any director who is not an affiliate of an Interested Shareholder. The above provisions dealing with Business Combinations involving FPL Group and an Interested Shareholder may discriminate against a security holder who becomes an Interested Shareholder by reason of the beneficial ownership of such amount of common or other voting stock. The term "Business Combination" is defined in the Charter to include:

(1) any merger or consolidation of FPL Group or any direct or indirect majority-owned subsidiary with (a) an Interested Shareholder or (b) any other corporation which is, or after such merger or consolidation would be, an affiliate of an Interested Shareholder;

(2) any sale, lease, exchange, mortgage, pledge, transfer or other disposition in one transaction or a series of transactions to or with any Interested Shareholder or any affiliate of an Interested Shareholder of assets of FPL Group or any direct or indirect majority-owned subsidiary having an aggregate fair market value of $10,000,000 or more;

(3) the issuance or transfer by FPL Group or any direct or indirect majority-owned subsidiary in one transaction or a series of transactions of any securities of FPL Group or any subsidiary to any Interested Shareholder or any affiliate of any Interested Shareholder in exchange for cash, securities or other property, or a combination thereof, having an aggregate fair market value of $10,000,000 or more;

(4) the adoption of any plan or proposal for the liquidation or dissolution of FPL Group proposed by or on behalf of an Interested Shareholder or an affiliate of an Interested Shareholder; or

(5) any reclassification of securities, including any reverse stock split, or recapitalization, of FPL Group, or any merger or consolidation of FPL Group with any of its direct or indirect majority-owned subsidiaries or any other transaction which has the direct or indirect effect of increasing the proportionate share of the outstanding shares of any class of equity or convertible securities of FPL Group or any direct or indirect wholly-owned subsidiary which is directly or indirectly owned by any Interested Shareholder or any affiliate of any Interested Shareholder.

The holders of common stock do not have cumulative voting rights, and therefore the holders of more than 50% of a quorum (majority) of the outstanding shares of common stock can elect all of FPL Group's directors. Unless otherwise provided in the Charter or the bylaws or in accordance with applicable law, the affirmative vote of a majority of the total number of shares represented at a meeting and entitled to vote is required for shareholder action on a matter. Voting rights for the election of directors or otherwise, if any, for any series of the serial preferred stock, will be established by the Board of Directors when such series is issued. See "Description of Preferred Stock and FPL Group Guarantee of FPL Group Capital Preferred Stock—FPL Group Preferred Stock" below.

Liquidation Rights. After satisfaction of creditors and payments due the holders of serial preferred stock, if any, the holders of common stock are entitled to share ratably in the distribution of all remaining assets. See "Description of Preferred Stock and FPL Group Guarantee of FPL Group Capital Preferred Stock" below.

DESCRIPTION OF PREFERRED STOCK AND FPL GROUP GUARANTEE OF FPL GROUP CAPITAL PREFERRED STOCK

General. The following statements describing FPL Group's preferred stock and FPL Group Capital's preferred stock are not intended to be a complete description. For additional information, please see FPL Group's Charter and its bylaws, and FPL Group Capital's Articles of Incorporation, as amended ("FPL Group Capital's

Charter"), and its bylaws, respectively. You should read this summary together with the articles of amendment to FPL Group's Charter or FPL Group Capital's Charter, as applicable, which will describe the terms of any preferred stock to be offered hereby, for a complete understanding of all the provisions. With respect to the FPL Group preferred stock and the guarantee of the FPL Group Capital preferred stock, please also see the Mortgage, which contains restrictions which may limit the ability of Florida Power & Light Company to pay dividends to FPL Group. Each of these documents has been previously filed with the SEC and each is an exhibit to the registration statement filed with the SEC of which this prospectus is a part. Reference is also made to the laws of the State of Florida.

FPL Group Preferred Stock. FPL Group may issue one or more series of its serial preferred stock, $.01 par value, without the approval of its shareholders.

Some terms of a series of preferred stock may differ from those of another series. A prospectus supplement will describe the terms of any preferred stock being offered. These terms will also be described in articles of amendment to FPL Group's Charter, which will establish the terms of the preferred stock being offered. These terms will include any of the following that apply to that series:

(1) the title of that series of preferred stock,

(2) the number of shares in the series,

(3) the dividend rate, or how such rate will be determined, and the dividend payment dates for the series,

(4) whether the series will be listed on a securities exchange,

(5) the date or dates on which the series of preferred stock may be redeemed at the option of FPL Group and any restrictions on such redemptions,

(6) any sinking fund or other provisions that would obligate FPL Group to repurchase, redeem or retire the series of preferred stock,

(7) the amount payable on the series of preferred stock in case of the liquidation, dissolution or winding up of FPL Group and any additional amount, or method of determining such amount, payable in case any such event is voluntary,

(8) any rights to convert the shares of the series of preferred stock into shares of another series or into shares of any other class of capital stock,

(9) the voting rights, if any, and

(10) any other terms that are not inconsistent with the provisions of FPL Group's Charter.

In some cases, the issuance of preferred stock could make it difficult for another company to acquire FPL Group and make it harder to remove current management. See also "Description of FPL Group Common Stock."

If FPL Group Capital or FPL Group exercises a right to defer the payment of interest on junior subordinated debentures, including those junior subordinated debentures issued in connection with preferred trust securities, FPL Group will not be able to pay dividends on its common or preferred stock during the periods such payments are delayed with certain limited exceptions. If the trusts formed by Florida Power & Light Company issue preferred trust securities and Florida Power & Light Company exercises a right to defer the payment of interest on junior subordinated debentures issued in connection with preferred trust securities, Florida Power & Light Company will not be able to pay dividends on its common stock or preferred stock during the periods when such payments are delayed with certain limited exceptions. In addition, FPL Group, FPL Group Capital and Florida Power & Light Company may issue other securities in the future that have a similar right to delay interest or distribution payments

and similar dividend restrictions in the event of the exercise of such rights. See "Description of FPL Group Common Stock—Dividend Rights" in this prospectus.

Shares of preferred stock offered hereby by FPL Group will, when issued, be fully paid and non-assessable.

FPL Group Capital Preferred Stock. FPL Group Capital may issue one or more series of serial preferred stock, $.01 par value, without the approval of its shareholders. The preferred stock of FPL Group Capital will be fully and unconditionally guaranteed by FPL Group as described below.

Some terms of a series of preferred stock may differ from those of another series. A prospectus supplement will describe the terms of any preferred stock being offered. These terms will also be described in articles of amendment to FPL Group Capital's Charter, which will establish the terms of the preferred stock being offered. These terms will include any of the following that apply to that series:

(1) the title of that series of preferred stock,

(2) the number of shares in the series,

(3) the dividend rate, or how such rate will be determined, and the dividend payment dates for the series,

(4) whether the series will be listed on a securities exchange,

(5) the date or dates on which the series of preferred stock may be redeemed at the option of FPL Group Capital and any restrictions on such redemptions,

(6) any sinking fund or other provisions that would obligate FPL Group Capital to repurchase, redeem or retire the series of preferred stock,

(7) the amount payable on the series of preferred stock in case of the liquidation, dissolution or winding up of FPL Group Capital and any additional amount, or method of determining such amount, payable in case any such event is voluntary,

(8) any rights to convert the shares of the series of preferred stock into shares of another series or into shares of any other class of capital stock,

(9) the voting rights, if any, and

(10) any other terms that are not inconsistent with the provisions of FPL Group Capital's Charter.

If FPL Group Capital exercises a right to defer the payment of interest on junior subordinated debentures, including those junior subordinated debentures issued in connection with preferred trust securities, FPL Group Capital will not be able to pay dividends on its common or preferred stock during the periods such payments are delayed with certain limited exceptions. In addition, FPL Group Capital may issue other securities in the future that have a similar right to delay interest or distribution payments and similar dividend restrictions in the event of the exercise of such rights. See "Description of FPL Group Common Stock—Dividend Rights" in this prospectus.

Shares of preferred stock offered hereby by FPL Group Capital will, when issued, be fully paid and non-assessable.

FPL Group Guarantee of FPL Group Capital Preferred Stock. FPL Group will fully, unconditionally and irrevocably guarantee the payment of accumulated and unpaid dividends, and payments due on liquidation or redemption, as and when due, regardless of any defense, right of set-off or counterclaim that FPL Group Capital may have or assert. FPL Group's guarantee of FPL Group Capital's preferred stock will be an unsecured obligation of FPL Group and will rank (1) subordinate and junior in right of payment to all other liabilities of FPL Group (except those made pari passu or subordinate by their terms), (2) equal in right of payment with the most senior

preferred or preference stock that may be issued by FPL Group and with any other guarantee that may be entered into by FPL Group in respect of any preferred or preference stock of any affiliate of FPL Group, and (3) senior to FPL Group's common stock. A prospectus supplement will describe the terms of FPL Group's guarantee of FPL Group Capital's preferred stock. The description will not necessarily be complete, and reference will be made to the preferred stock guarantee agreement.

FPL Group is a holding company that derives substantially all of its income from its operating subsidiaries. Therefore, the FPL Group guarantee of FPL Group Capital preferred stock will be effectively subordinated to all indebtedness and other liabilities, including trade payables, debt and preferred stock, incurred or issued by FPL Group's subsidiaries. FPL Group's guarantee of FPL Group Capital preferred stock does not place any limit on the amount of liabilities, including debt or preferred stock, that FPL Group's subsidiaries may issue, guarantee or otherwise incur.

DESCRIPTION OF STOCK PURCHASE CONTRACTS AND STOCK PURCHASE UNITS

FPL Group may issue stock purchase contracts, including contracts that obligate holders to purchase from FPL Group, and FPL Group to sell to these holders, a specified number of shares of common stock or preferred stock at a future date or dates. The consideration per share of common stock or preferred stock may be fixed at the time the stock purchase contracts are issued or may be determined by reference to a specific formula set forth in the stock purchase contracts. The stock purchase contracts may be issued separately or as a part of stock purchase units consisting of a stock purchase contract and either debt securities of FPL Group Capital, debt securities of FPL Group, preferred trust securities of one or more FPL Group subsidiary trusts or other subsidiary entities (including, but not limited to, Preferred Trust Securities (as defined herein)), or debt securities of third parties including, but not limited to, U.S. Treasury securities, that would secure the holders' obligations to purchase the common stock or preferred stock under the stock purchase contracts. The stock purchase contracts may require FPL Group to make periodic payments to the holders of some or all of the stock purchase units or vice versa, and such payments may be unsecured or prefunded on some basis. The stock purchase contracts may require holders to secure their obligations under these stock purchase contracts in a specified manner.

A prospectus supplement will describe the terms of any stock purchase contracts or stock purchase units being offered. The description in the prospectus supplement will not necessarily be complete, and reference will be made to the stock purchase contracts.

DESCRIPTION OF PREFERRED TRUST SECURITIES

General. The Trust may issue preferred trust securities and common trust securities under the Trust Agreement. The terms of the agreements pursuant to which the preferred trust securities of FPL Group Capital Trust will be issued is herein referred to as the "FPL Group Capital Trust Agreement," and the Trust Agreement pursuant to which preferred trust securities of FPL Group Trust will be issued is herein referred to as the "FPL Group Trust Agreement;" each of these agreements is referred to in this prospectus as the "Trust Agreement." The terms of the FPL Group Capital Trust Agreement and the FPL Group Trust Agreement are substantially the same. The preferred trust securities and common trust securities issued by the Trust are referred to in this prospectus as "Preferred Trust Securities" and "Common Trust Securities," respectively, and collectively as "Trust Securities." These Trust Securities will represent undivided beneficial interests in the assets of the Trust. In connection with the issuance of Trust Securities by FPL Group Capital Trust, the related FPL Group Capital Junior Subordinated Debentures (as defined below under "Description of the FPL Group and FPL Group Capital Junior Subordinated Debentures and the FPL Group Subordinated Guarantee") will be held by FPL Group Capital Trust, and in connection with the issuance of Trust Securities by FPL Group Trust, the related FPL Group Junior Subordinated Debentures (as defined below under "Description of the FPL Group and FPL Group Capital Junior Subordinated Debentures and the FPL Group Subordinated Guarantee") will be held by FPL Group Trust. This section briefly summarizes some of the provisions of the Trust Agreement. This summary does not contain a complete description of the Trust Agreement. You should read this summary together with the Trust Agreement for a complete understanding of all the provisions. The form of the Trust Agreement has been previously filed with the SEC and is an exhibit to the registration statement filed with the SEC of which this prospectus is a part. In addition, each Trust Agreement will be 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.

In this section, any discussion of FPL Group Capital Trust, FPL Group Trust, Preferred Trust Securities and Common Trust Securities relate only to the applicable Trust. Holders of Preferred Trust Securities of FPL Group Capital Trust II, FPL Group Capital Trust III, FPL Group Trust I and FPL Group Trust II will be entitled to any of the benefits and protections contained in the Trust Agreement applicable to the particular Trust which issued the relevant Trust Securities and not with respect to any other Trust.

The Preferred Trust Securities and Common Trust Securities issued by the Trust will be substantially the same except that, if there is an event of default under the Trust Agreement, as described below, that results from an event of default under the Subordinated Indenture (as such term is defined below under "Description of the FPL Group and FPL Group Capital Junior Subordinated Debentures and the FPL Group Subordinated Guarantee—General"), the right of FPL Group, as holder of the Common Trust Securities, to payment of distributions and upon liquidation or redemption will be subordinated to the rights of the holders of the Preferred Trust Securities. (Trust Agreement, Section 4.03). All of the Common Trust Securities will be owned by FPL Group. (Trust Agreement, Section 5.10).

FPL Group will fully and unconditionally guarantee payments due on the Preferred Trust Securities issued by the Trust through a combination of the following:

(1) with respect to the Preferred Trust Securities issued by FPL Group Capital Trust only, FPL Group's guarantee of FPL Group Capital's payment obligations under the FPL Group Capital Junior Subordinated Debentures (referred to in this prospectus as the "Subordinated Guarantee");

(2) with respect to the Preferred Trust Securities issued by FPL Group Trust only, FPL Group's obligations under the FPL Group Junior Subordinated Debentures;

(3) the rights of holders of Preferred Trust Securities to enforce those obligations in (1) and (2) above, as applicable;

(4) FPL Group's agreement to pay the expenses of the Trust; and

(5) FPL Group's guarantee of payments due on the Preferred Trust Securities to the extent of the Trust's legally available assets (referred to in this prospectus as the "Preferred Trust Securities Guarantee").

No single one of the applicable documents listed above standing alone or operating in conjunction with fewer than all of the other applicable documents constitutes the guarantee by FPL Group. It is only the combined operation of these documents that has the effect of providing a full and unconditional, but subordinated, guarantee as to payment by FPL Group of the Preferred Trust Securities.

FPL Group Capital Trust will use the proceeds from its sale of the Trust Securities to purchase FPL Group Capital Junior Subordinated Debentures, and FPL Group Trust will use the proceeds from its sale of the Trust Securities to purchase FPL Group Junior Subordinated Debentures. (Trust Agreement, Section 2.05). The FPL Group Capital Junior Subordinated Debentures will be guaranteed by FPL Group pursuant to the Subordinated Guarantee described below and issued under an Indenture, dated as of March 1, 2004, among FPL Group Capital, FPL Group and The Bank of New York, as trustee, or another subordinated indenture among FPL Group Capital, FPL Group and The Bank of New York as specified in the related prospectus supplement. The FPL Group Junior Subordinated Debentures will be issued under a subordinated indenture between FPL Group and The Bank of New York, as trustee. In connection with the issuance of Trust Securities, the Junior Subordinated Debentures (as defined below under "Description of the FPL Group and FPL Group Capital Junior Subordinated Debentures and the FPL Group Subordinated Guarantee") will be held in trust for the benefit of holders of the applicable Preferred Trust Securities and Common Trust Securities. (Trust Agreement, Section 2.09).

A prospectus supplement relating to the Preferred Trust Securities will include specific terms of those securities and of the Junior Subordinated Debentures issued in connection therewith. For a description of some specific terms that will affect both the Preferred Trust Securities and the Junior Subordinated Debentures, and holders' rights under each, see "Description of the FPL Group and FPL Group Capital Junior Subordinated Debentures and the FPL Group Subordinated Guarantee" below.

Distributions. The only income of the Trust available for distribution to the holders of Preferred Trust Securities will be payments on the applicable Junior Subordinated Debentures. (Trust Agreement, Section 8.01). If neither FPL Group Capital nor FPL Group makes interest payments on the FPL Group Capital Junior Subordinated Debentures, or if FPL Group does not make interest payments on the FPL Group Junior Subordinated Debentures, as the case may be, the Trust will not have funds available to pay distributions on Preferred Trust Securities. The payment of distributions, if and to the extent the Trust has sufficient funds available for the payment of such distributions, is guaranteed on a limited basis by FPL Group as described under "Description of the Preferred Trust Securities Guarantee."

Unless otherwise provided in the related prospectus supplement, the issuer of the Junior Subordinated Debentures may have the option to defer the payment of interest from time to time on the Junior Subordinated Debentures for one or more periods, in which case, if the Junior Subordinated Debentures were issued in connection with Preferred Trust Securities, distributions on the Preferred Trust Securities would be deferred during any such period. Unless otherwise provided in the related prospectus supplement, distributions would, however, continue to accumulate. (Trust Agreement, Section 4.01). During any optional deferral period, or for so long as an "Event of Default" under the Subordinated Indenture resulting from a payment default or a payment default under the Preferred Trust Securities Guarantee has occurred and is continuing, neither FPL Group nor FPL Group Capital, with respect to deferral of the payment of interest on the FPL Group Capital Junior Subordinated Debentures, nor FPL Group, with respect to the deferral of the payment of interest on the FPL Group Junior Subordinated Debentures, may:

(1) declare or pay any dividend or distribution on its capital stock;

(2) redeem, purchase, acquire or make a liquidation payment with respect to any of its capital stock;

(3) pay any principal, interest or premium on, or repay, repurchase or redeem any debt securities that are equal or junior in right of payment with the Junior Subordinated Debentures or the Subordinated Guarantee (as the case may be); or

(4) make any payments with respect to any guarantee of debt securities if such guarantee is equal or junior in right of payment to the Junior Subordinated Debentures or the Subordinated Guarantee (as the case may be),

other than

(1) purchases, redemptions or other acquisitions of its capital stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or agents or a stock purchase or dividend reinvestment plan, or the satisfaction of its obligations pursuant to any contract or security outstanding on the date that the payment of interest is deferred requiring it to purchase, redeem or acquire its capital stock;

(2) any payment, repayment, redemption, purchase, acquisition or declaration of dividend listed as restricted payments in clauses (1) and (2) above as a result of a reclassification of its capital stock or the exchange or conversion of all or a portion of one class or series of its capital stock for another class or series of its capital stock;

(3) the purchase of fractional interests in shares of its capital stock pursuant to the conversion or exchange provisions of its capital stock or the security being converted or exchanged, or in connection with the settlement of stock purchase contracts;

(4) dividends or distributions paid or made in its capital stock (or rights to acquire its capital stock), or repurchases, redemptions or acquisitions of capital stock in connection with the issuance or exchange of capital stock (or of securities convertible into or exchangeable for shares of its capital stock) and distributions in connection with the settlement of stock purchase contracts;

(5) redemptions, exchanges or repurchases of, or with respect to, any rights outstanding under a shareholder rights plan or the declaration or payment thereunder of a dividend or distribution of or with respect to rights in the future;

(6) payments under any preferred trust securities guarantee or guarantee of subordinated debentures executed and delivered by FPL Group concurrently with the issuance by a trust of any preferred trust securities, so long as the amount of payments made on any preferred trust securities or subordinated debentures (as the case may be) is paid on all preferred trust securities or subordinated debentures (as the case may be) then outstanding on a pro rata basis in proportion to the full distributions to which each series of preferred trust securities or subordinated debentures (as the case may be) is then entitled if paid in full;

(7) payments under any guarantee of junior subordinated debentures executed and delivered by FPL Group (including a FPL Group Subordinated Guarantee), so long as the amount of payments made on any junior subordinated debentures is paid on all junior subordinated debentures then outstanding on a pro rata basis in proportion to the full payment to which each series of junior subordinated debentures is then entitled if paid in full;

(8) dividends or distributions by FPL Group Capital on its capital stock to the extent owned by FPL Group; or

(9) redemptions, purchases, acquisitions or liquidation payments by FPL Group Capital with respect to its capital stock to the extent owned by FPL Group.

The exceptions in (8) and (9) above are not applicable to an optional deferral period on the FPL Group Junior Subordinated Debentures.

Unless otherwise provided in the related prospectus supplement, before an optional deferral period ends, FPL Group Capital or FPL Group, as the case may be, may further defer the payment of interest. Unless otherwise provided in the related prospectus supplement, no optional deferral period may exceed the period of time specified in that prospectus supplement. After any optional deferral period and the payment of all amounts then due, FPL Group Capital or FPL Group, as the case may be, may select a new optional deferral period. No interest period may be deferred beyond the maturity of the Junior Subordinated Debentures.

Redemption. Whenever Junior Subordinated Debentures are repaid, whether at maturity or earlier redemption, the Property Trustee will apply the proceeds to redeem a like amount of Preferred Trust Securities and Common Trust Securities. (Trust Agreement, Section 4.02(a)).

Preferred Trust Securities will be redeemed at the redemption price plus accrued and unpaid distributions with the proceeds from the contemporaneous redemption or repayment of Junior Subordinated Debentures. Redemptions of the Preferred Trust Securities will be made on a redemption date only if the Trust has funds available for the payment of the redemption price plus accrued and unpaid distributions. (Trust Agreement, Section 4.02(c)).

Holders of Preferred Trust Securities will be given not less than 30 nor more than 60 days' notice of any redemption. (Trust Agreement, Section 4.02(b)). On or before the redemption date, the Trust will irrevocably deposit with the paying agent for Preferred Trust Securities sufficient funds and will give the paying agent irrevocable instructions and authority to pay the redemption price plus accrued and unpaid distributions to the holders upon surrender of their Preferred Trust Securities. Distributions payable on or before a redemption date will be payable to the holders on the record date for the distribution payment. If notice is given and funds are deposited

as required, then on the redemption date all rights of holders of the Preferred Trust Securities called for redemption will cease, except the right of the holders to receive the redemption price plus accrued and unpaid distributions, and the Preferred Trust Securities will cease to be outstanding. No interest will accrue on amounts payable on the redemption date. In the event that any date fixed for redemption of Preferred Trust Securities is not a business day, then payment will be made on the next business day, except that, if such business day falls in the next calendar year, then payment will be made on the immediately preceding business day. No interest will be payable because of any such delay. If payment of Preferred Trust Securities called for redemption is improperly withheld or refused and not paid either by the Trust or by FPL Group pursuant to the Preferred Trust Securities Guarantee, distributions on such Preferred Trust Securities will continue to accrue to the date of payment. In that event, the actual payment date will be considered the date fixed for redemption for purposes of calculating the redemption price plus accrued and unpaid distributions. (Trust Agreement, Section 4.02(d)).

Subject to applicable law, including United States federal securities laws, FPL Group or its affiliates may at any time and from time to time purchase outstanding Preferred Trust Securities by tender, in the open market or by private agreement.

If Preferred Trust Securities are partially redeemed on a redemption date, a corresponding percentage of the Common Trust Securities will be redeemed. The particular Preferred Trust Securities to be redeemed will be selected not more than 60 days prior to the redemption date by the Property Trustee by such method as the Property Trustee shall deem fair, taking into account the denominations in which they were issued. The Property Trustee will promptly notify the Preferred Trust Security registrar in writing of the Preferred Trust Securities selected for redemption and, where applicable, the partial amount to be redeemed. (Trust Agreement, Section 4.02(f)).

Subordination of Common Trust Securities. Payment of distributions on, and the redemption price, plus accrued and unpaid distributions, of, the Preferred Trust Securities and Common Trust Securities shall be made pro rata based on the liquidation preference amount of such securities. However, if on any distribution payment date or redemption date an event of default under the Trust Agreement resulting from an event of default under the related Subordinated Indenture has occurred and is continuing, no payment on any Common Trust Security shall be made until all payments due on the Preferred Trust Securities have been made. In that case, funds available to the Property Trustee shall first be applied to the payment in full of all distributions on, or the redemption price plus accrued and unpaid distributions of, Preferred Trust Securities then due and payable. (Trust Agreement, Section 4.03(a)).

If an event of default under the Trust Agreement results from an event of default under the related Subordinated Indenture, the holder of Common Trust Securities cannot take action with respect to the Trust Agreement default until the effect of all defaults with respect to the Preferred Trust Securities has been cured, waived or otherwise eliminated. Until the event of default under the Trust Agreement with respect to Preferred Trust Securities has been cured, waived or otherwise eliminated, the Property Trustee shall, to the fullest extent permitted by law, act solely on behalf of the holders of Preferred Trust Securities and not the holder of the Common Trust Securities, and only the holders of Preferred Trust Securities will have the right to direct the Property Trustee to act on their behalf. (Trust Agreement, Section 4.03(b)).

Liquidation Distribution upon Dissolution. The Trust will be dissolved and liquidated by the Property Trustee on the first to occur of:

(1) the expiration of the term of the Trust;

(2) the bankruptcy, dissolution or liquidation of FPL Group;

(3) the redemption of all of the Preferred Trust Securities of the Trust;

(4) the entry of an order for dissolution of the Trust by a court of competent jurisdiction; or

(5) at any time, at the election of FPL Group. (Trust Agreement, Sections 9.01 and 9.02).

If a dissolution of the Trust occurs, the Trust will be liquidated by the Property Trustee as expeditiously as the Property Trustee determines to be appropriate. If a dissolution of the Trust occurs other than by redemption of all the Preferred Trust Securities, the Property Trustee will provide for the satisfaction of liabilities of creditors, if any, and distribute to each holder of the Preferred Trust Securities and Common Trust Securities a proportionate amount of Junior Subordinated Debentures. If a distribution of Junior Subordinated Debentures is determined by the Property Trustee not to be practical, holders of Preferred Trust Securities will be entitled to receive, out of the assets of the Trust after adequate provision for the satisfaction of liabilities of creditors, if any, an amount equal to the aggregate liquidation preference of the Preferred Trust Securities plus accrued and unpaid distributions thereon to the date of payment. If this liquidation distribution can be paid only in part because the Trust has insufficient assets available to pay in full the aggregate liquidation distribution, then the amounts payable by the Trust on the Preferred Trust Securities shall be paid on a pro rata basis. FPL Group, as holder of the Common Trust Securities, will be entitled to receive distributions upon any dissolution pro rata with the holders of the Preferred Trust Securities, except that if an event of default (or event that, with the lapse of time or giving of notice, would become such an event of default) has occurred and is continuing under the related Subordinated Indenture, the Preferred Trust Securities will have a preference over the Common Trust Securities. (Trust Agreement, Section 9.04).

Events of Default; Notice. Any one of the following events will be an event of default under the Trust Agreement whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body:

(1) the occurrence of an event of default as described in the related Subordinated Indenture;

(2) default by the Trust in the payment of any distribution when it becomes due and payable, and continuation of that default for a period of 30 days;

(3) default by the Trust in the payment of any redemption price, plus accrued and unpaid distributions, of any Preferred Trust Security or Common Trust Security when it becomes due and payable;

(4) default in the performance, or breach, in any material respect, of any covenant or warranty of the trustees in the Trust Agreement which is not dealt with above, and continuation of that default or breach for a period of 90 days after written notice to the Trust, the defaulting trustee under the Trust Agreement and FPL Group by the holders of Preferred Trust Securities having at least 33% of the total liquidation preference amount of the outstanding Preferred Trust Securities. However, the holders of Preferred Trust Securities will be deemed to have agreed to an extension of the 90 day period if corrective action is initiated by any of the trustees within such period and is diligently pursued in good faith; or

(5) the occurrence of certain events of bankruptcy or insolvency with respect to the Trust. (Trust Agreement, Section 1.01).

Within 90 days after the occurrence of any default known to the Property Trustee, the Property Trustee shall transmit to the holders of Preferred Trust Securities, FPL Group and the Administrative Trustees notice of any such default, unless that default shall have been cured or waived. (Trust Agreement, Section 8.02).

A holder of Preferred Trust Securities may directly institute a proceeding to enforce payment when due to the holder of the Preferred Trust Securities of the principal of or interest on Junior Subordinated Debentures having a principal amount equal to the aggregate liquidation preference amount of the holder's Preferred Trust Securities. The holders of Preferred Trust Securities have no other rights to exercise directly any other remedies available to the holder of the Junior Subordinated Debentures unless the trustees under the Trust Agreement fail to do so. (Trust Agreement, Section 6.01(a)).

Removal of Trustees. Unless an event of default under the related Subordinated Indenture has occurred and is continuing, the holder of the Common Trust Securities may remove any trustee under the Trust Agreement at any time. If an event of default under the Subordinated Indenture has occurred and is continuing, the holders of a majority of the total liquidation preference amount of the outstanding Preferred Trust Securities may remove the

Property Trustee or the Delaware Trustee, or both of them. The holder of the Common Trust Securities may remove any Administrative Trustee at any time. Any resignation or removal of a trustee under the Trust Agreement will take effect only on the acceptance of appointment by the successor trustee. (Trust Agreement, Section 8.10).

Holders of Preferred Trust Securities will have no right to appoint or remove the Administrative Trustees of the Trust, who may be appointed, removed or replaced solely by FPL Group as the holder of the Common Trust Securities. (Trust Agreement, Section 8.10).

Voting Rights. Except as provided below and under "Description of the Preferred Trust Securities Guarantee—Modification and Assignment," and as otherwise required by law or the Trust Agreement, the holders of Preferred Trust Securities will have no voting rights.

While Junior Subordinated Debentures are held by the Property Trustee, the Property Trustee shall not:

(1) direct the time, method and place to conduct any proceeding for any remedy available to the Subordinated Indenture Trustee (as such term is defined below under "Description of the FPL Group and FPL Group Capital Junior Subordinated Debentures and the FPL Group Subordinated Guarantee—General"), or execute any trust or power conferred on the Subordinated Indenture Trustee with respect to the Junior Subordinated Debentures;

(2) waive any past default under the related Subordinated Indenture;

(3) exercise any right to rescind or annul a declaration that the principal of all the Junior Subordinated Debentures will be due and payable; or

(4) consent to any amendment, modification or termination of the related Subordinated Indenture or the Junior Subordinated Debentures, where that consent will be required,

without, in each case, obtaining the prior approval of the holders of Preferred Trust Securities having at least a majority of the aggregate liquidation preference amount of all outstanding Preferred Trust Securities of the Trust. Where a consent of each holder of Junior Subordinated Debentures affected is required, no consent shall be given by the Property Trustee without the prior consent of each holder of the Preferred Trust Securities affected. The Property Trustee shall not revoke any action previously authorized or approved by a vote of the holders of Preferred Trust Securities, except pursuant to the subsequent vote of the holders of Preferred Trust Securities. (Trust Agreement, Section 6.01(b)). If the Property Trustee fails to enforce its rights, as holder, under the Junior Subordinated Debentures or the Trust Agreement, a holder of the Preferred Trust Securities may institute a legal proceeding directly against FPL Group or FPL Group Capital, as the case may be, to enforce the Property Trustee's rights under the Junior Subordinated Debentures or the Trust Agreement without first instituting any legal proceeding against the Property Trustee or anyone else. (Trust Agreement, Section 6.01(a)). The Property Trustee shall notify all holders of Preferred Trust Securities of any notice of default received from the Subordinated Indenture Trustee. The Property Trustee shall not take any action approved by the consent of the holders of Preferred Trust Securities without an opinion of counsel experienced in those matters to the effect that the Trust will be classified as a grantor trust and not as an association taxable as a corporation for United States federal income tax purposes on account of that action. (Trust Agreement, Section 6.01(b)).

Holders of Preferred Trust Securities may give any required approval at a meeting convened for such purpose or by written consent without prior notice. (Trust Agreement, Section 6.06). The Administrative Trustees will give notice of any meeting at which holders of Preferred Trust Securities are entitled to vote. (Trust Agreement, Section 6.02).

No vote or consent of the holders of Preferred Trust Securities will be required for the Trust to redeem and cancel Preferred Trust Securities in accordance with the Trust Agreement.

Notwithstanding that holders of Preferred Trust Securities are entitled to vote or consent under any of the circumstances described above, any Preferred Trust Securities that are owned by FPL Group Capital, FPL Group,

any Administrative Trustee or any affiliate of any of them, shall be treated as if they were not outstanding for purposes of such vote or consent. (Trust Agreement, Section 1.01).

Amendments. The Trust Agreement may be amended from time to time by a majority of its Administrative Trustees and FPL Group, without the consent of any holders of Preferred Trust Securities or the other trustees under the Trust Agreement in order to:

(1) cure any ambiguity; correct or supplement any provision that may be inconsistent with any other provision of the Trust Agreement or amendment to the Trust Agreement; or make any other provisions with respect to matters or questions arising under the Trust Agreement;

(2) change the name of the Trust; or

(3) modify, eliminate or add to any provisions of the Trust Agreement to the extent necessary to ensure that the Trust will not be classified for United States federal income tax purposes other than as a grantor trust (and not an association taxable as a corporation) at any time that any Preferred Trust Securities and Common Trust Securities are outstanding or to ensure the Trust's exemption from the status of an "investment company" under the Investment Company Act of 1940.

No amendment described above may materially adversely affect the interests of any holder of Preferred Trust Securities or Common Trust Securities without the applicable consents required pursuant to the following two paragraphs. Any of the amendments of the Trust Agreement described in paragraph (1) above shall become effective when notice of the amendment is given to the holders of Preferred Trust Securities and Common Trust Securities in accordance with the provisions of the Trust Agreement. (Trust Agreement, Section 10.03(a)).

Except as provided below, any provision of the Trust Agreement may be amended by the Administrative Trustees and FPL Group with:

(1) the consent of holders of Preferred Trust Securities and Common Trust Securities representing not less than a majority in aggregate liquidation preference amount of the Preferred Trust Securities and Common Trust Securities then outstanding; and

(2) receipt by the trustees of an opinion of counsel to the effect that such amendment or the exercise of any power granted to the trustees in accordance with the amendment will not affect the Trust's status as a grantor trust for federal income tax purposes (and not an association taxable as a corporation) or affect the Trust's exemption from the status of an "investment company" under the Investment Company Act of 1940. (Trust Agreement, Section 10.03(b)).

Each affected holder of Preferred Trust Securities must consent to any amendment to the Trust Agreement that:

(1) adversely changes the amount or timing of any distribution with respect to Preferred Trust Securities or otherwise adversely affects the amount of any distribution required to be made in respect of Preferred Trust Securities as of a specified date;

(2) restricts the right of a holder of Preferred Trust Securities to institute suit for the enforcement of any such payment on or after that date; or

(3) modify the provisions described in clauses (1) and (2) above. (Trust Agreement, Section 10.03(c)).

Form, Exchange and Transfer. Preferred Trust Securities may be exchanged for other Preferred Trust Securities in any authorized denomination and of like tenor and aggregate liquidation preference. (Trust Agreement, Section 5.04).

Subject to the terms of the Trust Agreement, Preferred Trust Securities may be presented for exchange as provided above or for registration of transfer, duly endorsed or accompanied by a duly executed instrument of transfer, at the office of the Preferred Trust Security registrar. The Administrative Trustees may designate FPL Group or FPL Group Capital or any affiliate of either of them, as the Preferred Trust Security registrar. The Property Trustee will initially act as the Preferred Trust Security registrar and transfer agent. (Trust Agreement, Section 5.08). No service charge will be made for any registration of transfer or exchange of Preferred Trust Securities, but the Preferred Trust Security registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange. A transfer or exchange will be made when the Preferred Trust Security registrar and Administrative Trustees are satisfied with the documents of title and identity of the person making the request. (Trust Agreement, Section 5.04). The Administrative Trustees may at any time designate another transfer agent and registrar or rescind the designation of any transfer agent and registrar or approve a change in the office through which any transfer agent and registrar acts, except that FPL Group will, or will cause the Preferred Trust Security registrar to, maintain an office or agency in The City of New York where Preferred Trust Securities may be transferred or exchanged. (Trust Agreement, Sections 2.07(a) and 5.08).

The Trust will not be required to:

(1) issue, register the transfer of, or exchange any Preferred Trust Securities during the period beginning at the opening of business 15 calendar days before the mailing of a notice of redemption of any Preferred Trust Securities called for redemption and ending at the close of business on the day the notice is mailed; or

(2) register the transfer of or exchange any Preferred Trust Securities so selected for redemption, in whole or in part, except the unredeemed portion of any Preferred Trust Securities being redeemed in part. (Trust Agreement, Section 5.04).

Payment on Preferred Trust Securities and Paying Agent. Unless otherwise stated in a prospectus supplement, payments in respect of the Preferred Trust Securities will be made on the applicable distribution dates by check mailed to the address of the holder entitled thereto as such address appears on the Preferred Trust Security register. (Trust Agreement, Section 4.04). The paying agent shall initially be the Property Trustee and any co-paying agent chosen by the Property Trustee that is acceptable to the Administrative Trustees, FPL Group and, in the case of Preferred Trust Securities issued by FPL Group Capital Trust, FPL Group Capital. The paying agent may resign upon 30 days' written notice to the Administrative Trustees, the Property Trustee, FPL Group and, in the case of Preferred Trust Securities issued by FPL Group Capital Trust, FPL Group Capital. In the event that the Property Trustee shall no longer be the paying agent, the Administrative Trustees shall appoint a successor, which shall be a bank, trust company or affiliate of FPL Group reasonably acceptable to the Property Trustee, FPL Group, and, in the case of Preferred Trust Securities issued by FPL Group Capital Trust, FPL Group Capital, to act as paying agent. (Trust Agreement, Section 5.09).

Duties of the Trustees. The Delaware Trustee will act as the resident trustee in the State of Delaware and will have no other significant duties. The Property Trustee will hold the Junior Subordinated Debentures on behalf of the Trust and will maintain a payment account with respect to the Preferred Trust Securities and Common Trust Securities, and will also act as trustee under the Trust Agreement for the purposes of the Trust Indenture Act of 1939. (Trust Agreement, Sections 2.06 and 2.07(b)).

The Administrative Trustees of the Trust are authorized and directed to conduct the affairs of the Trust and to operate the Trust so that

(1) the Trust will not be deemed to be an "investment company" required to be registered under the Investment Company Act of 1940,

(2) the Trust will not be taxed as a corporation, and

(3) in the case of FPL Group Capital Trust, the FPL Group Capital Junior Subordinated Debentures will be treated as indebtedness of FPL Group Capital for United States federal income tax purposes and, in the case of FPL Group Trust, the FPL Group Junior Subordinated Debentures will be treated as indebtedness of FPL Group for United States federal income tax purposes.

In this regard, FPL Group and the Administrative Trustees are authorized to take any action, not inconsistent with applicable law, the certificate of trust or the Trust Agreement, that FPL Group and the Administrative Trustees determine in their discretion to be necessary or desirable for those purposes, as long as the action does not materially adversely affect the interests of the holders of the Preferred Trust Securities. (Trust Agreement, Section 2.07(d)).

Miscellaneous. Holders of the Preferred Trust Securities have no preemptive or similar rights. (Trust Agreement, Section 5.13).

Notices. Notices to holders of Preferred Trust Securities will be sent by mail to the addresses of those holders as they appear in the security register for those Preferred Trust Securities. (Trust Agreement, Section 6.02).

Title. The Property Trustee, the Delaware Trustee, the Administrative Trustees, and the Preferred Trust Security registrar and transfer agent, and any agent of the Property Trustee, the Delaware Trustee, the Administrative Trustees, or the Preferred Trust Security registrar and transfer agent, may treat the person in whose name a Preferred Trust Security is registered as the absolute owner of that Preferred Trust Security for the purpose of receiving distributions and all other purposes, regardless of any notice to the contrary. (Trust Agreement, Section 5.06).

Governing Law. The Trust Agreement, the Preferred Trust Securities and the Common Trust Securities will be governed by and construed in accordance with the laws of the State of Delaware, without regard to conflict of laws principles thereunder, except to the extent that the law of any other jurisdiction is mandatorily applicable. (Trust Agreement, Section 10.05).

DESCRIPTION OF THE PREFERRED TRUST SECURITIES GUARANTEE

General. This section briefly summarizes some of the provisions of the Preferred Trust Securities Guarantee Agreements that FPL Group will execute and deliver for the benefit of the holders of the Preferred Trust Securities issued by FPL Group Capital Trust and FPL Group Trust. The terms of these agreements are substantially the same, and they are referred to in this prospectus as the "Preferred Trust Securities Guarantee Agreement." This summary does not contain a complete description of the Preferred Trust Securities Guarantee Agreement. You should read this summary together with the Preferred Trust Securities Guarantee Agreement for a complete understanding of all the provisions. The form of the Preferred Trust Securities Guarantee Agreement has been previously filed with the SEC and is an exhibit to the registration statement filed with the SEC of which this prospectus is a part. In addition, the Preferred Trust Securities Guarantee Agreement will be 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.

The Bank of New York will act as Preferred Trust Securities Guarantee Trustee under the Preferred Trust Securities Guarantee Agreement and will hold the Preferred Trust Securities Guarantee for the benefit of the holders of the Preferred Trust Securities.

General Terms of the Preferred Trust Securities Guarantee. FPL Group will absolutely, irrevocably and unconditionally agree to make the guarantee payments listed below in full to the holders of the Preferred Trust Securities if they are not made by the Trust, as and when due, regardless of any defense, right of set-off or counterclaim that the Trust may have or assert. (Preferred Trust Securities Guarantee Agreement, Section 5.01). The following payments will be subject to the Preferred Trust Securities Guarantee (without duplication):

(1) any accrued and unpaid distributions required to be paid on Preferred Trust Securities, to the extent the Trust has funds in the payment account maintained by the Property Trustee legally available for these payments at such time;

(2) the redemption price, plus all accrued and unpaid distributions to the redemption date, for any Preferred Trust Securities called for redemption by the Trust, to the extent the Trust has funds in the payment account maintained by the Property Trustee legally available for these payments at such time; and

(3) upon a voluntary or involuntary dissolution, winding-up or termination of the Trust (except in connection with the distribution of Junior Subordinated Debentures to the holders in exchange for Preferred Trust Securities as provided in the Trust Agreement or upon a redemption of all of the Preferred Trust Securities upon maturity or redemption of the Junior Subordinated Debentures as provided in the Trust Agreement), the lesser of:

(a) the aggregate of the liquidation preference amount and all accrued and unpaid distributions on Preferred Trust Securities to the date of payment, to the extent the Trust has funds in the payment account maintained by the Property Trustee legally available for these payments at such time; and

(b) the amount of assets of the Trust remaining available for distribution to holders of Preferred Trust Securities in liquidation of the Trust after satisfaction of liabilities to creditors of the Trust as required by applicable law.

(Preferred Trust Securities Guarantee Agreement, Section 1.01). FPL Group's obligation to make a guarantee payment may be satisfied by either making a direct payment of the required amounts by FPL Group to the holders of Preferred Trust Securities or causing the Trust to pay such amounts to those holders. (Preferred Trust Securities Guarantee Agreement, Section 5.01).

The Preferred Trust Securities Guarantee will be a guarantee, subject to certain subordination provisions, as to payment with respect to the Preferred Trust Securities, but will not apply to any payment of distributions if and to the extent that the Trust does not have funds legally available to make those payments. (Preferred Trust Securities Guarantee Agreement, Sections 1.01 and 5.05). If neither FPL Group Capital nor FPL Group makes interest payments on the FPL Group Capital Junior Subordinated Debentures held by a Trust and if FPL Group does not make interest payments on the FPL Group Junior Subordinated Debentures held by a Trust, in each case the applicable Trust will not have funds available to pay distributions on the Preferred Trust Securities.

FPL Group will fully and unconditionally guarantee payments due on the Preferred Trust Securities issued by the Trust through a combination of the following:

(1) with respect to the Preferred Trust Securities issued by FPL Group Capital Trust only, the Subordinated Guarantee;

(2) with respect to the Preferred Trust Securities issued by FPL Group Trust only, FPL Group's obligations under the FPL Group Junior Subordinated Debentures;

(3) the rights of holders of Preferred Trust Securities to enforce those obligations in (1) and (2) above, as applicable;

(4) FPL Group's agreement to pay the expenses of the Trust; and

(5) the Preferred Trust Securities Guarantee.

No single one of the applicable documents listed above standing alone or operating in conjunction with fewer than all of the other applicable documents constitutes the guarantee by FPL Group. It is only the combined

operation of these documents that has the effect of providing a full and unconditional, but subordinated, guarantee as to payment by FPL Group of the Preferred Trust Securities.

Except as otherwise stated in the related prospectus supplement, the covenants in the Preferred Trust Securities Guarantee Agreement would not give holders of the Preferred Trust Securities protection in the event of a highly-leveraged transaction involving FPL Group.

Security and Ranking. The Preferred Trust Securities Guarantee will be an unsecured obligation of FPL Group and will rank:

(1) subordinate and junior in right of payment to all other liabilities of FPL Group, including the Subordinated Guarantee and the Senior Debt Securities Guarantee (except those made pari passu or subordinate by their terms);

(2) equal in right of payment with the most senior preferred or preference stock that may be issued by FPL Group and with any guarantee that may be entered into by FPL Group in respect of any preferred or preference stock of any affiliate of FPL Group; and

(3) senior to FPL Group common stock. (Preferred Trust Securities Guarantee Agreement, Section 6.01).

The Preferred Trust Securities Guarantee Agreement does not limit the amount of other indebtedness, including guarantees, that FPL Group may issue or incur or the amount of preferred or preference stock it may issue.

The Trust Agreement provides that by accepting Preferred Trust Securities, a holder agrees to the subordination provisions and other terms of the Preferred Trust Securities Guarantee. (Trust Agreement, Section 5.02).

The Preferred Trust Securities Guarantee will be a guarantee of payment and not of collection, that is, the guaranteed party may institute a legal proceeding directly against FPL Group to enforce its rights under the Preferred Trust Securities Guarantee without first instituting a legal proceeding against anyone else. (Preferred Trust Securities Guarantee Agreement, Sections 5.04 and 5.05).

FPL Group is a holding company that derives substantially all of its income from its operating subsidiaries. Therefore, the Preferred Trust Securities Guarantee will be effectively subordinated to all indebtedness and other liabilities, including trade payables, debt and preferred stock, incurred or issued by FPL Group's subsidiaries. Neither the Subordinated Indenture nor the Preferred Trust Securities Guarantee Agreement places any limit on the amount of liabilities, including debt or preferred stock, that FPL Group's subsidiaries may issue, guarantee or otherwise incur.

Events of Default. An event of default under the Preferred Trust Securities Guarantee Agreement will occur upon failure of FPL Group to perform any of its payment obligations under the Preferred Trust Securities Guarantee Agreement, which failure has not been cured within 90 days of receipt of notice thereof. (Preferred Trust Securities Guarantee Agreement, Section 1.01). Upon an event of default, the holders of the Preferred Trust Securities having a majority of the aggregate liquidation preference of the Preferred Trust Securities have the right to:

(1) direct the time, method and place of conducting any proceeding for any remedy available to the Preferred Trust Securities Guarantee Trustee under the Preferred Trust Securities Guarantee Agreement, or

(2) direct the exercise of any trust or power conferred upon the Preferred Trust Securities Guarantee Trustee under the Preferred Trust Securities Guarantee Agreement. (Preferred Trust Securities Guarantee Agreement, Section 5.04).

Any holder of the Preferred Trust Securities may enforce the Preferred Trust Securities Guarantee, or institute a legal proceeding directly against FPL Group to enforce the Preferred Trust Securities Guarantee Trustee's rights under the Preferred Trust Securities Guarantee Agreement without first instituting a legal proceeding against the Trust, the Preferred Trust Securities Guarantee Trustee or anyone else. (Preferred Trust Securities Guarantee Agreement, Section 5.04). The holders of the Preferred Trust Securities having a majority of the aggregate liquidation preference of the Preferred Trust Securities may waive any past event of default and its consequences. (Preferred Trust Securities Guarantee Agreement, Section 2.06).

FPL Group will be required to deliver to the Preferred Trust Securities Guarantee Trustee an annual statement as to its compliance with all conditions under the Preferred Trust Securities Guarantee Agreement. (Preferred Trust Securities Guarantee Agreement, Section 2.04).

Modification and Assignment. No consent of holders of Preferred Trust Securities is required for changes to the Preferred Trust Securities Guarantee Agreement that do not materially adversely affect their rights. Except as provided below, changes to the Preferred Trust Securities Guarantee Agreement that materially adversely affect the rights of Preferred Trust Securities require the prior approval of the holders of Preferred Trust Securities having at least a majority of the aggregate liquidation preference amount of the outstanding Preferred Trust Securities. Each affected holder of Preferred Trust Securities must consent to any amendment to the Preferred Trust Securities Guarantee Agreement that impairs the right of such holder to receive guarantee payments under the Preferred Trust Securities Guarantee Agreement or to institute suit for enforcement of any such payment. (Preferred Trust Securities Guarantee Agreement, Section 8.01).

All guarantees and agreements contained in the Preferred Trust Securities Guarantee Agreement will bind the successors, assigns, receivers, trustees and representatives of FPL Group and will inure to the benefit of the holders of the Preferred Trust Securities then outstanding. (Preferred Trust Securities Guarantee Agreement, Section 8.02).

Termination of the Preferred Trust Securities Guarantee. The Preferred Trust Securities Guarantee Agreement will terminate and be of no further force and effect upon:

(1) full payment of the redemption price, plus accrued and unpaid distributions to the redemption date, for all the Preferred Trust Securities;

(2) the distribution of Junior Subordinated Debentures to holders of the Preferred Trust Securities in exchange for all of the Preferred Trust Securities; or

(3) full payment of the amounts payable upon liquidation of the Trust.

However, the Preferred Trust Securities Guarantee will continue to be effective or will be reinstated, as the case may be, if at any time, as result of the subordination provisions or any mistake or any judicial proceeding or otherwise, any holder of Preferred Trust Securities must return any sums paid under the Preferred Trust Securities or the Preferred Trust Securities Guarantee. (Preferred Trust Securities Guarantee Agreement, Section 7.01).

Governing Law. The Preferred Trust Securities Guarantee Agreement provides that it is to be governed by and construed in accordance with the laws of the State of New York, without regard to conflict of laws principles thereunder, except to the extent that the law of any other jurisdiction is mandatorily applicable. (Preferred Trust Securities Guarantee Agreement, Section 8.06).

DESCRIPTION OF THE FPL GROUP AND FPL GROUP CAPITAL JUNIOR SUBORDINATED DEBENTURES AND THE FPL GROUP SUBORDINATED GUARANTEE

General. The junior subordinated debentures issued by FPL Group Capital are referred to in this prospectus as the "FPL Group Capital Junior Subordinated Debentures." The junior subordinated debentures issued by FPL Group are referred to in this prospectus as the "FPL Group Junior Subordinated Debentures," and, together

with the FPL Group Capital Junior Subordinated Debentures, are referred to as the "Junior Subordinated Debentures." The FPL Group Capital Junior Subordinated Debentures will be issued by FPL Group Capital in one or more series under an Indenture, dated as of March 1, 2004, among FPL Group Capital, FPL Group and The Bank of New York, as trustee, an Indenture, dated as of September 1, 2006, among FPL Group Capital, FPL Group and The Bank of New York, as trustee, or another subordinated indenture among FPL Group Capital, FPL Group and The Bank of New York as specified in the related prospectus supplement. The indenture or indentures pursuant to which FPL Group Capital Junior Subordinated Debentures may be issued, as it may be amended from time to time, is referred to in this prospectus as the "FPL Group Capital Subordinated Indenture." The indenture or indentures pursuant to which FPL Group Junior Subordinated Debentures may be issued, as it may be amended from time to time, is referred to in this prospectus as the "FPL Group Subordinated Indenture." The FPL Group Junior Subordinated Debentures will be issued by FPL Group in one or more series under an indenture or indentures between FPL Group and The Bank of New York, as trustee. In connection with the issuance of Trust Securities, the Property Trustee will hold the FPL Group Capital Junior Subordinated Debentures on behalf of FPL Group Capital Trust, or the FPL Group Junior Subordinated Debentures on behalf of FPL Group Trust, as the case may be, as trust assets. Each of the FPL Group Capital Subordinated Indenture and the FPL Group Subordinated Indenture, as each may be amended and supplemented from time to time, is referred to in this prospectus as the "Subordinated Indenture." The Bank of New York, as trustee under each Subordinated Indenture, is referred to in this prospectus as the "Subordinated Indenture Trustee." The Subordinated Indenture provides for the issuance from time to time of subordinated debt in an unlimited amount. The Junior Subordinated Debentures and all other subordinated debt issued previously or hereafter under the Subordinated Indenture are collectively referred to in this prospectus as the "Subordinated Indenture Securities."

This section briefly summarizes some of the terms of the Junior Subordinated Debentures, the Subordinated Guarantee applicable to the FPL Group Capital Junior Subordinated Debentures, and some of the provisions of the Subordinated Indenture. This summary does not contain a complete description of the Junior Subordinated Debentures, the Subordinated Guarantee or the Subordinated Indenture. You should read this summary together with the Subordinated Indenture and the officer's certificates or other documents establishing the Junior Subordinated Debentures and the Subordinated Guarantee for a complete understanding of all the provisions and for the definitions of some terms used in this summary. The Subordinated Indenture (which, in the case of the FPL Group Capital Subordinated Indenture, contains the Subordinated Guarantee), the forms of officer's certificate that may be used to establish a series of Junior Subordinated Debentures and the forms of the Junior Subordinated Debentures have been previously filed with the SEC, and are exhibits to the registration statement. In addition, each Subordinated Indenture will be qualified 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 issue of the FPL Group Capital Junior Subordinated Debentures and the FPL Group Junior Subordinated Debentures will constitute a separate series under the respective Subordinated Indenture. In connection with the issuance of Trust Securities, the aggregate principal amount of each series will be limited to the sum of the aggregate liquidation preference amount of the related Preferred Trust Securities and the consideration paid by FPL Group for the related Common Trust Securities.

All FPL Group Capital Junior Subordinated Debentures of one series need not be issued at the same time, and a series may be re-opened for issuances of additional FPL Group Capital Junior Subordinated Debentures of such series. This means that FPL Group Capital may from time to time, without notice to, or the consent of the existing holders of the FPL Group Capital Junior Subordinated Debentures of a particular series, create and issue additional FPL Group Capital Junior Subordinated Debentures of such series. Such additional FPL Group Capital Junior Subordinated Debentures will have the same terms as the FPL Group Capital Junior Subordinated Debentures of such series in all respects (except for the payment of interest accruing prior to the issue date of the additional FPL Group Capital Junior Subordinated Debentures or except for the first payments of interest following the issue date of the additional FPL Group Capital Junior Subordinated Debentures) so that the additional FPL Group Capital Junior Subordinated Debentures may be consolidated and form a single series with the FPL Group Capital Junior Subordinated Debentures of such series.

Similarly, all FPL Group Junior Subordinated Debentures of one series need not be issued at the same time, and a series may be re-opened for issuances of additional FPL Group Junior Subordinated Debentures of such series, in the manner described in the paragraph above with respect to FPL Group Capital Junior Subordinated Debentures.

The FPL Group Capital Junior Subordinated Debentures will be unsecured, subordinated obligations of FPL Group Capital which rank junior to all of FPL Group Capital's Senior Indebtedness. The FPL Group Junior Subordinated Debentures will be unsecured, subordinated obligations of FPL Group which rank junior to all of FPL Group's Senior Indebtedness. The term "Senior Indebtedness" with respect to FPL Group Capital or FPL Group, as the case may be, will be defined in the related prospectus supplement. All Junior Subordinated Debentures issued under a particular Subordinated Indenture will rank equally and ratably with all other Junior Subordinated Debentures issued under that Subordinated Indenture, except to the extent that FPL Group Capital or FPL Group, as the case may be, elects to provide security with respect to any series of Junior Subordinated Debentures without providing that security to all outstanding Junior Subordinated Debentures as allowed under the respective Subordinated Indenture. Junior Subordinated Debentures issued under a particular Subordinated Indenture may rank senior to, pari passu with, or junior to, Junior Subordinated Debentures issued by the same issuer under another Subordinated Indenture. The FPL Group Capital Junior Subordinated Debentures will be unconditionally guaranteed by FPL Group as to payment of principal, and any interest and premium, pursuant to a Subordinated Guarantee of FPL Group, included in the Subordinated Indenture for such FPL Group Capital Junior Subordinated Debentures, which Subordinated Guarantee ranks junior to all of FPL Group's Senior Indebtedness, and may rank senior to, pari passu with, or junior to, FPL Group's obligations under a separate Subordinated Guarantee. See "— Subordinated Guarantee" below.

Although the FPL Group Capital Junior Subordinated Debentures and the FPL Group Junior Subordinated Debentures are discussed together in this section of the prospectus, FPL Group will have no obligation with respect to the FPL Group Capital Junior Subordinated Debentures except in connection with the Subordinated Guarantee and FPL Group Capital will have no obligation with respect to the FPL Group Junior Subordinated Debentures.

Each series of Junior Subordinated Debentures that may be issued under each Subordinated Indenture may have different terms. FPL Group Capital or FPL Group, as the case may be, will include some or all of the following information about a specific series of Junior Subordinated Debentures in the prospectus supplement relating to those Junior Subordinated Debentures:

(1) the title of those Junior Subordinated Debentures,

(2) any limit upon the aggregate principal amount of those Junior Subordinated Debentures,

(3) the date(s) on which the principal will be paid,

(4) the rate(s) of interest on those Junior Subordinated Debentures, or how the rate(s) of interest will be determined, the date(s) from which interest will accrue, the dates on which interest will be paid and the record date for any interest payable on any interest payment date,

(5) the person to whom interest will be paid on any interest payment date, if other than the person in whose name those Junior Subordinated Debentures are registered at the close of business on the record date for that interest payment,

(6) the place(s) at which or methods by which payments will be made on those Junior Subordinated Debentures and the place(s) at which or methods by which the registered owners of those Junior Subordinated Debentures may transfer or exchange those Junior Subordinated Debentures and serve notices and demands to or upon FPL Group Capital or FPL Group, as the case may be,

(7) the security registrar and any paying agent or agents for those Junior Subordinated Debentures,

(8) any date(s) on which, the price(s) at which and the terms and conditions upon which those Junior Subordinated Debentures may be redeemed at the option of the issuer, in whole or in part, and any restrictions on those redemptions,

(9) any sinking fund or other provisions or options held by the registered owners of those Junior Subordinated Debentures that would obligate the issuer to repurchase or redeem those Junior Subordinated Debentures,

(10) the denominations in which those Junior Subordinated Debentures may be issued, if other than denominations of $25 and any integral multiple of $25,

(11) the currency or currencies in which the principal of or premium, if any, or interest on those Junior Subordinated Debentures may be paid (if other than in U.S. dollars),

(12) if FPL Group Capital, or FPL Group, as the case may be, or a registered owner may elect to pay, or receive, principal of or premium, if any, or interest on those Junior Subordinated Debentures in a currency other than that in which those Junior Subordinated Debentures are stated to be payable, the terms and conditions upon which that election may be made,

(13) if the principal of or premium, if any, or interest on those Junior Subordinated Debentures may be paid in securities or other property, the type and amount of those securities or other property and the terms and conditions upon which FPL Group Capital, or FPL Group, as the case may be, or a registered owner may elect to pay or receive those payments,

(14) if the amount payable in respect of principal of or premium, if any, or interest on those Junior Subordinated Debentures may be determined by reference to an index or other fact or event ascertainable outside of the Subordinated Indenture, the manner in which those amounts will be determined,

(15) the portion of the principal amount of the Junior Subordinated Debentures that will be paid by the issuer upon declaration of acceleration of the maturity of those Junior Subordinated Debentures, if other than the entire principal amount of those Junior Subordinated Debentures,

(16) any events of default with respect to those Junior Subordinated Debentures and any covenants of FPL Group Capital, or FPL Group, as the case may be, for the benefit of the registered owners of those Junior Subordinated Debentures, other than those specified in the Subordinated Indenture,

(17) the terms, if any, pursuant to which those Junior Subordinated Debentures may be exchanged for shares of capital stock or other securities of any other entity,

(18) a definition of "Eligible Obligations" under the Subordinated Indenture with respect to the Junior Subordinated Debentures denominated in a currency other than U.S. dollars, and any other provisions for the reinstatement of the issuer's indebtedness in respect of those Junior Subordinated Debentures after their satisfaction and discharge,

(19) if those Junior Subordinated Debentures will be issued in global form, necessary information relating to the issuance of those Junior Subordinated Debentures in global form,

(20) if those Junior Subordinated Debentures will be issued as bearer securities, necessary information relating to the issuance of those Junior Subordinated Debentures as bearer securities,

(21) any limits on the rights of the registered owners of those Junior Subordinated Debentures to transfer or exchange those Junior Subordinated Debentures or to register their transfer, and any related service charges,

(22) any exceptions to the provisions governing payments due on legal holidays or any variations in the definition of business day with respect to those Junior Subordinated Debentures,

(23) any collateral security, assurance, or guarantee for those Junior Subordinated Debentures (including, with respect to the FPL Group Capital Junior Subordinated Debentures, any security, assurance of guarantee in addition to, or any exceptions to, the Subordinated Guarantee described under "— Subordinated Guarantee of FPL Group Capital Junior Subordinated Debentures" below),

(24) the designation of the trust to which the Junior Subordinated Debentures are to be issued, if the Junior Subordinated Debentures are issued in connection with the issuance of Trust Securities,

(25) the terms relating to any additional interest that may be payable as a result of any tax, assessment or governmental charges, and

(26) any other terms of those Junior Subordinated Debentures that are not inconsistent with the provisions of the Subordinated Indenture. (Subordinated Indenture, Section 301).

Except as otherwise stated in the related prospectus supplement, the covenants in the Subordinated Indenture would not give registered owners of Junior Subordinated Debentures protection in the event of a highly-leveraged transaction involving FPL Group Capital, in the case of the FPL Group Capital Junior Subordinated Debentures, or FPL Group.

Subordination. The Junior Subordinated Debentures will be subordinate and junior in right of payment to all Senior Indebtedness of FPL Group Capital, or FPL Group, as the case may be. (FPL Group Capital Subordinated Indenture, Article Fifteen; FPL Group Subordinated Indenture, Article Fourteen). No payment of the principal (including redemption and sinking fund payments) of, or interest, or premium, if any, on the Junior Subordinated Debentures may be made by FPL Group Capital, or FPL Group, as the case may be, until all holders of Senior Indebtedness of FPL Group Capital, or FPL Group, as the case may be, have been paid in full (or provision has been made for such payment), if any of the following occurs:

(1) certain events of bankruptcy, insolvency or reorganization of FPL Group Capital or FPL Group, as the case may be;

(2) any Senior Indebtedness of FPL Group Capital, or of FPL Group, as the case may be, is not paid when due (after the expiration of any applicable grace period) and that default continues without waiver; or

(3) any other default has occurred and continues without waiver (after the expiration of any applicable grace period) pursuant to which the holders of Senior Indebtedness of FPL Group Capital, or FPL Group, as the case may be, are permitted to accelerate the maturity of such Senior Indebtedness. (FPL Group Capital Subordinated Indenture, Section 1502; FPL Group Subordinated Indenture, Section 1402).

Upon any distribution of assets of FPL Group Capital, or of FPL Group, as the case may be, to creditors in connection with any insolvency, bankruptcy or similar proceeding, all principal of, and premium, if any, and interest due or to become due on all Senior Indebtedness of FPL Group Capital, or of FPL Group, as the case may be, must be paid in full before the holders of the Junior Subordinated Debentures are entitled to receive or retain any payment from such distribution. (FPL Group Capital Subordinated Indenture, Section 1502; FPL Group Subordinated Indenture, Section 1402).

FPL Group Capital is a holding company that derives substantially all of its income from its operating subsidiaries. Therefore, FPL Group Capital Subordinated Indenture Securities will be effectively subordinated to all indebtedness and other liabilities, including trade payables, debt and preferred stock, incurred or issued by FPL Group Capital's subsidiaries. The FPL Group Capital Subordinated Indenture does not place any limit on the amount of liabilities including debt or preferred stock, that FPL Group Capital's subsidiaries may issue, guarantee or otherwise incur.

FPL Group is a holding company that derives substantially all of its income from its operating subsidiaries. Therefore, FPL Group Subordinated Indenture Securities will be effectively subordinated to all indebtedness and other liabilities, including trade payables, debt and preferred stock, incurred or issued by FPL Group's subsidiaries. The FPL Group Subordinated Indenture does not place any limit on the amount of liabilities including debt or preferred stock, that FPL Group's subsidiaries may issue, guarantee or otherwise incur.

Subordinated Guarantee of FPL Group Capital Junior Subordinated Debentures. Pursuant to the Subordinated Guarantee, FPL Group will unconditionally and irrevocably guarantee the payment of principal of and any interest and premium, if any, on the FPL Group Capital Junior Subordinated Debentures, when due and payable, whether at the stated maturity date, by declaration of acceleration, call for redemption or otherwise, in accordance with the terms of such FPL Group Capital Junior Subordinated Debentures and the FPL Group Capital Subordinated Indenture. The Subordinated Guarantee will remain in effect until the entire principal of and any premium, if any, and interest on the FPL Group Capital Junior Subordinated Debentures has been paid in full or otherwise discharged in accordance with the provisions of the FPL Group Capital Subordinated Indenture. (FPL Group Capital Subordinated Indenture, Article Fourteen).

The Subordinated Guarantee will be subordinate and junior in right of payment to all Senior Indebtedness of FPL Group. (FPL Group Capital Subordinated Indenture, Section 1402). No payment of the principal (including redemption and sinking fund payments) of, or interest, or premium, if any, on, the FPL Group Capital Junior Subordinated Debentures may be made by FPL Group under the Subordinated Guarantee until all holders of Senior Indebtedness of FPL Group have been paid in full (or provision has been made for such payment), if any of the following occurs:

(1) certain events of bankruptcy, insolvency or reorganization of FPL Group;

(2) any Senior Indebtedness of FPL Group is not paid when due (after the expiration of any applicable grace period) and that default continues without waiver; or

(3) any other default has occurred and continues without waiver (after the expiration of any applicable grace period) pursuant to which the holders of Senior Indebtedness of FPL Group are permitted to accelerate the maturity of such Senior Indebtedness. (FPL Group Capital Subordinated Indenture, Section 1403).

Upon any distribution of assets of FPL Group to creditors in connection with any insolvency, bankruptcy or similar proceeding, all principal of, and premium, if any, and interest due or to become due on all Senior Indebtedness of FPL Group must be paid in full before the holders of the FPL Group Capital Junior Subordinated Debentures are entitled to receive or retain any payment from such distribution. (FPL Group Capital Subordinated Indenture, Section 1403).

FPL Group is a holding company that derives substantially all of its income from its operating subsidiaries. Therefore, the Subordinated Guarantee is effectively subordinated to all indebtedness and other liabilities, including trade payables, debt and preferred stock, incurred or issued by FPL Group's subsidiaries. The FPL Group Capital Subordinated Indenture does not place any limit on the amount of liabilities, including debt or preferred stock, that FPL Group's subsidiaries may issue, guarantee or otherwise incur.

Payment and Paying Agents. Except as stated in the related prospectus supplement, on each interest payment date FPL Group Capital, or FPL Group, as the case may be, will pay interest on each Junior Subordinated Debenture to the person in whose name that Junior Subordinated Debenture is registered as of the close of business on the record date relating to that interest payment date. However, on the date that the Junior Subordinated Debentures mature, FPL Group Capital, or FPL Group, as the case may be, will pay the interest to the person to whom it pays the principal. Also, if FPL Group Capital, or FPL Group, as the case may be, has defaulted in the payment of interest on any Junior Subordinated Debenture, it may pay that defaulted interest to the registered owner of that Junior Subordinated Debenture:

(1) as of the close of business on a date that the Subordinated Indenture Trustee selects, which may not be more than 15 days or less than 10 days before the date that FPL Group Capital, or FPL Group, as the case may be, proposes to pay the defaulted interest, or

(2) in any other lawful manner that does not violate the requirements of any securities exchange on which that Junior Subordinated Debenture is listed and that the Subordinated Indenture Trustee believes is acceptable. (Subordinated Indenture, Section 307).

Unless otherwise stated in the related prospectus supplement, the principal, premium, if any, and interest on the Junior Subordinated Debentures at maturity will be payable when such Junior Subordinated Debentures are presented at the main corporate trust office of The Bank of New York, as paying agent, in The City of New York. FPL Group Capital and/or FPL Group with respect to the FPL Group Capital Junior Subordinated Debentures and FPL Group with respect to the FPL Group Junior Subordinated Debentures may change the place of payment on the Junior Subordinated Debentures, appoint one or more additional paying agents, including itself, and remove any paying agent. (Subordinated Indenture, Section 602).

Transfer and Exchange. Unless otherwise stated in the related prospectus supplement, Junior Subordinated Debentures may be transferred or exchanged at the main corporate trust office of The Bank of New York, as security registrar, in The City of New York. FPL Group Capital, or FPL Group, as the case may be, may change the place for transfer and exchange of the Junior Subordinated Debentures and may designate one or more additional places for that transfer and exchange.

Except as otherwise stated in the related prospectus supplement, there will be no service charge for any transfer or exchange of the Junior Subordinated Debentures. However, FPL Group Capital, or FPL Group, as the case may be, may require payment of any tax or other governmental charge in connection with any transfer or exchange of the Junior Subordinated Debentures.

FPL Group Capital, or FPL Group, as the case may be, will not be required to transfer or exchange any Junior Subordinated Debenture selected for redemption. Also, FPL Group Capital, or FPL Group, as the case may be, will not be required to transfer or exchange any Junior Subordinated Debenture during a period of 15 days before selection of Junior Subordinated Debentures to be redeemed. (Subordinated Indenture, Section 305).

Unless otherwise stated in the related prospectus supplement, if Junior Subordinated Debentures are issued in connection with the issuance of Trust Securities and are subsequently distributed to holders of Preferred Trust Securities in a dissolution of the Trust, the Junior Subordinated Debentures will be issued in fully registered certificated form in the denominations and integral multiples thereof in which the Preferred Trust Securities have been issued, and they may be transferred or exchanged as described above. (Trust Agreement, Section 9.04).

Defeasance. FPL Group Capital and FPL Group may, at any time, elect to have all of their obligations discharged with respect to all or a portion of any Subordinated Indenture Securities (including the FPL Group Capital Junior Subordinated Debentures). FPL Group may, at any time, elect to have all of its obligations discharged with respect to all or a portion of any Subordinated Indenture Securities (including the FPL Group Junior Subordinated Debentures). To do so, FPL Group Capital or FPL Group, with respect to FPL Group Capital Junior Subordinated Debentures, or FPL Group with respect to the FPL Group Junior Subordinated Debentures, must irrevocably deposit with the Subordinated Indenture Trustee or any paying agent, in trust:

(1) money in an amount that will be sufficient to pay all or that portion of the principal, premium, if any, and interest due and to become due on those Subordinated Indenture Securities, on or prior to their maturity, or

(2) in the case of a deposit made prior to the maturity of that series of Subordinated Indenture Securities,

(a) direct obligations of, or obligations unconditionally guaranteed by, the United States and entitled to the benefit of its full faith and credit that do not contain provisions permitting their redemption or other prepayment at the option of their issuer, and

(b) certificates, depositary receipts or other instruments that evidence a direct ownership interest in those obligations or in any specific interest or principal payments due in respect of those obligations that do not contain provisions permitting their redemption or other prepayment at the option of their issuer, the principal of and the interest on which, when due, without any regard to reinvestment of that principal or interest, will provide money that, together with any money deposited with or held by the Subordinated Indenture Trustee, will be sufficient to pay all or that portion of the principal, premium, if any, and interest due and to become due on those Subordinated Indenture Securities, on or prior to their maturity, or

(3) a combination of (1) and (2) that will be sufficient to pay all or that portion of the principal, premium, if any, and interest due and to become due on those Subordinated Indenture Securities, on or prior to their maturity. (Subordinated Indenture, Section 701).

Option to Defer Interest Payments. Unless otherwise provided in a related prospectus supplement, FPL Group Capital, or FPL Group, as the case may be, may have the option to defer the payment of interest from time to time on the Junior Subordinated Debentures for one or more periods. As a consequence, if the Junior Subordinated Debentures are issued in connection with Preferred Trust Securities, distributions on the Preferred Trust Securities would be deferred during any optional deferral period. Interest would, however, continue to accrue on the Junior Subordinated Debentures. Unless otherwise provided in a related prospectus supplement, during any optional deferral period, or for so long as an "Event of Default" under the Subordinated Indenture resulting from a payment default (or a payment default under the Preferred Trust Securities Guarantee if the Junior Subordinated Debentures are issued in connection with Preferred Trust Securities) has occurred and is continuing, neither FPL Group nor FPL Group Capital, with respect to FPL Group Capital Junior Subordinated Debentures, or FPL Group, with respect to FPL Group Junior Subordinated Debentures may:

(1) declare or pay any dividend or distribution on its capital stock;

(2) redeem, purchase, acquire or make a liquidation payment with respect to any of its capital stock;

(3) pay any principal, interest or premium on, or repay, repurchase or redeem any debt securities that are equal or junior in right of payment with the Junior Subordinated Debentures or, in the case of FPL Group Capital Junior Subordinated Debentures issued in connection with Preferred Trust Securities, the Subordinated Guarantee (as the case may be); or

(4) make any payments with respect to any guarantee of debt securities if such guarantee is equal or junior in right of payment to the Junior Subordinated Debentures or the Subordinated Guarantee if the Junior Subordinated Debentures are issued in connection with Preferred Trust Securities (as the case may be),

other than

(1) purchases, redemptions or other acquisitions of its capital stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or agents or a stock purchase or dividend reinvestment plan, or the satisfaction of its obligations pursuant to any contract or security outstanding on the date that the payment of interest is deferred requiring it to purchase, redeem or acquire its capital stock;

(2) any payment, repayment, redemption, purchase, acquisition or declaration of dividend listed as restricted payments in clauses (1) and (2) above as a result of a reclassification of its capital stock or the exchange or conversion of all or a portion of one class or series of its capital stock for another class or series of its capital stock;

(3) the purchase of fractional interests in shares of its capital stock pursuant to the conversion or exchange provisions of its capital stock or the security being converted or exchanged, or in connection with the settlement of stock purchase contracts;

(4) dividends or distributions paid or made in its capital stock (or rights to acquire its capital stock), or repurchases, redemptions or acquisitions of capital stock in connection with the issuance or exchange of capital stock (or of securities convertible into or exchangeable for shares of its capital stock) and distributions in connection with the settlement of stock purchase contracts;

(5) redemptions, exchanges or repurchases of, or with respect to, any rights outstanding under a shareholder rights plan or the declaration or payment thereunder of a dividend or distribution of or with respect to rights in the future;

(6) payments under any preferred trust securities guarantee or guarantee of subordinated debentures executed and delivered by FPL Group concurrently with the issuance by a trust of any preferred trust securities, so long as the amount of payments made on any preferred trust securities or subordinated debentures (as the case may be) is paid on all preferred trust securities or subordinated debentures (as the case may be) then outstanding on a pro rata basis in proportion to the full distributions to which each series of preferred trust securities or subordinated debentures (as the case may be) is then entitled if paid in full;

(7) payments under any guarantee of junior subordinated debentures executed and delivered by FPL Group (including a FPL Group Subordinated Guarantee), so long as the amount of payments made on any junior subordinated debentures is paid on all junior subordinated debentures then outstanding on a pro rata basis in proportion to the full payment to which each series of junior subordinated debentures is then entitled if paid in full;

(8) dividends or distributions by FPL Group Capital on its capital stock to the extent owned by FPL Group; or

(9) redemptions, purchases, acquisitions or liquidation payments by FPL Group Capital with respect to its capital stock to the extent owned by FPL Group. (Subordinated Indenture, Section 608).

The exceptions in (8) and (9) above are not applicable to an optional deferral period on the FPL Group Junior Subordinated Debentures.

Unless otherwise provided in a related prospectus supplement, before an optional deferral period ends, FPL Group Capital, or FPL Group, as the case may be, may further defer the payment of interest. Unless otherwise provided in the related prospectus supplement, no optional deferral period may exceed the period of time specified in that prospectus supplement. After any optional deferral period and the payment of all amounts then due, FPL Group Capital, or FPL Group, as the case may be, may select a new optional deferral period. No interest period may be deferred beyond the maturity of the Junior Subordinated Debentures. If the Junior Subordinated Debentures are issued in connection with Preferred Trust Securities, FPL Group Capital, or FPL Group, as the case may be, will give the Trust and the Subordinated Indenture Trustee notice of its election of an optional deferral period prior to the earlier of (i) one business day before the record date for the distribution on the Preferred Trust Securities which would occur if FPL Group Capital, or FPL Group, as the case may be, did not make the election to defer or (ii) the date the Administrative Trustees are required to give notice to any securities exchange or any other applicable self-regulatory organization of the record date for such a distribution. The Property Trustee shall send notice of that election to the holders of Preferred Trust Securities.

Additional Interest. If the Junior Subordinated Debentures are issued in connection with the issuance of Trust Securities and if the Trust is required to pay any taxes, duties, assessments or governmental charges imposed by the United States or any other taxing authority on income derived from the interest payments on the Junior Subordinated Debentures, then, so long as any Preferred Trust Securities remain outstanding, FPL Group Capital, or FPL Group, as the case may be, will pay as interest on the Junior Subordinated Debentures any additional interest that may be necessary in order that the net amounts received and retained by the Trust after the payment of those taxes, duties, assessments or governmental charges will be the same as the Trust would have had in the absence of such payment. (Subordinated Indenture, Section 313).

Redemption. The redemption terms of the Junior Subordinated Debentures, if any, will be set forth in a prospectus supplement. Unless set forth differently in a prospectus supplement, and except with respect to Junior Subordinated Debentures redeemable at the option of the holder, Junior Subordinated Debentures will be redeemable upon notice between 30 and 60 days prior to the redemption date. If less than all of the Junior Subordinated Debentures of any series or any tranche thereof are to be redeemed, the Subordinated Indenture Trustee will select the Junior Subordinated Debentures to be redeemed. In the absence of any provision for selection, the Subordinated Indenture Trustee will choose a method of random selection as it deems fair and appropriate. (Subordinated Indenture, Sections 403 and 404).

Junior Subordinated Debentures selected for redemption will cease to bear interest on the redemption date. The paying agent will pay the redemption price and any accrued interest once the Junior Subordinated Debentures are surrendered for redemption. (Subordinated Indenture, Section 405). If only part of a Junior Subordinated Debenture is redeemed, the Subordinated Indenture Trustee will deliver a new Junior Subordinated Debenture of the same series for the remaining portion without charge. (Subordinated Indenture, Section 406).

Any redemption at the option of FPL Group Capital, or FPL Group, as the case may be, may be conditional upon the receipt by the paying agent, on or prior to the date fixed for redemption, of money sufficient to pay the redemption price. If the paying agent has not received such money by the date fixed for redemption, neither FPL Group Capital nor FPL Group, in the case of FPL Group Capital Junior Subordinated Debentures, nor FPL Group, in the case of FPL Group Junior Subordinated Debentures, will be required to redeem such Junior Subordinated Debentures. (Subordinated Indenture, Section 404).

If the Junior Subordinated Debentures are issued in connection with the issuance of Trust Securities, for so long as the Trust is the holder of all of the related Junior Subordinated Debentures the proceeds of any redemption of Junior Subordinated Debentures will be used by the Trust to redeem Preferred Trust Securities and Common Trust Securities in accordance with their terms. (Trust Agreement, Section 4.02(a)).

Subject to applicable law, including United States federal securities laws, FPL Group or its affiliates, including FPL Group Capital, may at any time and from time to time purchase outstanding Junior Subordinated Debentures by tender, in the open market or by private agreement.

Consolidation, Merger, and Sale of Assets. Under the FPL Group Capital Subordinated Indenture, neither FPL Group Capital nor FPL Group may, and under the FPL Group Subordinated Indenture, FPL Group may not, consolidate with or merge into any other entity or convey, transfer or lease its properties and assets substantially as an entirety to any entity, unless:

(1) the entity formed by that consolidation, or the entity into which FPL Group Capital or FPL Group, as the case may be, in the case of the FPL Group Capital Subordinated Indenture, or FPL Group, in the case of the FPL Group Subordinated Indenture, is merged, or the entity that acquires or leases FPL Group Capital's or FPL Group's, as the case may be, in the case of the FPL Group Capital Subordinated Indenture, or FPL Group's, in the case of the FPL Group Subordinated Indenture, property and assets, is an entity organized and existing under the laws of the United States, any state or the District of Columbia and that entity expressly assumes FPL Group Capital's or FPL Group's, as the case may be, in the case of the FPL Group Capital Subordinated Indenture, or FPL Group's, in the case of the FPL Group Subordinated Indenture, obligations on all Subordinated Indenture Securities and under the Subordinated Indenture,

(2) immediately after giving effect to the transaction, no event of default under the Subordinated Indenture and no event that, after notice or lapse of time or both, would become an event of default under the Subordinated Indenture exists, and

(3) FPL Group Capital or FPL Group, as the case may be, in the case of the FPL Group Capital Subordinated Indenture, or FPL Group, in the case of the FPL Group Subordinated Indenture, delivers an officer's certificate and an opinion of counsel to the Subordinated Indenture Trustee, as provided in the Subordinated Indenture. (Subordinated Indenture, Section 1101).

The Subordinated Indenture does not prevent or restrict:

(1) any consolidation or merger after the consummation of which FPL Group Capital or FPL Group, in the case of the FPL Group Capital Subordinated Indenture, or FPL Group, in the case of the FPL Group Subordinated Indenture, would be the surviving or resulting entity;

(2) in the case of the FPL Group Capital Subordinated Indenture, any consolidation of FPL Group Capital with FPL Group or any other entity all of the outstanding voting securities of which are owned, directly or indirectly, by FPL Group, or any merger of any such entity into any other of such entities, or any conveyance or other transfer, or lease, of properties or assets by any thereof to any other thereof;

(3) any conveyance or other transfer, or lease, of any part of the properties or assets of FPL Group Capital or FPL Group, in the case of the FPL Group Capital Subordinated Indenture, or FPL Group, in the case of the FPL Group Subordinated Indenture, which does not constitute the entirety, or substantially the entirety, thereof; or

(4) the approval by FPL Group Capital or FPL Group, in the case of the FPL Group Capital Subordinated Indenture, or FPL Group, in the case of the FPL Group Subordinated Indenture, of or the consent by FPL Group Capital or FPL Group, in the case of the FPL Group Capital Subordinated Indenture, or FPL Group, in the case of the FPL Group Subordinated Indenture, to any consolidation or merger to which any direct or indirect subsidiary or affiliate of FPL Group may be a party, or any conveyance, transfer or lease by any such subsidiary or affiliate of any or all of its properties or assets. (Subordinated Indenture, Section 1103).

Events of Default. Each of the following is an event of default under the Subordinated Indenture with respect to the Subordinated Indenture Securities of any series:

(1) failure to pay interest on the Subordinated Indenture Securities of that series within 30 days after it is due (provided, however, that a failure to pay interest during a valid optional deferral period will not constitute an event of default),

(2) failure to pay principal or premium, if any, on the Subordinated Indenture Securities of that series when it is due,

(3) failure to comply with any other covenant in the Subordinated Indenture, other than a covenant that does not relate to that series of Subordinated Indenture Securities, that continues for 90 days after FPL Group Capital and FPL Group, in the case of the FPL Group Capital Subordinated Indenture, or FPL Group, in the case of the FPL Group Subordinated Indenture, receive written notice of such failure to comply from the Subordinated Indenture Trustee, or FPL Group Capital, in the case of the FPL Group Capital Subordinated Indenture, FPL Group and the Subordinated Indenture Trustee receive written notice of such failure to comply from the registered owners of at least 33% in principal amount of the Subordinated Indenture Securities of that series,

(4) certain events of bankruptcy, insolvency or reorganization of FPL Group Capital or FPL Group in the case of the FPL Group Capital Subordinated Indenture, or FPL Group in the case of the FPL Group Subordinated Indenture,

(5) with certain exceptions, the Subordinated Guarantee ceases to be effective, is found by a judicial proceeding to be unenforceable or invalid or is denied or disaffirmed by FPL Group, and

(6) any other event of default specified with respect to the Subordinated Indenture Securities of that series. (Subordinated Indenture, Section 801).

In the case of the third event of default listed above, the Subordinated Indenture Trustee may extend the grace period. In addition, if holders of a particular series have given a notice of default, then holders of at least the same percentage of Junior Subordinated Debentures of that series, together with the Subordinated Indenture Trustee, may also extend the grace period. The grace period will be automatically extended if FPL Group Capital or FPL Group, in the case of the FPL Group Capital Subordinated Indenture, or FPL Group, in the case of the FPL Group Subordinated Indenture, has initiated and is diligently pursuing corrective action in good faith. (Subordinated Indenture, Section 801). An event of default with respect to the Subordinated Indenture Securities of a particular series will not necessarily constitute an event of default with respect to Subordinated Indenture Securities of any other series issued under the Subordinated Indenture.

Remedies. If an event of default applicable to the Subordinated Indenture Securities of one or more series, but not applicable to all outstanding Subordinated Indenture Securities, exists, then either the Subordinated Indenture Trustee or the registered owners of at least 33% in aggregate principal amount of the Subordinated Indenture Securities of each of the affected series may declare the principal of and accrued but unpaid interest on all the Subordinated Indenture Securities of that series to be due and payable immediately. (Subordinated Indenture, Section 802).

If the event of default is applicable to all outstanding Subordinated Indenture Securities, then only the Subordinated Indenture Trustee or the registered owners of at least 33% in aggregate principal amount of all outstanding Subordinated Indenture Securities of all series, voting as one class, and not the registered owners of any one series, may make a declaration of acceleration. (Subordinated Indenture, Section 802). However, the event of default giving rise to the declaration relating to any series of Subordinated Indenture Securities will be automatically waived, and that declaration and its consequences will be automatically rescinded and annulled, if, at any time after that declaration and before a judgment or decree for payment of the money due has been obtained:

(1) FPL Group Capital or FPL Group in the case of the FPL Group Capital Subordinated Indenture, or FPL Group in the case of the FPL Group Subordinated Indenture, deposits with the Subordinated Indenture Trustee a sum sufficient to pay:

   (a) all overdue interest on all Subordinated Indenture Securities of that series,

   (b) the principal of and any premium on any Subordinated Indenture Securities of that series that have become due for reasons other than that declaration, and interest that is then due,

   (c) interest on overdue interest for that series, and

   (d) all amounts due to the Subordinated Indenture Trustee under the Subordinated Indenture, and

(2) any other event of default with respect to the Subordinated Indenture Securities of that series has been cured or waived as provided in the Subordinated Indenture. (Subordinated Indenture, Section 802).

Other than its obligations and duties in case of an event of default under the Subordinated Indenture, the Subordinated Indenture Trustee is not obligated to exercise any of its rights or powers under the Subordinated Indenture at the request or direction of any of the registered owners of the Subordinated Indenture Securities, unless those registered owners offer reasonable indemnity to the Subordinated Indenture Trustee. (Subordinated Indenture, Section 903). If they provide this reasonable indemnity, the registered owners of a majority in principal amount of any series of Subordinated Indenture Securities will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Subordinated Indenture Trustee, or exercising any trust or power conferred on the Subordinated Indenture Trustee, with respect to the Subordinated Indenture Securities of that series. However, if an event of default under the Subordinated Indenture relates to more than one series of Subordinated Indenture Securities, only the registered owners of a majority in aggregate principal amount of all affected series of Subordinated Indenture Securities, considered as one class, will have the right to make that direction. Also, the direction must not violate any law or the Subordinated Indenture, and may not expose the Subordinated Indenture Trustee to personal liability in circumstances where its indemnity would not, in the Subordinated Indenture Trustee's sole discretion, be adequate. (Subordinated Indenture, Section 812).

No registered owner of Subordinated Indenture Securities of any series will have any right to institute any proceeding under the Subordinated Indenture, or exercise any remedy under the Subordinated Indenture, unless:

(1) that registered owner has previously given to the Subordinated Indenture Trustee written notice of a continuing event of default with respect to the Subordinated Indenture Securities of that series,

(2) the registered owners of a majority in aggregate principal amount of the outstanding Subordinated Indenture Securities of all series in respect of which an event of default under the Subordinated Indenture exists, considered as one class, have made written request to the Subordinated Indenture Trustee, and have offered reasonable indemnity to the Subordinated Indenture Trustee to institute that proceeding in its own name as trustee, and

(3) the Subordinated Indenture Trustee has failed to institute any proceeding, and has not received from the registered owners of a majority in aggregate principal amount of the outstanding Subordinated Indenture Securities of all series in respect of which an event of default under the Subordinated Indenture exists, considered as one class, a direction inconsistent with that request, within 60 days after that notice, request and offer. (Subordinated Indenture, Section 807).

However, these limitations do not apply to a suit instituted by a registered owner of a Subordinated Indenture Security for the enforcement of payment of the principal of or any premium, if any, or interest on that Subordinated Indenture Security on or after the applicable due date specified in that Subordinated Indenture Security. (Subordinated Indenture, Section 808).

Each of FPL Group Capital and FPL Group in the case of the FPL Group Capital Subordinated Indenture, and FPL Group in the case of the FPL Group Subordinated Indenture, is required to deliver to the Subordinated Indenture Trustee an annual statement as to its compliance with all conditions and covenants applicable to it under the Subordinated Indenture. (Subordinated Indenture, Section 606).

Enforcement of Certain Rights by Holders of Preferred Trust Securities. If the Junior Subordinated Debentures were issued in connection with the issuance of Trust Securities and if there is an event of default with respect to Junior Subordinated Debentures held by the Trust, then the holders of Preferred Trust Securities issued by the Trust will rely on the Property Trustee or the Subordinated Indenture Trustee, acting for the benefit of the Property Trustee, to enforce the Property Trustee's rights against FPL Group Capital and FPL Group in the case of the FPL Group Capital Subordinated Indenture, or FPL Group in the case of the FPL Group Subordinated Indenture, as a holder of the Junior Subordinated Debentures. However, in such a situation, a holder of Preferred Trust Securities may enforce the Subordinated Indenture directly against FPL Group Capital in the case of the FPL Group Capital Subordinated Indenture, or FPL Group, in the case of the FPL Group Subordinated Indenture, to the same extent, and upon the same conditions, as if the holder of Preferred Trust Securities held a principal amount of Junior Subordinated Debentures equal to the aggregate liquidation amount of its Preferred Trust Securities. (Subordinated Indenture, Section 610).

Subject to their right to bring suit to enforce their right to payment, the holders of Preferred Trust Securities would not be able to institute any proceeding with respect to the Subordinated Indenture unless the Subordinated Indenture Trustee has failed to do so for 60 days after a request of the holders of at least a majority of the aggregate liquidation amount of outstanding Preferred Trust Securities. Upon such failure, the holders of a majority of the aggregate liquidation amount of the outstanding Preferred Trust Securities would have the right to directly institute proceedings for enforcement of all other rights of the Subordinated Indenture Trustee against FPL Group Capital in the case of the FPL Group Capital Subordinated Indenture, or FPL Group in the case of the FPL Group Subordinated Indenture, to the fullest extent permitted by law. (Subordinated Indenture, Sections 807, 808 and 812).

Modification and Waiver. Without the consent of any registered owner of Subordinated Indenture Securities, FPL Group, the Subordinated Indenture Trustee and, in the case of the FPL Group Capital Subordinated Indenture, FPL Group Capital, may amend or supplement the Subordinated Indenture for any of the following purposes:

(1) to provide for the assumption by any permitted successor to FPL Group Capital or FPL Group of FPL Group Capital's or FPL Group's, in the case of the FPL Group Capital Subordinated Indenture, or by any permitted successor to FPL Group of FPL Group's, in the case of the FPL Group Subordinated Indenture, obligations with respect to the Subordinated Indenture and the Subordinated Indenture Securities in the case of a merger or consolidation or a conveyance, transfer or lease of its properties and assets substantially as an entirety,

(2) to add covenants of FPL Group Capital or FPL Group in the case of the FPL Group Capital Subordinated Indenture, or FPL Group in the case of the FPL Group Subordinated Indenture, or to surrender any right or power conferred upon FPL Group Capital, in the case of the FPL Group Capital Subordinated Indenture, or FPL Group by the Subordinated Indenture,

(3) to add any additional events of default,

(4) to change, eliminate or add any provision of the Subordinated Indenture, provided that if that change, elimination or addition will materially adversely affect the interests of the registered owners of Subordinated Indenture Securities of any series or tranche, that change, elimination or addition will become effective with respect to that series or tranche only

(a) when the required consent of the registered owners of Subordinated Indenture Securities of that series or tranche has been obtained, or

(b) when no Subordinated Indenture Securities of that series or tranche remain outstanding under the Subordinated Indenture,

(5) to provide collateral security for all but not a part of the Subordinated Indenture Securities,

(6) to establish the form or terms of Subordinated Indenture Securities of any other series or tranche,

(7) to provide for the authentication and delivery of bearer securities and the related coupons and for other matters relating to those bearer securities,

(8) to accept the appointment of a successor Subordinated Indenture Trustee or co-trustee with respect to the Subordinated Indenture Securities of one or more series and to change any of the provisions of the Subordinated Indenture as necessary to provide for the administration of the trusts under the Subordinated Indenture by more than one trustee,

(9) to add procedures to permit the use of a non-certificated system of registration for the Subordinated Indenture Securities of all or any series or tranche,

(10) to change any place where

(a) the principal of and premium, if any, and interest on all or any series or tranche of Subordinated Indenture Securities are payable,

(b) all or any series or tranche of Subordinated Indenture Securities may be transferred or exchanged, and

(c) notices and demands to or upon FPL Group Capital or FPL Group in the case of the FPL Group Capital Subordinated Indenture, or FPL Group in the case of the FPL Group Subordinated Indenture, in respect of Subordinated Indenture Securities and the Subordinated Indenture may be served, or

(11) to cure any ambiguity or inconsistency or to add or change any other provisions with respect to matters and questions arising under the Subordinated Indenture, provided those changes or additions may not

materially adversely affect the interests of the registered owners of Subordinated Indenture Securities of any series or tranche. (Subordinated Indenture, Section 1201).

The registered owners of a majority in aggregate principal amount of the Subordinated Indenture Securities of all series then outstanding may waive compliance by FPL Group Capital or FPL Group in the case of the FPL Group Capital Subordinated Indenture, or by FPL Group in the case of the FPL Group Subordinated Indenture, with certain restrictive provisions of the Subordinated Indenture. (Subordinated Indenture, Section 607). The registered owners of a majority in principal amount of the outstanding Subordinated Indenture Securities of any series may waive any past default under the Subordinated Indenture with respect to that series, except a default in the payment of principal, premium, if any, or interest and a default with respect to certain restrictive covenants or provisions of the Subordinated Indenture that cannot be modified or amended without the consent of the registered owner of each outstanding Subordinated Indenture Security of that series affected. (Subordinated Indenture, Section 813). If the Trust holds Subordinated Indenture Securities of any series, the Trust may not waive compliance, or any default in compliance, by FPL Group Capital or FPL Group with any covenant or term contained in, or any past default under, the Subordinated Indenture or the Subordinated Indenture Securities of such series, without the approval of at least a majority (or such greater percentage required by the Trust Agreement) in aggregate liquidation preference amount of the outstanding Preferred Trust Securities. (Subordinated Indenture, Sections 607 and 813).

In addition to any amendments described above, if the Trust Indenture Act of 1939 is amended after the date of either Subordinated Indenture in a way that requires changes to the Subordinated Indenture or in a way that permits changes to, or the elimination of, provisions that were previously required by the Trust Indenture Act of 1939, the Subordinated Indenture will be deemed to be amended to conform to that amendment of the Trust Indenture Act of 1939 or to make those changes, additions or eliminations. FPL Group Capital and FPL Group in the case of the FPL Group Capital Subordinated Indenture, or FPL Group in the case of the FPL Group Subordinated Indenture, and the Subordinated Indenture Trustee may, without the consent of any registered owners, enter into supplemental indentures to make that amendment. (Subordinated Indenture, Section 1201).

Except for any amendments described above, the consent of the registered owners of a majority in aggregate principal amount of the Subordinated Indenture Securities of all series then outstanding, considered as one class, is required for all other modifications to the Subordinated Indenture. However, if less than all of the series of Subordinated Indenture Securities outstanding are directly affected by a proposed supplemental indenture, then the consent only of the registered owners of a majority in aggregate principal amount of outstanding Subordinated Indenture Securities of all directly affected series, considered as one class, is required. But, if FPL Group Capital or FPL Group, as the case may be, issues any series of Subordinated Indenture Securities in more than one tranche and if the proposed supplemental indenture directly affects the rights of the registered owners of Subordinated Indenture Securities of less than all of those tranches, then the consent only of the registered owners of a majority in aggregate principal amount of the outstanding Subordinated Indenture Securities of all directly affected tranches, considered as one class, will be required. However, none of those amendments or modifications may:

(1) change the dates on which the principal of or interest (except as described above under "—Option to Defer Interest Payments") on a Subordinated Indenture Security is due without the consent of the registered owner of that Subordinated Indenture Security,

(2) reduce any Subordinated Indenture Security's principal amount or rate of interest (or the amount of any installment of that interest) or change the method of calculating that rate without the consent of the registered owner of that Subordinated Indenture Security,

(3) reduce any premium payable upon the redemption of a Subordinated Indenture Security without the consent of the registered owner of that Subordinated Indenture Security,

(4) change the currency (or other property) in which a Subordinated Indenture Security is payable without the consent of the registered owner of that Subordinated Indenture Security,

(5) impair the right to sue to enforce payments on any Subordinated Indenture Security on or after the date that it states that the payment is due (or, in the case of redemption, on or after the redemption date) without the consent of the registered owner of that Subordinated Indenture Security,

(6) in the case of FPL Group Capital Subordinated Indenture, impair the right to receive payments under the Subordinated Guarantee or to institute suit for enforcement of any such payment under the Subordinated Guarantee,

(7) reduce the percentage in principal amount of the outstanding Subordinated Indenture Securities of any series or tranche whose owners must consent to an amendment, supplement or waiver without the consent of the registered owner of each outstanding Subordinated Indenture Security of that series or tranche,

(8) reduce the requirements for quorum or voting of any series or tranche without the consent of the registered owner of each outstanding Subordinated Indenture Security of that series or tranche, or

(9) modify certain of the provisions of the Subordinated Indenture relating to supplemental indentures, waivers of certain covenants and waivers of past defaults with respect to the Subordinated Indenture Securities of any series or tranche, without the consent of the registered owner of each outstanding Subordinated Indenture Security affected by the modification.

A supplemental indenture that changes or eliminates any provision of the Subordinated Indenture that has expressly been included only for the benefit of one or more particular series or tranches of Subordinated Indenture Securities, or that modifies the rights of the registered owners of Subordinated Indenture Securities of that series or tranche with respect to that provision, will not affect the rights under the Subordinated Indenture of the registered owners of the Subordinated Indenture Securities of any other series or tranche. If Junior Subordinated Debentures were issued in connection with the issuance of Trust Securities, so long as any Preferred Trust Securities are outstanding, the Subordinated Indenture Trustee may not consent to any supplemental indenture without the prior consent of the holders of a majority in aggregate liquidation preference of all outstanding Preferred Trust Securities affected or, in the case of changes described in clauses (1) through (9) immediately above, 100% in aggregate liquidation preference of all such outstanding Preferred Trust Securities affected. (Subordinated Indenture, Section 1202).

Each Subordinated Indenture provides that, in order to determine whether the registered owners of the required principal amount of the outstanding Subordinated Indenture Securities have given any request, demand, authorization, direction, notice, consent or waiver under the Subordinated Indenture, or whether a quorum is present at the meeting of the registered owners of Subordinated Indenture Securities, (a) in the case of the FPL Group Capital Subordinated Indenture, Subordinated Indenture Securities owned by FPL Group Capital, FPL Group or any other obligor upon the Subordinated Indenture Securities or any affiliate of FPL Group Capital, FPL Group or of that other obligor (unless FPL Group Capital, FPL Group, that affiliate or that obligor owns all Subordinated Indenture Securities outstanding under the Subordinated Indenture, determined without regard to this provision) and (b) in the case of the FPL Group Subordinated Indenture, Subordinated Indenture Securities owned by FPL Group or any other obligor upon the Subordinated Indenture Securities or any affiliate of FPL Group or of that other obligor (unless FPL Group, that affiliate or that obligor owns all Subordinated Indenture Securities outstanding under the Subordinated Indenture, determined without regard to this provision), will be disregarded and deemed not to be outstanding. (Subordinated Indenture, Section 101).

If FPL Group Capital, in the case of the FPL Group Capital Subordinated Indenture, or FPL Group solicits any action under the Subordinated Indenture from registered owners of Subordinated Indenture Securities, each of FPL Group Capital or FPL Group in the case of the FPL Group Capital Subordinated Indenture, or FPL Group in the case of the FPL Group Subordinated Indenture, may, at its option, by signing a written request to the Subordinated Indenture Trustee, fix in advance a record date for determining the registered owners of Subordinated Indenture Securities entitled to take that action. However, neither FPL Group Capital nor FPL Group will be obligated to do this. If FPL Group Capital or FPL Group in the case of the FPL Group Capital Subordinated Indenture, or FPL Group in the case of the FPL Group Subordinated Indenture, as the case may be, fixes such a record date, that action may be taken before or after that record date, but only the registered owners of record at the close of business on that record date will be deemed to be registered owners of Subordinated Indenture Securities for the purposes of determining whether registered owners of the required proportion of the outstanding Subordinated Indenture Securities have authorized that action. For these purposes, the outstanding Subordinated Indenture Securities will be computed as of the record date. Any action of a registered owner of any Subordinated Indenture Security under the

Subordinated Indenture will bind every future registered owner of that Subordinated Indenture Security, or any Subordinated Indenture Security replacing that Subordinated Indenture Security, with respect to anything that the Subordinated Indenture Trustee, FPL Group Capital or FPL Group in the case of the FPL Group Capital Subordinated Indenture, or FPL Group in the case of the FPL Group Subordinated Indenture, do, fail to do, or allow to be done in reliance on that action, whether or not that action is noted upon that Subordinated Indenture Security. (Subordinated Indenture, Section 104).

Resignation and Removal of Subordinated Indenture Trustee. The Subordinated Indenture Trustee may resign at any time with respect to any series of Subordinated Indenture Securities by giving written notice of its resignation to FPL Group Capital and FPL Group in the case of the FPL Group Capital Subordinated Indenture, or FPL Group in the case of the FPL Group Subordinated Indenture. Also, the registered owners of a majority in principal amount of the outstanding Subordinated Indenture Securities of one or more series of Subordinated Indenture Securities may remove the Subordinated Indenture Trustee at any time with respect to the Subordinated Indenture Securities of that series, by delivering an instrument evidencing this action to the Subordinated Indenture Trustee, FPL Group Capital and FPL Group in the case of the FPL Group Capital Subordinated Indenture, and to FPL Group in the case of the FPL Group Subordinated Indenture. However, if Junior Subordinated Debentures were issued in connection with the issuance of Trust Securities, so long as any Preferred Trust Securities remain outstanding, the Trust cannot deliver an instrument evidencing this action without the consent of the holders of a majority in aggregate liquidation preference of Preferred Trust Securities outstanding. (Subordinated Indenture, Section 910). The resignation or removal of the Subordinated Indenture Trustee and the appointment of a successor trustee will not become effective until a successor trustee accepts its appointment.

Except with respect to a Subordinated Indenture Trustee appointed by the registered owners of Subordinated Indenture Securities, the Subordinated Indenture Trustee will be deemed to have resigned and the successor will be deemed to have been appointed as trustee in accordance with the Subordinated Indenture if:

(1) no event of default under the Subordinated Indenture or event that, after notice or lapse of time, or both, would become an event of default under the Subordinated Indenture exists, and

(2) FPL Group Capital and FPL Group in the case of the FPL Group Capital Subordinated Indenture, or FPL Group in the case of the FPL Group Subordinated Indenture, have delivered to the Subordinated Indenture Trustee resolutions of their Boards of Directors appointing a successor trustee and that successor trustee has accepted that appointment in accordance with the terms of the Subordinated Indenture. (Subordinated Indenture, Section 910).

Notices. Notices to registered owners of Subordinated Indenture Securities will be sent by mail to the addresses of those registered owners as they appear in the security register for those Subordinated Indenture Securities. (Subordinated Indenture, Section 106).

Title. The person in whose name a Subordinated Indenture Security is registered may be treated as the absolute owner of that Subordinated Indenture Security, whether or not that Subordinated Indenture Security is overdue, for the purpose of making payments and for all other purposes, regardless of any notice to the contrary. (Subordinated Indenture, Section 308).

Governing Law. The Subordinated Indenture and the Subordinated Indenture Securities will be governed by, and construed in accordance with, the laws of the State of New York, without regard to New York's conflict of law principles, except to the extent that the law of any other jurisdiction is mandatorily applicable. (Subordinated Indenture, Section 112).

INFORMATION CONCERNING THE TRUSTEES

FPL Group and its subsidiaries, including FPL Group Capital, also maintain various banking and trust relationships with The Bank of New York. In addition to acting as Subordinated Indenture Trustee, security registrar and paying agent under the FPL Group Capital Subordinated Indenture, The Bank of New York acts, or would act, as (i) Indenture Trustee, security registrar and paying agent under the Indenture described under

"Description of FPL Group Capital Senior Debt Securities" above, (ii) Guarantee Trustee under the Guarantee Agreement described under "Description of the FPL Group Capital Senior Debt Securities Guarantee" above, (iii) purchase contract agent under a purchase contract agreement described under "Description of FPL Group Stock Purchase Contracts and Stock Purchase Units" above, (iv) Preferred Trust Securities Guarantee Trustee under the Preferred Trust Securities Guarantee Agreement described under "Description of the Preferred Trust Securities Guarantee" above, (v) Property Trustee under the Trust Agreement and (vi) Subordinated Indenture Trustee, security registrar and paying agent under the FPL Group Subordinated Indenture. In addition, The Bank of New York acts as preferred trust securities trustee and property trustee with respect to FPL Group Capital Trust I's preferred trust securities. The Bank of New York (Delaware) acts as the Delaware Trustee under the Trust Agreement and as Delaware trustee under the Trust Agreement entered into in connection with FPL Group Capital Trust I's preferred trust securities.

PLAN OF DISTRIBUTION

FPL Group, FPL Group Capital and the Trust may sell the securities offered pursuant to this prospectus ("Offered Securities"):

(1) through underwriters or dealers,

(2) through agents, or

(3) directly to one or more purchasers.

Through Underwriters or Dealers. If FPL Group, FPL Group Capital and/or the Trust uses underwriters in the sale of the Offered Securities, the underwriters will acquire the Offered Securities for their own account. The underwriters may resell the Offered Securities 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 Offered Securities directly or through underwriting syndicates represented by managing underwriters. Unless otherwise stated in the prospectus supplement relating to the Offered Securities, the obligations of the underwriters to purchase those Offered Securities will be subject to certain conditions, and the underwriters will be obligated to purchase all of those Offered Securities if they purchase any of them. If FPL Group, FPL Group Capital and/or the Trust uses a dealer in the sale, FPL Group, FPL Group Capital and/or the Trust will sell the Offered Securities to the dealer as principal. The dealer may then resell those Offered Securities 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 Group, FPL Group Capital and/or the Trust may designate one or more agents to sell the Offered Securities. 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 Group, FPL Group Capital and/or the Trust may sell the Offered Securities 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 Group, FPL Group Capital and/or the Trust from the sale of the Offered Securities, any initial public offering price and other terms of the offering of those Offered Securities.

FPL Group, FPL Group Capital and/or the Trust may authorize underwriters, dealers or agents to solicit offers by certain institutions to purchase the Offered Securities from FPL Group, FPL Group Capital and/or the Trust 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.

The Offered Securities may also be offered and sold, if so indicated in the applicable prospectus supplement, in connection with a remarketing upon their purchase, in accordance with a redemption or repayment pursuant to their terms, or otherwise, by one or more firms, which are referred to herein as the "remarketing firms," acting as principals for their own accounts or as our agent or the applicable trust's agents, as applicable. Any remarketing firm will be identified and the terms of its agreement, if any, with FPL Group, FPL Group Capital and/or the Trust and its compensation will be described in the applicable prospectus supplement. Remarketing firms may be deemed to be underwriters, as that term is defined in the Securities Act of 1933, in connection with the securities remarketed thereby.

FPL Group, FPL Group Capital and/or the Trust may enter into derivative transactions with third parties, or sell securities not covered by this prospectus to third parties in privately negotiated transactions. If the applicable prospectus supplement indicates, in connection with those derivatives, the third parties may sell securities covered by this prospectus and the applicable prospectus supplement, including in short sale transactions. If so, the third party may use securities pledged by FPL Group, FPL Group Capital and/or the Trust or borrowed from any of them or others to settle those sales or to close out any related open borrowings of securities, and may use securities received from FPL Group, FPL Group Capital and/or the Trust in settlement of those derivatives to close out any related open borrowings of securities. The third party in such sale transactions will be an underwriter and, if not identified in this prospectus, will be identified in the applicable prospectus supplement.

FPL Group, FPL Group Capital and/or the Trust 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 and management's report on the effectiveness of internal control over financial reporting incorporated in this prospectus by reference from FPL Group's Annual Report on Form 10-K for the year ended December 31, 2006, have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

LEGAL OPINIONS

Squire, Sanders & Dempsey L.L.P., Miami, Florida, and Thelen Reid Brown Raysman & Steiner LLP, New York, New York, co-counsel to FPL Group, FPL Group Capital and the Trust, will pass upon the legality of the Offered Securities for FPL Group, FPL Group Capital and the Trust. Hunton & Williams LLP, New York, New York, will pass upon the legality of the Offered Securities for any underwriter, dealer or agent. Certain matters of Delaware law relating to the validity of the Preferred Trust Securities, the enforceability of the Trust Agreement and the creation of the Trust will be passed upon by Morris, James, Hitchens & Williams LLP, special Delaware counsel to FPL Group, FPL Group Capital and the Trust. Thelen Reid Brown Raysman & Steiner LLP and Hunton & Williams LLP may rely as to all matters of Florida law upon the opinion of Squire, Sanders & Dempsey L.L.P., and on the opinion of Morris, James, Hitchens & Williams LLP, as to matters involving the law of the State of Delaware in connection with the Preferred Trust Securities. Squire, Sanders & Dempsey L.L.P. may rely as to all matters of New York law upon the opinion of Thelen Reid Brown Raysman & Steiner LLP, and on the opinion of Morris, James, Hitchens & Williams LLP, as to matters involving the law of the State of Delaware in connection with the Preferred Trust Securities.

You should rely only on the information incorporated by reference or provided in this prospectus or any prospectus supplement or in any written communication from FPL Group, FPL Group Capital or the Trust specifying the final terms of a particular offering of securities. Neither FPL Group, FPL Group Capital nor the Trust has authorized anyone else to provide you with additional or different information. Neither FPL Group, FPL Group Capital nor the Trust 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 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.

PROSPECTUS

FLORIDA POWER & LIGHT COMPANY

First Mortgage Bonds,
Preferred Stock
and
Junior Subordinated Debentures

FLORIDA POWER & LIGHT COMPANY TRUST I
FLORIDA POWER & LIGHT COMPANY TRUST II

Preferred Trust Securities

Guaranteed as described in this prospectus by

FLORIDA POWER & LIGHT COMPANY

Each of Florida Power & Light Company, Florida Power & Light Company Trust I and Florida Power & Light Company Trust II may offer any combination of the securities described in this prospectus in one or more offerings from time to time in amounts authorized from time to time.

Florida Power & Light Company, Florida Power & Light Company Trust I and Florida Power & Light Company Trust II will provide specific terms of the securities, including the 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, Florida Power & Light Company Trust I and Florida Power & Light Company Trust II 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 36 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 purchasing any of the securities being offered.

Florida Power & Light Company's, Florida Power & Light Company Trust I's and Florida Power & Light Company Trust II's principal executive offices are located at 700 Universe Boulevard, Juno Beach, Florida 33408, telephone number (561) 694-4000, and their 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.

May 3, 2007

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement, as amended, that Florida Power & Light Company ("FPL"), Florida Power & Light Company Trust I and Florida Power & Light Company Trust II, among other registrants, have filed with the Securities and Exchange Commission ("SEC") using a "shelf" registration process. Florida Power & Light Company Trust I and Florida Power & Light Company Trust II are each referred to in this prospectus as the "Trust."

Under this shelf registration process, FPL and/or the Trust may issue and sell any combination of the securities described in this prospectus in one or more offerings from time to time. As of the date of this prospectus, FPL and/or the Trust are each authorized to issue securities up to a maximum aggregate offering price of $700,000,000, provided that the aggregate amount of all such securities or combinations of such securities offered by FPL and the Trust under the registration statement as of this date may not exceed $700,000,000. The aggregate amount of securities which FPL and/or the Trust are authorized to issue pursuant to this registration statement may be increased in the future. FPL may offer preferred stock, first mortgage bonds, junior subordinated debentures and guarantees related to the preferred trust securities which the Trust may offer and the Trust may offer preferred trust securities.

This prospectus provides you with a general description of the securities that FPL and/or the Trust may offer. Each time FPL and/or the Trust sells securities, FPL and/or the Trust will provide a prospectus supplement that will contain specific information about the terms of that offering. Material United States federal income tax considerations applicable to the offered securities will be discussed in the applicable prospectus supplement if necessary. 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 risk factors and 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 as well as changing governmental policies and regulatory actions, including initiatives regarding deregulation and restructuring of the energy industry and environmental matters. FPL holds franchise agreements with local municipalities and counties, and must renegotiate expiring agreements. These factors may have a negative impact on the business and results of operations of FPL.

FPL is subject to complex laws and regulations, and to changes in laws or regulations, including the Public Utility Regulatory Policies Act of 1978, the Public Utility Holding Company Act of 2005, the Federal Power Act, the Atomic Energy Act of 1954, the Energy Policy Act of 2005 and certain sections of the Florida statutes relating to public utilities, 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 by FPL of any and all 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 as well as the effect of changes in or additions to applicable statutes, rules and regulations relating to air quality, water quality, climate change, 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 operates in a changing market environment influenced by various legislative and regulatory initiatives regarding deregulation, regulation or restructuring of the energy industry, including deregulation or restructuring of the production and sale of electricity. FPL will need to adapt to these changes and may face increasing competitive pressure.

FPL's results of operations could be affected by its ability to renegotiate franchise agreements with municipalities and counties in Florida.

The operation and maintenance of power generation facilities, including nuclear facilities, involve significant risks that could adversely affect the results of operations and financial condition of FPL.

The operation and maintenance of power generation facilities involve many risks, including, but not limited to, start up risks, breakdown or failure of equipment, transmission lines or pipelines, the inability to properly manage or mitigate known equipment defects throughout its generation fleet unless and until such defects are remediated, use of new technology, the dependence on a specific fuel source, including the supply and transportation of fuel, or the impact of unusual or adverse weather conditions (including natural disasters such as hurricanes). 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, but not limited to, the ability to store and/or dispose of spent nuclear fuel and the potential payment of significant retrospective insurance premiums, 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 adversely 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 within established budgets 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 and forwards to manage its commodity and financial market 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 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 Florida Public Service Commission.

Because FPL and FPL Group rely on access to capital markets, the inability to maintain current credit ratings and 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, 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.

Customer growth in FPL's service area affects its results of operations.

FPL's results of operations are affected by the growth in customer accounts in FPL's service area. Customer growth can be affected by population growth as well as economic factors in Florida, including job and income growth, housing starts and new home prices. Customer growth directly influences the demand for electricity and the need for additional power generation and power delivery facilities at FPL.

Weather affects FPL's results of operations.

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. FPL's results of operations can be affected by the impact of severe weather which can be destructive, causing outages and/or property damage, may affect fuel supply, and could require additional costs to be incurred. Recovery of these costs is subject to Florida Public Service Commission approval.

FPL is subject to costs and other effects of legal proceedings as well as changes in or additions to applicable tax laws, rates or 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 laws, rates or policies, rates of inflation, accounting standards, securities laws and 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.

FPL's ability to obtain insurance and the terms of any available insurance coverage could be affected by national, state or local events 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, state or local 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 and work stoppage that could affect the business and financial condition of FPL.

FLORIDA POWER & LIGHT COMPANY

FPL was incorporated under the laws of Florida in 1925 and is a rate-regulated utility engaged primarily 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 more than 8.5 million. During 2006, FPL served approximately 4.4 million customer accounts. FPL is a wholly-owned subsidiary of FPL Group, Inc.

FLORIDA POWER & LIGHT COMPANY TRUST I AND FLORIDA POWER & LIGHT COMPANY TRUST II

Florida Power & Light Company Trust I and Florida Power & Light Company Trust II are Delaware statutory trusts created pursuant to separate trust agreements among FPL as depositor of the Trust, The Bank of New York as the Property Trustee, The Bank of New York (Delaware) as the Delaware Trustee and one or more Administrative Trustees appointed by FPL. The trust agreements will be amended and restated substantially in the form filed as an exhibit to the registration statement. Each trust agreement, as so amended and restated, is referred to in this prospectus as the "Trust Agreement." The Trust exists only to issue its preferred trust securities and common trust securities and to hold the junior subordinated debentures of FPL as trust assets. All of the common trust securities will be owned by FPL. Unless otherwise stated in a prospectus supplement, the common trust securities will represent at least 3% of the total capital of the Trust. Payments on any distribution payment date or redemption date will be made on the common trust securities pro rata with the preferred trust securities, except that the common trust securities' right to payment will be subordinated to the rights of the preferred trust securities if there is a default under the Trust Agreement. The Trust will have a term as stated in the applicable prospectus supplement, but may dissolve earlier as provided in the Trust Agreement.

The Trust's business and affairs will be conducted by its Administrative Trustees. The office of the Delaware Trustee in the State of Delaware is White Clay Center, Route 273, Newark, Delaware 19711. The principal place of business of the Trust is 700 Universe Boulevard, Juno Beach, Florida 33408, and the telephone number is (561) 694-4000.

USE OF PROCEEDS

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

The Trust will use the proceeds from the sale of preferred trust securities and common trust securities to invest in junior subordinated debentures issued by FPL. FPL will add the net proceeds from the sale of such junior subordinated debentures to its general funds, which will be used as described above.

CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES AND RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

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

Years Ended December 31,				
2006	2005	2004	2003	2002
5.14	5.74	6.74	7.23	7.47

The following table shows FPL's consolidated ratio of earnings to combined fixed charges and preferred stock dividends for each of its last five fiscal years:

Years Ended December 31,				
2006	2005	2004	2003	2002
5.14	5.74	6.67	6.52	6.61

FPL's consolidated ratio of earnings to fixed charges and consolidated ratio of earnings to combined fixed charges and preferred stock dividends for the three months ended March 31, 2007 was 3.62.

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 100 F Street, N.E., 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 (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 (www.fpl.com).

No separate financial statements of the Trust are included in this prospectus. FPL and the Trust do not consider those financial statements to be material to holders of the preferred trust securities because (1) the Trust is a special purpose entity and has no operating history or independent operations, and (2) the Trust is not engaged in and does not propose to engage in any activity other than holding as trust assets the junior subordinated debentures of FPL and issuing its preferred trust securities and common trust securities. FPL and the Trust do not expect the Trust to file periodic reports under Sections 13 or 15(d) of the Securities Exchange Act of 1934.

INCORPORATION BY REFERENCE

The SEC allows FPL and the Trust to "incorporate by reference" the information that FPL files with the SEC, which means that FPL and the Trust 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 and the Trust are 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 after the date of this prospectus until FPL and/or the Trust sell all of these securities:

(1) FPL's Annual Report on Form 10-K for the year ended December 31, 2006;

(2) FPL's Quarterly Report on Form 10-Q for the quarter ended March 31, 2007; and

(3) FPL's Current Reports on Form 8-K filed with the SEC on April 5, 2007 and April 18, 2007.

You may request a copy of these documents, at no cost to you, by writing or calling Robert J. Reger, Jr., Esq., Thelen Reid Brown Raysman & Steiner 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.

FORWARD-LOOKING STATEMENTS

In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, FPL and the Trust are 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 and the Trust 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," "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 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 have a significant impact on FPL's operations and financial results, and could cause FPL's actual results to differ materially from those contained in forward-looking statements made by or on behalf of FPL or the Trust.

Any forward-looking statement speaks only as of the date on which that statement is made, and neither FPL nor the Trust undertakes any obligation to update any forward-looking statement to reflect events or circumstances, including unanticipated events, after the date on which that statement is made. 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 herein by reference 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 first mortgage bonds, 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, may be supplemented prior to the issuance of these first mortgage bonds, and which will be supplemented again by one or more supplemental indentures relating to these first mortgage bonds. This Mortgage and Deed of Trust, as amended and supplemented, is referred to in this prospectus as the "Mortgage." These first mortgage bonds 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.

All Bonds of one series need not be issued at the same time, and a series may be re-opened for issuances of additional Bonds of such series. This means that FPL may from time to time, without notice to, or the consent of the existing holders of the Bonds of a particular series, create and issue additional Bonds of such series. Such additional Bonds will have the same terms as the Bonds of such series in all respects (except for the payment of interest accruing prior to the issue date of the additional Bonds or except for the first payments of interest following the issue date of the additional Bonds) so that the additional Bonds may be consolidated and form a single series with the Bonds of such series.

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 for such reason at the redemption prices applicable to those First Mortgage Bonds. If any Bonds are so 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 March 31, 2007, after giving effect to the issuance in April, 2007, of $300,000,000 in principal amount of FPL's First Mortgage Bonds, 5.85% Series due May 1, 2037, FPL could have issued under the Mortgage in excess of $5.7 billion of additional First Mortgage Bonds based on unfunded Property Additions and in excess of $5.5 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 March 31, 2007, 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. 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.

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.

DESCRIPTION OF PREFERRED STOCK

General. The following statements describing FPL's preferred stock are not intended to be a complete description. For additional information, please see FPL's Restated Articles of Incorporation, as amended ("Charter"), and its bylaws. You should read this summary together with the articles of amendment to FPL's Charter which will describe the terms of any preferred stock to be offered hereby for a complete understanding of all the provisions. Each of these documents has been previously filed with the SEC and each is an exhibit to the registration statement filed with the SEC of which this prospectus is a part. Reference is also made to the laws of the State of Florida.

FPL's Charter authorizes three classes of preferred stock. No shares of preferred stock are presently outstanding. The preferred stock offered hereby will be one or more series of FPL's Preferred Stock, $100 par value per share ("Serial Preferred Stock") and/or one or more series of FPL's Preferred Stock, without par value ("No Par Preferred Stock"). Under the Charter, 10,414,000 shares of Serial Preferred Stock and 5,000,000 shares of No Par Preferred Stock are available for issuance. FPL's Charter also authorizes the issuance of 5,000,000 shares of Subordinated Preferred Stock, without par value ("Preference Stock"), none of which are currently outstanding. References in this "Description of Preferred Stock" section of this prospectus to preferred stock do not include the Preference Stock.

Some terms of a series of preferred stock may differ from those of another series. A prospectus supplement will describe the terms of any preferred stock being offered. These terms will also be described in articles of amendment to FPL's Charter, which will establish the terms of the preferred stock being offered. These terms will include any of the following that apply to that series:

(1) the class of preferred stock, the number of shares in the series and the title of that series of preferred stock,

(2) the annual rate or rates of dividends payable and the date from which such dividends shall commence to accrue,

(3) the terms and conditions, including the redemption price and the date or dates, on which the shares of the series of preferred stock may be redeemed or converted into another class of security, the manner of effecting such redemption and any restrictions on such redemptions,

(4) any sinking fund or other provisions that would obligate FPL to redeem or repurchase shares of the series of preferred stock, and

(5) with respect to the No Par Preferred Stock only, variations with respect to whole or fractional voting rights and involuntary liquidation values.

If the trusts formed by FPL issue preferred trust securities and FPL exercises a right to delay interest payments on junior subordinated debentures issued in connection with preferred trust securities, FPL will not be able to pay dividends on its common or preferred stock during the periods when such payments are delayed with certain limited exceptions

Shares of preferred stock offered hereby by FPL will, when issued, be fully paid and non-assessable.

Voting Rights. FPL Group, as the owner of all of FPL's common stock, has sole voting power, except as provided in the FPL Charter or as otherwise required by law. The Charter does not limit the right of any affiliate of FPL to vote any shares of preferred stock owned by it. The voting rights provided in the Charter relating to the Serial Preferred Stock and the No Par Preferred Stock will be described in a prospectus supplement relating to any preferred stock being offered.

Liquidation Rights. In the event of any voluntary liquidation, dissolution or winding up of FPL, unless otherwise described in a prospectus supplement, the Serial Preferred Stock and No Par Preferred Stock will rank pari passu with all classes of preferred stock then outstanding and shall have a preference over each series of the Preference Stock (none of which has been issued or is currently outstanding) and the common stock until an amount equal to the then current redemption price shall have been paid. In the event of any involuntary liquidation, dissolution or winding up of FPL,

(1) the Serial Preferred Stock will rank pari passu with all classes of preferred stock then outstanding and shall also have a preference over each series of the Preference Stock and the common stock until $100 per share shall have been paid, and

(2) the No Par Preferred Stock will rank pari passu with all classes of FPL's preferred stock then outstanding and shall also have a preference over each series of Preference Stock and the common stock until the full involuntary liquidation value thereof, as established upon issuance of the applicable series of No Par Preferred Stock, shall have been paid,

in each case, plus all accumulated and unpaid dividends thereon, if any. Any changes to the liquidation rights of the Serial Preferred Stock and the No Par Preferred Stock will be described in a prospectus supplement relating to any preferred stock being offered.

DESCRIPTION OF PREFERRED TRUST SECURITIES

General. The Trust may issue preferred trust securities and common trust securities under the Trust Agreement. The terms of the agreements pursuant to which the preferred trust securities of the Trust will be issued are substantially the same; each of these agreements is referred to in this prospectus as the "Trust Agreement." The preferred trust securities and common trust securities issued by the Trust are referred to in this prospectus as

"Preferred Trust Securities" and "Common Trust Securities," respectively, and collectively as "Trust Securities." These Trust Securities will represent undivided beneficial interests in the assets of the Trust. The Junior Subordinated Debentures (as defined below under "Description of Junior Subordinated Debentures") will be held by the Trust. This section briefly summarizes some of the provisions of the Trust Agreement. This summary does not contain a complete description of the Trust Agreement. You should read this summary together with the Trust Agreement for a complete understanding of all the provisions. The form of the Trust Agreement has been previously filed with the SEC and is an exhibit to the registration statement filed with the SEC of which this prospectus is a part. In addition, each Trust Agreement will be 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.

In this section, any discussion of the Trust, Preferred Trust Securities and Common Trust Securities relate only to the applicable Trust. Holders of Preferred Trust Securities of the Trust will be entitled to any of the benefits and protections contained in the Trust Agreement applicable to the particular Trust which issued the relevant Trust Securities and not with respect to any other Trust.

The Preferred Trust Securities and Common Trust Securities issued by the Trust will be substantially the same except that, if there is an event of default under the Trust Agreement, as described below, that results from an event of default under the Subordinated Indenture (as such term is defined below under "Description of the Junior Subordinated Debentures—General"), the right of FPL, as holder of the Common Trust Securities, to payment of distributions and upon liquidation or redemption will be subordinated to the rights of the holders of the Preferred Trust Securities. (Trust Agreement, Section 4.03). All of the Common Trust Securities will be owned by FPL. (Trust Agreement, Section 5.10).

FPL will fully and unconditionally guarantee payments due on the Preferred Trust Securities issued by the Trust through a combination of the following:

(1) FPL's obligations under the Junior Subordinated Debentures;

(2) the rights of holders of Preferred Trust Securities to enforce those obligations;

(3) FPL's agreement to pay the expenses of the Trust; and

(4) FPL's guarantee of payments due on the Preferred Trust Securities to the extent of the Trust's legally available assets (referred to in this prospectus as the "Preferred Trust Securities Guarantee").

No single one of the documents listed above standing alone or operating in conjunction with fewer than all of the other documents constitutes the guarantee by FPL. It is only the combined operation of these documents that has the effect of providing a full and unconditional, but subordinated, guarantee as to payment by FPL of the Preferred Trust Securities.

The Trust will use the proceeds from its sale of the Trust Securities to purchase Junior Subordinated Debentures from FPL. (Trust Agreement, Section 2.05). The Junior Subordinated Debentures will be issued under a subordinated indenture between FPL and The Bank of New York, as trustee. The Junior Subordinated Debentures will be held in trust for the benefit of holders of the applicable Preferred Trust Securities and Common Trust Securities. (Trust Agreement, Section 2.09).

A prospectus supplement relating to the Preferred Trust Securities will include specific terms of those securities and of the Junior Subordinated Debentures issued in connection therewith. For a description of some specific terms that will affect both the Preferred Trust Securities and the Junior Subordinated Debentures, and holders' rights under each, see "Description of the Junior Subordinated Debentures" below.

Distributions. The only income of the Trust available for distribution to the holders of Preferred Trust Securities will be payments on the applicable Junior Subordinated Debentures. (Trust Agreement, Section 8.01). If FPL does not make interest payments on the Junior Subordinated Debentures, the Trust will not have funds available

to pay distributions on Preferred Trust Securities. The payment of distributions, if and to the extent the Trust has sufficient funds available for the payment of such distributions, is guaranteed on a limited basis by FPL as described under "Description of the Preferred Trust Securities Guarantee."

Unless otherwise provided in the related prospectus supplement, FPL may have the option to defer the payment of interest from time to time on the Junior Subordinated Debentures for one or more periods, in which case, distributions on the Preferred Trust Securities would be deferred during any such period. Unless otherwise provided in the related prospectus supplement, distributions would, however, continue to accumulate. (Trust Agreement, Section 4.01). Unless otherwise provided in a related prospectus supplement, during any optional deferral period, or for so long as an "Event of Default" under the Subordinated Indenture resulting from a payment default or a payment default under the Preferred Trust Securities Guarantee has occurred and is continuing, FPL may not:

(1) declare or pay any dividend or distribution on its capital stock;

(2) redeem, purchase, acquire or make a liquidation payment with respect to any of its capital stock;

(3) pay any principal, interest or premium on, or repay, repurchase or redeem any debt securities that are equal or junior in right of payment with the Junior Subordinated Debentures; or

(4) make any payments with respect to any guarantee of debt securities if such guarantee is equal or junior in right of payment to the Junior Subordinated Debentures,

other than

(1) purchases, redemptions or other acquisitions of its capital stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or agents or a stock purchase or dividend reinvestment plan, or the satisfaction of its obligations pursuant to any contract or security outstanding on the date that the payment of interest is deferred requiring it to purchase, redeem or acquire its capital stock;

(2) any payment, repayment, redemption, purchase, acquisition or declaration of dividend listed as restricted payments in clauses (1) and (2) above as a result of a reclassification of its capital stock or the exchange or conversion of all or a portion of one class or series of its capital stock for another class or series of its capital stock;

(3) the purchase of fractional interests in shares of its capital stock pursuant to the conversion or exchange provisions of its capital stock or the security being converted or exchanged, or in connection with the settlement of stock purchase contracts;

(4) dividends or distributions paid or made in its capital stock (or rights to acquire its capital stock), or repurchases, redemptions or acquisitions of capital stock in connection with the issuance or exchange of capital stock (or of securities convertible into or exchangeable for shares of its capital stock) and distributions in connection with the settlement of stock purchase contracts;

(5) redemptions, exchanges or repurchases of, or with respect to, any rights outstanding under a shareholder rights plan or the declaration or payment thereunder of a dividend or distribution of or with respect to rights in the future; or

(6) payments under any preferred trust securities guarantee or guarantee of subordinated debentures executed and delivered by FPL concurrently with the issuance by a trust of any preferred trust securities, so long as the amount of payments made on any preferred trust securities or subordinated debentures (as the case may be) is paid on all preferred trust securities or subordinated debentures (as the case may be) then outstanding on a pro rata basis in proportion to the full distributions to which each series of preferred trust securities or subordinated debentures (as the case may be) is then entitled if paid in full.

Unless otherwise provided in the related prospectus supplement, before an optional deferral period ends, FPL may further defer the payment of interest. Unless otherwise provided in the related prospectus supplement, no optional deferral period may exceed the period of time specified in that prospectus supplement. After any optional deferral period and the payment of all amounts then due, FPL may select a new optional deferral period. No interest period may be deferred beyond the maturity of the Junior Subordinated Debentures.

Redemption. Whenever Junior Subordinated Debentures are repaid, whether at maturity or earlier redemption, the Property Trustee will apply the proceeds to redeem a like amount of Preferred Trust Securities and Common Trust Securities. (Trust Agreement, Section 4.02(a)).

Preferred Trust Securities will be redeemed at the redemption price plus accrued and unpaid distributions with the proceeds from the contemporaneous redemption or repayment of Junior Subordinated Debentures. Redemptions of the Preferred Trust Securities will be made on a redemption date only if the Trust has funds available for the payment of the redemption price plus accrued and unpaid distributions. (Trust Agreement, Section 4.02(c)).

Holders of Preferred Trust Securities will be given not less than 30 nor more than 60 days' notice of any redemption. (Trust Agreement, Section 4.02(b)). On or before the redemption date, the Trust will irrevocably deposit with the paying agent for Preferred Trust Securities sufficient funds and will give the paying agent irrevocable instructions and authority to pay the redemption price plus accrued and unpaid distributions to the holders upon surrender of their Preferred Trust Securities. Distributions payable on or before a redemption date will be payable to the holders on the record date for the distribution payment. If notice is given and funds are deposited as required, then on the redemption date all rights of holders of the Preferred Trust Securities called for redemption will cease, except the right of the holders to receive the redemption price plus accrued and unpaid distributions, and the Preferred Trust Securities will cease to be outstanding. No interest will accrue on amounts payable on the redemption date. In the event that any date fixed for redemption of Preferred Trust Securities is not a business day, then payment will be made on the next business day, except that, if such business day falls in the next calendar year, then payment will be made on the immediately preceding business day. No interest will be payable because of any such delay. If payment of Preferred Trust Securities called for redemption is improperly withheld or refused and not paid either by the Trust or by FPL pursuant to the Preferred Trust Securities Guarantee, distributions on such Preferred Trust Securities will continue to accrue to the date of payment. In that event, the actual payment date will be considered the date fixed for redemption for purposes of calculating the redemption price plus accrued and unpaid distributions. (Trust Agreement, Section 4.02(d)).

Subject to applicable law, including United States federal securities laws, FPL or its affiliates may at any time and from time to time purchase outstanding Preferred Trust Securities by tender, in the open market or by private agreement.

If Preferred Trust Securities are partially redeemed on a redemption date, a corresponding percentage of the Common Trust Securities will be redeemed. The particular Preferred Trust Securities to be redeemed will be selected not more than 60 days prior to the redemption date by the Property Trustee by such method as the Property Trustee shall deem fair, taking into account the denominations in which they were issued. The Property Trustee will promptly notify the Preferred Trust Security registrar in writing of the Preferred Trust Securities selected for redemption and, where applicable, the partial amount to be redeemed. (Trust Agreement, Section 4.02(f)).

Subordination of Common Trust Securities. Payment of distributions on, and the redemption price, plus accrued and unpaid distributions, of, the Preferred Trust Securities and Common Trust Securities shall be made pro rata based on the liquidation preference amount of such securities. However, if on any distribution payment date or redemption date an event of default under the Trust Agreement resulting from an event of default under the related Subordinated Indenture has occurred and is continuing, no payment on any Common Trust Security shall be made until all payments due on the Preferred Trust Securities have been made. In that case, funds available to the Property Trustee shall first be applied to the payment in full of all distributions on, or the redemption price plus accrued and unpaid distributions of, Preferred Trust Securities then due and payable. (Trust Agreement, Section 4.03(a)).

If an event of default under the Trust Agreement results from an event of default under the related Subordinated Indenture, the holder of Common Trust Securities cannot take action with respect to the Trust Agreement default until the effect of all defaults with respect to the Preferred Trust Securities has been cured, waived or otherwise eliminated. Until the event of default under the Trust Agreement with respect to Preferred Trust Securities has been cured, waived or otherwise eliminated, the Property Trustee shall, to the fullest extent permitted by law, act solely on behalf of the holders of Preferred Trust Securities and not the holder of the Common Trust Securities, and only the holders of Preferred Trust Securities will have the right to direct the Property Trustee to act on their behalf. (Trust Agreement, Section 4.03(b)).

Liquidation Distribution upon Dissolution. The Trust will be dissolved and liquidated by the Property Trustee on the first to occur of:

(1) the expiration of the term of the Trust;

(2) the bankruptcy, dissolution or liquidation of FPL;

(3) the redemption of all of the Preferred Trust Securities of the Trust;

(4) the entry of an order for dissolution of the Trust by a court of competent jurisdiction; or

(5) at any time, at the election of FPL. (Trust Agreement, Sections 9.01 and 9.02).

If a dissolution of the Trust occurs, the Trust will be liquidated by the Property Trustee as expeditiously as the Property Trustee determines to be appropriate. If a dissolution of the Trust occurs other than by redemption of all the Preferred Trust Securities, the Property Trustee will provide for the satisfaction of liabilities of creditors, if any, and distribute to each holder of the Preferred Trust Securities and Common Trust Securities a proportionate amount of Junior Subordinated Debentures. If a distribution of Junior Subordinated Debentures is determined by the Property Trustee not to be practical, holders of Preferred Trust Securities will be entitled to receive, out of the assets of the Trust after adequate provision for the satisfaction of liabilities of creditors, if any, an amount equal to the aggregate liquidation preference of the Preferred Trust Securities plus accrued and unpaid distributions thereon to the date of payment. If this liquidation distribution can be paid only in part because the Trust has insufficient assets available to pay in full the aggregate liquidation distribution, then the amounts payable by the Trust on the Preferred Trust Securities shall be paid on a pro rata basis. FPL, as holder of the Common Trust Securities, will be entitled to receive distributions upon any dissolution pro rata with the holders of the Preferred Trust Securities, except that if an event of default (or event that, with the lapse of time or giving of notice, would become such an event of default) has occurred and is continuing under the related Subordinated Indenture, the Preferred Trust Securities will have a preference over the Common Trust Securities. (Trust Agreement, Section 9.04).

Events of Default; Notice. Any one of the following events will be an event of default under the Trust Agreement whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body:

(1) the occurrence of an event of default as described in the related Subordinated Indenture;

(2) default by the Trust in the payment of any distribution when it becomes due and payable, and continuation of that default for a period of 30 days;

(3) default by the Trust in the payment of any redemption price, plus accrued and unpaid distributions, of any Preferred Trust Security or Common Trust Security when it becomes due and payable;

(4) default in the performance, or breach, in any material respect, of any covenant or warranty of the trustees in the Trust Agreement which is not dealt with above, and continuation of that default or breach for a period of 90 days after written notice to the Trust, the defaulting trustee under the Trust Agreement and FPL by the holders of Preferred Trust Securities having at least 33% of the total liquidation preference amount of the outstanding Preferred Trust Securities. However, the holders of

Preferred Trust Securities will be deemed to have agreed to an extension of the 90 day period if corrective action is initiated by any of the trustees within such period and is diligently pursued in good faith; or

(5) the occurrence of certain events of bankruptcy or insolvency with respect to the Trust. (Trust Agreement, Section 1.01).

Within 90 days after the occurrence of any default known to the Property Trustee, the Property Trustee shall transmit to the holders of Preferred Trust Securities, FPL and the Administrative Trustees notice of any such default, unless that default shall have been cured or waived. (Trust Agreement, Section 8.02).

A holder of Preferred Trust Securities may directly institute a proceeding to enforce payment when due to the holder of the Preferred Trust Securities of the principal of or interest on Junior Subordinated Debentures having a principal amount equal to the aggregate liquidation preference amount of the holder's Preferred Trust Securities. The holders of Preferred Trust Securities have no other rights to exercise directly any other remedies available to the holder of the Junior Subordinated Debentures unless the trustees under the Trust Agreement fail to do so. (Trust Agreement, Section 6.01(a)).

Removal of Trustees. Unless an event of default under the related Subordinated Indenture has occurred and is continuing, the holder of the Common Trust Securities may remove any trustee under the Trust Agreement at any time. If an event of default under the Subordinated Indenture has occurred and is continuing, the holders of a majority of the total liquidation preference amount of the outstanding Preferred Trust Securities may remove the Property Trustee or the Delaware Trustee, or both of them. The holder of the Common Trust Securities may remove any Administrative Trustee at any time. Any resignation or removal of a trustee under the Trust Agreement will take effect only on the acceptance of appointment by the successor trustee. (Trust Agreement, Section 8.10).

Holders of Preferred Trust Securities will have no right to appoint or remove the Administrative Trustees of the Trust, who may be appointed, removed or replaced solely by FPL as the holder of the Common Trust Securities. (Trust Agreement, Section 8.10).

Voting Rights. Except as provided below and under "Description of the Preferred Trust Securities Guarantee—Modification and Assignment," and as otherwise required by law or the Trust Agreement, the holders of Preferred Trust Securities will have no voting rights.

While Junior Subordinated Debentures are held by the Property Trustee, the Property Trustee shall not:

(1) direct the time, method and place to conduct any proceeding for any remedy available to the Subordinated Indenture Trustee (as such term is defined below under "Description of the Junior Subordinated Debentures—General"), or execute any trust or power conferred on the Subordinated Indenture Trustee with respect to the Junior Subordinated Debentures;

(2) waive any past default under the related Subordinated Indenture;

(3) exercise any right to rescind or annul a declaration that the principal of all the Junior Subordinated Debentures will be due and payable; or

(4) consent to any amendment, modification or termination of the related Subordinated Indenture or the Junior Subordinated Debentures, where that consent will be required,

without, in each case, obtaining the prior approval of the holders of Preferred Trust Securities having at least a majority of the aggregate liquidation preference amount of all outstanding Preferred Trust Securities of the Trust. Where a consent of each holder of Junior Subordinated Debentures affected is required, no consent shall be given by the Property Trustee without the prior consent of each holder of the Preferred Trust Securities affected. The Property Trustee shall not revoke any action previously authorized or approved by a vote of the holders of Preferred Trust Securities, except pursuant to the subsequent vote of the holders of Preferred Trust Securities. (Trust

Agreement, Section 6.01(b)). If the Property Trustee fails to enforce its rights, as holder, under the Junior Subordinated Debentures or the Trust Agreement, a holder of the Preferred Trust Securities may institute a legal proceeding directly against FPL to enforce the Property Trustee's rights under the Junior Subordinated Debentures or the Trust Agreement without first instituting any legal proceeding against the Property Trustee or anyone else. (Trust Agreement, Section 6.01(a)). The Property Trustee shall notify all holders of Preferred Trust Securities of any notice of default received from the Subordinated Indenture Trustee. The Property Trustee shall not take any action approved by the consent of the holders of Preferred Trust Securities without an opinion of counsel experienced in those matters to the effect that the Trust will be classified as a grantor trust and not as an association taxable as a corporation for United States federal income tax purposes on account of that action. (Trust Agreement, Section 6.01(b)).

Holders of Preferred Trust Securities may give any required approval at a meeting convened for such purpose or by written consent without prior notice. (Trust Agreement, Section 6.06). The Administrative Trustees will give notice of any meeting at which holders of Preferred Trust Securities are entitled to vote. (Trust Agreement, Section 6.02).

No vote or consent of the holders of Preferred Trust Securities will be required for the Trust to redeem and cancel Preferred Trust Securities in accordance with the Trust Agreement.

Notwithstanding that holders of Preferred Trust Securities are entitled to vote or consent under any of the circumstances described above, any Preferred Trust Securities that are owned by FPL, any Administrative Trustee or any affiliate of any of them, shall be treated as if they were not outstanding for purposes of such vote or consent. (Trust Agreement, Section 1.01).

Amendments. The Trust Agreement may be amended from time to time by a majority of its Administrative Trustees and FPL, without the consent of any holders of Preferred Trust Securities or the other trustees under the Trust Agreement in order to:

(1) cure any ambiguity; correct or supplement any provision that may be inconsistent with any other provision of the Trust Agreement or amendment to the Trust Agreement; or make any other provisions with respect to matters or questions arising under the Trust Agreement;

(2) change the name of the Trust; or

(3) modify, eliminate or add to any provisions of the Trust Agreement to the extent necessary to ensure that the Trust will not be classified for United States federal income tax purposes other than as a grantor trust (and not an association taxable as a corporation) at any time that any Preferred Trust Securities and Common Trust Securities are outstanding or to ensure the Trust's exemption from the status of an "investment company" under the Investment Company Act of 1940.

No amendment described above may materially adversely affect the interests of any holder of Preferred Trust Securities or Common Trust Securities without the applicable consents required pursuant to the following two paragraphs. Any of the amendments of the Trust Agreement described in paragraph (1) above shall become effective when notice of the amendment is given to the holders of Preferred Trust Securities and Common Trust Securities in accordance with the provisions of the Trust Agreement. (Trust Agreement, Section 10.03(a)).

Except as provided below, any provision of the Trust Agreement may be amended by the Administrative Trustees and FPL with:

(1) the consent of holders of Preferred Trust Securities and Common Trust Securities representing not less than a majority in aggregate liquidation preference amount of the Preferred Trust Securities and Common Trust Securities then outstanding; and

(2) receipt by the trustees of an opinion of counsel to the effect that such amendment or the exercise of any power granted to the trustees in accordance with the amendment will not affect the Trust's status as a

grantor trust for federal income tax purposes (and not an association taxable as a corporation) or affect the Trust's exemption from the status of an "investment company" under the Investment Company Act of 1940. (Trust Agreement, Section 10.03(b)).

Each affected holder of Preferred Trust Securities must consent to any amendment to the Trust Agreement that:

(1) adversely changes the amount or timing of any distribution with respect to Preferred Trust Securities or otherwise adversely affects the amount of any distribution required to be made in respect of Preferred Trust Securities as of a specified date;

(2) restricts the right of a holder of Preferred Trust Securities to institute suit for the enforcement of any such payment on or after that date; or

(3) modify the provisions described in clauses (1) and (2) above. (Trust Agreement, Section 10.03(c)).

Form, Exchange and Transfer. Preferred Trust Securities may be exchanged for other Preferred Trust Securities in any authorized denomination and of like tenor and aggregate liquidation preference. (Trust Agreement, Section 5.04).

Subject to the terms of the Trust Agreement, Preferred Trust Securities may be presented for exchange as provided above or for registration of transfer, duly endorsed or accompanied by a duly executed instrument of transfer, at the office of the Preferred Trust Security registrar. The Administrative Trustees may designate FPL or any affiliate of FPL as the Preferred Trust Security registrar. The Property Trustee will initially act as the Preferred Trust Security registrar and transfer agent. (Trust Agreement, Section 5.08). No service charge will be made for any registration of transfer or exchange of Preferred Trust Securities, but the Preferred Trust Security registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange. A transfer or exchange will be made when the Preferred Trust Security registrar and Administrative Trustees are satisfied with the documents of title and identity of the person making the request. (Trust Agreement, Section 5.04). The Administrative Trustees may at any time designate another transfer agent and registrar or rescind the designation of any transfer agent and registrar or approve a change in the office through which any transfer agent and registrar acts, except that FPL will, or will cause the Preferred Trust Security registrar to, maintain an office or agency in The City of New York where Preferred Trust Securities may be transferred or exchanged. (Trust Agreement, Sections 2.07(a) and 5.08).

The Trust will not be required to:

(1) issue, register the transfer of, or exchange any Preferred Trust Securities during the period beginning at the opening of business 15 calendar days before the mailing of a notice of redemption of any Preferred Trust Securities called for redemption and ending at the close of business on the day the notice is mailed; or

(2) register the transfer of or exchange any Preferred Trust Securities so selected for redemption, in whole or in part, except the unredeemed portion of any Preferred Trust Securities being redeemed in part. (Trust Agreement, Section 5.04).

Payment on Preferred Trust Securities and Paying Agent. Unless otherwise stated in a prospectus supplement, payments in respect of the Preferred Trust Securities will be made on the applicable distribution dates by check mailed to the address of the holder entitled thereto as such address appears on the Preferred Trust Security register. (Trust Agreement, Section 4.04). The paying agent shall initially be the Property Trustee and any co-paying agent chosen by the Property Trustee that is acceptable to the Administrative Trustees and FPL. The paying agent may resign upon 30 days' written notice to the Administrative Trustees, the Property Trustee and FPL. In the event that the Property Trustee shall no longer be the paying agent, the Administrative Trustees shall appoint a successor, which shall be a bank, trust company or affiliate of FPL reasonably acceptable to the Property Trustee and FPL, to act as paying agent. (Trust Agreement, Section 5.09).

Duties of the Trustees. The Delaware Trustee will act as the resident trustee in the State of Delaware and will have no other significant duties. The Property Trustee will hold the Junior Subordinated Debentures on behalf of the Trust and will maintain a payment account with respect to the Preferred Trust Securities and Common Trust Securities, and will also act as trustee under the Trust Agreement for the purposes of the Trust Indenture Act of 1939. (Trust Agreement, Sections 2.06 and 2.07(b)).

The Administrative Trustees of the Trust are authorized and directed to conduct the affairs of the Trust and to operate the Trust so that

(1) the Trust will not be deemed to be an "investment company" required to be registered under the Investment Company Act of 1940,

(2) the Trust will not be taxed as a corporation, and

(3) the Junior Subordinated Debentures will be treated as indebtedness of FPL for United States federal income tax purposes.

In this regard, FPL and the Administrative Trustees are authorized to take any action, not inconsistent with applicable law, the certificate of trust or the Trust Agreement, that FPL and the Administrative Trustees determine in their discretion to be necessary or desirable for those purposes, as long as the action does not materially adversely affect the interests of the holders of the Preferred Trust Securities. (Trust Agreement, Section 2.07(d)).

Miscellaneous. Holders of the Preferred Trust Securities have no preemptive or similar rights. (Trust Agreement, Section 5.13).

Notices. Notices to holders of Preferred Trust Securities will be sent by mail to the addresses of those holders as they appear in the security register for those Preferred Trust Securities. (Trust Agreement, Section 6.02).

Title. The Property Trustee, the Delaware Trustee, the Administrative Trustees, and the Preferred Trust Security registrar and transfer agent, and any agent of the Property Trustee, the Delaware Trustee, the Administrative Trustees, or the Preferred Trust Security registrar and transfer agent, may treat the person in whose name a Preferred Trust Security is registered as the absolute owner of that Preferred Trust Security for the purpose of receiving distributions and all other purposes, regardless of any notice to the contrary. (Trust Agreement, Section 5.06).

Governing Law. The Trust Agreement, the Preferred Trust Securities and the Common Trust Securities will be governed by and construed in accordance with the laws of the State of Delaware, without regard to conflict of laws principles thereunder, except to the extent that the law of any other jurisdiction is mandatorily applicable. (Trust Agreement, Section 10.05).

DESCRIPTION OF THE PREFERRED TRUST SECURITIES GUARANTEE

General. This section briefly summarizes some of the provisions of the Preferred Trust Securities Guarantee Agreement that FPL will execute and deliver for the benefit of the holders of the Preferred Trust Securities issued by the Trust. The terms of these agreements are substantially the same, and they are referred to in this prospectus as the "Preferred Trust Securities Guarantee Agreement." This summary does not contain a complete description of the Preferred Trust Securities Guarantee Agreement. You should read this summary together with the Preferred Trust Securities Guarantee Agreement for a complete understanding of all the provisions. The form of the Preferred Trust Securities Guarantee Agreement has been previously filed with the SEC and is an exhibit to the registration statement filed with the SEC of which this prospectus is a part. In addition, the Preferred Trust Securities Guarantee Agreement will be 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.

The Bank of New York will act as Preferred Trust Securities Guarantee Trustee under the Preferred Trust Securities Guarantee Agreement and will hold the Preferred Trust Securities Guarantee for the benefit of the holders of the Preferred Trust Securities.

General Terms of the Preferred Trust Securities Guarantee. FPL will absolutely, irrevocably and unconditionally agree to make the guarantee payments listed below in full to the holders of the Preferred Trust Securities if they are not made by the Trust, as and when due, regardless of any defense, right of set-off or counterclaim that the Trust may have or assert. (Preferred Trust Securities Guarantee Agreement, Section 5.01). The following payments will be subject to the Preferred Trust Securities Guarantee (without duplication):

(1) any accrued and unpaid distributions required to be paid on Preferred Trust Securities, to the extent the Trust has funds in the payment account maintained by the Property Trustee legally available for these payments at such time;

(2) the redemption price, plus all accrued and unpaid distributions to the redemption date, for any Preferred Trust Securities called for redemption by the Trust, to the extent the Trust has funds in the payment account maintained by the Property Trustee legally available for these payments at such time; and

(3) upon a voluntary or involuntary dissolution, winding-up or termination of the Trust (except in connection with the distribution of Junior Subordinated Debentures to the holders in exchange for Preferred Trust Securities as provided in the Trust Agreement or upon a redemption of all of the Preferred Trust Securities upon maturity or redemption of the Junior Subordinated Debentures as provided in the Trust Agreement), the lesser of:

   (a) the aggregate of the liquidation preference amount and all accrued and unpaid distributions on Preferred Trust Securities to the date of payment, to the extent the Trust has funds in the payment account maintained by the Property Trustee legally available for these payments at such time; and

   (b) the amount of assets of the Trust remaining available for distribution to holders of Preferred Trust Securities in liquidation of the Trust after satisfaction of liabilities to creditors of the Trust as required by applicable law.

(Preferred Trust Securities Guarantee Agreement, Section 1.01). FPL's obligation to make a guarantee payment may be satisfied by either making a direct payment of the required amounts by FPL to the holders of Preferred Trust Securities or causing the Trust to pay such amounts to those holders. (Preferred Trust Securities Guarantee Agreement, Section 5.01).

The Preferred Trust Securities Guarantee will be a guarantee, subject to certain subordination provisions, as to payment with respect to the Preferred Trust Securities, but will not apply to any payment of distributions if and to the extent that the Trust does not have funds legally available to make those payments. (Preferred Trust Securities Guarantee Agreement, Sections 1.01 and 5.05). If FPL does not make interest payments on the Junior Subordinated Debentures held by a Trust, the applicable Trust will not have funds available to pay distributions on the Preferred Trust Securities.

FPL will fully and unconditionally guarantee payments due on the Preferred Trust Securities issued by the Trust through a combination of the following:

(1) FPL's obligations under Junior Subordinated Debentures;

(2) the rights of holders of Preferred Trust Securities to enforce those obligations;

(3) FPL's agreement to pay the expenses of the Trust; and

(4) the Preferred Trust Securities Guarantee.

No single one of the documents listed above standing alone or operating in conjunction with fewer than all of the other documents constitutes the guarantee by FPL. It is only the combined operation of these documents that has the effect of providing a full and unconditional, but subordinated, guarantee as to payment by FPL of the Preferred Trust Securities.

Except as otherwise stated in the related prospectus supplement, the covenants in the Preferred Trust Securities Guarantee Agreement would not give holders of the Preferred Trust Securities protection in the event of a highly-leveraged transaction involving FPL.

Security and Ranking. The Preferred Trust Securities Guarantee will be an unsecured obligation of FPL and will rank:

(1) subordinate and junior in right of payment to all other liabilities of FPL (except those made pari passu or subordinate by their terms);

(2) equal in right of payment with the most senior preferred or preference stock that may be issued by FPL and with any guarantee that may be entered into by FPL in respect of any preferred or preference stock of any affiliate of FPL; and

(3) senior to FPL common stock. (Preferred Trust Securities Guarantee Agreement, Section 6.01).

The Preferred Trust Securities Guarantee Agreement does not limit the amount of other indebtedness, including guarantees, that FPL may issue or incur or the amount of preferred or preference stock it may issue.

The Trust Agreement provides that by accepting Preferred Trust Securities, a holder agrees to the subordination provisions and other terms of the Preferred Trust Securities Guarantee. (Trust Agreement, Section 5.02).

The Preferred Trust Securities Guarantee will be a guarantee of payment and not of collection, that is, the guaranteed party may institute a legal proceeding directly against FPL to enforce its rights under the Preferred Trust Securities Guarantee without first instituting a legal proceeding against anyone else. (Preferred Trust Securities Guarantee Agreement, Sections 5.04 and 5.05).

Events of Default. An event of default under the Preferred Trust Securities Guarantee Agreement will occur upon failure of FPL to perform any of its payment obligations under the Preferred Trust Securities Guarantee Agreement, which failure has not been cured within 90 days of receipt of notice thereof. (Preferred Trust Securities Guarantee Agreement, Section 1.01). Upon an event of default, the holders of the Preferred Trust Securities having a majority of the aggregate liquidation preference of the Preferred Trust Securities have the right to:

(1) direct the time, method and place of conducting any proceeding for any remedy available to the Preferred Trust Securities Guarantee Trustee under the Preferred Trust Securities Guarantee Agreement, or

(2) direct the exercise of any trust or power conferred upon the Preferred Trust Securities Guarantee Trustee under the Preferred Trust Securities Guarantee Agreement. (Preferred Trust Securities Guarantee Agreement, Section 5.04).

Any holder of the Preferred Trust Securities may enforce the Preferred Trust Securities Guarantee, or institute a legal proceeding directly against FPL to enforce the Preferred Trust Securities Guarantee Trustee's rights under the Preferred Trust Securities Guarantee Agreement without first instituting a legal proceeding against the Trust, the Preferred Trust Securities Guarantee Trustee or anyone else. (Preferred Trust Securities Guarantee Agreement, Section 5.04). The holders of the Preferred Trust Securities having a majority of the aggregate liquidation preference of the Preferred Trust Securities may waive any past event of default and its consequences. (Preferred Trust Securities Guarantee Agreement, Section 2.06).

FPL will be required to deliver to the Preferred Trust Securities Guarantee Trustee an annual statement as to its compliance with all conditions under the Preferred Trust Securities Guarantee Agreement. (Preferred Trust Securities Guarantee Agreement, Section 2.04).

Modification and Assignment. No consent of holders of Preferred Trust Securities is required for changes to the Preferred Trust Securities Guarantee Agreement that do not materially adversely affect their rights. Except as provided below, changes to the Preferred Trust Securities Guarantee Agreement that materially adversely affect the rights of Preferred Trust Securities require the prior approval of the holders of Preferred Trust Securities having at least a majority of the aggregate liquidation preference amount of the outstanding Preferred Trust Securities. Each affected holder of Preferred Trust Securities must consent to any amendment to the Preferred Trust Securities Guarantee Agreement that impairs the right of such holder to receive guarantee payments under the Preferred Trust Securities Guarantee Agreement or to institute suit for enforcement of any such payment. (Preferred Trust Securities Guarantee Agreement, Section 8.01).

All guarantees and agreements contained in the Preferred Trust Securities Guarantee Agreement will bind the successors, assigns, receivers, trustees and representatives of FPL and will inure to the benefit of the holders of the Preferred Trust Securities then outstanding. (Preferred Trust Securities Guarantee Agreement, Section 8.02).

Termination of the Preferred Trust Securities Guarantee. The Preferred Trust Securities Guarantee Agreement will terminate and be of no further force and effect upon:

(1) full payment of the redemption price, plus accrued and unpaid distributions to the redemption date, for all the Preferred Trust Securities;

(2) the distribution of Junior Subordinated Debentures to holders of the Preferred Trust Securities in exchange for all of the Preferred Trust Securities; or

(3) full payment of the amounts payable upon liquidation of the Trust.

However, the Preferred Trust Securities Guarantee will continue to be effective or will be reinstated, as the case may be, if at any time, as result of the subordination provisions or any mistake or any judicial proceeding or otherwise, any holder of Preferred Trust Securities must return any sums paid under the Preferred Trust Securities or the Preferred Trust Securities Guarantee. (Preferred Trust Securities Guarantee Agreement, Section 7.01).

Governing Law. The Preferred Trust Securities Guarantee Agreement provides that it is to be governed by and construed in accordance with the laws of the State of New York, without regard to conflict of laws principles thereunder, except to the extent that the law of any other jurisdiction is mandatorily applicable. (Preferred Trust Securities Guarantee Agreement, Section 8.06).

DESCRIPTION OF THE JUNIOR SUBORDINATED DEBENTURES

General. The junior subordinated debentures issued by FPL are referred to in this prospectus as the "Junior Subordinated Debentures." The Junior Subordinated Debentures, which the Property Trustee will hold on behalf of the Trust as trust assets, will be issued by FPL in one or more series under one or more indentures between FPL and The Bank of New York, as trustee. This indenture or indentures pursuant to which Junior Subordinated Debentures may be issued, as it may be amended and supplemented from time to time, is referred to in this prospectus as the "Subordinated Indenture." The Bank of New York, as trustee under the Subordinated Indenture, is referred to in this prospectus as the "Subordinated Indenture Trustee." The Subordinated Indenture provides for the issuance from time to time of subordinated debt in an unlimited amount. The Junior Subordinated Debentures and all other subordinated debt issued previously or hereafter under the Subordinated Indenture are collectively referred to in this prospectus as the "Subordinated Indenture Securities."

This section briefly summarizes some of the terms of the Junior Subordinated Debentures and some of the provisions of the Subordinated Indenture. This summary does not contain a complete description of the Junior Subordinated Debentures or the Subordinated Indenture. You should read this summary together with the Subordinated Indenture and the officer's certificates or other documents establishing the Junior Subordinated

Debentures for a complete understanding of all the provisions and for the definitions of some terms used in this summary. The form of Subordinated Indenture, the form of officer's certificate that may be used to establish a series of Junior Subordinated Debentures and a form of the Junior Subordinated Debentures have been previously filed with the SEC, and are exhibits to the registration statement. In addition, the Subordinated Indenture will be qualified 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.

The Junior Subordinated Debentures issued by FPL to the Trust will constitute a separate series under the Subordinated Indenture and the principal amount of each series will be limited to the sum of the aggregate liquidation preference amount of the related Preferred Trust Securities and the consideration paid by FPL for the related Common Trust Securities.

The Junior Subordinated Debentures will be unsecured, subordinated obligations of FPL which rank junior to all of FPL's Senior Indebtedness. The term "Senior Indebtedness" will be defined in the related prospectus supplement. All Junior Subordinated Debentures issued under the Subordinated Indenture will rank equally and ratably with all other Junior Subordinated Debentures issued under the Subordinated Indenture, except to the extent that FPL elects to provide security with respect to any series of Junior Subordinated Debentures without providing that security to all outstanding Junior Subordinated Debentures as allowed under the Subordinated Indenture.

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

(1) the title of those Junior Subordinated Debentures,

(2) any limit upon the aggregate principal amount of those Junior Subordinated Debentures,

(3) the date(s) on which the principal will be paid,

(4) the rate(s) of interest on those Junior Subordinated Debentures, or how the rate(s) of interest will be determined, the date(s) from which interest will accrue, the dates on which interest will be paid and the record date for any interest payable on any interest payment date,

(5) the person to whom interest will be paid on any interest payment date, if other than the person in whose name those Junior Subordinated Debentures are registered at the close of business on the record date for that interest payment,

(6) the place(s) at which or methods by which payments will be made on those Junior Subordinated Debentures and the place(s) at which or methods by which the registered owners of those Junior Subordinated Debentures may transfer or exchange those Junior Subordinated Debentures and serve notices and demands to or upon FPL,

(7) the security registrar and any paying agent or agents for those Junior Subordinated Debentures,

(8) any date(s) on which, the price(s) at which and the terms and conditions upon which FPL may, at its option, redeem those Junior Subordinated Debentures, in whole or in part, and any restrictions on those redemptions,

(9) any sinking fund or other provisions or options held by the registered owners of those Junior Subordinated Debentures that would obligate FPL to repurchase or redeem those Junior Subordinated Debentures,

(10) the denominations in which those Junior Subordinated Debentures may be issued, if other than denominations of $25 and any integral multiple of $25,

(11) the currency or currencies in which the principal of or premium, if any, or interest on those Junior Subordinated Debentures may be paid (if other than in U.S. dollars),

(12) if FPL or a registered owner may elect to pay, or receive, principal of or premium, if any, or interest on those Junior Subordinated Debentures in a currency other than that in which those Junior Subordinated Debentures are stated to be payable, the terms and conditions upon which that election may be made,

(13) if the principal of or premium, if any, or interest on those Junior Subordinated Debentures may be paid in securities or other property, the type and amount of those securities or other property and the terms and conditions upon which FPL or a registered owner may elect to pay or receive those payments,

(14) if the amount payable in respect of principal of or premium, if any, or interest on those Junior Subordinated Debentures may be determined by reference to an index or other fact or event ascertainable outside of the Subordinated Indenture, the manner in which those amounts will be determined,

(15) the portion of the principal amount of the Junior Subordinated Debentures that FPL will pay upon declaration of acceleration of the maturity of those Junior Subordinated Debentures, if other than the entire principal amount of those Junior Subordinated Debentures,

(16) any events of default with respect to those Junior Subordinated Debentures and any covenants of FPL for the benefit of the registered owners of those Junior Subordinated Debentures, other than those specified in the Subordinated Indenture,

(17) the terms, if any, pursuant to which those Junior Subordinated Debentures may be exchanged for shares of capital stock or other securities of any other entity,

(18) a definition of "Eligible Obligations" under the Subordinated Indenture with respect to the Junior Subordinated Debentures denominated in a currency other than U.S. dollars, and any other provisions for the reinstatement of FPL's indebtedness in respect of those Junior Subordinated Debentures after their satisfaction and discharge,

(19) if those Junior Subordinated Debentures will be issued in global form, necessary information relating to the issuance of those Junior Subordinated Debentures in global form,

(20) if those Junior Subordinated Debentures will be issued as bearer securities, necessary information relating to the issuance of those Junior Subordinated Debentures as bearer securities,

(21) any limits on the rights of the registered owners of those Junior Subordinated Debentures to transfer or exchange those Junior Subordinated Debentures or to register their transfer, and any related service charges,

(22) any exceptions to the provisions governing payments due on legal holidays or any variations in the definition of business day with respect to those Junior Subordinated Debentures,

(23) any collateral security, assurance, or guarantee for those Junior Subordinated Debentures,

(24) the designation of the trust to which the Junior Subordinated Debentures are to be issued,

(25) the terms relating to any additional interest that may be payable as a result of any tax, assessment or governmental charges, and

(26) any other terms of those Junior Subordinated Debentures that are not inconsistent with the provisions of the Subordinated Indenture. (Subordinated Indenture, Section 301).

Except as otherwise stated in the related prospectus supplement, the covenants in the Subordinated Indenture would not give registered owners of Junior Subordinated Debentures protection in the event of a highly-leveraged transaction involving FPL.

Subordination. The Junior Subordinated Debentures will be subordinate and junior in right of payment to all Senior Indebtedness of FPL. (Subordinated Indenture, Article Fourteen). No payment of the principal (including redemption and sinking fund payments) of, or interest, or premium, if any, on the Junior Subordinated Debentures may be made by FPL until all holders of Senior Indebtedness of FPL have been paid in full (or provision has been made for such payment), if any of the following occurs:

(1) certain events of bankruptcy, insolvency or reorganization of FPL;

(2) any Senior Indebtedness of FPL is not paid when due (after the expiration of any applicable grace period) and that default continues without waiver; or

(3) any other default has occurred and continues without waiver (after the expiration of any applicable grace period) pursuant to which the holders of Senior Indebtedness of FPL are permitted to accelerate the maturity of such Senior Indebtedness. (Subordinated Indenture, Section 1402).

Upon any distribution of assets of FPL to creditors in connection with any insolvency, bankruptcy or similar proceeding, all principal of, and premium, if any, and interest due or to become due on all Senior Indebtedness of FPL must be paid in full before the holders of the Junior Subordinated Debentures are entitled to receive or retain any payment from such distribution. (Subordinated Indenture, Section 1402).

Payment and Paying Agents. Except as stated in the related prospectus supplement, on each interest payment date FPL will pay interest on each Junior Subordinated Debenture to the person in whose name that Junior Subordinated Debenture is registered as of the close of business on the record date relating to that interest payment date. However, on the date that the Junior Subordinated Debentures mature, FPL will pay the interest to the person to whom it pays the principal. Also, if FPL has defaulted in the payment of interest on any Junior Subordinated Debenture, it may pay that defaulted interest to the registered owner of that Junior Subordinated Debenture:

(1) as of the close of business on a date that the Subordinated Indenture Trustee selects, which may not be more than 15 days or less than 10 days before the date that FPL proposes to pay the defaulted interest, or

(2) in any other lawful manner that does not violate the requirements of any securities exchange on which that Junior Subordinated Debenture is listed and that the Subordinated Indenture Trustee believes is acceptable. (Subordinated Indenture, Section 307).

Unless otherwise stated in the related prospectus supplement, the principal, premium, if any, and interest on the Junior Subordinated Debentures at maturity will be payable when such Junior Subordinated Debentures are presented at the main corporate trust office of The Bank of New York, as paying agent, in The City of New York. FPL may change the place of payment on the Junior Subordinated Debentures, appoint one or more additional paying agents, including itself, and remove any paying agent. (Subordinated Indenture, Section 602).

Transfer and Exchange. Unless otherwise stated in the related prospectus supplement, Junior Subordinated Debentures may be transferred or exchanged at the main corporate trust office of The Bank of New York, as security registrar, in The City of New York. FPL may change the place for transfer and exchange of the Junior Subordinated Debentures and may designate one or more additional places for that transfer and exchange.

Except as otherwise stated in the related prospectus supplement, there will be no service charge for any transfer or exchange of the Junior Subordinated Debentures. However, FPL may require payment of any tax or other governmental charge in connection with any transfer or exchange of the Junior Subordinated Debentures.

FPL will not be required to transfer or exchange any Junior Subordinated Debenture selected for redemption. Also, FPL will not be required to transfer or exchange any Junior Subordinated Debenture during a period of 15 days before selection of Junior Subordinated Debentures to be redeemed. (Subordinated Indenture, Section 305).

Unless otherwise stated in the related prospectus supplement, if Junior Subordinated Debentures are distributed to holders of Preferred Trust Securities in a dissolution of the Trust, the Junior Subordinated Debentures will be issued in fully registered certificated form in the denominations and integral multiples thereof in which the Preferred Trust Securities have been issued, and they may be transferred or exchanged as described above. (Trust Agreement, Section 9.04).

Defeasance. FPL may, at any time, elect to have all of its obligations discharged with respect to all or a portion of any Subordinated Indenture Securities (including the Junior Subordinated Debentures). To do so, FPL must irrevocably deposit with the Subordinated Indenture Trustee or any paying agent, in trust:

(1) money in an amount that will be sufficient to pay all or that portion of the principal, premium, if any, and interest due and to become due on those Subordinated Indenture Securities, on or prior to their maturity, or

(2) in the case of a deposit made prior to the maturity of that series of Subordinated Indenture Securities,

(a) direct obligations of, or obligations unconditionally guaranteed by, the United States and entitled to the benefit of its full faith and credit that do not contain provisions permitting their redemption or other prepayment at the option of their issuer, and

(b) certificates, depositary receipts or other instruments that evidence a direct ownership interest in those obligations or in any specific interest or principal payments due in respect of those obligations that do not contain provisions permitting their redemption or other prepayment at the option of their issuer, the principal of and the interest on which, when due, without any regard to reinvestment of that principal or interest, will provide money that, together with any money deposited with or held by the Subordinated Indenture Trustee, will be sufficient to pay all or that portion of the principal, premium, if any, and interest due and to become due on those Subordinated Indenture Securities, on or prior to their maturity, or

(3) a combination of (1) and (2) that will be sufficient to pay all or that portion of the principal, premium, if any, and interest due and to become due on those Subordinated Indenture Securities, on or prior to their maturity. (Subordinated Indenture, Section 701).

Option to Defer Interest Payments. Unless otherwise provided in a related prospectus supplement, FPL may have the option to defer the payment of interest from time to time on the Junior Subordinated Debentures for one or more periods. As a consequence, distributions on the Preferred Trust Securities would be deferred during any optional deferral period. Interest would, however, continue to accrue on the Junior Subordinated Debentures. Unless otherwise provided in a related prospectus supplement, during any optional deferral period, or for so long as an "Event of Default" under the Subordinated Indenture resulting from a payment default or a payment default under the Preferred Trust Securities Guarantee has occurred and is continuing, FPL may not:

(1) declare or pay any dividend or distribution on its capital stock;

(2) redeem, purchase, acquire or make a liquidation payment with respect to any of its capital stock;

(3) pay any principal, interest or premium on, or repay, repurchase or redeem any debt securities that are equal or junior in right of payment with the Junior Subordinated Debentures; or

(4) make any payments with respect to any guarantee of debt securities if such guarantee is equal or junior in right of payment to the Junior Subordinated Debentures,

other than

(1) purchases, redemptions or other acquisitions of its capital stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or agents or a stock purchase or dividend reinvestment plan, or the satisfaction of its obligations pursuant to any contract or security outstanding on the date that the payment of interest is deferred requiring it to purchase, redeem or acquire its capital stock;

(2) any payment, repayment, redemption, purchase, acquisition or declaration of dividend listed as restricted payments in clauses (1) and (2) above as a result of a reclassification of its capital stock or the exchange or conversion of all or a portion of one class or series of its capital stock for another class or series of its capital stock;

(3) the purchase of fractional interests in shares of its capital stock pursuant to the conversion or exchange provisions of its capital stock or the security being converted or exchanged, or in connection with the settlement of stock purchase contracts;

(4) dividends or distributions paid or made in its capital stock (or rights to acquire its capital stock), or repurchases, redemptions or acquisitions of capital stock in connection with the issuance or exchange of capital stock (or of securities convertible into or exchangeable for shares of its capital stock) and distributions in connection with the settlement of stock purchase contracts;

(5) redemptions, exchanges or repurchases of, or with respect to, any rights outstanding under a shareholder rights plan or the declaration or payment thereunder of a dividend or distribution of or with respect to rights in the future; or

(6) payments under any preferred trust securities guarantee or guarantee of subordinated debentures executed and delivered by FPL concurrently with the issuance by a trust of any preferred trust securities, so long as the amount of payments made on any preferred trust securities or subordinated debentures (as the case may be) is paid on all preferred trust securities or subordinated debentures (as the case may be) then outstanding on a pro rata basis in proportion to the full distributions to which each series of preferred trust securities or subordinated debentures (as the case may be) is then entitled if paid in full. (Subordinated Indenture, Section 608).

Unless otherwise provided in a related prospectus supplement, before an optional deferral period ends, FPL may further defer the payment of interest. Unless otherwise provided in the related prospectus supplement, no optional deferral period may exceed the period of time specified in that prospectus supplement. After any optional deferral period and the payment of all amounts then due, FPL may select a new optional deferral period. No interest period may be deferred beyond the maturity of the Junior Subordinated Debentures. FPL will give the Trust and the Subordinated Indenture Trustee notice of its election of an optional deferral period prior to the earlier of (i) one business day before the record date for the distribution on the Preferred Trust Securities which would occur if FPL did not make the election to defer or (ii) the date the Administrative Trustees are required to give notice to any securities exchange or any other applicable self-regulatory organization of the record date for such a distribution. The Property Trustee shall send notice of that election to the holders of Preferred Trust Securities.

Additional Interest. So long as any Preferred Trust Securities remain outstanding, if the Trust is required to pay any taxes, duties, assessments or governmental charges imposed by the United States or any other taxing authority on income derived from the interest payments on the Junior Subordinated Debentures, then FPL will pay as interest on the Junior Subordinated Debentures any additional interest that may be necessary in order that the net amounts received and retained by the Trust after the payment of those taxes, duties, assessments or governmental charges will be the same as the Trust would have had in the absence of such payment. (Subordinated Indenture, Section 313).

Redemption. For so long as the Trust is the holder of all of the related Junior Subordinated Debentures, the proceeds of any redemption of Junior Subordinated Debentures will used by the Trust to redeem Preferred Trust

Securities and Common Trust Securities in accordance with their terms. (Trust Agreement, Section 4.02(a)). The redemption terms of the Junior Subordinated Debentures, if any, will be set forth in a prospectus supplement. Unless set forth differently in a prospectus supplement, and except with respect to Junior Subordinated Debentures redeemable at the option of the holder, Junior Subordinated Debentures will be redeemable upon notice between 30 and 60 days prior to the redemption date. If less than all of the Junior Subordinated Debentures of any series or any tranche thereof are to be redeemed, the Subordinated Indenture Trustee will select the Junior Subordinated Debentures to be redeemed. In the absence of any provision for selection, the Subordinated Indenture Trustee will choose a method of random selection as it deems fair and appropriate. (Subordinated Indenture, Sections 403 and 404).

Junior Subordinated Debentures selected for redemption will cease to bear interest on the redemption date. The paying agent will pay the redemption price and any accrued interest once the Junior Subordinated Debentures are surrendered for redemption. (Subordinated Indenture, Section 405). If only part of a Junior Subordinated Debenture is redeemed, the Subordinated Indenture Trustee will deliver a new Junior Subordinated Debenture of the same series for the remaining portion without charge. (Subordinated Indenture, Section 406).

Any redemption at the option of FPL may be conditional upon the receipt by the paying agent, on or prior to the date fixed for redemption, of money sufficient to pay the redemption price. If the paying agent has not received such money by the date fixed for redemption, FPL will not be required to redeem such Junior Subordinated Debentures. (Subordinated Indenture, Section 404).

Subject to applicable law, including United States federal securities laws, FPL or its affiliates may at any time and from time to time purchase outstanding Junior Subordinated Debentures by tender, in the open market or by private agreement.

Consolidation, Merger, and Sale of Assets. Under the Subordinated Indenture, FPL may not consolidate with or merge into any other entity or convey, transfer or lease its properties and assets substantially as an entirety to any entity, unless:

(1) the entity formed by that consolidation, or the entity into which FPL is merged, or the entity that acquires or leases FPL's property and assets, is an entity organized and existing under the laws of the United States, any state or the District of Columbia and that entity expressly assumes FPL's obligations on all Subordinated Indenture Securities and under the Subordinated Indenture,

(2) immediately after giving effect to the transaction, no event of default under the Subordinated Indenture and no event that, after notice or lapse of time or both, would become an event of default under the Subordinated Indenture exists, and

(3) FPL delivers an officer's certificate and an opinion of counsel to the Subordinated Indenture Trustee, as provided in the Subordinated Indenture. (Subordinated Indenture, Section 1101).

The Subordinated Indenture does not prevent or restrict:

(1) any consolidation or merger after the consummation of which FPL would be the surviving or resulting entity;

(2) any consolidation of FPL with any entity all of the outstanding voting securities of which are owned, directly or indirectly, by FPL, or any merger of any such entity into any other of such entities, or any conveyance or other transfer, or lease, of properties or assets by any thereof to any other thereof;

(3) any conveyance or other transfer, or lease, of any part of the properties or assets of FPL which does not constitute the entirety, or substantially the entirety, thereof; or

(4) the approval by FPL of, or the consent by FPL to any consolidation or merger to which any direct or indirect subsidiary or affiliate of FPL may be a party, or any conveyance, transfer or lease by any such subsidiary or affiliate of any or all of its properties or assets. (Subordinated Indenture, Section 1103).

Events of Default. Each of the following is an event of default under the Subordinated Indenture with respect to the Subordinated Indenture Securities of any series:

(1) failure to pay interest on the Subordinated Indenture Securities of that series within 30 days after it is due (provided, however, that a failure to pay interest during a valid optional deferral period will not constitute an event of default),

(2) failure to pay principal or premium, if any, on the Subordinated Indenture Securities of that series when it is due,

(3) failure to comply with any other covenant in the Subordinated Indenture, other than a covenant that does not relate to that series of Subordinated Indenture Securities, that continues for 90 days after FPL receive written notice of such failure to comply from the Subordinated Indenture Trustee, or FPL and the Subordinated Indenture Trustee receive written notice of such failure to comply from the registered owners of at least 33% in principal amount of the Subordinated Indenture Securities of that series,

(4) certain events of bankruptcy, insolvency or reorganization of FPL and

(5) any other event of default specified with respect to the Subordinated Indenture Securities of that series. (Subordinated Indenture, Section 801).

In the case of the third event of default listed above, the Subordinated Indenture Trustee may extend the grace period. In addition, if holders of a particular series have given a notice of default, then holders of at least the same percentage of Junior Subordinated Debentures of that series, together with the Subordinated Indenture Trustee, may also extend the grace period. The grace period will be automatically extended if FPL has initiated and is diligently pursuing corrective action in good faith. (Subordinated Indenture, Section 801). An event of default with respect to the Subordinated Indenture Securities of a particular series will not necessarily constitute an event of default with respect to Subordinated Indenture Securities of any other series issued under the Subordinated Indenture.

Remedies. If an event of default applicable to the Subordinated Indenture Securities of one or more series, but not applicable to all outstanding Subordinated Indenture Securities, exists, then either the Subordinated Indenture Trustee or the registered owners of at least 33% in aggregate principal amount of the Subordinated Indenture Securities of each of the affected series may declare the principal of and accrued but unpaid interest on all the Subordinated Indenture Securities of that series to be due and payable immediately. (Subordinated Indenture, Section 802).

If the event of default is applicable to all outstanding Subordinated Indenture Securities, then only the Subordinated Indenture Trustee or the registered owners of at least 33% in aggregate principal amount of all outstanding Subordinated Indenture Securities of all series, voting as one class, and not the registered owners of any one series, may make a declaration of acceleration. (Subordinated Indenture, Section 802). However, the event of default giving rise to the declaration relating to any series of Subordinated Indenture Securities will be automatically waived, and that declaration and its consequences will be automatically rescinded and annulled, if, at any time after that declaration and before a judgment or decree for payment of the money due has been obtained:

(1) FPL deposits with the Subordinated Indenture Trustee a sum sufficient to pay:

(a) all overdue interest on all Subordinated Indenture Securities of that series,

(b) the principal of and any premium on any Subordinated Indenture Securities of that series that have become due for reasons other than that declaration, and interest that is then due,

(c) interest on overdue interest for that series, and

(d) all amounts due to the Subordinated Indenture Trustee under the Subordinated Indenture, and

(2) any other event of default with respect to the Subordinated Indenture Securities of that series has been cured or waived as provided in the Subordinated Indenture. (Subordinated Indenture, Section 802).

Other than its obligations and duties in case of an event of default under the Subordinated Indenture, the Subordinated Indenture Trustee is not obligated to exercise any of its rights or powers under the Subordinated Indenture at the request or direction of any of the registered owners of the Subordinated Indenture Securities, unless those registered owners offer reasonable indemnity to the Subordinated Indenture Trustee. (Subordinated Indenture, Section 903). If they provide this reasonable indemnity, the registered owners of a majority in principal amount of any series of Subordinated Indenture Securities will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Subordinated Indenture Trustee, or exercising any trust or power conferred on the Subordinated Indenture Trustee, with respect to the Subordinated Indenture Securities of that series. However, if an event of default under the Subordinated Indenture relates to more than one series of Subordinated Indenture Securities, only the registered owners of a majority in aggregate principal amount of all affected series of Subordinated Indenture Securities, considered as one class, will have the right to make that direction. Also, the direction must not violate any law or the Subordinated Indenture, and may not expose the Subordinated Indenture Trustee to personal liability in circumstances where its indemnity would not, in the Subordinated Indenture Trustee's sole discretion, be adequate. (Subordinated Indenture, Section 812).

No registered owner of Subordinated Indenture Securities of any series will have any right to institute any proceeding under the Subordinated Indenture, or exercise any remedy under the Subordinated Indenture, unless:

(1) that registered owner has previously given to the Subordinated Indenture Trustee written notice of a continuing event of default with respect to the Subordinated Indenture Securities of that series,

(2) the registered owners of a majority in aggregate principal amount of the outstanding Subordinated Indenture Securities of all series in respect of which an event of default under the Subordinated Indenture exists, considered as one class, have made written request to the Subordinated Indenture Trustee, and have offered reasonable indemnity to the Subordinated Indenture Trustee to institute that proceeding in its own name as trustee, and

(3) the Subordinated Indenture Trustee has failed to institute any proceeding, and has not received from the registered owners of a majority in aggregate principal amount of the outstanding Subordinated Indenture Securities of all series in respect of which an event of default under the Subordinated Indenture exists, considered as one class, a direction inconsistent with that request, within 60 days after that notice, request and offer. (Subordinated Indenture, Section 807).

However, these limitations do not apply to a suit instituted by a registered owner of a Subordinated Indenture Security for the enforcement of payment of the principal of or any premium, if any, or interest on that Subordinated Indenture Security on or after the applicable due date specified in that Subordinated Indenture Security. (Subordinated Indenture, Section 808).

FPL is required to deliver to the Subordinated Indenture Trustee an annual statement as to its compliance with all conditions and covenants applicable to it under the Subordinated Indenture. (Subordinated Indenture, Section 606).

Enforcement of Certain Rights by Holders of Preferred Trust Securities. If there is an event of default with respect to Junior Subordinated Debentures held by the Trust, then the holders of Preferred Trust Securities issued by the Trust will rely on the Property Trustee or the Subordinated Indenture Trustee, acting for the benefit of the Property Trustee, to enforce the Property Trustee's rights against FPL as a holder of the Junior Subordinated Debentures. However, a holder of Preferred Trust Securities may enforce the Subordinated Indenture directly against FPL to the same extent, and upon the same conditions, as if the holder of Preferred Trust Securities held a

principal amount of Junior Subordinated Debentures equal to the aggregate liquidation amount of its Preferred Trust Securities. (Subordinated Indenture, Section 610).

Subject to their right to bring suit to enforce their right to payment, the holders of Preferred Trust Securities would not be able to institute any proceeding with respect to the Subordinated Indenture unless the Subordinated Indenture Trustee has failed to do so for 60 days after a request of the holders of at least a majority of the aggregate liquidation amount of outstanding Preferred Trust Securities. Upon such failure, the holders of a majority of the aggregate liquidation amount of the outstanding Preferred Trust Securities would have the right to directly institute proceedings for enforcement of all other rights of the Subordinated Indenture Trustee against FPL to the fullest extent permitted by law. (Subordinated Indenture, Sections 807, 808 and 812).

Modification and Waiver. Without the consent of any registered owner of Subordinated Indenture Securities, FPL and the Subordinated Indenture Trustee may amend or supplement the Subordinated Indenture for any of the following purposes:

(1) to provide for the assumption by any permitted successor to FPL of FPL's obligations with respect to the Subordinated Indenture and the Subordinated Indenture Securities in the case of a merger or consolidation or a conveyance, transfer or lease of its properties and assets substantially as an entirety,

(2) to add covenants of FPL or to surrender any right or power conferred upon FPL by the Subordinated Indenture,

(3) to add any additional events of default,

(4) to change, eliminate or add any provision of the Subordinated Indenture, provided that if that change, elimination or addition will materially adversely affect the interests of the registered owners of Subordinated Indenture Securities of any series or tranche, that change, elimination or addition will become effective with respect to that series or tranche only

  (a) when the required consent of the registered owners of Subordinated Indenture Securities of that series or tranche has been obtained, or

  (b) when no Subordinated Indenture Securities of that series or tranche remain outstanding under the Subordinated Indenture,

(5) to provide collateral security for all but not a part of the Subordinated Indenture Securities,

(6) to establish the form or terms of Subordinated Indenture Securities of any other series or tranche,

(7) to provide for the authentication and delivery of bearer securities and the related coupons and for other matters relating to those bearer securities,

(8) to accept the appointment of a successor Subordinated Indenture Trustee or co-trustee with respect to the Subordinated Indenture Securities of one or more series and to change any of the provisions of the Subordinated Indenture as necessary to provide for the administration of the trusts under the Subordinated Indenture by more than one trustee,

(9) to add procedures to permit the use of a non-certificated system of registration for the Subordinated Indenture Securities of all or any series or tranche,

(10) to change any place where

  (a) the principal of and premium, if any, and interest on all or any series or tranche of Subordinated Indenture Securities are payable,

(b) all or any series or tranche of Subordinated Indenture Securities may be transferred or exchanged, and

(c) notices and demands to or upon FPL in respect of Subordinated Indenture Securities and the Subordinated Indenture may be served, or

(11) to cure any ambiguity or inconsistency or to add or change any other provisions with respect to matters and questions arising under the Subordinated Indenture, provided those changes or additions may not materially adversely affect the interests of the registered owners of Subordinated Indenture Securities of any series or tranche. (Subordinated Indenture, Section 1201).

The registered owners of a majority in aggregate principal amount of the Subordinated Indenture Securities of all series then outstanding may waive compliance by FPL with certain restrictive provisions of the Subordinated Indenture. (Subordinated Indenture, Section 607). The registered owners of a majority in principal amount of the outstanding Subordinated Indenture Securities of any series may waive any past default under the Subordinated Indenture with respect to that series, except a default in the payment of principal, premium, if any, or interest and a default with respect to certain restrictive covenants or provisions of the Subordinated Indenture that cannot be modified or amended without the consent of the registered owner of each outstanding Subordinated Indenture Security of that series affected. (Subordinated Indenture, Section 813). If the Trust holds Subordinated Indenture Securities of any series, the Trust may not waive compliance, or any default in compliance, by FPL with any covenant or term contained in, or any past default under, the Subordinated Indenture or the Subordinated Indenture Securities of such series, without the approval of at least a majority (or such greater percentage required by the Trust Agreement) in aggregate liquidation preference amount of the outstanding Preferred Trust Securities. (Subordinated Indenture, Sections 607 and 813).

In addition to any amendments described above, if the Trust Indenture Act of 1939 is amended after the date of the Subordinated Indenture in a way that requires changes to the Subordinated Indenture or in a way that permits changes to, or the elimination of, provisions that were previously required by the Trust Indenture Act of 1939, the Subordinated Indenture will be deemed to be amended to conform to that amendment of the Trust Indenture Act of 1939 or to make those changes, additions or eliminations. FPL and the Subordinated Indenture Trustee may, without the consent of any registered owners, enter into supplemental indentures to make that amendment. (Subordinated Indenture, Section 1201).

Except for any amendments described above, the consent of the registered owners of a majority in aggregate principal amount of the Subordinated Indenture Securities of all series then outstanding, considered as one class, is required for all other modifications to the Subordinated Indenture. However, if less than all of the series of Subordinated Indenture Securities outstanding are directly affected by a proposed supplemental indenture, then the consent only of the registered owners of a majority in aggregate principal amount of outstanding Subordinated Indenture Securities of all directly affected series, considered as one class, is required. But, if FPL issues any series of Subordinated Indenture Securities in more than one tranche and if the proposed supplemental indenture directly affects the rights of the registered owners of Subordinated Indenture Securities of less than all of those tranches, then the consent only of the registered owners of a majority in aggregate principal amount of the outstanding Subordinated Indenture Securities of all directly affected tranches, considered as one class, will be required. However, none of those amendments or modifications may:

(1) change the dates on which the principal of or interest (except as described above under "—Option to Defer Interest Payments") on a Subordinated Indenture Security is due without the consent of the registered owner of that Subordinated Indenture Security,

(2) reduce any Subordinated Indenture Security's principal amount or rate of interest (or the amount of any installment of that interest) or change the method of calculating that rate without the consent of the registered owner of that Subordinated Indenture Security,

(3) reduce any premium payable upon the redemption of a Subordinated Indenture Security without the consent of the registered owner of that Subordinated Indenture Security,

(4) change the currency (or other property) in which a Subordinated Indenture Security is payable without the consent of the registered owner of that Subordinated Indenture Security,

(5) impair the right to sue to enforce payments on any Subordinated Indenture Security on or after the date that it states that the payment is due (or, in the case of redemption, on or after the redemption date) without the consent of the registered owner of that Subordinated Indenture Security,

(6) reduce the percentage in principal amount of the outstanding Subordinated Indenture Securities of any series or tranche whose owners must consent to an amendment, supplement or waiver without the consent of the registered owner of each outstanding Subordinated Indenture Security of that series or tranche,

(7) reduce the requirements for quorum or voting of any series or tranche without the consent of the registered owner of each outstanding Subordinated Indenture Security of that series or tranche, or

(8) modify certain of the provisions of the Subordinated Indenture relating to supplemental indentures, waivers of certain covenants and waivers of past defaults with respect to the Subordinated Indenture Securities of any series or tranche, without the consent of the registered owner of each outstanding Subordinated Indenture Security affected by the modification.

A supplemental indenture that changes or eliminates any provision of the Subordinated Indenture that has expressly been included only for the benefit of one or more particular series or tranches of Subordinated Indenture Securities, or that modifies the rights of the registered owners of Subordinated Indenture Securities of that series or tranche with respect to that provision, will not affect the rights under the Subordinated Indenture of the registered owners of the Subordinated Indenture Securities of any other series or tranche. So long as any Preferred Trust Securities are outstanding, the Subordinated Indenture Trustee may not consent to any supplemental indenture without the prior consent of the holders of a majority in aggregate liquidation preference of all outstanding Preferred Trust Securities affected or, in the case of changes described in clauses (1) through (8) immediately above, 100% in aggregate liquidation preference of all such outstanding Preferred Trust Securities affected. (Subordinated Indenture, Section 1202).

The Subordinated Indenture provides that, in order to determine whether the registered owners of the required principal amount of the outstanding Subordinated Indenture Securities have given any request, demand, authorization, direction, notice, consent or waiver under the Subordinated Indenture, or whether a quorum is present at the meeting of the registered owners of Subordinated Indenture Securities, Subordinated Indenture Securities owned by FPL or any other obligor upon the Subordinated Indenture Securities or any affiliate of FPL or of that other obligor (unless FPL, that affiliate or that obligor owns all Subordinated Indenture Securities outstanding under the Subordinated Indenture, determined without regard to this provision) will be disregarded and deemed not to be outstanding. (Subordinated Indenture, Section 101).

If FPL solicits any action under the Subordinated Indenture from registered owners of Subordinated Indenture Securities, FPL may, at its option, by signing a written request to the Subordinated Indenture Trustee, fix in advance a record date for determining the registered owners of Subordinated Indenture Securities entitled to take that action. However, FPL will not be obligated to do this. If FPL fixes such a record date, that action may be taken before or after that record date, but only the registered owners of record at the close of business on that record date will be deemed to be registered owners of Subordinated Indenture Securities for the purposes of determining whether registered owners of the required proportion of the outstanding Subordinated Indenture Securities have authorized that action. For these purposes, the outstanding Subordinated Indenture Securities will be computed as of the record date. Any action of a registered owner of any Subordinated Indenture Security under the Subordinated Indenture will bind every future registered owner of that Subordinated Indenture Security, or any Subordinated Indenture Security replacing that Subordinated Indenture Security, with respect to anything that the Subordinated Indenture Trustee or FPL do, fail to do, or allow to be done in reliance on that action, whether or not that action is noted upon that Subordinated Indenture Security. (Subordinated Indenture, Section 104).

Resignation and Removal of Subordinated Indenture Trustee. The Subordinated Indenture Trustee may resign at any time with respect to any series of Subordinated Indenture Securities by giving written notice of its

resignation to FPL. Also, the registered owners of a majority in principal amount of the outstanding Subordinated Indenture Securities of one or more series of Subordinated Indenture Securities may remove the Subordinated Indenture Trustee at any time with respect to the Subordinated Indenture Securities of that series, by delivering an instrument evidencing this action to the Subordinated Indenture Trustee and FPL. However, so long as any Preferred Trust Securities remain outstanding, the Trust cannot deliver an instrument evidencing this action without the consent of the holders of a majority in aggregate liquidation preference of Preferred Trust Securities outstanding. (Subordinated Indenture, Section 910). The resignation or removal of the Subordinated Indenture Trustee and the appointment of a successor trustee will not become effective until a successor trustee accepts its appointment.

Except with respect to a Subordinated Indenture Trustee appointed by the registered owners of Subordinated Indenture Securities, the Subordinated Indenture Trustee will be deemed to have resigned and the successor will be deemed to have been appointed as trustee in accordance with the Subordinated Indenture if:

(1) no event of default under the Subordinated Indenture or event that, after notice or lapse of time, or both, would become an event of default under the Subordinated Indenture exists, and

(2) FPL has delivered to the Subordinated Indenture Trustee resolutions of its Board of Directors appointing a successor trustee and that successor trustee has accepted that appointment in accordance with the terms of the Subordinated Indenture. (Subordinated Indenture, Section 910).

Notices. Notices to registered owners of Subordinated Indenture Securities will be sent by mail to the addresses of those registered owners as they appear in the security register for those Subordinated Indenture Securities. (Subordinated Indenture, Section 106).

Title. The person in whose name a Subordinated Indenture Security is registered may be treated as the absolute owner of that Subordinated Indenture Security, whether or not that Subordinated Indenture Security is overdue, for the purpose of making payments and for all other purposes, regardless of any notice to the contrary. (Subordinated Indenture, Section 308).

Governing Law. The Subordinated Indenture and the Subordinated Indenture Securities will be governed by, and construed in accordance with, the laws of the State of New York, without regard to New York's conflict of law principles, except to the extent that the law of any other jurisdiction is mandatorily applicable. (Subordinated Indenture, Section 112).

INFORMATION CONCERNING THE TRUSTEES

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

FPL and its affiliates, including FPL Group and FPL Group Capital Inc, also maintain various banking and trust relationships with The Bank of New York. In addition to acting as Subordinated Indenture Trustee, security registrar and paying agent under the Subordinated Indenture, The Bank of New York would act as (i) Preferred Trust Securities Guarantee Trustee under the Preferred Trust Securities Guarantee Agreement described under "Description of the Preferred Trust Securities Guarantee" above and (ii) Property Trustee under the Trust Agreement. The Bank of New York (Delaware) acts as the Delaware Trustee under the Trust Agreement.

PLAN OF DISTRIBUTION

FPL and the Trust may sell the securities offered pursuant to this prospectus ("Offered Securities"):

(1) through underwriters or dealers,

(2) through agents, or

(3) directly to one or more purchasers.

Through Underwriters or Dealers. If FPL and/or the Trust uses underwriters in the sale of the Offered Securities, the underwriters will acquire the Offered Securities for their own account. The underwriters may resell the Offered Securities 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 Offered Securities directly or through underwriting syndicates represented by managing underwriters. Unless otherwise stated in the prospectus supplement relating to the Offered Securities, the obligations of the underwriters to purchase those Offered Securities will be subject to certain conditions, and the underwriters will be obligated to purchase all of those Offered Securities if they purchase any of them. If FPL and/or the Trust uses a dealer in the sale, FPL and/or the Trust will sell the Offered Securities to the dealer as principal. The dealer may then resell those Offered Securities 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 and/or the Trust may designate one or more agents to sell the Offered Securities. 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 and/or the Trust may sell the Offered Securities 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 and/or the Trust from the sale of the Offered Securities, any initial public offering price and other terms of the offering of those Offered Securities.

FPL and/or the Trust may authorize underwriters, dealers or agents to solicit offers by certain institutions to purchase the Offered Securities from FPL and/or the Trust 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.

The Offered Securities may also be offered and sold, if so indicated in the applicable prospectus supplement, in connection with a remarketing upon their purchase, in accordance with a redemption or repayment pursuant to their terms, or otherwise, by one or more firms, which are referred to herein as the "remarketing firms," acting as principals for their own accounts or as our agent or the applicable trust's agents, as applicable. Any remarketing firm will be identified and the terms of its agreement, if any, with FPL and/or the Trust and its compensation will be described in the applicable prospectus supplement. Remarketing firms may be deemed to be underwriters, as that term is defined in the Securities Act of 1933, in connection with the securities remarketed thereby.

FPL and/or the Trust may enter into derivative transactions with third parties, or sell securities not covered by this prospectus to third parties in privately negotiated transactions. If the applicable prospectus supplement indicates, in connection with those derivatives, the third parties may sell securities covered by this prospectus and the applicable prospectus supplement, including in short sale transactions. If so, the third party may use securities pledged by FPL and/or the Trust or borrowed from any of them or others to settle those sales or to close out any related open borrowings of securities, and may use securities received from FPL and/or the Trust in settlement of those derivatives to close out any related open borrowings of securities. The third party in such sale transactions will be an underwriter and, if not identified in this prospectus, will be identified in the applicable prospectus supplement.

FPL and/or the Trust 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 and management's report on the effectiveness of internal control over financial reporting incorporated in this prospectus by reference from FPL's Annual Report on Form 10-K for the year ended December 31, 2006, have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

LEGAL OPINIONS

Squire, Sanders & Dempsey L.L.P., Miami, Florida, and Thelen Reid Brown Raysman & Steiner LLP, New York, New York, co-counsel to FPL and the Trust, will pass upon the legality of the Offered Securities for FPL and the Trust. Hunton & Williams LLP, New York, New York, will pass upon the legality of the Offered Securities for any underwriter, dealer or agent. Certain matters of Delaware law relating to the validity of the Preferred Trust Securities, the enforceability of the Trust Agreement and the creation of the Trust will be passed upon by Morris, James, Hitchens & Williams LLP, special Delaware counsel to FPL and the Trust. Thelen Reid Brown Raysman & Steiner LLP and Hunton & Williams LLP may rely as to all matters of Florida law upon the opinion of Squire, Sanders & Dempsey L.L.P., and on the opinion of Morris, James, Hitchens & Williams LLP, as to matters involving the law of the State of Delaware in connection with the Preferred Trust Securities. Squire, Sanders & Dempsey L.L.P. may rely as to all matters of New York law upon the opinion of Thelen Reid Brown Raysman & Steiner LLP, and on the opinion of Morris, James, Hitchens & Williams LLP, as to matters involving the law of the State of Delaware in connection with the Preferred Trust Securities.

You should rely only on the information incorporated by reference or provided in this prospectus or any prospectus supplement or in any written communication from FPL or the Trust specifying the final terms of a particular offering of securities. Neither FPL nor the Trust has authorized anyone else to provide you with additional or different information. Neither FPL nor the Trust 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 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	$ *
Legal and Accounting Fees	750,000**
Printing (S-3, prospectus, prospectus supplement, etc.)	50,000**
Fees of the trustees	30,000**
Listing Fee	***
Florida Taxes	2,400,000**
Rating Agencies' Fees	2,800,000**
Miscellaneous	20,000**
Total	$6,750,000

* Under Rules 456(b) and 457(r) under the Securities Act, the SEC registration fee will be paid at the time of any particular offering of securities under this registration statement, and is therefore not currently determinable.

** Because an indeterminate amount of securities is covered by this registration statement, the expenses in connection with the issuance and distribution of the securities are therefore not currently determinable. The amounts shown are estimates of expenses for the amount of securities which the registrants are currently authorized to issue, but do not limit the amount of securities that may be offered. The expenses in connection with the issuance and distribution of securities previously offered and sold pursuant to this registration statement are not reflected in this table.

*** The listing fee is based upon the principal amount of securities listed, if any, and is therefore not currently determinable.

Item 15. Indemnification of Directors and Officers.

Section 607.0850 of the Florida Statutes generally permits FPL Group, FPL Group Capital and Florida Power & Light Company (each, a "Corporation") to indemnify its directors, officers, employees or other agents who are subject to any third-party actions because of their service to the Corporation 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 the Corporation. If the proceeding is a criminal one, such person must also have had no reasonable cause to believe his conduct was unlawful. In addition, each Corporation 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 the Corporation. 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 each Corporation 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 such 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 a corporation 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 the corporation to procure a judgment in its favor or by or in the right of a shareholder, conscious disregard for the best interest of the corporation, or willful misconduct, or (v) in a proceeding by or in the right of someone other than the corporation 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.

Each Corporation's bylaws provide generally that such Corporation shall, to the fullest extent permitted by law, indemnify all directors and officers of such Corporation, directors, officers, or other employees serving as a fiduciary of an employee benefit plan of such Corporation, as well as any employees or agents of such Corporation or other persons serving at the request of such Corporation in any capacity with any entity or enterprise other than such Corporation to whom such Corporation 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 Group on behalf of each Corporation 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.

Pursuant to Section 10 of each Trust Agreement, FPL Group (with respect to FPL Group Capital Trust II, FPL Group Capital Trust III, FPL Group Trust I and FPL Group Trust II) and FPL (with respect to Florida Power & Light Company Trust I and Florida Power & Light Company Trust II) has agreed to indemnify and hold harmless each Trustee, any affiliate of each Trustee and any officer, director, shareholder, member, partner or employee of each Trustee, and any employee of the Trust (each such person, a "Trust Agreement Indemnified Person") from and against any loss, liability, expense, damage or claim incurred by such Trust Agreement Indemnified Person without negligence (gross negligence, in the case of any Administrative Trustee or the Delaware Trustee or other person who is a Trust Agreement Indemnified Person by virtue of the relationship thereto), bad faith or willful misconduct on the part of the Trust Agreement Indemnified Person, or in the case of any such affiliate, officer, director, shareholder, member, partner or employee, on the part of the related Trustee, arising out of or in connection with the acceptance or administration of the trust or trusts thereunder or by reason of any act or omission performed or omitted by such Trust Agreement Indemnified Person in good faith on behalf of the Trust and in a manner such Trust Agreement Indemnified Person reasonably believed to be within the scope of authority conferred on such Trust Agreement Indemnified Person by the Trust Agreement. In addition, the Board of Directors of FPL Group has authorized FPL Group to indemnify each of the officers or employees of FPL Group (or any of its affiliates) who serve as an Administrative Trustee of FPL Group Capital Trust II, FPL Group Capital Trust III, FPL Group Trust I and FPL Group Trust II, in accordance with the bylaws provisions described above, and each such person will be an Indemnified Person as defined in the second preceding paragraph. In addition, the Board of Directors of FPL has authorized FPL to indemnify each of the officers or employees of FPL (or any of its affiliates) who serve as an Administrative Trustee of Florida Power & Light Company Trust I and Florida Power & Light Company Trust II, in accordance with the bylaws provisions described above, and each such person will be an Indemnified Person as defined in the second preceding paragraph.

Item 16. ***Exhibits.***

**1(a) - Form of Underwriting Agreement for the Offered Securities of FPL Group and FPL Group Capital (other than Preferred Trust Securities of FPL Group Trust and FPL Group Capital Trust and related

securities, common stock of FPL Group and preferred stock of FPL Group and FPL Group Capital) (filed as Exhibit 1(a) to this registration statement on September 5, 2006).

**1(b) - Form of Underwriting Agreement with respect to Preferred Trust Securities of FPL Group Trust and FPL Group Capital Trust and related securities (filed as Exhibit 1(b) to this registration statement on September 5, 2006).

**1(c) - Form of Underwriting Agreement with respect to Florida Power & Light Company's Bonds (filed as Exhibit 1(c) to this registration statement on September 5, 2006).

**1(d) - Form of Distribution Agreement with respect to Florida Power & Light Company's Bonds (filed as Exhibit 1(d) to this registration statement on September 5, 2006).

**1(e) - Form of Underwriting Agreement with respect to Preferred Trust Securities of Florida Power & Light Company Trust I and Florida Power & Light Company Trust II and related securities (filed as Exhibit 1(e) to this registration statement on September 5, 2006).

1(f) - Form of Underwriting Agreement with respect to common stock, stock purchase contracts and stock purchase units of FPL Group.

1(g) - Form of Underwriting Agreement with respect to preferred stock of FPL Group and FPL Group Capital (including the guarantee of FPL Group).

1(h) - Form of Underwriting Agreement with respect to preferred stock of Florida Power & Light Company.

*4(a) - Restated Articles of Incorporation of FPL Group dated December 31, 1984, as amended through March 10, 2005 (filed as Exhibit 3(i) to Form S-4, File No. 333-124438).

*4(b) - Amendment to FPL Group's Restated Articles of Incorporation dated July 3, 2006 (filed as Exhibit 3(i) to Form 8-K dated June 30, 2006, File No. 1-8841).

*4(c) - Amended and Restated Bylaws of FPL Group (as amended through May 26, 2006) (filed as Exhibit 3(ii)a to Form 10-Q for the quarter ended June 30, 2006, File No. 1-8841).

*4(d) - Articles of Incorporation of FPL Group Capital dated July 31, 1985 (filed as Exhibit 3.1 to Registration Statement No. 33-6215).

*4(e) - Amendment to FPL Group Capital's Articles of Incorporation, dated May 27, 2004 (filed as Exhibit 4(i) to Form S-3, File Nos. 333-116209, 333-116209-01, 333-116209-02, 333-116209-03, 333-116209-04 and 333-116209-05).

*4(f) - Bylaws of FPL Group Capital dated January 4, 1988 (filed as Exhibit 4(b) to Registration Statement No. 33-69786).

*4(g) - Restated Articles of Incorporation of Florida Power & Light Company 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(h) - Amendment to Florida Power & Light Company'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(i) - Amendment to Florida Power & Light Company'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(j) - Amendment to Florida Power & Light Company'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(k) - Amendment to Florida Power & Light Company'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(l) - Amendment to Florida Power & Light Company'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(m) - Amendment to Florida Power & Light Company'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(n) - Amendment to Florida Power & Light Company's Restated Articles of Incorporation dated January 20, 2004 (filed as Exhibit 3(i)j to Form 10-K for the year ended December 31, 2003, File No. 1-3545).

*4(o) - Amendment to Florida Power & Light Company's Restated Articles of Incorporation dated January 20, 2004 (filed as Exhibit 3(i)k to Form 10-K for the year ended December 31, 2003, File No. 1-3545).

*4(p) - Amendment to Florida Power & Light Company's Restated Articles of Incorporation dated February 11, 2005 (filed as Exhibit 3(i)m to Form 10-K for the year ended December 31, 2004, File No. 2-27612).

*4(q) - Bylaws of Florida Power & Light Company dated May 11, 1992 (filed as Exhibit 3 to Form 8-K dated May 1, 1992, File No. 1-3545).

*4(r) - Mortgage and Deed of Trust dated as of January 1, 1944, and One hundred and eleven Supplements thereto, between Florida Power & Light Company 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; 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; Exhibit 4(m) to Post-Effective Amendment No. 3 to Form S-3, File No. 333-102172); Exhibit 4(a) to Form 10-Q for the quarter ended September 30, 2004, File No. 2-27612); Exhibit 4(f) to Amendment No. 1 to Form S-3, File No. 333-125275); Exhibit 4(y) to Post-Effective Amendment No. 2 to Form S-3, File Nos. 333-116300, 333-116300-01 and 333-116300-02; Exhibit 4(z) to Post-Effective Amendment No. 3 to Form S-3, File Nos. 333-116300, 333-116300-01 and 333-116300-02); Exhibit 4(b) to Form 10-Q for

the quarter ended March 31, 2006, File No. 1-3545; and Exhibit 4(a) to Form 8-K dated April 18, 2007, File No. 2-27612.

*4(s) - 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).

*4(t) - 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).

*4(u) - 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).

*4(v) - 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).

*4(w) - 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).

*4(x) - 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).

*4(y) - Officer's Certificate of FPL Group Capital, dated August 18, 2006, creating the 5 5/8% Debentures, Series due September 1, 2011 (filed as Exhibit 4 to Form 8-K dated August 18, 2006, File No. 1-8841).

*4(z) - 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).

*4(aa) - Preferred Trust Securities Guarantee Agreement between FPL Group (as Guarantor) and The Bank of New York (as Guarantee Trustee) relating to FPL Group Capital Trust I, 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).

*4(ab) - 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 Nos. 333-102173, 333-102173-01, 333-102173-02 and 333-102173-03).

*4(ac) - 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 Nos. 333-102173, 333-102173-01, 333-102173-02 and 333-102173-03).

*4(ad) - Trust Agreement and Certificate of Trust of FPL Group Capital Trust II (filed as Exhibit 4(ah) to Amendment No. 1 to Form S-3, File Nos. 333-102173, 333-102173-01, 333-102173-02 and 333-102173-03).

*4(ae) - Trust Agreement and Certificate of Trust of FPL Group Capital Trust III (filed as Exhibit 4(at) to Form S-3, File Nos. 333-116209, 333-116209-01, 333-116209-02, 333-116209-03, 333-116209-04 and 333-116209-05).

*4(af) - Trust Agreement and Certificate of Trust of FPL Group Trust I (filed as Exhibit 4(au) to Form S-3, File Nos. 333-116209, 333-116209-01, 333-116209-02, 333-116209-03, 333-116209-04 and 333-116209-05).

*4(ag) - Trust Agreement and Certificate of Trust of FPL Group Trust II (filed as Exhibit 4(av) to Form S-3, File Nos. 333-116209, 333-116209-01, 333-116209-02, 333-116209-03, 333-116209-04 and 333-116209-05).

*4(ah) - Trust Agreement and Certificate of Trust of Florida Power & Light Company Trust I (filed as Exhibit 4(m) to Form S-3, File Nos. 333-116300, 333-116300-01 and 333-116300-02).

*4(ai) - Trust Agreement and Certificate of Trust of Florida Power & Light Company Trust II (filed as Exhibit 4(n) to Form S-3, File Nos. 333-116300, 333-116300-01 and 333-116300-02).

*4(aj) - Form of Amended and Restated Trust Agreement with respect to FPL Group Capital Trust and FPL Group Trust (filed as Exhibit 4(aw) to Form S-3, File Nos. 333-116209, 333-116209-01, 333-116209-02, 333-116209-03, 333-116209-04 and 333-116209-05).

*4(ak) - Form of Amended and Restated Trust Agreement for Florida Power & Light Company Trust I and Florida Power & Light Company Trust II (filed as Exhibit 4(o) to Form S-3, File Nos. 333-116300, 333-116300-01 and 333-116300-02).

*4(al) - Form of Preferred Trust Securities Guarantee Agreement relating to the FPL Group Trust and FPL Group Capital Trust Preferred Trust Securities (filed as Exhibit 4(ba) to Form S-3, File Nos. 333-116209, 333-116209-01, 333-116209-02, 333-116209-03, 333-116209-04 and 333-116209-05).

*4(am) - Form of Preferred Trust Securities Guarantee Agreement relating to the Preferred Trust Securities of Florida Power & Light Company Trust I and Florida Power & Light Company Trust II (filed as Exhibit 4(r), File Nos. 333-116300, 333-116300-01 and 333-116300-02).

*4(an) - Form of Agreement as to Expenses and Liabilities relating to FPL Group Trust and FPL Group Capital Trust (filed as Exhibit D of Exhibit 4(aw) to Form S-3, File Nos. 333-116209, 333-116209-01, 333-116209-02, 333-116209-03, 333-116209-04 and 333-116209-05).

*4(ao) - Form of Agreement as to Expenses and Liabilities relating to Florida Power & Light Company Trust I and Florida Power & Light Company Trust II (filed as Exhibit D of Exhibit 4(o) to Form S-3, File Nos. 333-116300, 333-116300-01 and 333-116300-02).

*4(ap) - Form of Preferred Trust Securities for FPL Group Trust and FPL Group Capital Trust (filed as Exhibit C of Exhibit 4(aw) to Form S-3. File Nos. 333-116209, 333-116209-01, 333-116209-02, 333-116209-03, 333-116209-04 and 333-116209-05).

*4(aq) - Form of Preferred Trust Securities for Florida Power & Light Company Trust I and Florida Power & Light Company Trust II (filed as Exhibit C of Exhibit 4(o) to Form S-3, File Nos. 333-116300, 333-116300-01 and 333-116300-02).

**4(ar) - Form of Indenture relating to FPL Group's Senior Debt Securities and Junior Subordinated Debentures (filed as Exhibit 4(au) to this registration statement on September 5, 2006).

**4(as) - Form of Officer's Certificate relating to FPL Group's Senior Debt Securities, including form of Senior Debt Security (filed as Exhibit 4(av) to this registration statement on September 5, 2006).

**4(at) - Form of Officer's Certificate relating to FPL Group's Junior Subordinated Debentures, including form of Junior Subordinated Debentures (filed as Exhibit 4(aw) to this registration statement on September 5, 2006).

**4(au) - Form of Subordinated Indenture relating to FPL Group Capital's Junior Subordinated Debentures (filed as Exhibit 4(ax) to this registration statement on September 5, 2006).

**4(av) - Form of Officer's Certificate relating to FPL Group Capital's Junior Subordinated Debentures, including form of Junior Subordinated Debentures (filed as Exhibit 4(ay) to this registration statement on September 5, 2006).

**4(aw) - Form of Officer's Certificate relating to FPL Group Capital's Senior Debt Securities, including form of Senior Debt Securities (filed as Exhibit 4(az) to this registration statement on September 5, 2006).

**4(ax) - Form of Supplemental Indenture relating to Florida Power & Light Company's Bonds (filed as Exhibit 4(ba) to this registration statement on September 5, 2006).

**4(ay) - Form of Subordinated Indenture relating to the Junior Subordinated Debentures of Florida Power & Light Company (filed as Exhibit 4(bb) to this registration statement on September 5, 2006).

**4(az) - Form of Officer's Certificate relating to Florida Power & Light Company's Junior Subordinated Debentures, including form of Junior Subordinated Debentures (filed as Exhibit 4(bc) to this registration statement on September 5, 2006).

*4(ba) - Indenture (For Unsecured Subordinated Debt Securities), dated as of September 1, 2006, among FPL Group Capital, FPL Group (as Guarantor) and The Bank of New York (as Trustee) (filed as Exhibit 4(a) to Form 8-K dated September 19, 2006, File No. 1-8841).

*4(bb) - Officer's Certificate of FPL Group Capital and FPL Group dated September 19, 2006, creating the Series A Enhanced Junior Subordinated Debentures due 2066 (filed as Exhibit 4(b) to Form 8-K dated September 19, 2006, File No. 1-8841).

*4(bc) - Officer's Certificate of FPL Group Capital and FPL Group dated September 19, 2006, creating the Series B Enhanced Junior Subordinated Debentures due 2066 (filed as Exhibit 4(c) to Form 8-K dated September 19, 2006, File No. 1-8841).

*4(bd) - Form of Purchase Contract Agreement (filed as Exhibit 4(ap) to Form S-3, File Nos. 333-116209, 333-116209-01, 333-116209-02, 333-116209-03, 333-116209-04 and 333-116209-05).

*4(be) - Form of Pledge Agreement (filed as Exhibit 4(aq) to Form S-3, File Nos. 333-116209, 333-116209-01, 333-116209-02, 333-116209-03, 333-116209-04 and 333-116209-05).

*4(bf) - Form of Remarketing Agreement (filed as Exhibit 4(ar) to Form S-3, File Nos. 333-116209, 333-116209-01, 333-116209-02, 333-116209-03, 333-116209-04 and 333-116209-05).

*4(bg) - Form of Articles of Amendment to establish a series of FPL Group's preferred stock (filed as Exhibit 4(bd) to Form S-3, File Nos. 333-116209, 333-116209-01, 333-116209-02, 333-116209-03, 333-116209-04 and 333-116209-05).

*4(bh) - Form of Articles of Amendment to establish a series of FPL Group Capital's preferred stock (filed as Exhibit 4(be) to Form S-3, File Nos. 333-116209, 333-116209-01, 333-116209-02, 333-116209-03, 333-116209-04 and 333-116209-05).

*4(bi) - Form of FPL Group Guarantee Agreement relating to FPL Group Capital's preferred stock (filed as Exhibit 4(bf) to Form S-3, File Nos. 333-116209, 333-116209-01, 333-116209-02, 333-116209-03, 333-116209-04 and 333-116209-05).

*4(bj) - Form of Articles of Amendment to establish a series of Florida Power & Light Company's preferred stock (filed as Exhibit 4(t) to Form S-3, File Nos. 333-116300, 333-116300-01 and 333-116300-02).

4(bk) - Form of first mortgage bond relating to Florida Power & Light Company's Bonds.

4(bl) - Form of temporary first mortgage bond relating to Florida Power & Light Company's Bonds.

5(a) - Opinion and Consent, dated May 3, 2007, of Squire, Sanders & Dempsey L.L.P., counsel to FPL Group, FPL Group Capital, Florida Power & Light Company, FPL Group Capital Trust II, FPL Group Capital Trust III, FPL Group Trust I, FPL Group Trust II, Florida Power & Light Company Trust I and Florida Power & Light Company Trust II.

5(b) - Opinion and Consent, dated May 3, 2007, of Thelen Reid Brown Raysman & Steiner LLP, counsel to FPL Group, FPL Group Capital, Florida Power & Light Company, FPL Group Capital Trust II, FPL Group Capital Trust III, FPL Group Trust I, FPL Group Trust II, Florida Power & Light Company Trust I and Florida Power & Light Company Trust II.

**5(c) - Opinion and Consent, dated September 5, 2006, of Morris, James, Hitchens & Williams LLP, special Delaware counsel to FPL Group, FPL Group Capital and FPL Group Capital Trust II (filed as Exhibit 5(c) to this registration statement on September 5, 2006).

**5(d) - Opinion and Consent, dated September 5, 2006, of Morris, James, Hitchens & Williams LLP, special Delaware counsel to FPL Group, FPL Group Capital and FPL Group Capital Trust III (filed as Exhibit 5(d) to this registration statement on September 5, 2006).

**5(e) - Opinion and Consent, dated September 5, 2006, of Morris, James, Hitchens & Williams LLP, special Delaware counsel to FPL Group and FPL Group Trust I (filed as Exhibit 5(e) to this registration statement on September 5, 2006).

**5(f) - Opinion and Consent, dated September 5, 2006, of Morris, James, Hitchens & Williams LLP, special Delaware counsel to FPL Group and FPL Group Trust II (filed as Exhibit 5(f) to this registration statement on September 5, 2006).

**5(g) - Opinion and Consent, dated September 5, 2006, of Morris, James, Hitchens & Williams LLP, special Delaware counsel to Florida Power & Light Company and Florida Power & Light Company Trust I (filed as Exhibit 5(g) to this registration statement on September 5, 2006).

**5(h) - Opinion and Consent, dated September 5, 2006, of Morris, James, Hitchens & Williams LLP, special Delaware counsel to Florida Power & Light Company and Florida Power & Light Company Trust II (filed as Exhibit 5(h) to this registration statement on September 5, 2006).

*12(a) - Computation of Ratio of Earnings to Fixed Charges and Ratio of Earnings to Fixed Charges and Preferred Stock Dividends of FPL Group (filed as Exhibit 12(a) to Form 10-K of FPL Group for the year ended December 31, 2006, File No. 1-8841 and Exhibit 12(a) to Form 10-Q of FPL Group for the quarter ended March 31, 2007, File No. 1-8841).

*12(b) - Computation of Ratio of Earnings to Fixed Charges and Ratio of Earnings to Fixed Charges and Preferred Stock Dividends of FPL (filed as Exhibit 12(b) to Form 10-K of FPL for the year ended December 31, 2006, File No. 2-27612 and Exhibit 12(b) to Form 10-Q of FPL for the quarter ended March 31, 2007, File No. 2-27612).

23(a) - Consent of Deloitte & Touche LLP, an independent registered public accounting firm.

23(b) - Consent of Squire, Sanders & Dempsey L.L.P. (included in opinion, attached hereto as Exhibit 5(a)).

23(c) - Consent of Thelen Reid Brown Raysman & Steiner LLP (included in opinion, attached hereto as Exhibit 5(b)).

**23(d) - Consent of Morris, James, Hitchens & Williams LLP (included in opinion, attached hereto as Exhibit 5(c)).

**23(e) - Consent of Morris, James, Hitchens & Williams LLP (included in opinion, attached hereto as Exhibit 5(d)).

**23(f) - Consent of Morris, James, Hitchens & Williams LLP (included in opinion, attached hereto as Exhibit 5(e)).

**23(g) - Consent of Morris, James, Hitchens & Williams LLP (included in opinion, attached hereto as Exhibit 5(f)).

**23(h) - Consent of Morris, James, Hitchens & Williams LLP (included in opinion, attached hereto as Exhibit 5(g)).

**23(i) - Consent of Morris, James, Hitchens & Williams LLP (included in opinion, attached hereto as Exhibit 5(h)).

**24 - Powers of Attorney (included on the signature pages of this registration statement filed on September 5, 2006).

**25(a) - Statement of Eligibility on Form T-1 of The Bank of New York, as Guarantee Trustee with respect to FPL Group's Guarantee of FPL Group Capital's Senior Debt Securities (filed as Exhibit 25(a) to this registration statement on September 5, 2006).

**25(b) - Statement of Eligibility on Form T-1 of The Bank of New York, as Indenture Trustee with respect to FPL Group Capital's Senior Debt Securities (filed as Exhibit 25(b) to this registration statement on September 5, 2006).

**25(c) - Statement of Eligibility on Form T-1 of The Bank of New York, as trustee with respect to FPL Group's Senior Debt Securities (filed as Exhibit 25(c) to this registration statement on September 5, 2006).

**25(d) - Statement of Eligibility on Form T-1 of The Bank of New York, as Subordinated Indenture Trustee with respect to FPL Group Capital's Junior Subordinated Debentures (filed as Exhibit 25(d) to this registration statement on September 5, 2006).

**25(e) - Statement of Eligibility on Form T-1 of The Bank of New York, as Subordinated Indenture Trustee with respect to FPL Group's Junior Subordinated Debentures (filed as Exhibit 25(e) to this registration statement on September 5, 2006).

**25(f) - Statement of Eligibility on Form T-1 of The Bank of New York, as Property Trustee, with respect to the Amended and Restated Trust Agreement of FPL Group Capital Trust II (filed as Exhibit 25(f) to this registration statement on September 5, 2006).

**25(g) - Statement of Eligibility on Form T-1 of The Bank of New York, as Property Trustee, with respect to the Amended and Restated Trust Agreement of FPL Group Capital Trust III (filed as Exhibit 25(g) to this registration statement on September 5, 2006).

**25(h) - Statement of Eligibility on Form T-1 of The Bank of New York, as Property Trustee, with respect to the Amended and Restated Trust Agreement of FPL Group Trust I (filed as Exhibit 25(h) to this registration statement on September 5, 2006).

**25(i) - Statement of Eligibility on Form T-1 of The Bank of New York, as Property Trustee, with respect to the Amended and Restated Trust Agreement of FPL Group Trust II (filed as Exhibit 25(i) to this registration statement on September 5, 2006).

**25(j) - Statement of Eligibility on Form T-1 of The Bank of New York, as Preferred Trust Securities Guarantee Trustee, with respect to the Preferred Trust Securities Guarantee Agreement of FPL Group Capital Trust II (filed as Exhibit 25(j) to this registration statement on September 5, 2006).

**25(k) - Statement of Eligibility on Form T-1 of The Bank of New York, as Preferred Trust Securities Guarantee Trustee, with respect to the Preferred Trust Securities Guarantee Agreement of FPL Group Capital Trust III (filed as Exhibit 25(k) to this registration statement on September 5, 2006).

**25(l) - Statement of Eligibility on Form T-1 of The Bank of New York, as Preferred Trust Securities Guarantee Trustee, with respect to the Preferred Trust Securities Guarantee Agreement of FPL Group Trust I (filed as Exhibit 25(l) to this registration statement on September 5, 2006).

**25(m) - Statement of Eligibility on Form T-1 of The Bank of New York, as Preferred Trust Securities Guarantee Trustee, with respect to the Preferred Trust Securities Guarantee Agreement of FPL Group Trust II (filed as Exhibit 25(m) to this registration statement on September 5, 2006).

**25(n) - Statement of Eligibility on Form T-1 of Deutsche Bank Trust Company Americas with respect to the Mortgage (filed as Exhibit 25(n) to this registration statement on September 5, 2006).

**25(o) - Statement of Eligibility on Form T-1 of The Bank of New York, as Subordinated Indenture Trustee with respect to the Junior Subordinated Debentures of FPL (filed as Exhibit 25(o) to this registration statement on September 5, 2006).

**25(p) - Statement of Eligibility on Form T-1 of The Bank of New York, as Property Trustee, with respect to the Amended and Restated Trust Agreement of Florida Power & Light Company Trust I (filed as Exhibit 25(p) to this registration statement on September 5, 2006).

**25(q) - Statement of Eligibility on Form T-1 of The Bank of New York, as Property Trustee, with respect to the Amended and Restated Trust Agreement of Florida Power & Light Company Trust II (filed as Exhibit 25(q) to this registration statement on September 5, 2006).

**25(r) - Statement of Eligibility on Form T-1 of The Bank of New York, as Preferred Trust Securities Guarantee Trustee, with respect to the Preferred Trust Securities Guarantee Agreement of Florida Power & Light Company Trust I (filed as Exhibit 25(r) to this registration statement on September 5, 2006).

**25(s) - Statement of Eligibility on Form T-1 of The Bank of New York, as Preferred Trust Securities Guarantee Trustee, with respect to the Preferred Trust Securities Guarantee Agreement of Florida Power & Light Company Trust II (filed as Exhibit 25(s) to this registration statement on September 5, 2006).

25(t) - Statement of Eligibility on Form T-1 of The Bank of New York, as purchase contract agent.

*Incorporated herein by reference as indicated.

** Previously filed as exhibits to this registration statement.

Item 17. Undertakings.

The undersigned registrants hereby undertake:

(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 subsections (i), (ii) and (iii) do not apply if the registration statement is on Form S-3 and the information required to be contained in a post-effective amendment by those subsections is contained in reports filed with or furnished to the SEC by the registrants pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of 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 the purpose of determining liability under the Securities Act to any purchaser:

(i) Each prospectus filed by the registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and

(ii) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5), or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(x) for the purpose of providing the information required by Section 10(a) of the Securities Act shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which that prospectus relates, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof,

provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date.

(5) That, for the purpose of determining liability of the registrant under the Securities Act to any purchaser in the initial distribution of the securities, the undersigned registrants undertake that in a primary offering of securities of the undersigned registrants pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of

any of the following communications, the undersigned registrants will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

(6) To file, if applicable, an application for the purpose of determining the eligibility of the trustee to act under subsection (a) of Section 310 of the Trust Indenture Act of 1939 in accordance with the rules and regulations prescribed by the SEC under Section 305(b)(2) of the Trust Indenture Act of 1939.

(7) With respect to registrants offering equity securities that, prior to such offering, had no obligation to file reports with the SEC pursuant to Section 13(a) or 15(d) of the Exchange Act, to provide to the underwriter at the closing specified in the underwriting agreements, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrants pursuant to the provisions described under Item 15 of this registration statement, or otherwise, the registrants have 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 any registrant of expenses incurred or paid by a director, officer or controlling person of such 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 against which the claim is asserted 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, FPL Group, Inc. 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 post-effective 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 3rd day of May, 2007.

FPL GROUP, INC.

By: /s/ Lewis Hay, III*
Lewis Hay, III
Chairman of the Board, Chief Executive Officer and Director

Pursuant to the requirements of the Securities Act of 1933, this post-effective 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)	May 3, 2007
/s/ Moray P. Dewhurst* Moray P. Dewhurst	Vice President, Finance and Chief Financial Officer (Principal Financial Officer)	May 3, 2007
/s/ K. Michael Davis* K. Michael Davis	Controller and Chief Accounting Officer (Principal Accounting Officer)	May 3, 2007
/s/ Sherry S. Barrat* Sherry S. Barrat	Director	May 3, 2007
/s/ Robert M. Beall, II* Robert M. Beall, II	Director	May 3, 2007
/s/ J. Hyatt Brown* J. Hyatt Brown	Director	May 3, 2007
/s/ James L. Camaren* James L. Camaren	Director	May 3, 2007
/s/ J. Brian Ferguson* J. Brian Ferguson	Director	May 3, 2007

Signature	Title	Date
_____ Toni Jennings	Director	
_____ Oliver D. Kingsley, Jr.	Director	
/s/ Rudy E. Schupp* Rudy E. Schupp	Director	May 3, 2007
/s/ Michael H. Thaman* Michael H. Thaman	Director	May 3, 2007
/s/ Hansel E. Tookes, II* Hansel E. Tookes, II	Director	May 3, 2007
/s/ Paul R. Tregurtha* Paul R. Tregurtha	Director	May 3, 2007

*By: _____
Edward F. Tancer, Attorney-in-Fact

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, FPL Group Capital Inc certifies that it has reasonable grounds to believe that it meets all requirements for filing on Form S-3 and has duly caused this post-effective 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 3rd day of May, 2007.

FPL GROUP CAPITAL INC

By: /s/ Lewis Hay, III*
Lewis Hay, III
President, Chief Executive Officer and Director

Pursuant to the requirements of the Securities Act of 1933, this post-effective 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	President, Chief Executive Officer and Director (Principal Executive Officer)	May 3, 2007
/s/ Moray P. Dewhurst* Moray P. Dewhurst	Senior Vice President, Finance, Chief Financial Officer and Director (Principal Financial Officer)	May 3, 2007
/s/ K. Michael Davis* K. Michael Davis	Controller and Chief Accounting Officer (Principal Accounting Officer)	May 3, 2007
/s/ Paul I. Cutler* Paul I. Cutler	Director	May 3, 2007

*By: _____
Edward F. Tancer, Attorney-in-Fact

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Florida Power & Light Company certifies that it has reasonable grounds to believe that it meets all requirements for filing on Form S-3 and has duly caused this post-effective 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 3rd day of May, 2007.

FLORIDA POWER & LIGHT COMPANY

By: /s/ Armando J. Olivera*
Armando J. Olivera
President and Director

Pursuant to the requirements of the Securities Act of 1933, this post-effective 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)	May 3, 2007
/s/ Moray P. Dewhurst* Moray P. Dewhurst	Senior Vice President, Finance and Chief Financial Officer and Director (Principal Financial Officer)	May 3, 2007
/s/ K. Michael Davis* K. Michael Davis	Vice President, Accounting, Controller and Chief Accounting Officer (Principal Accounting Officer)	May 3, 2007
/s/ Armando J. Olivera* Armando J. Olivera	Director	May 3, 2007
/s/ Antonio Rodriguez* Antonio Rodriguez	Director	May 3, 2007
/s/ John A. Stall* John A. Stall	Director	May 3, 2007
/s/ Edward F. Tancer* Edward F. Tancer	Director	May 3, 2007

*By: _____
Edward F. Tancer, Attorney-in-Fact

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, FPL Group Capital Trust II 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 post-effective 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 3rd day of May, 2007.

FPL GROUP CAPITAL TRUST II

By: _____

Name: Robert Steven Schauer
Title: Administrative Trustee

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, FPL Group Capital Trust III 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 post-effective 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 3rd day of May, 2007.

FPL GROUP CAPITAL TRUST III

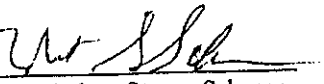
By: _____

Name: Robert Steven Schauer
Title: Administrative Trustee

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, FPL Group Trust I 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 post-effective 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 3rd day of May, 2007.

FPL GROUP TRUST I

By: 

Name: Robert Steven Schauer
Title: Administrative Trustee

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, FPL Group Trust II 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 post-effective 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 3rd day of May, 2007.

FPL GROUP TRUST II

By: _____

Name: Robert Steven Schauer
Title: Administrative Trustee

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Florida Power & Light Company Trust I 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 post-effective 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 3rd day of May, 2007.

FLORIDA POWER & LIGHT COMPANY TRUST I

By: _____
Name: Robert Steven Schauer
Title: Administrative Trustee

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Florida Power & Light Company Trust II 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 post-effective 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 3rd day of May, 2007.

FLORIDA POWER & LIGHT COMPANY TRUST II

By: _____

Name: Robert Steven Schauer
Title: Administrative Trustee

Exhibit Index

1(f)	Form of Underwriting Agreement with respect to common stock, stock purchase contracts and stock purchase units of FPL Group.
1(g)	Form of Underwriting Agreement with respect to preferred stock of FPL Group and FPL Group Capital (including the guarantee of FPL Group).
1(h)	Form of Underwriting Agreement with respect to preferred stock of Florida Power & Light Company.
4(bk)	Form of first mortgage bond relating to Florida Power & Light Company's Bonds.
4(bl)	Form of temporary first mortgage bond relating to Florida Power & Light Company's Bonds.
5(a)	Opinion and Consent, dated May 3, 2007, of Squire, Sanders & Dempsey L.L.P., counsel to FPL Group, FPL Group Capital, Florida Power & Light Company, FPL Group Capital Trust II, FPL Group Capital Trust III, FPL Group Trust I, FPL Group Trust II, Florida Power & Light Company Trust I and Florida Power & Light Company Trust II.
5(b)	Opinion and Consent, dated May 3, 2007, of Thelen Reid Brown Raysman & Steiner LLP, counsel to FPL Group, FPL Group Capital, Florida Power & Light Company, FPL Group Capital Trust II, FPL Group Capital Trust III, FPL Group Trust I, FPL Group Trust II, Florida Power & Light Company Trust I and Florida Power & Light Company Trust II.
23(a)	Consent of Deloitte & Touche LLP, an independent registered public accounting firm.
23(b)	Consent of Squire, Sanders & Dempsey L.L.P. (included in opinion, attached hereto as Exhibit 5(a)).
23(c)	Consent of Thelen Reid Brown Raysman & Steiner LLP (included in opinion, attached hereto as Exhibit 5(b)).
25(t)	Statement of Eligibility on Form T-1 of The Bank of New York, as purchase contract agent.

Exhibit 1(f)

Exhibit 1(f)

[Name of Issuer]

[Name of Security]

UNDERWRITING AGREEMENT

[Date]

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

Ladies and Gentlemen:

1. Introductory. [[1]FPL Group, Inc., a Florida corporation ("FPL Group"), proposes to issue and sell shares of FPL Group's common stock, $.01 par value (the "Common Stock"), with the terms and in the amount specified in Schedule I hereto (the "Securities").] [[2]FPL Group, Inc., a Florida corporation ("FPL Group"), proposes to issue and sell FPL Group's new securities ("Securities"), and in connection therewith FPL Group [Capital Inc, a Florida corporation ("FPL Group Capital") and a [wholly-owned] subsidiary of FPL Group,] proposes to issue and sell certain of its debt securities as specified herein. The Securities will consist of _____ equity units consisting of _____ of FPL Group's corporate units ("Corporate Units"), with a stated amount per Corporate Unit of $__ (the "Stated Amount").] [[1]FPL Group hereby confirms its agreement with the several Underwriters (as defined below) as set forth herein.] [[2]Each of FPL Group and FPL Group Capital 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 6 hereof, and the term "Underwriter" shall be deemed to mean one of such Underwriters. If the

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1 For use in connection with Common Stock.

2 For use in connection with Stock Purchase Units. If FPL Group issues debt securities of FPL Group as a component of Stock Purchase Units, rather than debt securities of FPL Group Capital, not all of the language indicated with this footnote would be included in the related underwriting agreement. FPL Group may substitute preferred trust securities for debentures in connection with the Stock Purchase Units. In that event, please refer to the Form of Underwriting Agreement with respect to Preferred Trust Securities of FPL Group Trust and FPL Group Capital Trust and related securities. FPL Group may also substitute preferred stock for Common Stock in connection with the Stock Purchase Units. In that event, please refer to the Form of Underwriting Agreement with respect to preferred stock of FPL Group.

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 Securities. [[2]Each Corporate Unit will consist of a unit comprised of (a) a stock purchase contract (a "Purchase Contract") under which (i) the holder will purchase from FPL Group not later than _____, ____ (the "Purchase Contract Settlement Date"), for $__ in cash, a fraction of a newly issued share of FPL Group's common stock, $.01 par value (the "Common Stock") determined as provided in the Purchase Contract, and (ii) FPL Group will pay the holder unsecured contract adjustments payments ("Contract Adjustment Payments") at the rate of ____% of the Stated Amount per annum, subject to the right of FPL Group to defer such payments, and (b) prior to the Purchase Contract Settlement Date, beneficial ownership of a Series __ Debenture due _____, ____ issued by FPL Group [Capital] (a "Debenture"), having a principal amount of $__. The Debentures will be a series of debentures issued by FPL Group [Capital] pursuant to an Indenture, dated as of [June 1, 1999] [_____], to The Bank of New York, as Trustee (together with any amendments or supplements thereto, the "Indenture"), a copy of which has been heretofore delivered to the Representatives[.][, and will be absolutely, irrevocably and unconditionally guaranteed by FPL Group pursuant to, and in accordance with, the terms of a Guarantee Agreement, dated as of June 1, 1999, between FPL Group, as Guarantor, and The Bank of New York, as Guarantee Trustee, a copy of which has been heretofore delivered to the Representatives (the "Guarantee Agreement"). The term "Guarantee" as used in this agreement shall refer to the guarantee pursuant to the Guarantee Agreement relating to the Debentures.] In accordance with the terms of the Purchase Contract Agreement, dated as of _____, ____ (the "Purchase Contract Agreement"), between FPL Group and The Bank of New York, as Purchase Contract Agent and Trustee (the "Purchase Contract Agent"), the Debentures constituting a part of the Corporate Units will be pledged by the Purchase Contract Agent, on behalf of the holders of the Securities (as defined herein), to _____, as Collateral Agent, pursuant to the Pledge Agreement, dated as of _____, ____ (the "Pledge Agreement"), among FPL Group, the Purchase Contract Agent, the Collateral Agent, the Custodial Agent and the Securities Intermediary, to secure the holders' obligations to purchase Common Stock pursuant to the Purchase Contracts. Under certain circumstances, holders of Corporate Units may substitute certain U.S. Treasury securities for the Debentures that are a part of such holders' Corporate Units and thereby create treasury units ("Treasury Units") pursuant to the terms of the Purchase Contract Agreement and the Pledge Agreement. Also, under certain circumstances, the Debentures will be subject to remarketing pursuant to a Remarketing Agreement, dated as of _____, ____ among _____, as Remarketing Agent and as Reset Agent, FPL Group[, FPL Group Capital] and the Purchase Contract Agent (the "Remarketing Agreement").]

3. [[2]Representations and Warranties of FPL Group Capital. FPL Group Capital represents and warrants to the several Underwriters that:

(a) FPL Group Capital has filed with the Securities and Exchange Commission (the "Commission") a joint registration statement[, as amended,] with FPL Group, FPL Group Capital Trust II, FPL Group Capital Trust III (together with FPL Group Capital Trust II, "FPL Group Capital Trust"), FPL Group Trust I, FPL Group Trust II (together with FPL Group Trust I, "FPL Group Trust"), Florida Power & Light Company, Florida Power & Light Company Trust I and Florida Power & Light Company Trust II (together with Florida Power & Light Company Trust I, "Florida Power & Light Company Trust", and together with FPL Group Capital Trust and FPL Group Trust, collectively the "Trusts") on Form S-3, including a prospectus (Registration Statement Nos. 333-_____, 333-_____-01, 333-_____-02, 333-_____-03, 333-_____-04, 333-_____-05, 333-_____-06, 333-_____-07 and 333-_____-08) ("Registration Statement No. 333-_____"), for the registration under the Securities Act of 1933, as amended (the "Securities Act"), of (a) an unspecified aggregate amount of (i) senior debt securities of FPL Group Capital ("FPL Group Capital Senior Debt Securities"), (ii) FPL Group's Common Stock, (iii) shares of FPL Group's preferred stock, $.01 par value ("FPL Group Preferred Stock"), (iv) shares of FPL Group Capital's preferred stock, $.01 par value ("FPL Group Capital Preferred Stock"), (v) contracts to purchase Common Stock or FPL Group Preferred Stock or other agreements or instruments requiring FPL Group to issue Common Stock or FPL Group Preferred Stock (collectively, "Stock Purchase Contracts"), (vi) units, each representing ownership of a Stock Purchase Contract and any of debt securities of FPL Group Capital, debt securities of FPL Group, FPL Group Trust Preferred Trust Securities (as defined below), FPL Group Capital Preferred Trust Securities (as defined below) or debt securities of third parties, including U.S. Treasury securities ("Stock Purchase Units"), (vii) junior subordinated debentures of FPL Group Capital ("FPL Group Capital Junior Subordinated Debentures"), (viii) junior subordinated debentures of FPL Group ("FPL Group Junior Subordinated Debentures"), (ix) senior debt securities of FPL Group ("FPL Group Senior Debt Securities"), (x) preferred trust securities of FPL Group Capital Trust II ("FPL Group Capital Trust II Preferred Trust Securities"), (xi) preferred trust securities of FPL Group Capital Trust III (together with FPL Group Capital Trust II Preferred Trust Securities, the "FPL Group Capital Trust Preferred Trust Securities"), (xii) preferred trust securities of FPL Group Trust I ("FPL Group Trust I Preferred Trust Securities"), and (xiii) preferred trust securities of FPL Group Trust II (together with FPL Group Trust I Preferred Trust Securities, "FPL Group Trust Preferred Trust Securities"), (b) guarantees of FPL Group ("FPL Group Guarantees") related to the FPL Group Capital Senior Debt Securities, FPL Group Capital Junior Subordinated Debentures, FPL Group Capital Preferred Stock, FPL Group Capital Trust Preferred Trust Securities and FPL Group Trust Preferred Trust Securities, (c) an unspecified aggregate amount of (i) first mortgage bonds of Florida Power & Light Company ("Bonds"), (ii) shares of Florida Power & Light Company's serial Preferred Stock, $100 par value ("Serial Preferred Stock") and shares of Florida Power & Light Company's Preferred Stock without par value ("No Par Preferred Stock," and together with the Serial Preferred Stock, "Florida Power & Light Company Preferred Stock"), (iii) junior subordinated debentures of Florida Power & Light Company ("Florida Power & Light Company Junior Subordinated Debentures"), (iv) preferred trust securities of Florida Power & Light Company Trust I ("Florida Power & Light Company Trust I Preferred Trust Securities") and (v) preferred trust securities of Florida Power &

Light Company Trust II (together with Florida Power & Light Company Trust I Preferred Trust Securities, "Florida Power & Light Company Trust Preferred Trust Securities"), and (d) guarantee of Florida Power & Light Company related to the Florida Power & Light Company Trust Preferred Trust Securities (the "Florida Power & Light Company Trust Guarantee"). Such registration statement has become effective 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 Group Capital, threatened by the Commission. References herein to the term "Registration Statement" as of any given time shall mean Registration Statement No. 333-_____, as amended or supplemented to such time, including all documents incorporated by reference therein as of such time pursuant to Item 12 of Form S-3 ("Incorporated Documents") and any prospectus, preliminary prospectus supplement or prospectus supplement relating to the Securities deemed to be a part thereof pursuant to Rule 430B that has not been superseded or modified. References herein to the term "Registration Statement" without reference to a time means the Registration Statement as of ____ [A.M./P.M.], New York City time, on [the date hereof] (which date and time is the earlier of the date and time of (x) the first use of the preliminary prospectus supplement relating to the Securities and (y) the first contract of sale of the Securities), which time shall be considered the "Effective Date" of the Registration Statement. For purposes of the definitions of "Registration Statement" in the preceding two sentences, information contained in any prospectus, preliminary prospectus supplement or prospectus supplement that is deemed retroactively to be a part of the Registration Statement pursuant to Rule 430B shall be considered to be included in the Registration Statement as of the time specified in Rule 430B. References herein to the term "Pricing Prospectus" shall mean the prospectus relating to FPL Group, FPL Group Capital, FPL Group Trust and FPL Group Capital Trust forming a part of Registration Statement No. 333-_____ (the "Base Prospectus"), including all Incorporated Documents and any prospectus or prospectus supplement relating to the Securities deemed to be a part of such registration statement that has not been superseded or modified. For purposes of the definition of "Pricing Prospectus" with respect to a particular offering of Securities, information contained in a prospectus or prospectus supplement (other than a prospectus or prospectus supplement that relates only to securities issued by Florida Power & Light Company, Florida Power & Light Company Trust, FPL Group Capital Trust or FPL Group Trust or to securities issued by FPL Group or FPL Group Capital other than the Securities) that is deemed retroactively to be a part of the Registration Statement pursuant to Rule 430B shall be considered to be included in the Pricing Prospectus as of the time that form of prospectus or prospectus supplement is filed with the Commission pursuant to Rule 424 of the general rules and regulations of the Securities Act ("Rule 424"). References herein to the term "Prospectus" means the Pricing Prospectus that discloses the public offering price and other final terms of the Securities and otherwise satisfies Section 10(a) of the Securities Act. The prospectus supplement relating to the Securities 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. Each of the Underwriters acknowledges that on or subsequent to the Closing Date, FPL Group Capital may file a post-effective amendment to the Registration Statement pursuant to Rule 462(d) under the Securities Act or FPL Group may file a Current Report on Form 8-K in order to file

one or more unqualified opinions of counsel and any documents executed in connection with the offering of the Securities.

(b) The Registration Statement constitutes an "automatic shelf registration statement" (as defined in Rule 405 under the Securities Act) filed within three years of the date hereof; the Registration Statement became effective upon filing; no notice of objection of the Commission with respect to the use of the Registration Statement pursuant to Rule 401(g)(2) under the Securities Act has been received by FPL Group Capital and not removed; and with respect to the Debentures, FPL Group Capital is a "well-known seasoned issuer" within the meaning of subparagraph (1)(ii) of the definition of "well-known seasoned issuer" in Rule 405 under the Securities Act and is not an "ineligible issuer" (as defined in Rule 405 under the Securities Act).

(c) The Registration Statement at the Effective Date fully complied, and the Prospectus, both as of the date hereof and at the Closing Date, and the Registration Statement and the Indenture, 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 the Registration Statement 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, both as of the date hereof 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; provided, that the foregoing representations and warranties in this subsection (c) shall not apply to statements or omissions made in reliance upon and in conformity with information furnished in writing to FPL Group or FPL Group Capital 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 Statements of Eligibility on Form T-1, or amendments thereto, filed as exhibits to the Registration Statement (collectively, the "Statements of Eligibility") or to any statements or omissions made in the Registration Statement or the Prospectus relating to The Depository Trust Company ("DTC") Book-Entry-Only System that are based solely on information contained in published reports of DTC.

(d) As of the Applicable Time (as defined below), the Pricing Disclosure Package (as defined below) did not contain 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; provided, that the foregoing representations and warranties in this subsection (d) shall not apply to statements or omissions made in reliance upon and in conformity with information furnished in writing to FPL Group or FPL Group Capital by or on behalf of any Underwriter through the Representatives expressly for use in connection with the preparation of the Pricing Prospectus, any preliminary prospectus supplement or any Issuer Free Writing Prospectus (as defined below), or to any statements or omissions

made in the Pricing Prospectus, any preliminary prospectus supplement or any Issuer Free Writing Prospectus relating to the DTC Book-Entry-Only System that are based solely on information contained in published reports of DTC. References to the term "Pricing Disclosure Package" shall mean the documents listed in Schedule III, taken together as a whole. References to the term "Issuer Free Writing Prospectus" shall mean an issuer free writing prospectus, as defined in Rule 433 under the Securities Act. References to the term "Free Writing Prospectus" shall mean a free writing prospectus, as defined in Rule 405 under the Securities Act. References to the term "Applicable Time" means ____ [A.M./P.M.] on [the date hereof]. If there occurs an event or development as a result of which the Pricing Disclosure Package would include an untrue statement of a material fact or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances then prevailing, not misleading, FPL Group Capital promptly will notify the Representatives so that any use of the Pricing Disclosure Package may cease until it is amended or supplemented.

(e) As of the Applicable Time, no Issuer Free Writing Prospectus includes any information that conflicts with the information contained in the Registration Statement, the Prospectus or the Pricing Prospectus, including any document incorporated by reference therein that has not been superseded or modified.

(f) The execution and delivery of this agreement and the consummation of the transactions herein contemplated by FPL Group Capital, and the fulfillment of the terms hereof on the part of FPL Group Capital to be fulfilled have been duly authorized by all necessary corporate action of FPL Group Capital in accordance with the provisions of its Articles of Incorporation, as amended (the "FPL Group Capital Charter"), by-laws and applicable law, and the Debentures when issued and delivered by FPL Group Capital as provided herein will constitute valid and binding obligations of FPL Group Capital enforceable against FPL Group Capital in accordance with their terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity. The execution and delivery by FPL Group Capital of this agreement and the Debentures and the performance by FPL Group Capital of its obligations under this agreement, the Debentures and the Indenture do not require any consent, approval, authorization, registration or qualification of or by any governmental agency or body other than those consents, approvals, authorizations, registrations or qualifications as have already been obtained.

(g) The execution and delivery of this agreement and the consummation of the transactions herein contemplated by FPL Group Capital, the fulfillment of the terms hereof on the part of FPL Group Capital to be fulfilled, and the compliance by FPL Group Capital with all the terms and provisions of the Indenture and the Debentures will not result in a breach of any of the terms or provisions of, or constitute a default under, the FPL Group Capital Charter or by-laws, or any indenture, mortgage, deed of trust or other agreement or instrument to which FPL Group Capital or any of its subsidiaries is now a party, or violate any law or any order, rule, decree or regulation applicable to FPL Group Capital or any of its subsidiaries of any federal or state court, regulatory board or body or administrative agency having jurisdiction over FPL Group Capital or any of 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 Group Capital and its subsidiaries taken as a whole.

(h) FPL Group Capital or one or more of its direct or indirect subsidiaries owns all of the ownership interests of [insert names of significant subsidiaries] free and clear of all liens, encumbrances and adverse claims, except such as do not materially affect the value thereof.

(i) FPL Group Capital and each of its direct and indirect significant subsidiaries (as defined in Regulation S-X (17 CFR Part 210)) has been duly organized, is validly existing and is in good standing under the laws of its respective jurisdiction of organization, and is duly qualified to do business and is in good standing as a foreign corporation or other entity in each jurisdiction in which its respective ownership of properties or the conduct of its respective businesses requires such qualification, except where the failure so to qualify would not have a material adverse effect on the business, properties or financial condition of FPL Group Capital and its subsidiaries taken as a whole, and has the power and authority as a corporation or other entity necessary to own or hold its respective properties and to conduct the businesses in which it is engaged.

(j) The Debentures conform in all material respects to the description thereof in the Pricing Disclosure Package and the Prospectus.

(k) The Indenture (i) has been duly authorized by FPL Group Capital by all necessary corporate action, has been duly executed and delivered by FPL Group Capital, and is a valid and binding instrument enforceable against FPL Group Capital in accordance with its terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity and (ii) conforms in all material respects to the description thereof in the Pricing Disclosure Package and the Prospectus.]

(l) FPL Group Capital is not, and after giving effect to the offering and sale of the Debentures and the application of the proceeds thereof as described in the Pricing Disclosure Package and the Prospectus, will not be, an "investment company" within the meaning of the Investment Company Act of 1940, as amended ("1940 Act").

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

(a) [[1]FPL Group, jointly with FPL Group Capital Inc, a Florida corporation ("FPL Group Capital") and a [wholly-owned] subsidiary of FPL Group, FPL Group Capital Trust II, FPL Group Capital Trust III (together with FPL Group Capital Trust I, "FPL Group Capital Trust"), FPL Group Trust I, FPL Group Trust II (together with FPL Group Trust I, "FPL Group Trust"), Florida Power & Light Company, Florida Power & Light Company Trust I and Florida Power & Light Company Trust II (together with Florida Power & Light Company Trust I, "Florida Power & Light Company Trust", and together with FPL Group Capital Trust and FPL Group Capital Trust, the "Trusts") has filed with

the Securities and Exchange Commission (the "Commission") Registration Statement Nos. 333-_____, 333-_____-01, 333-_____-02, 333-_____-03, 333-_____-04, 333-_____-05, 333-_____-06, 333-_____-07 and 333-_____-08[, as amended] ("Registration Statement No. 333-_____") for the registration under the Securities Act of 1933, as amended (the "Securities Act"), of (a) an unspecified aggregate amount of (i) senior debt securities of FPL Group Capital ("FPL Group Capital Senior Debt Securities"), (ii) Common Stock, (iii) shares of FPL Group's preferred stock, $.01 par value ("FPL Group Preferred Stock"), (iv) shares of FPL Group Capital's preferred stock, $.01 par value ("FPL Group Capital Preferred Stock"), (v) contracts to purchase Common Stock or FPL Group Preferred Stock or other agreements or instruments requiring FPL Group to issue Common Stock or FPL Group Preferred Stock (collectively, "Stock Purchase Contracts"), (vi) units, each representing ownership of a Stock Purchase Contract and any of debt securities of FPL Group Capital, debt securities of FPL Group, FPL Group Trust Preferred Trust Securities (as defined below), FPL Group Capital Preferred Trust Securities (as defined below) or debt securities of third parties, including U.S. Treasury securities ("Stock Purchase Units"), (vii) junior subordinated debentures of FPL Group Capital ("FPL Group Capital Junior Subordinated Debentures"), (viii) junior subordinated debentures of FPL Group ("FPL Group Junior Subordinated Debentures"), (ix) senior debt securities of FPL Group, (x) preferred trust securities of FPL Group Capital Trust II ("FPL Group Capital Trust II Preferred Trust Securities"), (xi) preferred trust securities of FPL Group Capital Trust III (together with FPL Group Capital Trust II Preferred Trust Securities, the "FPL Group Capital Trust Preferred Trust Securities"), (xii) preferred trust securities of FPL Group Trust I ("FPL Group Trust I Preferred Trust Securities"), and (xiii) preferred trust securities of FPL Group Trust II (together with FPL Group Trust I Preferred Trust Securities, "FPL Group Trust Preferred Trust Securities"), (b) guarantees of FPL Group ("FPL Group Guarantees") related to the FPL Group Capital Senior Debt Securities, FPL Group Capital Junior Subordinated Debentures, FPL Group Capital Preferred Stock, FPL Group Capital Trust Preferred Trust Securities and FPL Group Trust Preferred Trust Securities, (c) an unspecified aggregate amount of (i) first mortgage bonds of Florida Power & Light Company, (ii) shares of Florida Power & Light Company's serial Preferred Stock, $100 par value and shares of Florida Power & Light Company's Preferred Stock without par value, (iii) junior subordinated debentures of Florida Power & Light Company, (iv) preferred trust securities of Florida Power & Light Company Trust I ("Florida Power & Light Company Trust I Preferred Trust Securities") and (v) preferred trust securities of Florida Power & Light Company Trust II (together with Florida Power & Light Company Trust I Preferred Trust Securities, "Florida Power & Light Company Trust Preferred Trust Securities"), and (d) guarantee of Florida Power & Light Company related to the Florida Power & Light Company Trust Preferred Trust Securities. Such registration statement has become effective 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 Group, threatened by the Commission. References herein to the term "Registration Statement" as of any given time shall mean Registration Statement No. 333-_____, as amended or supplemented to such time, including all documents incorporated by reference therein as of such time pursuant to Item 12 of Form S-3 ("Incorporated Documents") and any prospectus, preliminary prospectus supplement

or prospectus supplement relating to the Securities deemed to be a part thereof pursuant to Rule 430B that has not been superseded or modified. References herein to the term "Registration Statement" without reference to a time means the Registration Statement as of ____ [A.M./P.M.], New York City time, on [the date hereof] (which date and time is the earlier of the date and time of (x) the first use of the preliminary prospectus supplement relating to the Securities and (y) the first contract of sale of the Securities), which time shall be considered the "Effective Date" of the Registration Statement. For purposes of the definitions of "Registration Statement" in the preceding two sentences, information contained in any prospectus, preliminary prospectus supplement or prospectus supplement that is deemed retroactively to be a part of the Registration Statement pursuant to Rule 430B shall be considered to be included in the Registration Statement as of the time specified in Rule 430B. References herein to the term "Pricing Prospectus" shall mean the prospectus relating to FPL Group, FPL Group Capital, FPL Group Trust and FPL Group Capital Trust forming a part of Registration Statement No. 333-_____ (the "Base Prospectus"), including all Incorporated Documents and any prospectus or prospectus supplement relating to the Securities deemed to be a part of such registration statement that has not been superseded or modified. For purposes of the definition of "Pricing Prospectus" with respect to a particular offering of Securities, information contained in a prospectus or prospectus supplement (other than a prospectus or prospectus supplement that relates only to securities issued by Florida Power & Light Company, Florida Power & Light Company Trust, FPL Group Capital, FPL Group Capital Trust or FPL Group Trust or to securities issued by FPL Group other than the Securities) that is deemed retroactively to be a part of the Registration Statement pursuant to Rule 430B shall be considered to be included in the Pricing Prospectus as of the time that form of prospectus or prospectus supplement is filed with the Commission pursuant to Rule 424 of the general rules and regulations of the Securities Act ("Rule 424"). References herein to the term "Prospectus" means the Pricing Prospectus that discloses the public offering price and other final terms of the Securities and otherwise satisfies Section 10(a) of the Securities Act. The prospectus supplement relating to the Securities 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. Each of the Underwriters acknowledges that on or subsequent to the Closing Date, FPL Group may file a post-effective amendment to the Registration Statement pursuant to Rule 462(d) under the Securities Act or a Current Report on Form 8-K in order to file one or more unqualified opinions of counsel and any documents executed in connection with the offering of the Securities.

[[2]FPL Group, together with FPL Group Capital, Florida Power & Light Company, and the Trusts, has filed with the Commission Registration Statement No. 333-_____ for the registration under the Securities Act of (a) an unspecified aggregate amount of (i) FPL Group Capital Senior Debt Securities, (ii) Common Stock, (iii) FPL Group Preferred Stock, (iv) FPL Group Capital Preferred Stock, (v) Stock Purchase Contracts, (vi) Stock Purchase Units, (vii) FPL Group Capital Junior Subordinated Debentures, (viii) FPL Group Junior Subordinated Debentures, (ix) FPL Group Senior Debt Securities, (x) FPL Group Trust Preferred Trust Securities and (xi) FPL Group Capital Trust Preferred Trust Securities, (b) the FPL Group Guarantees, (c) an unspecified aggregate amount of (i) Florida Power & Light Company Bonds, (ii) Florida Power &

Light Company Preferred Stock, (iii) Florida Power & Light Company Junior Subordinated Debentures, and (iv) Florida Power & Light Company Trust Preferred Trust Securities, and (d) Florida Power & Light Company's guarantee of the Florida Power & Light Company Trust Preferred Trust Securities. Such registration statement has become effective 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 Group, threatened by the Commission. Each of the Underwriters acknowledges that on or subsequent to the Closing Date, FPL Group may file a post-effective amendment to the Registration Statement pursuant to Rule 462(d) under the Securities Act or a Current Report on Form 8-K in order to file one or more unqualified opinions of counsel.]

(b) The Registration Statement constitutes an "automatic shelf registration statement" (as defined in Rule 405 under the Securities Act) filed within three years of the date hereof; the Registration Statement became effective upon filing; no notice of objection of the Commission with respect to the use of the Registration Statement pursuant to Rule 401(g)(2) under the Securities Act has been received by FPL Group and not removed; and FPL Group is a "well-known seasoned issuer" and is not an "ineligible issuer" (in each case as defined in Rule 405 under the Securities Act).

(c) The Registration Statement at the Effective Date fully complied, and the Prospectus, both as of the date hereof and at the Closing Date, and the Registration Statement [[2], the Guarantee Agreement[, the Indenture] and the Purchase Contract Agreement] at the Closing Date, will fully comply, in all material respects with the applicable provisions of the Securities Act [[2]and the Trust Indenture Act of 1939, as amended, respectively] and [[2], 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 the Registration Statement 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, both as of the date hereof 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; provided, that the foregoing representations and warranties in this subsection (c) shall not apply to statements or omissions made in reliance upon and in conformity with information furnished in writing to FPL Group [[2]or FPL Group Capital] 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 Statements of Eligibility [[1]on Form T-1, or amendments thereto, filed as exhibits to the Registration Statement (collectively, the "Statements of Eligibility")] or to any statements or omissions made in the Registration Statement or the Prospectus relating to [[1]The Depository Trust Company ("DTC")] [[2]the DTC] Book-Entry-Only System that are based solely on information contained in published reports of DTC; 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.

(d) As of the Applicable Time [[1](as defined below)], the Pricing Disclosure Package [[1](as defined below)] did not contain 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; provided, that the foregoing representations and warranties in this subsection (d) shall not apply to statements or omissions made in reliance upon and in conformity with information furnished in writing to FPL Group [[2]or FPL Group Capital] by or on behalf of any Underwriter through the Representatives expressly for use in connection with the preparation of the Pricing Prospectus, any preliminary prospectus supplement or any Issuer Free Writing Prospectus [[1](as defined below)], or to any statements in or omissions from the Pricing Prospectus, any preliminary prospectus supplement or any Issuer Free Writing Prospectus relating to the DTC Book-Entry-Only System that are based solely on information contained in published reports of DTC. [[1]References to the term "Pricing Disclosure Package" shall mean the documents listed in Schedule III, taken together as a whole. References to the term "Issuer Free Writing Prospectus" shall mean an issuer free writing prospectus, as defined in Rule 433 under the Securities Act. References to the term "Free Writing Prospectus" shall mean a free writing prospectus, as defined in Rule 405 under the Securities Act. References to the term "Applicable Time" means ____ [A.M./P.M.] [on the date hereof]. If there occurs an event or development as a result of which the Pricing Disclosure Package would include an untrue statement of a material fact or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances then prevailing, not misleading, FPL Group promptly will notify the Representatives so that any use of the Pricing Disclosure Package may cease until it is amended or supplemented.

(e) As of the Applicable Time, no Issuer Free Writing Prospectus includes any information that conflicts with the information contained in the Registration Statement, the Prospectus or the Pricing Prospectus, including any document incorporated by reference therein that has not been superseded or modified.

(f) The financial statements included as part of or incorporated by reference in the Pricing Disclosure Package, the Prospectus and the Registration Statement present fairly the consolidated financial condition and results of operations of FPL Group 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 Pricing Disclosure Package, the Prospectus and the Registration Statement; and Deloitte & Touche LLP, who has audited the audited financial statements of FPL Group, is an independent registered public accounting firm as required by the Securities Act and the Exchange Act and the rules and regulations of the Commission thereunder.

(g) Except as reflected in or contemplated by the Pricing Disclosure Package, since the respective most recent times as of which information is given in the Pricing

Disclosure Package, there has not been any material adverse change in the business, properties or financial condition of FPL Group 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 Group or any of its subsidiaries that is material to FPL Group and its subsidiaries taken as a whole, other than changes and transactions contemplated by the Pricing Disclosure Package and transactions in the ordinary course of business. FPL Group and its subsidiaries have no contingent obligation material to FPL Group and its subsidiaries taken as a whole, which is not disclosed in or contemplated by the Pricing Disclosure Package.

(h) The execution and delivery of this agreement and the consummation of the transactions herein contemplated by FPL Group, 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 (the "FPL Group Charter"), by-laws and applicable law[[2], and the Guarantee when issued and delivered by FPL Group as provided herein will constitute a valid and binding obligation of FPL Group enforceable against FPL Group in accordance with its terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity]. The execution and delivery by FPL Group [[2]of the Guarantee Agreement did not require, and the execution and delivery by FPL Group] of this agreement and the performance by FPL Group of its obligations under this agreement [[2]and under the Guarantee Agreement] with respect to the Debentures do not require, any consent, approval, authorization, registration or qualification of or by any governmental agency or body other than those consents, approvals, authorizations, registrations or qualifications as have already been obtained.

(i) The execution and delivery of this agreement and the consummation of the transactions herein contemplated by FPL Group [[1]and] [[2],] the fulfillment of the terms hereof on the part of FPL Group to be fulfilled [[2]and the compliance by FPL Group with all the terms and provisions of the Guarantee Agreement] will not result in a breach of any of the terms or provisions of, or constitute a default under, the FPL Group Charter or by-laws, or any indenture, mortgage, deed of trust or other agreement or instrument to which FPL Group or any of its subsidiaries is now a party, or violate any law or any order, rule, decree or regulation applicable to FPL Group or any of its subsidiaries of any federal or state court, regulatory board or body or administrative agency having jurisdiction over FPL Group or any of 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 Group and its subsidiaries taken as a whole.

(j) FPL Group or one or more of its direct or indirect subsidiaries owns all of the common stock (with respect to those subsidiaries which are organized as corporations) or other ownership interests (with respect to those subsidiaries which are organized as limited liability companies) of FPL Group's direct or indirect significant subsidiaries (as defined in Regulation S-X [[1](17 CFR Part 210)]) free and clear of all liens, encumbrances and adverse claims, except such as do not materially affect the value thereof. FPL

Group's direct and indirect significant subsidiaries (as defined in Regulation S-X) are [insert names of significant subsidiaries].

(k) FPL Group and each of its direct and indirect significant subsidiaries (as defined in Regulation S-X) has been duly organized, is validly existing and is in good standing under the laws of its respective jurisdiction of organization, and is duly qualified to do business and is in good standing as a foreign corporation or other entity in each jurisdiction in which its respective ownership of properties or the conduct of its respective businesses requires such qualification, except where the failure so to qualify would not have a material adverse effect on the business, properties or financial condition of FPL Group and its subsidiaries taken as a whole, and has the power and authority as a corporation or other entity necessary to own or hold its respective properties and to conduct the businesses in which it is engaged.

(l) [[2]The Guarantee Agreement (i) has been duly authorized by FPL Group by all necessary corporate action, has been duly executed and delivered by FPL Group and is a valid and binding instrument enforceable against FPL Group in accordance with its terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity and (ii) conforms in all material respects to the description thereof in the Pricing Disclosure Package and the Prospectus.]

(m)[[2]Each of the Purchase Contract Agreement, the Pledge Agreement and the Purchase Contracts forming a part of the Securities (i) has been authorized by all necessary corporate action on the part of FPL Group and, when duly executed and delivered as provided herein, will constitute a valid and binding obligation of FPL Group enforceable in accordance with its respective terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity and, with respect to the Pledge Agreement, subject to any principles of public policy limiting the rights to enforce the indemnification and exculpation provisions contained therein and (ii) conforms in all material respects to the description thereof in the Pricing Disclosure Package and the Prospectus.]

(n) [[1]The Common Stock has been validly authorized and, when issued and delivered by FPL Group against payment therefor in accordance with the provisions of this agreement, will be fully paid and non-assessable.] [[2]The Common Stock issuable pursuant to the Purchase Contracts forming a part of the Securities has been validly authorized and reserved for issuance and, when issued and delivered by FPL Group against payment therefor in accordance with the provisions of the Purchase Contract Agreement, the Purchase Contracts and the Pledge Agreement, will be fully paid and non-assessable.]

(o) [[2]The Debentures conform in all material respects to the description thereof in the Pricing Disclosure Package and the Prospectus.]

(p) [[2]The Indenture (i) has been duly authorized by FPL Group by all necessary corporate action, has been duly executed and delivered by FPL Group , and is a valid and binding instrument enforceable against FPL Group in accordance with its terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity and (ii) conforms in all material respects to the description thereof in the Pricing Disclosure Package and the Prospectus.]

(q) FPL Group is not, and after giving effect to the offering and sale of the Securities and the application of the proceeds thereof as described in the Pricing Disclosure Package and the Prospectus will not be, an "investment company" within the meaning of the [[1]Investment Company Act of 1940, as amended ("]1940 Act[[1]")].

5. Purchase and Sale. On the basis of the representations and warranties herein contained, and subject to the terms and conditions in this agreement, FPL Group [[2]and FPL Group Capital agree] [[1]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 Group [[2]and FPL Group Capital] the respective number of Securities set forth opposite their respective names in Schedule II hereto at the purchase price[s] for those Securities set forth in Schedule I hereto as the Purchase Price.

The Underwriters agree to make a bona fide public offering of the Securities, as set forth in the Pricing Disclosure Package, 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 Group that the Securities will be offered to the public at $___ per [[1]share] [[2]Corporate Unit] and to certain dealers selected by the Representatives at a price which represents a concession not in excess of $____ per [[1]share] [[2]Corporate Unit] under the public offering price.

[[2]The Debentures constituting a part of the Corporate Units will be pledged, together with other collateral, to the Collateral Agent to secure the holders' obligations to purchase Common Stock under the Purchase Contracts. Such pledge shall be effected by delivery to the Collateral Agent of the Debentures to be pledged in certificated form endorsed in blank, at the Closing Date in accordance with the Pledge Agreement.]

Each Underwriter agrees that (i) no information that is presented by it to investors has been or will be inconsistent with the information contained in the Pricing Disclosure Package as it may then be amended or supplemented and (ii) it will make no offer that would constitute a Free Writing Prospectus that is required to be filed by FPL Group [[2]or FPL Group Capital] pursuant to Rule 433 under the Securities Act other than an Issuer Free Writing Prospectus in accordance with Section [7(h)].

6. Time, Date and Place of Closing, Default of Underwriter. Delivery of the Securities and payment therefor by wire transfer in federal funds [[2], against delivery to the Collateral Agent of the Debentures constituting a part of the Corporate Units,] shall be made at ___ A.M., New York City time, on the closing date set forth on Schedule I, at the offices of Thelen Reid Brown Raysman & Steiner LLP, 875 Third Avenue, New York, New York 10022,

or at such other time, date or place as may be agreed upon in writing by FPL Group and the Representatives. The time and date of such delivery and payment are herein called the "Closing Date."

The Securities 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 Securities shall be made through the facilities of DTC unless the Representatives [[1]and FPL Group] [[2], FPL Group and FPL Group Capital] shall otherwise agree. For the purpose of expediting the checking of the Securities [[2]and the Debentures] by the Representatives on behalf of the Underwriters, [[1]FPL Group] [[2]FPL Group Capital] agrees to make such Securities [[2]and the Debentures] available to the Representatives for such purpose at the offices of Thelen Reid Brown Raysman & Steiner 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 Group and the Representatives.

If any Underwriter shall fail to purchase and pay for the number of the Securities which such Underwriter has agreed to purchase and pay for hereunder (otherwise than by reason of any failure on the part of FPL Group [[2]or FPL Group Capital] 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 number of the Securities set forth opposite their respective names in Schedule II hereto) the number of the Securities which such defaulting Underwriter or Underwriters failed to purchase and pay for, up to a number thereof equal to, in the case of each such remaining Underwriter, ten percent (10%) of the aggregate number of the Securities 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 number of the Securities which the defaulting Underwriter or Underwriters agreed but failed to purchase, or (ii) substitute another Underwriter or Underwriters, satisfactory to FPL Group, to purchase and pay for the remaining number of the Securities which the defaulting Underwriter or Underwriters agreed but failed to purchase. If any of the Securities would still remain unpurchased, then FPL Group 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 Securities on the terms herein set forth. In the event that, within the respective prescribed periods, (i) the non-defaulting Underwriters notify FPL Group that they have arranged for the purchase of such Securities or (ii) FPL Group notifies the non-defaulting Underwriters that it has arranged for the purchase of such Securities, the non-defaulting Underwriters or FPL Group 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 Group has arranged for the purchase of such Securities by another party or parties as above provided, then this agreement shall terminate without any liability on the part of FPL Group [[2]or FPL Group

Capital] 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 Securities which such Underwriter has agreed to purchase as provided in Section [5] hereof), except as otherwise provided in Section [10 and] subsections (d) and (f) of Section [7] hereof.

7. Covenants of FPL Group [[2]and FPL Group Capital]. FPL Group [[2]and FPL Group Capital] [[1]agrees] [[2]agree] with the several Underwriters that:

(a) FPL Group [[2]and FPL Group Capital] will timely file the Prospectus with the Commission pursuant to Rule 424. FPL Group [[2]and FPL Group Capital] have complied and will comply with Rule 433 under the Securities Act in connection with the offering and sale of the Securities, including applicable provisions in respect of timely filing with the Commission, legending and record-keeping.

(b) FPL Group [[2]and FPL Group Capital] will prepare a final term sheet, containing a description of the pricing terms of the Securities [[2]including the Debentures], substantially in the form of Schedule I hereto and approved by the Representatives and will timely file such term sheet with the Commission pursuant to Rule 433 under the Securities Act.

(c) FPL Group will deliver to the Representatives and to Counsel for the Underwriters (as defined below) 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 Group to be in the form as originally filed, including all Incorporated Documents and exhibits, except those incorporated by reference, which relate to the Securities, 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 Group will deliver or cause to be delivered to the Underwriters through the Representatives as many copies of the Prospectus and any Issuer Free Writing Prospectus as the Representatives may reasonably request for the purposes contemplated by the Securities Act.

(d) FPL Group [[2]Capital] has paid or cause to be paid or will pay or cause to be paid all expenses in connection with the (i) preparation and filing of the Registration Statement, any preliminary prospectus, the Prospectus and any Issuer Free Writing Prospectus, (ii) issuance and delivery of the Securities as provided in Section [6] hereof, and (iii) printing and delivery to the Representatives for the account of the Underwriters, in reasonable quantities, of copies of the Registration Statement, any preliminary prospectus, the Prospectus [[1]and] [[2],] any Issuer Free Writing Prospectus [[2], the Guarantee Agreement, the Indenture, and the Purchase Contract Agreement]. FPL Group will pay or cause to be paid all taxes, if any (but not including any transfer taxes), on the issuance of the Securities. [[1]FPL Group] [[2]Neither FPL Group nor FPL Group Capital] shall [[1]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 [8], [9] [or] [11] hereof, FPL Group [[2]Capital] 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 Group [[2]Capital] shall reimburse or cause to be reimbursed 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 for such out-of-pocket expenses. [[2]Neither] FPL Group [[2]nor FPL Group Capital] shall [[1]not] in any event be liable to any of the several Underwriters for damages on account of loss of anticipated profits.

(e) During a period of nine months after the date of this agreement, if any event relating to or affecting FPL Group [[2]or FPL Group Capital] shall occur which, in the opinion of FPL Group [[2]or FPL Group Capital], should be set forth in a supplement to or an amendment of the Prospectus (including an Issuer Free Writing Prospectus) in order to make the Prospectus not misleading in the light of the circumstances when it is delivered to a purchaser, FPL Group will forthwith at its expense prepare, file with the Commission, if required, and furnish to the Representatives a reasonable number of copies of such supplement or supplements or amendment or amendments to the Prospectus (including an Issuer Free Writing 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 Group 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.

(f) FPL Group 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 United States 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 [[2]neither] FPL Group [[2]nor FPL Group Capital] shall [[1]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 Group [[2]or FPL Group Capital] to be unduly burdensome.

(g) FPL Group 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 Securities) 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.

(h) Prior to the termination of the offering of the Securities, [2neither] FPL Group [2nor FPL Group Capital] will [1not] file any amendment to the Registration Statement or any amendment or supplement to the Prospectus or any amendment or supplement to the Pricing Disclosure Package 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. [2Neither] FPL Group [1has not] [2nor FPL Group Capital have] made any offer relating to the Securities that would constitute an Issuer Free Writing Prospectus or that would otherwise constitute a Free Writing Prospectus required to be filed by FPL Group [2and FPL Group Capital] with the Commission or retained by FPL Group [2and FPL Group Capital] under Rule 433 under the Securities Act, other than a pricing term sheet substantially in the form as set forth on Schedule I, and will not make any such offer without prior notice to the Representatives and to Counsel for the Underwriters, or any such offer to which the Representatives shall reasonably object in writing, or which shall be unsatisfactory to Counsel for the Underwriters.

(i) FPL Group [2and FPL Group Capital] will advise the Representatives promptly of the filing of the Prospectus pursuant to Rule 424, of the filing of any material pursuant to Rule 433 and of any amendment or supplement to the Pricing Disclosure Package or the Registration Statement or, prior to the termination of the offering of the Securities hereunder, of official notice of the institution of proceedings for, or the entry of, a stop order suspending the effectiveness of the Registration Statement, of receipt from the Commission of any notice of objection to the use of the Registration Statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) under the Securities Act, and, if such a stop order should be entered, or notice of objection should be received, use every commercially reasonable effort to obtain the prompt removal thereof.

8. Conditions of Underwriters' Obligations to Purchase and Pay for the Securities. The several obligations of the Underwriters to purchase and pay for the Securities shall be subject to the performance by FPL Group [2and FPL Group Capital] of [1its] [2their] obligations to be performed hereunder on or prior to the Closing Date and to the following conditions:

(a) The [2respective] representations and warranties made by FPL Group [2and FPL Group Capital] herein and qualified by materiality shall be true and correct in all respects and the [2respective] representations and warranties made by FPL Group [2and FPL Group Capital] herein that are not qualified by materiality shall be true and correct in all material respects as of the Closing Date, in each case as if made on and as of such date and the Representatives shall have received, prior to payment for the Securities, a certificate from [2each of] FPL Group [2and FPL Group Capital] dated the Closing Date and signed by an officer of FPL Group [2and FPL Group Capital, as the case may be,] 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 no notice of objection by the Commission to the use of the Registration Statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) under the Securities Act shall have been received by FPL Group [[2]or FPL Group Capital] and not removed by such date; and the Representatives shall have received, prior to payment for the Securities, a certificate from [[2]each of] FPL Group [[2]and FPL Group Capital] dated the Closing Date and signed by an officer of FPL Group [[2]and FPL Group Capital, as the case may be,] 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 Group [[2]or FPL Group Capital, as the case may be,] threatened by, the Commission.

(c) On the Closing Date, the Representatives shall have received from Squire, Sanders & Dempsey L.L.P., counsel to FPL Group [[2]and FPL Group Capital], Thelen Reid Brown Raysman & Steiner LLP, counsel to FPL Group [[2]and FPL Group Capital], 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 IV, V and VI hereto (i) with such changes therein as may be agreed upon by FPL Group [[2], FPL Group Capital] and the Representatives, with the approval of Counsel for the Underwriters, and (ii) if the Prospectus relating to the Securities 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.

(d) On the date of this agreement and on the Closing Date, the Representatives shall have received from Deloitte & Touche LLP a letter or letters (which may refer to letters previously delivered to the Representatives) (with copies thereof for each of the Underwriters) dated the respective dates of delivery thereof to the effect that (i) they are an independent registered public accounting firm with respect to FPL Group 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 of FPL Group audited by them and incorporated by reference in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, 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. 100, Interim Financial Information, on the unaudited condensed consolidated financial statements of FPL Group, if any, incorporated by reference in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, a reading of the latest available interim unaudited condensed consolidated financial statements of FPL Group, if any, since the close of FPL Group's most recent audited fiscal year, a reading of the minutes and consents of the Board of Directors and the Finance & Investment Committee of the Board of Directors and of the shareholders of FPL Group since the end of the most recent audited fiscal year, and inquiries of officials of FPL Group who have responsibility for financial and accounting matters (it being understood that the foregoing procedures do not constitute an audit made in accordance with standards of the Public Company Accounting Oversight Board (United States) 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 Group, if any, incorporated by reference in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, (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 Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, 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 Group incorporated by reference in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable; (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 such letter, there was any change in the capital stock or increase in long-term debt including current maturities and excluding fair value swaps and amortization of the unamortized premiums and discount on long-term debt of FPL Group and its subsidiaries, or decrease in FPL Group's common shareholders' equity, in each case as compared with amounts shown in the most recent [condensed] consolidated balance sheet incorporated by reference in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, except in all instances for changes, increases or decreases which the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, discloses have occurred or may occur, or as occasioned by the declaration, provision for, or payment of dividends, or as occasioned by the issuance, forfeiture or other acquisition of common stock pursuant to or in connection with any employee or director benefit or compensation plan or the dividend reinvestment plan 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 Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, 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 such letter, there were any decreases, as compared with the corresponding period in the preceding year, in total consolidated operating revenues or in net income, except in all instances for decreases which the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, 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 Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, and Exhibit 12(a) to the Registration Statement and such other items as the Representatives may reasonably request.

(e) Since the respective most recent times as of which information is given in the Pricing Disclosure Package, and up to the Closing Date, (i) there shall have been no material adverse change in the business, properties or financial condition of [[2](a) FPL Group Capital and its subsidiaries taken as a whole or (b)] FPL Group and its subsidiaries taken as a whole, except in each case as disclosed in or contemplated by the Pricing Disclosure Package, and (ii) there shall have been no transaction entered into by [[2](a) FPL Group Capital or any of its subsidiaries that is material to FPL Group Capital

and its subsidiaries taken as a whole or (b)] FPL Group or any of its subsidiaries that is material to FPL Group and its subsidiaries taken as a whole, [[2]in each case] other than transactions disclosed in or contemplated by the Pricing Disclosure Package, and transactions in the ordinary course of business; and at the Closing Date, the Representatives shall have received a certificate to such effect from [[2]each of FPL Group Capital and] FPL Group signed by an officer of [[2]FPL Group Capital or] FPL Group[[2], as the case may be].

(f) 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 Underwriters.

(g) [[[1]The Common Stock] [[2]The Corporate Units constituting the Securities] shall have been approved for listing on The New York Stock Exchange, Inc. ("NYSE") upon official notice of issuance and the Common Stock issuable under the Purchase Contracts constituting a part of the Securities] shall have been approved for listing on [[1]The New York Stock Exchange, Inc. ("NYSE")] [[2]the NYSE] upon official notice of issuance.]

In case any of the conditions specified above in this Section [8] shall not have been fulfilled, this agreement may be terminated by the Representatives upon mailing or delivering written notice thereof to FPL Group [[2]and FPL Group Capital]. Any such termination shall be without liability of any party to any other party except as otherwise provided in subsections (d) and (f) of Section [7] hereof.

9. Condition of FPL Group's [[2]and FPL Group Capital's] Obligations. The [[1]obligation] [[2]obligations] of FPL Group [[2]and FPL Group Capital] to deliver the Securities [[2]and the Debentures, respectively,] shall be subject to the following condition:

(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; no proceedings for either such purpose shall be pending before, or threatened by, the Commission on such date; and no notice of objection by the Commission to the use of the Registration Statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) under the Securities Act shall have been received by FPL Group [[2]or FPL Group Capital] and not removed by such date.

In case the condition specified above in this Section [9] shall not have been fulfilled, this agreement may be terminated by FPL Group [[2]and FPL Group Capital] 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 (d) and (f) of Section [7] hereof.

10. Indemnification.

(a) FPL Group [[2]and FPL Group Capital, jointly and severally, agree] [[1]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, the Pricing Prospectus, the Prospectus or any Issuer Free Writing 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 [10] 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 Group [[2]or FPL Group Capital] by or on behalf of any Underwriter, through the Representatives, expressly for use in connection with the preparation of any preliminary prospectus, the Registration Statement, the Pricing Prospectus, the Prospectus or any Issuer Free Writing Prospectus or any amendment or supplement to any thereof, or arising out of, or based upon, statements in or omissions from the Statements of Eligibility; and provided, further, that the indemnity agreement contained in this subsection (a) of Section [10] in respect of any preliminary prospectus, the Pricing Prospectus, any Issuer Free Writing Prospectus or 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 Securities to any person in respect of any preliminary prospectus, the Pricing Prospectus, any Issuer Free Writing Prospectus or the Prospectus, each as may be then supplemented or amended, furnished by such Underwriter to a person to whom any of the Securities were sold (excluding in all cases, however, any document then incorporated by reference therein), insofar as such indemnity relates to any untrue or misleading statement made in or omission from such preliminary prospectus, Pricing Prospectus, Issuer Free Writing Prospectus or Prospectus, if a copy of a supplement or amendment to such preliminary prospectus, Pricing Prospectus, Prospectus or Issuer Free Writing Prospectus (excluding in all cases, however, any document then incorporated by reference therein) (i) is furnished on a timely basis by [[2]FPL Group Capital or] FPL Group to the Underwriter, (ii) is required by law or regulation to have been conveyed to such person by or on behalf of such Underwriter, at or prior to the entry into the contract of sale of the Securities with such person, but was not so conveyed (which conveyance may be oral or written) by or on behalf of such Underwriter and (iii) would have cured the defect giving rise to such loss, claim, damage or liability. The indemnity agreement of FPL Group [[2]and FPL Group Capital] contained in this subsection (a) of Section [10] and the representations and warranties of FPL Group [[2]and FPL Group Capital] contained in [[1]Section [3]]

[[2]Sections [3] and [4]] hereof, [[2]respectively,] 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 Securities. The Underwriters agree promptly to notify [[2]each of] FPL Group [[2]and FPL Group Capital], 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 Securities.

(b) Each Underwriter, severally and not jointly, agrees to indemnify and hold harmless [[2]each of] FPL Group [[2]and FPL Group Capital], [[1]its] [[2]their respective] officers and directors, and each person who controls FPL Group [[2]or FPL Group Capital, as the case may be] 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 [(1)] an untrue statement or alleged untrue statement of a material fact contained in any preliminary prospectus, the Registration Statement, the Pricing Prospectus, the Prospectus [, any Underwriter Free Writing Prospectus] or any Issuer Free Writing 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 Group [[2]or FPL Group Capital] by or on behalf of such Underwriter, through the Representatives, expressly for use in connection with the preparation of any preliminary prospectus, the Registration Statement, the Pricing Prospectus, the Prospectus [, any Underwriter Free Writing Prospectus] or any Issuer Free Writing Prospectus or any amendment or supplement to any thereof [or (2) an untrue statement or alleged untrue statement of a material fact contained in any Underwriter Free Writing Prospectus distributed by or on behalf of such Underwriter unless such statement or omission was made in reliance upon and in conformity with information furnished in writing by FPL Group [[2]and FPL Group Capital] expressly for use in connection with such Underwriter Free Writing Prospectus]. The Underwriters hereby furnish to FPL Group [[2]and FPL Group Capital] in writing expressly for use in the preliminary prospectus, the Registration Statement, the Pricing Prospectus, the Prospectus and any Issuer Free Writing Prospectus [insert information provided by the Underwriters]. FPL Group [[2]and FPL Group Capital each acknowledge] [[1]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, the Registration Statement, the Pricing Prospectus, the Prospectus or any Issuer Free Writing Prospectus. The indemnity agreement of the respective Underwriters contained in this subsection (b) of Section [10] shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of FPL Group [[2],FPL Group Capital] or any of [[1]its] [[2]their respective] officers or directors or any such other Underwriter or any such controlling person, and

shall survive the delivery of the Securities. FPL Group [[2]and FPL Group Capital agree] [[1]agrees] promptly to notify the Representatives of the commencement of any litigation or proceedings against FPL Group [[2], FPL Group Capital] (or any controlling person [[2]of either] thereof) or any of [[1]its] [[2]their respective] officers or directors in connection with the issuance and sale of the Securities.

(c) FPL Group [[2], FPL Group Capital] 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 [10], 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 this 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 or parties shall elect not to assume the defense of such action, such indemnifying party or parties 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 involved 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 Group [[2], FPL Group Capital] 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 [10], 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 Group [[2]and FPL Group Capital] 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 Group [[2]and FPL Group Capital] on the one hand and the Underwriters 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 Group [[2]and FPL Group Capital] 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 Group [[2], FPL Group Capital] 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 Securities 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 Securities is to the total amount of Securities set forth in Schedule II hereto.

11. Termination. This agreement may be terminated by the Representatives by delivering written notice thereof to FPL Group, 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")] [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 Group [[2]or FPL Group Capital] 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 Securities as contemplated in the Pricing Disclosure Package or for the Underwriters to enforce contracts for the sale of the Securities [[2]; or

(b) (i) there shall have been any downgrading or any notice of any intended or potential downgrading in the ratings accorded to the Debentures or any securities of FPL Group [Capital] which are of the same class as the Debentures 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 Debentures or any securities of FPL Group [Capital] which are of the same class as the Debentures, 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 Securities as contemplated in the Pricing Disclosure Package or for the Underwriters to enforce contracts for the sale of the Securities.

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 or any Issuer Free Writing Prospectus prepared and furnished by FPL Group [[2]and FPL Group Capital] after the date hereof reflects a material adverse change in the business, properties or financial condition of FPL Group and its subsidiaries taken as a whole [[2]or FPL Group Capital 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 Securities to be purchased hereunder. Any termination of this agreement pursuant to this Section [11] shall be without liability of any party to any other party except as otherwise provided in subsections (d) and (f) of Section [7] hereof.

12. Miscellaneous.

(a) The validity and interpretation of this agreement shall be governed by the laws of the State of New York without regard to conflicts of law principles thereunder. This agreement shall inure to the benefit of, and be binding upon, FPL Group [[2], FPL Group Capital], the several Underwriters and, with respect to the provisions of Section [10] hereof, each officer, director or controlling person referred to in said Section [10], 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 any of the several Underwriters.

(b) FPL Group [[2]and FPL Group Capital each acknowledge and agree] [[1]acknowledges and agrees] that the Underwriters are acting solely in the capacity of arm's length contractual counterparties to FPL Group [[2]and FPL Group Capital] with respect to the offering of the Securities as contemplated by this agreement and not as financial advisors or fiduciaries to FPL Group [[2]or FPL Group Capital] in connection herewith. Additionally, none of the Underwriters is advising FPL Group [[2]or FPL Group Capital] as to any legal, tax, investment, accounting or regulatory matters in any

jurisdiction in connection with the offering of the Securities as contemplated by this agreement. Any review by the Underwriters of FPL Group [[2]and FPL Group Capital] in connection with the offering of the Securities contemplated by this agreement and the transactions contemplated by this agreement will not be performed on behalf of FPL Group [[2]and FPL Group Capital].

13. 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 II hereto, or if to FPL Group [[2]or FPL Group Capital], shall be mailed or delivered to it at 700 Universe Boulevard, Juno Beach, Florida 33408, Attention: Treasurer.

14. Counterparts. This agreement may be executed in any number of counterparts by the parties hereto on separate counterparts, each of which, when so executed and delivered, shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

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,

FPL Group, Inc.

By: _____
Name:
Title:

[[2]FPL Group Capital Inc

By: _____
Name:
Title:]

Accepted and delivered as of
the date first above written:

By: _____
Name:
Title:

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

SCHEDULE I

[Name of Issuer]

Pricing Term Sheet

[Date]

Issuer:

Underwriting Agreement dated
Representatives:

Securities:
Designation:

[[1]Number of shares of Common Stock:]
[[2]Number of Units:]
[[2]Aggregate Stated Amount:]
Price to Public:
Purchase Price:
Proceeds to FPL Group [[2]Capital]
(before expenses):
Settlement Date:
CUSIP/ISIN Number:
[[2]Expected Credit Ratings*:]

[[2]Debentures:
Designation:
Principal Amount:
Date of Maturity:
Interest Rate:]

[*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.]

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling _____ toll-free _____ or _____ toll-free _____.

SCHEDULE II

Representatives	**Addresses**

Underwriter	**Number of Securities**
Total.....	

SCHEDULE III

PRICING DISCLOSURE PACKAGE

(1) Prospectus, dated _____

(2) Preliminary Prospectus Supplement dated _____ (which shall be deemed to include the Incorporated Documents filed at or prior to the Applicable Time to the extent not superseded by Incorporated Documents filed at or prior to the Applicable Time)

(3) Issuer Free Writing Prospectuses

(a) Pricing Term Sheet attached as Schedule I hereto

SCHEDULE IV

[LETTERHEAD OF SQUIRE, SANDERS & DEMPSEY L.L.P.]

SCHEDULE V

[LETTERHEAD OF THELEN REID BROWN RAYSMAN & STEINER LLP]

SCHEDULE VI

[LETTERHEAD OF HUNTON & WILLIAMS LLP]

[Forms of legal opinions omitted]

Exhibit 1(g)

Exhibit 1(g)

FPL Group, Inc.
[[2]FPL Group Capital Inc]
Preferred Stock

UNDERWRITING AGREEMENT

[Date]

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

Ladies and Gentlemen:

1. Introductory. [[1]FPL Group, Inc., a Florida corporation ("FPL Group"), proposes to issue and sell shares of FPL Group's serial preferred stock, $.01 par value, with the terms and in the amount specified in Schedule I hereto (the "Preferred Stock" or the "Shares").] [[2]FPL Group Capital Inc, a Florida corporation ("FPL Group Capital") and a [wholly-owned] subsidiary of FPL Group, Inc., a Florida corporation ("FPL Group"), proposes to issue and sell shares of FPL Group Capital's preferred stock, $.01 par value, with the terms and in the amount specified in Schedule I hereto (the "Preferred Stock" or the "Shares"). The Preferred Stock will be fully and unconditionally guaranteed by FPL Group pursuant to and in accordance with the terms of the Guarantee Agreement, dated as of _____, ____, between FPL Group and the holders of the Preferred Stock (the "Guarantee Agreement").] [[1]FPL Group hereby confirms its agreement with the several Underwriters (as defined below) as set forth herein.] [[2]Each of FPL Group and FPL Group Capital 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

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[1] For use in connection with Preferred Stock of FPL Group.

[2] For use in connection with Preferred Stock of FPL Group Capital.

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. [[2]Representations and Warranties of FPL Group Capital. FPL Group Capital represents and warrants to the several Underwriters that:

(a) FPL Group Capital has filed with the Securities and Exchange Commission (the "Commission") a joint registration statement [, as amended,] with FPL Group, FPL Group Capital Trust II, FPL Group Capital Trust III (together with FPL Group Capital Trust II, "FPL Group Capital Trust"), FPL Group Trust I, FPL Group Trust II (together with FPL Group Trust I, "FPL Group Trust"), Florida Power & Light Company, Florida Power & Light Company Trust I and Florida Power & Light Company Trust II (together with Florida Power & Light Company Trust I, "Florida Power & Light Company Trust", and together with FPL Group Capital Trust and FPL Group Trust, collectively the "Trusts") on Form S-3, including a prospectus (Registration Statement Nos. 333-_____, 333-_____-01, 333-_____-02, 333-_____-03, 333-_____-04, 333-_____-05, 333-_____-06, 333-_____-07 and 333-_____-08) ("Registration Statement No. 333-_____"), for the registration under the Securities Act of 1933, as amended (the "Securities Act"), of (a) an unspecified aggregate amount of (i) senior debt securities of FPL Group Capital ("FPL Group Capital Senior Debt Securities"), (ii) FPL Group's shares of common stock, $.01 par value (the "Common Stock"), (iii) shares of FPL Group's preferred stock, $.01 par value ("FPL Group Preferred Stock"), (iv) the Preferred Stock, (v) contracts to purchase Common Stock or FPL Group Preferred Stock or other agreements or instruments requiring FPL Group to issue Common Stock or FPL Group Preferred Stock (collectively, "Stock Purchase Contracts"), (vi) units, each representing ownership of a Stock Purchase Contract and any of debt securities of FPL Group Capital, debt securities of FPL Group, FPL Group Trust Preferred Trust Securities (as defined below), FPL Group Capital Preferred Trust Securities (as defined below) or debt securities of third parties, including U.S. Treasury securities ("Stock Purchase Units"), (vii) junior subordinated debentures of FPL Group Capital ("FPL Group Capital Junior Subordinated Debentures"), (viii) junior subordinated debentures of FPL Group ("FPL Group Junior Subordinated Debentures"), (ix) senior debt securities of FPL Group ("FPL Group Senior Debt Securities"), (x) preferred trust securities of FPL Group Capital Trust II ("FPL Group Capital Trust II Preferred Trust Securities"), (xi) preferred trust securities of FPL Group Capital Trust III (together with FPL Group Capital Trust II Preferred Trust Securities, the "FPL Group Capital Trust Preferred Trust Securities"), (xii) preferred trust securities of FPL Group Trust I ("FPL Group Trust I Preferred Trust Securities"), and (xiii) preferred trust securities of FPL Group Trust II (together with FPL Group Trust I Preferred Trust Securities, "FPL Group Trust Preferred Trust Securities"), (b) guarantees of FPL Group ("FPL Group Guarantees") related to the FPL Group Capital Senior Debt Securities, FPL Group Capital Junior Subordinated Debentures, Preferred Stock, FPL Group Capital Trust Preferred Trust Securities and FPL Group Trust Preferred Trust Securities, (c) an unspecified aggregate amount of (i) first mortgage bonds of Florida Power & Light Company ("Bonds"), (ii) shares of Florida Power & Light Company's serial Preferred Stock, $100 par value ("Serial Preferred Stock") and

shares of Florida Power & Light Company's Preferred Stock without par value ("No Par Preferred Stock," and together with the Serial Preferred Stock, "Florida Power & Light Company Preferred Stock"), (iii) junior subordinated debentures of Florida Power & Light Company ("Florida Power & Light Company Junior Subordinated Debentures"), (iv) preferred trust securities of Florida Power & Light Company Trust I ("Florida Power & Light Company Trust I Preferred Trust Securities") and (v) preferred trust securities of Florida Power & Light Company Trust II (together with Florida Power & Light Company Trust I Preferred Trust Securities, "Florida Power & Light Company Trust Preferred Trust Securities"), and (d) guarantee of Florida Power & Light Company related to the Florida Power & Light Company Trust Preferred Trust Securities (the "Florida Power & Light Company Trust Guarantee"). Such registration statement has become effective 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 Group Capital, threatened by the Commission. References herein to the term "Registration Statement" as of any given time shall mean Registration Statement No. 333-_____, as amended or supplemented to such time, including all documents incorporated by reference therein as of such time pursuant to Item 12 of Form S-3 ("Incorporated Documents") and any prospectus, preliminary prospectus supplement or prospectus supplement relating to the Shares deemed to be a part thereof pursuant to Rule 430B that has not been superseded or modified. References herein to the term "Registration Statement" without reference to a time means the Registration Statement as of ____ [A.M./P.M.], New York City time, on [the date hereof] (which date and time is the earlier of the date and time of (x) the first use of the preliminary prospectus supplement relating to the Shares and (y) the first contract of sale of the Shares), which time shall be considered the "Effective Date" of the Registration Statement. For purposes of the definitions of "Registration Statement" in the preceding two sentences, information contained in any prospectus, preliminary prospectus supplement or prospectus supplement that is deemed retroactively to be a part of the Registration Statement pursuant to Rule 430B shall be considered to be included in the Registration Statement as of the time specified in Rule 430B. References herein to the term "Pricing Prospectus" shall mean the prospectus relating to FPL Group, FPL Group Capital, FPL Group Trust and FPL Group Capital Trust forming a part of Registration Statement No. 333-_____ (the "Base Prospectus"), including all Incorporated Documents and any prospectus or prospectus supplement relating to the Shares deemed to be a part of such registration statement that has not been superseded or modified. For purposes of the definition of "Pricing Prospectus" with respect to a particular offering of the Preferred Stock, information contained in a prospectus or prospectus supplement (other than a prospectus or prospectus supplement that relates only to securities issued by Florida Power & Light Company, Florida Power & Light Company Trust, FPL Group Capital Trust or FPL Group Trust or to securities issued by FPL Group or FPL Group Capital other than the Shares) that is deemed retroactively to be a part of the Registration Statement pursuant to Rule 430B shall be considered to be included in the Pricing Prospectus as of the time that form of prospectus or prospectus supplement is filed with the Commission pursuant to Rule 424 of the general rules and regulations of the Securities Act ("Rule 424"). References herein to the term "Prospectus" means the Pricing Prospectus that discloses the public offering price and other final terms of the Shares and otherwise satisfies

Section 10(a) of the Securities Act. The prospectus supplement relating to the Shares 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. Each of the Underwriters acknowledges that on or subsequent to the Closing Date, FPL Group Capital may file a post-effective amendment to the Registration Statement pursuant to Rule 462(d) under the Securities Act or FPL Group may file a Current Report on Form 8-K in order to file one or more unqualified opinions of counsel and any documents executed in connection with the offering of the Shares.

(b) The Registration Statement constitutes an "automatic shelf registration statement" (as defined in Rule 405 under the Securities Act) filed within three years of the date hereof; the Registration Statement became effective upon filing; no notice of objection of the Commission with respect to the use of the Registration Statement pursuant to Rule 401(g)(2) under the Securities Act has been received by FPL Group Capital and not removed; and with respect to the Shares, FPL Group Capital is a "well-known seasoned issuer" within the meaning of subparagraph (1)(ii) of the definition of "well-known seasoned issuer" in Rule 405 under the Securities Act and is not an "ineligible issuer" (as defined in Rule 405 under the Securities Act).

(c) The Registration Statement at the Effective Date fully complied, and the Prospectus, both as of the date hereof and at the Closing Date, and the Registration Statement at the Closing Date, will fully comply, in all material respects with the applicable provisions of the Securities Act and the applicable instructions, rules and regulations of the Commission thereunder; the Registration Statement, at the Effective Date, did not, and at the Closing Date the Registration Statement 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, both as of the date hereof 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; provided, that the foregoing representations and warranties in this subsection (c) shall not apply to statements or omissions made in reliance upon and in conformity with information furnished in writing to FPL Group or FPL Group Capital 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 Statements of Eligibility on Form T-1, or amendments thereto, filed as exhibits to the Registration Statement (collectively, the "Statements of Eligibility") or to any statements or omissions made in the Registration Statement or the Prospectus relating to The Depository Trust Company ("DTC") Book-Entry-Only System that are based solely on information contained in published reports of DTC.

(d) As of the Applicable Time (as defined below), the Pricing Disclosure Package (as defined below) did not contain 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; provided, that the foregoing representations and warranties in this subsection (d) shall not apply to

statements or omissions made in reliance upon and in conformity with information furnished in writing to FPL Group or FPL Group Capital by or on behalf of any Underwriter through the Representatives expressly for use in connection with the preparation of the Pricing Prospectus, any preliminary prospectus supplement or any Issuer Free Writing Prospectus (as defined below), or to any statements in or omissions from the Pricing Prospectus, any preliminary prospectus supplement or any Issuer Free Writing Prospectus relating to the DTC Book-Entry-Only System that are based solely on information contained in published reports of DTC. References to the term "Pricing Disclosure Package" shall mean the documents listed in Schedule III, taken together as a whole. References to the term "Issuer Free Writing Prospectus" shall mean an issuer free writing prospectus, as defined in Rule 433 under the Securities Act. References to the term "Free Writing Prospectus" shall mean a free writing prospectus, as defined in Rule 405 under the Securities Act. References to the term "Applicable Time" means ____ [A.M./P.M.] on [the date hereof]. If there occurs an event or development as a result of which the Pricing Disclosure Package would include an untrue statement of a material fact or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances then prevailing, not misleading, FPL Group Capital promptly will notify the Representatives so that any use of the Pricing Disclosure Package may cease until it is amended or supplemented.

(e) As of the Applicable Time, no Issuer Free Writing Prospectus includes any information that conflicts with the information contained in the Registration Statement, the Prospectus or the Pricing Prospectus, including any document incorporated by reference therein that has not been superseded or modified.

(f) The execution and delivery of this agreement and the consummation of the transactions herein contemplated by FPL Group Capital, and the fulfillment of the terms hereof on the part of FPL Group Capital to be fulfilled have been duly authorized by all necessary corporate action of FPL Group Capital in accordance with the provisions of its Articles of Incorporation, as amended (the "FPL Group Capital Charter"), by-laws and applicable law. The execution and delivery by FPL Group Capital of this agreement and of a certificate or certificates for the Shares and the performance by FPL Group Capital of its obligations under this agreement and under the Shares do not require any consent, approval, authorization, registration or qualification of or by any governmental agency or body other than (i) those consents, approvals, authorizations, registrations or qualifications as have already been obtained, and (ii) the filing of Articles of Amendment to the FPL Group Capital Charter relating to the Shares (the "Articles of Amendment") with the appropriate office of the Department of State, State of Florida which shall be filed by FPL Group Capital prior to the Closing Date.

(g) The execution and delivery of this agreement and the consummation of the transactions herein contemplated by FPL Group Capital and the fulfillment of the terms hereof on the part of FPL Group Capital to be fulfilled will not result in a breach of any of the terms or provisions of, or constitute a default under, the FPL Group Capital Charter (as amended by the Articles of Amendment) or by-laws, or any indenture, mortgage, deed of trust or other agreement or instrument to which FPL Group Capital or any of its subsidiaries is now a party, or violate any law or any order, rule, decree or regulation

applicable to FPL Group Capital or any of its subsidiaries of any federal or state court, regulatory board or body or administrative agency having jurisdiction over FPL Group Capital or any of 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 Group Capital and its subsidiaries taken as a whole.

(h) FPL Group Capital or one or more of its direct or indirect subsidiaries owns all of the ownership interests of [insert names of significant subsidiaries] free and clear of all liens, encumbrances and adverse claims, except such as do not materially affect the value thereof.

(i) FPL Group Capital and each of its direct and indirect significant subsidiaries (as defined in Regulation S-X (17 CFR Part 210)) has been duly organized, is validly existing and is in good standing under the laws of its respective jurisdiction of organization, and is duly qualified to do business and is in good standing as a foreign corporation or other entity in each jurisdiction in which its respective ownership of properties or the conduct of its respective businesses requires such qualification, except where the failure so to qualify would not have a material adverse effect on the business, properties or financial condition of FPL Group Capital and its subsidiaries taken as a whole, and has the power and authority as a corporation or other entity necessary to own or hold its respective properties and to conduct the businesses in which it is engaged.

(j) The Shares conform in all material respects to the description thereof in the Pricing Disclosure Package and the Prospectus.

(k) The Preferred Stock has been validly authorized and, when issued and delivered by FPL Group Capital against payment therefor in accordance with the provisions of this agreement, will be fully paid and non-assessable.

(l) FPL Group Capital is not, and after giving effect to the offering and sale of the Preferred Stock and the application of the proceeds thereof as described in the Pricing Disclosure Package and the Prospectus, will not be, an "investment company" within the meaning of the Investment Company Act of 1940, as amended ("1940 Act").]

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

(a) [[1]FPL Group, jointly together with FPL Group Capital Inc, a Florida corporation ("FPL Group Capital") and a [wholly-owned] subsidiary of FPL Group], FPL Group Capital Trust II, FPL Group Capital Trust III (together with FPL Group Capital Trust II, "FPL Group Capital Trust"), FPL Group Trust I, FPL Group Trust II (together with FPL Group Trust I, "FPL Group Trust"), Florida Power & Light Company, Florida Power & Light Company Trust I and Florida Power & Light Company Trust II (together with Florida Power & Light Company Trust I, "Florida Power & Light Company Trust") filed with the Securities and Exchange Commission (the "Commission") a joint Registration Statement Nos. 333-_____, 333-_____-01, 333-_____-02,

333-_____-03, 333-_____-04, 333-_____-05, 333-_____-06, 333-_____-07 and 333-_____-08[, as amended] ("Registration Statement No. 333-_____"), for the registration under the Securities Act of 1933, as amended (the "Securities Act"), of (a) an unspecified aggregate amount of (i) senior debt securities of FPL Group Capital ("FPL Group Capital Senior Debt Securities"), (ii) FPL Group's shares of common stock, $.01 par value, (the "Common Stock"), (iii) the Preferred Stock, (iv) shares of FPL Group Capital's preferred stock, $.01 par value ("FPL Group Capital Preferred Stock"), (v) contracts to purchase Common Stock, Preferred Stock or other agreements or instruments requiring FPL Group to issue Common Stock or Preferred Stock (collectively, "Stock Purchase Contracts"), (vi) units, each representing ownership of a Stock Purchase Contract and any of debt securities of FPL Group Capital, debt securities of FPL Group, FPL Group Trust Preferred Trust Securities (as defined below), FPL Group Capital Preferred Trust Securities (as defined below) or debt securities of third parties, including U.S. Treasury securities ("Stock Purchase Units"), (vii) junior subordinated debentures of FPL Group Capital ("FPL Group Capital Junior Subordinated Debentures"), (viii) junior subordinated debentures of FPL Group ("FPL Group Junior Subordinated Debentures"), (ix) senior debt securities of FPL Group ("FPL Group's Senior Debt Securities"), (x) preferred trust securities of FPL Group Capital Trust II and FPL Group Capital Trust III ("FPL Group Capital Trust Preferred Trust Securities") and (xi) preferred trust securities of FPL Group Trust I and FPL Group Trust II ("FPL Group Trust Preferred Trust Securities"), (b) FPL Group's guarantees ("FPL Group Guarantees") related to the FPL Group Capital Senior Debt Securities, FPL Group Capital Junior Subordinated Debentures, FPL Group Capital Preferred Stock, FPL Group Capital Trust Preferred Trust Securities and FPL Group Trust Preferred Trust Securities, (c) an unspecified aggregate amount of (i) Florida Power & Light Company's first mortgage bonds ("Florida Power & Light Company Bonds"), (ii) shares of Florida Power & Light Company's serial Preferred Stock, $100 par value and shares of Florida Power & Light Company's Preferred Stock without par value ("Florida Power & Light Company Preferred Stock"), (iii) Florida Power & Light Company's junior subordinated debentures ("Florida Power & Light Company Junior Subordinated Debentures"), and (iv) preferred trust securities of Florida Power & Light Company Trust I and Florida Power & Light Company Trust II ("FPL Trust Preferred Trust Securities"), and (d) guarantee of Florida Power & Light Company related to the Florida Power & Light Company Trust Preferred Trust Securities. Such registration statement has become effective 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 Group, threatened by the Commission. References herein to the term "Registration Statement" as of any given time shall mean Registration Statement No. 333-_____, as amended or supplemented to such time, including all documents incorporated by reference therein as of such time pursuant to Item 12 of Form S-3 ("Incorporated Documents") and any prospectus, preliminary prospectus supplement or prospectus supplement relating to the Shares deemed to be a part thereof pursuant to Rule 430B that has not been superseded or modified. References herein to the term "Registration Statement" without reference to a time means the Registration Statement as of ____ [A.M./P.M.], New York City time, on [the date of hereof] (which date and time is the earlier of the date and time of (x) the first use of the preliminary prospectus supplement

relating to the Shares and (y) the first contract of sale of the Shares), which time shall be considered the "Effective Date" of the Registration Statement. For purposes of the definitions of "Registration Statement" in the preceding two sentences, information contained in any prospectus, preliminary prospectus supplement or prospectus supplement that is deemed retroactively to be a part of the Registration Statement pursuant to Rule 430B shall be considered to be included in the Registration Statement as of the time specified in Rule 430B. References herein to the term "Pricing Prospectus" shall mean the prospectus relating to FPL Group, FPL Group Capital, FPL Group Trust and FPL Group Capital Trust forming a part of Registration Statement No. 333-_____ (the "Base Prospectus"), including all Incorporated Documents and any prospectus or prospectus supplement relating to the Shares deemed to be a part of such registration statement that has not been superseded or modified. For purposes of the definition of "Pricing Prospectus" with respect to a particular offering of Shares, information contained in a prospectus or prospectus supplement (other than a prospectus or prospectus supplement that relates only to securities issued by Florida Power & Light Company, Florida Power & Light Company Trust, FPL Group Capital, FPL Group Capital Trust or FPL Group Trust or to securities issued by FPL Group other than the Shares) that is deemed retroactively to be a part of the Registration Statement pursuant to Rule 430B shall be considered to be included in the Pricing Prospectus as of the time that form of prospectus or prospectus supplement is filed with the Commission pursuant to Rule 424 of the general rules and regulations of the Securities Act ("Rule 424"). References herein to the term "Prospectus" means the Pricing Prospectus that discloses the public offering price and other final terms of the Shares and otherwise satisfies Section 10(a) of the Securities Act. The prospectus supplement relating to the Shares 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. Each of the Underwriters acknowledges that on or subsequent to the Closing Date, FPL Group may file a post-effective amendment to the Registration Statement pursuant to Rule 462(d) under the Securities Act or a Current Report on Form 8-K in order to file one or more unqualified opinions of counsel and any documents executed in connection with the offering of the Shares.]

[[2]FPL Group, together with FPL Group Capital, Florida Power & Light Company, and the Trusts, has filed with the Commission Registration Statement No. 333-_____ for the registration under the Securities Act of (a) an unspecified aggregate amount of (i) FPL Group Capital Senior Debt Securities, (ii) Common Stock, (iii) FPL Group Preferred Stock, (iv) the Preferred Stock, (v) Stock Purchase Contracts, (vi) Stock Purchase Units, (vii) FPL Group Capital Junior Subordinated Debentures, (viii) FPL Group Junior Subordinated Debentures, (ix) FPL Group Senior Debt Securities, (x) FPL Group Trust Preferred Trust Securities and (xi) FPL Group Capital Trust Preferred Trust Securities, (b) the FPL Group Guarantees, (c) an unspecified aggregate amount of (i) Florida Power & Light Company Bonds, (ii) Florida Power & Light Company Preferred Stock, (iii) Florida Power & Light Company Junior Subordinated Debentures, and (iv) Florida Power & Light Company Trust Preferred Trust Securities, and (d) Florida Power & Light Company's guarantee of the Florida Power & Light Company Trust Preferred Trust Securities. Such registration statement has become effective 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 Group, threatened by the Commission. Each of the Underwriters acknowledges that on or subsequent to the Closing Date, FPL Group may file a post-effective amendment to the Registration Statement pursuant to Rule 462(d) under the Securities Act or a Current Report on Form 8-K in order to file one or more unqualified opinions of counsel.]

(b) The Registration Statement constitutes an "automatic shelf registration statement" (as defined in Rule 405 under the Securities Act) filed within three years of the date hereof; the Registration Statement became effective upon filing; no notice of objection of the Commission with respect to the use of the Registration Statement pursuant to Rule 401(g)(2) under the Securities Act has been received by FPL Group and not removed; and FPL Group is a "well-known seasoned issuer" and is not an "ineligible issuer" (in each case as defined in Rule 405 under the Securities Act).

(c) The Registration Statement at the Effective Date fully complied, and the Prospectus, both as of the date hereof and at the Closing Date, and the Registration Statement at the Closing Date, will fully comply, in all material respects with the applicable provisions of the Securities Act and the applicable instructions, rules and regulations of the Commission thereunder; the Registration Statement, at the Effective Date, did not, and at the Closing Date the Registration Statement 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, both as of the date hereof 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; provided, that the foregoing representations and warranties in this subsection (c) shall not apply to statements or omissions made in reliance upon and in conformity with information furnished in writing to FPL Group [[2]or FPL Group Capital] 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 Statements of Eligibility [[1]on Form T-1, or amendments thereto, filed as exhibits to the Registration Statement (collectively, the "Statements of Eligibility")] or to any statements or omissions made in the Registration Statement or the Prospectus relating to [[1]The Depository Trust Company ("DTC")] [[2]the DTC] Book-Entry-Only System that are based solely on information contained in published reports of DTC; 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.

(d) As of the Applicable Time [[1](as defined below)], the Pricing Disclosure Package [[1](as defined below)] did not contain 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; provided, that the foregoing representations and warranties in this subsection (d) shall not apply to statements or omissions made in reliance upon and in conformity with information

furnished in writing to FPL Group [[2]or FPL Group Capital] by or on behalf of any Underwriter through the Representatives expressly for use in connection with the preparation of the Pricing Prospectus, any preliminary prospectus supplement or any Issuer Free Writing Prospectus [[1](as defined below)] or to any statements or omissions made in the Pricing Prospectus, any preliminary prospectus supplement or any Issuer Free Writing Prospectus relating to the DTC Book-Entry-Only System that are based solely on information contained in published reports of DTC. [[1]References to the term "Pricing Disclosure Package" shall mean the documents listed in Schedule III, taken together as a whole. References to the term "Issuer Free Writing Prospectus" shall mean an issuer free writing prospectus, as defined in Rule 433 under the Securities Act. References to the term "Free Writing Prospectus" shall mean a free writing prospectus, as defined in Rule 405 under the Securities Act. References to the term "Applicable Time" means ____[A.M./P.M.] on [the date hereof.] If there occurs an event or development as a result of which the Pricing Disclosure Package would include an untrue statement of a material fact or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances then prevailing, not misleading, FPL Group promptly will notify the Representatives so that any use of the Pricing Disclosure Package may cease until it is amended or supplemented.

(e) As of the Applicable Time, no Issuer Free Writing Prospectus includes any information that conflicts with the information contained in the Registration Statement, the Prospectus or the Pricing Prospectus, including any document incorporated by reference therein that has not been superseded or modified.

(f) The financial statements included as part of or incorporated by reference in the Pricing Disclosure Package, the Prospectus and the Registration Statement present fairly the consolidated financial condition and results of operations of FPL Group 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 Pricing Disclosure Package, the Prospectus and the Registration Statement; and Deloitte & Touche LLP, who has audited the audited financial statements of FPL Group, is an independent registered public accounting firm as required by the Securities Act and the Exchange Act and the rules and regulations of the Commission thereunder.

(g) Except as reflected in or contemplated by the Pricing Disclosure Package, since the respective most recent times as of which information is given in the Pricing Disclosure Package, there has not been any material adverse change in the business, properties or financial condition of FPL Group 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 Group or any of its subsidiaries that is material to FPL Group and its subsidiaries taken as a whole, other than changes and transactions contemplated by the Pricing Disclosure Package and transactions in the ordinary course of business. FPL Group and its subsidiaries have no contingent obligation material to FPL Group and its subsidiaries taken as a whole, which is not disclosed in or contemplated by the Pricing Disclosure Package.

(h) The execution and delivery of this agreement and the consummation of the transactions herein contemplated by FPL Group, 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 (the "FPL Group Charter"), by-laws and applicable law. [[1]The execution and delivery by FPL Group of this agreement and of a certificate or certificates for the Shares and the performance by FPL Group of its obligations under this agreement and under the Shares do not require any consent, approval, authorization, registration or qualification of or by any governmental agency or body other than (i) those consents, approvals, authorizations, registrations or qualifications as have already been obtained and (ii) the filing of Articles of Amendment to the FPL Group Charter relating to the Shares with the appropriate office of the Department of State, State of Florida which shall be filed by FPL Group prior to the Closing Date.] [[2]The execution and delivery by FPL Group of this agreement and of the Guarantee Agreement did not require, and the performance by FPL Group of its obligations under this agreement and under the Guarantee Agreement does not require, any consent, approval, authorization, registration or qualification of or by any governmental agency or body other than (i) those consents, approvals, authorizations, registrations or qualifications as have already been obtained and (ii) the filing of Articles of Amendment to the FPL Group Capital Charter relating to the Shares with the appropriate office of the Department of State, State of Florida].

(i) The execution and delivery of this agreement and the consummation of the transactions herein contemplated by FPL Group [[1]and] [[2],] the fulfillment of the terms hereof on the part of FPL Group to be fulfilled [[2]and the compliance by FPL Group with all the terms and provisions of the Guarantee Agreement] will not result in a breach of any of the terms or provisions of, or constitute a default under, the FPL Group Charter or by-laws, or any indenture, mortgage, deed of trust or other agreement or instrument to which FPL Group or any of its subsidiaries is now a party, or violate any law or any order, rule, decree or regulation applicable to FPL Group or any of its subsidiaries of any federal or state court, regulatory board or body or administrative agency having jurisdiction over FPL Group or any of 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 Group and its subsidiaries taken as a whole.

(j) FPL Group or one or more of its direct or indirect subsidiaries owns all of the common stock (with respect to those subsidiaries which are organized as corporations) or other ownership interests (with respect to those subsidiaries which are organized as limited liability companies) of FPL Group's direct or indirect significant subsidiaries (as defined in Regulation S-X [[1](17 CFR Part 210)]) free and clear of all liens, encumbrances and adverse claims, except such as do not materially affect the value thereof. FPL Group's direct and indirect significant subsidiaries (as defined in Regulation S-X) are [insert names of significant subsidiaries].

(k) FPL Group and each of its direct and indirect significant subsidiaries (as defined in Regulation S-X) has been duly organized, is validly existing and is in good

standing under the laws of its respective jurisdiction of organization, and is duly qualified to do business and is in good standing as a foreign corporation or other entity in each jurisdiction in which its respective ownership of properties or the conduct of its respective businesses requires such qualification, except where the failure so to qualify would not have a material adverse effect on the business, properties or financial condition of FPL Group and its subsidiaries taken as a whole, and has the power and authority as a corporation or other entity necessary to own or hold its respective properties and to conduct the businesses in which it is engaged.

(l) [[2]The Guarantee Agreement (i) has been duly authorized by FPL Group by all necessary corporate action and, when executed and delivered by FPL Group, will be a valid and binding instrument enforceable against FPL Group in accordance with its terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity and (ii) conforms in all material respects to the description thereof in the Pricing Disclosure Package and the Prospectus.]

(m) [[1]The Shares conform in all material respect to the description thereof in the Pricing Disclosure Package and the Prospectus.]

(n) [[1]The Preferred Stock has been validly authorized and, when issued and delivered by FPL Group against payment therefor in accordance with the provisions of this agreement, will be fully paid and non-assessable.]

(o) FPL Group is not, and after giving effect to the offering and sale of the Preferred Stock and the application of the proceeds thereof as described in the Pricing Disclosure Package and the Prospectus will not be, an "investment company" within the meaning of the [[1]Investment Company Act of 1940, as amended ("][[2]1940 Act[[1]")].

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 Group [[2]and FPL Group Capital agree] [[1]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 [[1]FPL Group] [[2]FPL Group Capital] the respective number of Shares set forth opposite their respective names in Schedule II hereto at the purchase price per Share set forth in Schedule I hereto as the Purchase Price.

The Underwriters agree to make a *bona fide* public offering of the Shares as set forth in the Pricing Disclosure Package, 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 [[1]FPL Group] [[2]FPL Group Capital] that the Shares will be offered to the public at the amount per Share 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. Such dealers' concession may not be in excess of $____ per Share under the Price to Public.

Each Underwriter agrees that (i) no information that is presented by it to investors has been or will be inconsistent with the information contained in the Pricing Disclosure Package as it may then be amended or supplemented and (ii) it will make no offer that would constitute a Free Writing Prospectus that is required to be filed by FPL Group [[2]or FPL Group Capital] pursuant to Rule 433 under the Securities Act other than an Issuer Free Writing Prospectus in accordance with Section [6(h)].

5. Time, Date and Place of Closing, Default of Underwriter. Delivery of the Shares and payment therefor by wire transfer in federal funds shall be made at ___ A.M., New York City time, on the closing date set forth on Schedule I, at the offices of Thelen Reid Brown Raysman & Steiner LLP, 875 Third Avenue, New York, New York 10022, or at such other time, date or place as may be agreed upon in writing by FPL Group [[2], FPL Group Capital] and the Representatives. The time and date of such delivery and payment are herein called the "Closing Date."

The Shares 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 Shares shall be made through the facilities of DTC unless the Representatives [[1]and FPL Group] [[2], FPL Group and FPL Group Capital] shall otherwise agree. For the purpose of expediting the checking of the Shares by the Representatives on behalf of the Underwriters, [[1]FPL Group] [[2]FPL Group Capital] agrees to make such Shares available to the Representatives for such purpose at the offices of Thelen Reid Brown Raysman & Steiner 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 [[1]FPL Group] [[2] FPL Group Capital] and the Representatives.

If any Underwriter shall fail to purchase and pay for the number of the Shares which such Underwriter has agreed to purchase and pay for hereunder (otherwise than by reason of any failure on the part of FPL Group [[2]or FPL Group Capital] 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 number of the Shares set forth opposite their respective names in Schedule II hereto) the number of the Shares which such defaulting Underwriter or Underwriters failed to purchase and pay for, up to a number thereof equal to, in the case of each such remaining Underwriter, ten percent (10%) of the aggregate number of the Shares 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 number of the Shares which the defaulting Underwriter or Underwriters agreed but failed to purchase, or (ii) substitute another Underwriter or Underwriters, satisfactory to FPL Group [[2]and FPL Group Capital], to purchase and pay for the remaining number of the Shares which the defaulting Underwriter or Underwriters agreed but failed to purchase. If any of the Shares would still remain unpurchased, then [[1]FPL Group] [[2]FPL Group Capital] 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 Shares on the terms herein set forth. In the event that, within the respective prescribed periods, (i) the non-defaulting Underwriters notify [[1]FPL Group] [[2]FPL Group Capital] that they have arranged for the purchase of such Shares or (ii) [[1]FPL Group] [[2]FPL Group Capital] notifies the non-defaulting Underwriters that it has arranged for the purchase of such Shares, the non-defaulting Underwriters or [[1]FPL Group] [[2]FPL Group Capital] 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 [[1]FPL Group] [[2]FPL Group Capital] has arranged for the purchase of such Shares by another party or parties as above provided, then this agreement shall terminate without any liability on the part of FPL Group [[2]or FPL Group Capital] 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 Shares which such Underwriter has agreed to purchase as provided in Section [4] hereof), except as otherwise provided in Section [9] and subsections (d) and (f) of Section [6] hereof.

6. Covenants of FPL Group [[2]and FPL Group Capital]. FPL Group [[2]and FPL Group Capital] [[1]agrees] [[2]agree] with the several Underwriters that:

(a) FPL Group [[2]and FPL Group Capital] will timely file the Prospectus with the Commission pursuant to Rule 424. FPL Group [[2] and FPL Group Capital] have complied and will comply with Rule 433 under the Securities Act in connection with the offering and sale of the Shares, including applicable provisions in respect of timely filing with the Commission, legending and record-keeping.

(b) FPL Group [[2]and FPL Group Capital] will prepare a final term sheet, containing a description of the pricing terms of the Shares, substantially in the form of Schedule I hereto and approved by the Representatives and will timely file such term sheet with the Commission pursuant to Rule 433 under the Securities Act.

(c) [[1]FPL Group] [[2]FPL Group Capital] will deliver to the Representatives and to Counsel for the Underwriters (as defined below) 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 [[1]FPL Group] [[2]FPL Group Capital] to be in the form as originally filed, including all Incorporated Documents and exhibits, except those incorporated by reference, which relate to the Shares, 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, [[1]FPL Group] [[2]FPL Group Capital] will deliver or cause to be delivered to the Underwriters through the Representatives as many copies of the Prospectus and any Issuer Free Writing Prospectus as the Representatives may reasonably request for the purposes contemplated by the Securities Act.

(d) [[1]FPL Group] [[2]FPL Group Capital] has paid or cause to be paid or will pay or cause to be paid all expenses in connection with the (i) preparation and filing of the

Registration Statement, any preliminary prospectus, the Prospectus and any Issuer Free Writing Prospectus, (ii) issuance and delivery of the Shares as provided in Section [5] hereof, and (iii) printing and delivery to the Representatives for the account of the Underwriters, in reasonable quantities, of copies of the Registration Statement, any preliminary prospectus, the Prospectus [[1]and] [[2],] any Issuer Free Writing Prospectus [[2]and the Guarantee Agreement]. [[1]FPL Group] [[2]FPL Group Capital] will pay or cause to be paid all taxes, if any (but not including any transfer taxes), on the issuance of the Shares. [[1]FPL Group] [[2]Neither FPL Group nor FPL Group Capital] shall [[1]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, [[1]FPL Group] [[2]FPL Group Capital] 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 [[1]FPL Group] [[2]FPL Group Capital] shall reimburse or cause to be reimbursed 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 for such out-of-pocket expenses. [[2]Neither] FPL Group [[2]nor FPL Group Capital] shall [[1]not] in any event be liable to any of the several Underwriters for damages on account of loss of anticipated profits.

(e) During a period of nine months after the date of this agreement, if any event relating to or affecting FPL Group [[2]or FPL Group Capital] shall occur which, in the opinion of FPL Group [[2]or FPL Group Capital], should be set forth in a supplement to or an amendment of the Prospectus (including an Issuer Free Writing Prospectus) in order to make the Prospectus not misleading in the light of the circumstances when it is delivered to a purchaser, [[1]FPL Group] [[2]FPL Group Capital] will forthwith at its expense prepare, file with the Commission, if required, and furnish to the Representatives a reasonable number of copies of such supplement or supplements or amendment or amendments to the Prospectus (including an Issuer Free Writing 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, [[1]FPL Group] [[2]FPL Group Capital] 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.

(f) [[1]FPL Group] [[2] and FPL Group Capital] will furnish such proper information as may be lawfully required and otherwise cooperate in qualifying the Shares [[2](including the guarantee pursuant to the Guarantee Agreement)] for offer and sale under the blue sky laws of such United States 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

[[2]neither] FPL Group [[2]nor FPL Group Capital] shall [[1]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 Group [[2]or FPL Group Capital] to be unduly burdensome.

(g) FPL Group 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 Preferred Stock [[2]as guaranteed by the Guarantee Agreement]) 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.

(h) Prior to the termination of the offering of the Shares, [[2]neither] FPL Group [[2]nor FPL Group Capital] will [[1]not] file any amendment to the Registration Statement or any amendment or supplement to the Prospectus or any amendment or supplement to the Pricing Disclosure Package 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. [[2]Neither] FPL Group [[1]has not] [[2]nor FPL Group Capital have] made any offer relating to the Shares that would constitute an Issuer Free Writing Prospectus or that would otherwise constitute a Free Writing Prospectus required to be filed by FPL Group [[2]and FPL Group Capital] with the Commission or retained by FPL Group [[2]or FPL Group Capital] under Rule 433 under the Securities Act, other than a pricing term sheet substantially in the form as set forth on Schedule I, and will not make any such offer without prior notice to the Representatives and to Counsel for the Underwriters, or any such offer to which the Representatives shall reasonably object in writing, or which shall be unsatisfactory to Counsel for the Underwriters.

(i) FPL Group [[2]and FPL Group Capital] will advise the Representatives promptly of the filing of the Prospectus pursuant to Rule 424, of the filing of any material pursuant to Rule 433 and of any amendment or supplement to the Pricing Disclosure Package or the Registration Statement or, prior to the termination of the offering of the Shares hereunder, of official notice of the institution of proceedings for, or the entry of, a stop order suspending the effectiveness of the Registration Statement, of receipt from the Commission of any notice of objection to the use of the Registration Statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) under the Securities Act, and, if such a stop order should be entered, or notice of objection should be received, use every commercially reasonable effort to obtain the prompt removal thereof.

(j) [[1]FPL Group] [[2]FPL Group Capital] will use its commercially reasonable best efforts to deliver, in appropriate form for filing, to the Department of State, State of Florida, on or before the Closing Date the articles of amendment required by Section 607.0602, Florida Statues, relating to the Shares, and will use its commercially reasonable best efforts to have such articles of amendment accepted for filing by such Department of State on or before the Closing Date.

7. Conditions of Underwriters' Obligations to Purchase and Pay for the Shares. The several obligations of the Underwriters to purchase and pay for the Shares shall be subject to the performance by FPL Group [[2]and FPL Group Capital] of [[1]its] [[2]their] obligations to be performed hereunder on or prior to the Closing Date and to the following conditions:

(a) The [[2]respective] representations and warranties made by FPL Group [[2]and FPL Group Capital] herein and qualified by materiality shall be true and correct in all respects and the [[2]respective] representations and warranties made by FPL Group [[2]and FPL Group Capital] herein that are not qualified by materiality shall be true and correct in all material respects as of the Closing Date, in each case, as if made on and as of such date and the Representatives shall have received, prior to payment for the Shares, a certificate from [[2]each of] FPL Group [[2]and FPL Group Capital] dated the Closing Date and signed by an officer of FPL Group [[2]and FPL Group Capital, as the case may be,] 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 no notice of objection by the Commission to the use of the Registration Statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) under the Securities Act shall have been received by FPL Group [[2]or FPL Group Capital] and not removed by such date; and the Representatives shall have received, prior to payment for the Shares, a certificate from [[2]each of] FPL Group [[2]and FPL Group Capital] dated the Closing Date and signed by an officer of FPL Group [[2]and FPL Group Capital, as the case may be,] 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 Group [[2]or FPL Group Capital, as the case may be,] threatened by, the Commission.

(c) On the Closing Date, the Representatives shall have received from Squire, Sanders & Dempsey L.L.P., counsel to FPL Group [[2]and FPL Group Capital], Thelen Reid Brown Raysman & Steiner LLP, counsel to FPL Group [[2]and FPL Group Capital], 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 IV, V and VI hereto (i) with such changes therein as may be agreed upon by FPL Group [[2], FPL Group Capital] and the Representatives, with the approval of Counsel for the Underwriters, and (ii) if the Prospectus relating to the Shares 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.

(d) On the date of this agreement and on the Closing Date, the Representatives shall have received from Deloitte & Touche LLP a letter or letters (which may refer to letters previously delivered to the Representatives) (with copies thereof for each of the Underwriters) dated the respective dates of delivery thereof to the effect that (i) they are an independent registered public accounting firm with respect to FPL Group 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 of FPL Group audited by them and incorporated by reference in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, 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. 100, Interim Financial Information, on the unaudited condensed consolidated financial statements of FPL Group, if any, incorporated by reference in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, a reading of the latest available interim unaudited [condensed] consolidated financial statements of FPL Group, if any, since the close of FPL Group's most recent audited fiscal year, a reading of the minutes and consents of the Board of Directors and the Finance & Investment Committee of the Board of Directors and of the shareholders of FPL Group since the end of the most recent audited fiscal year, and inquiries of officials of FPL Group who have responsibility for financial and accounting matters (it being understood that the foregoing procedures do not constitute an audit made in accordance with standards of the Public Company Accounting Oversight Board (United States) 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 Group, if any, incorporated by reference in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, (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 Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, 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 Group incorporated by reference in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable; (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 such letter, there was any change in the capital stock or increase in long-term debt including current maturities and excluding fair value swaps and amortization of the unamortized premiums and discount on long-term debt of FPL Group and its subsidiaries, or decrease in FPL Group's common shareholders' equity, in each case as compared with amounts shown in the most recent [condensed] consolidated balance sheet incorporated by reference in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, except in all instances for changes, increases or decreases which the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, discloses have occurred or may occur, or as occasioned by the declaration, provision for, or payment of dividends, or as occasioned by the issuance, forfeiture or other acquisition of common stock pursuant to or in connection with any employee or director benefit or compensation plan or the dividend reinvestment plan 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 Pricing

Prospectus or the Pricing Prospectus and the Prospectus, as applicable, 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 such letter, there were any decreases, as compared with the corresponding period in the preceding year, in total consolidated operating revenues or in net income, except in all instances for decreases which the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, 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 Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, and Exhibit 12(a) to the Registration Statement and such other items as the Representatives may reasonably request.

(e) Since the respective most recent times as of which information is given in the Pricing Disclosure Package, and up to the Closing Date, (i) there shall have been no material adverse change in the business, properties or financial condition of [[2](a) FPL Group Capital and its subsidiaries taken as a whole or (b)] FPL Group and its subsidiaries taken as a whole, except [[2]in each case] as disclosed in or contemplated by the Pricing Disclosure Package, and (ii) there shall have been no transaction entered into by [[2](a) FPL Group Capital or any of its subsidiaries that is material to FPL Group Capital and its subsidiaries taken as a whole or (b)] FPL Group or any of its subsidiaries that is material to FPL Group and its subsidiaries taken as a whole in each case other than transactions disclosed in or contemplated by the Pricing Disclosure Package, and transactions in the ordinary course of business; and at the Closing Date, the Representatives shall have received a certificate to such effect from [[2]each of FPL Group Capital and] FPL Group signed by an officer of [[2]FPL Group Capital or] FPL Group[[2], as the case may be].

(f) All legal proceedings to be taken in connection with the issuance and sale of the Shares [[2](including the guarantee pursuant to the Guarantee Agreement)] shall have been satisfactory in form and substance to Counsel for the Underwriters.

(g) [The Shares shall have been approved for listing on The New York Stock Exchange, Inc. ("NYSE") upon official notice of issuance.]

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 Group [[2]and FPL Group Capital]. Any such termination shall be without liability of any party to any other party except as otherwise provided in subsections (d) and (f) of Section [6] hereof.

8. Condition of FPL Group's [[2]and FPL Group Capital's] Obligations. The [[1]obligation] [[2]obligations] of FPL Group [[2] Capital and FPL Group] to deliver the Shares [[2]and the Guarantee Agreement, respectively] shall be subject to the following condition:

(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; no proceedings for either such purpose shall be pending before, or threatened by, the Commission on such date; and no notice of objection by the Commission to the use of the Registration Statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) under the Securities Act shall have been received by FPL Group [[2]or FPL Group Capital] and not removed by such date.

In case the condition specified above in this Section [8] shall not have been fulfilled, this agreement may be terminated by FPL Group [[2]and FPL Group Capital] 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 (d) and (f) of Section [6] hereof.

9. Indemnification.

(a) FPL Group [[2]and FPL Group Capital, jointly and severally, agree] [[1]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, the Pricing Prospectus, the Prospectus or any Issuer Free Writing 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 Group [[2]or FPL Group Capital] by or on behalf of any Underwriter, through the Representatives, expressly for use in connection with the preparation of any preliminary prospectus, the Registration Statement, the Pricing Prospectus, the Prospectus or any Issuer Free Writing Prospectus or any amendment or supplement to any thereof, or arising out of, or based upon, statements in or omissions from the Statements of Eligibility; and provided, further, that the indemnity agreement contained in this subsection (a) of Section [9] in respect of any preliminary prospectus, the Pricing Prospectus, any Issuer Free Writing Prospectus or 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 Shares to any person in respect of any preliminary prospectus, the Pricing Prospectus, any Issuer Free Writing Prospectus

or the Prospectus, each as may be then supplemented or amended, furnished by such Underwriter to a person to whom any of the Shares were sold (excluding in all cases, however, any document then incorporated by reference therein), insofar as such indemnity relates to any untrue or misleading statement made in or omission from such preliminary prospectus, Pricing Prospectus, Issuer Free Writing Prospectus or Prospectus, if a copy of a supplement or amendment to such preliminary prospectus, Pricing Prospectus, Prospectus or Issuer Free Writing Prospectus (excluding in all cases, however, any document then incorporated by reference therein) (i) is furnished on a timely basis by [[2]FPL Group Capital or] FPL Group to the Underwriter, (ii) is required by law or regulation to have been conveyed to such person by or on behalf of such Underwriter, at or prior to the entry into the contract of sale of the Shares with such person, but was not so conveyed (which conveyance may be oral or written) by or on behalf of such Underwriter and (iii) would have cured the defect giving rise to such loss, claim, damage or liability. The indemnity agreement of FPL Group [[2]and FPL Group Capital] contained in this subsection (a) of Section [9] and the representations and warranties of FPL Group [[2]and FPL Group Capital] contained in [[1]Section 2] [[2]Sections 2 and 3] hereof, [[2]respectively,] 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 Shares [of each series]. The Underwriters agree promptly to notify [[2]each of] FPL Group [[2]and FPL Group Capital], 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 Shares.

(b) Each Underwriter, severally and not jointly, agrees to indemnify and hold harmless [[2]each of] FPL Group [[2]and FPL Group Capital], [[1]its] [[2]their respective] officers and directors, and each person who controls FPL Group [[2]or FPL Group Capital, as the case may be] 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 [(1)] an untrue statement or alleged untrue statement of a material fact contained in any preliminary prospectus, the Registration Statement, the Pricing Prospectus, the Prospectus [, any Underwriter Free Writing Prospectus] or any Issuer Free Writing 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 Group [[2]or FPL Group Capital] by or on behalf of such Underwriter, through the Representatives, expressly for use in connection with the preparation of any preliminary prospectus, the Registration Statement, the Pricing Prospectus, the Prospectus [, any Underwriter Free Writing Prospectus] or any Issuer Free Writing Prospectus or any amendment or supplement to any thereof [or (2) an untrue statement or alleged untrue statement of a material fact contained in any Underwriter

Free Writing Prospectus distributed by or on behalf of such Underwriter unless such statement or omission was made in reliance upon and in conformity with information furnished in writing by FPL Group [[2]and FPL Group Capital] expressly for use in connection with such Underwriter Free Writing Prospectus]. The Underwriters hereby furnish to FPL Group [[2]and FPL Group Capital] in writing expressly for use in the preliminary prospectus, the Registration Statement, the Pricing Prospectus, the Prospectus and any Issuer Free Writing Prospectus [insert information provided by the Underwriters]. FPL Group [[2]and FPL Group Capital each acknowledge] [[1]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, the Registration Statement, the Pricing Prospectus, the Prospectus or any Issuer Free Writing 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 Group [[2],FPL Group Capital] or any of [[1]its] [[2]their respective] officers or directors or any such other Underwriter or any such controlling person, and shall survive the delivery of the Shares [of each series]. FPL Group [[2]and FPL Group Capital agree] [[1]agrees] promptly to notify the Representatives of the commencement of any litigation or proceedings against FPL Group [[2], FPL Group Capital] (or any controlling person [[2]of either] thereof) or any of [[1]its] [[2]their respective] officers or directors in connection with the issuance and sale of the Shares.

(c) FPL Group [[2], FPL Group Capital] 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 this 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 or parties shall elect not to assume the defense of such action, such indemnifying party or parties 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 involved 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 Group [[2], FPL Group Capital] 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 Group [[2]and FPL Group Capital] 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 Group [[2]and FPL Group Capital] on the one hand and the Underwriters on the other hand from the offering of the Shares 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 Group [[2]and FPL Group Capital] 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 Group [[2], FPL Group Capital] 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 Shares 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 Shares is to the total amount of Shares set forth in Schedule II hereto.

10. Termination. This agreement may be terminated by the Representatives by delivering written notice thereof to [[1]FPL Group] [[2]FPL Group Capital], 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")] [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 Group [[2]or FPL Group Capital] 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 Shares as contemplated in the Pricing Disclosure Package or for the Underwriters to enforce contracts for the sale of the Shares[, or

(b) (i) there shall have been any downgrading or any notice of any intended or potential downgrading in the ratings accorded to the Shares or any preferred stock of FPL Group [[2]Capital] which are of the same class as the Shares 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 Shares or any preferred stock of FPL Group [[2]Capital] which are of the same class as the Shares, 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 Shares as contemplated in the Pricing Disclosure Package or for the Underwriters to enforce contracts for the sale of the Shares].

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 or any Issuer Free Writing Prospectus prepared and furnished by FPL Group [[2]and FPL Group Capital] after the date hereof reflects a material adverse change in the business, properties or financial condition of FPL Group and its subsidiaries taken as a whole [[2]or FPL Group Capital 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 Shares 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 (d) and (f) of Section [6] hereof.

11. Miscellaneous.

(a) The validity and interpretation of this agreement shall be governed by the laws of the State of New York without regard to conflicts of law principles thereunder. This agreement shall inure to the benefit of, and be binding upon, FPL Group [[2], FPL Group Capital], 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 Shares from any of the several Underwriters.

(b) FPL Group [[2]and FPL Group Capital each acknowledge and agree] [[1]acknowledges and agrees] that the Underwriters are acting solely in the capacity of arm's length contractual counterparties to FPL Group [[2]and FPL Group Capital] with respect to the offering of the Shares as contemplated by this agreement and not as financial advisors or fiduciaries to FPL Group [[2]or FPL Group Capital] in connection herewith. Additionally, none of the Underwriters is advising FPL Group [[2]or FPL Group Capital] as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction in connection with the offering of the Shares as contemplated by this agreement. Any review by the Underwriters of FPL Group [[2]and FPL Group Capital] in connection with the offering of the Preferred Stock contemplated by this agreement and the transactions contemplated by this agreement will not be performed on behalf of FPL Group [[2]and FPL Group Capital].

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 II hereto, or if to FPL Group [[2]or FPL Group Capital], shall be mailed or delivered to it at 700 Universe Boulevard, Juno Beach, Florida 33408, Attention: Treasurer.

13. Counterparts. This agreement may be executed in any number of counterparts by the parties hereto on separate counterparts, each of which, when so executed and delivered, shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

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,

FPL Group, Inc.

By: _____
Name:
Title:

[[2]FPL Group Capital Inc

By: _____
Name:
Title:]

Accepted and delivered as of
the date first above written:

By: _____
Name:
Title:

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

SCHEDULE I

[Name of Issuer]

Pricing Term Sheet

[Date]

Issuer:

Underwriting Agreement dated
Representatives:

Shares:
Number of Shares:
Designation:
Dividend Rate:
Price to Public:
Purchase Price:
Proceeds to FPL Group [^{2}Capital]
(before expenses):
Settlement Date:
CUSIP/ISIN Number:
[Expected Credit Ratings*:]

[*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.]

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling _____ toll-free _____ or _____ toll-free _____.

SCHEDULE II

Representatives	**Addresses**

Underwriter	**Number of Shares**
Total.....	

SCHEDULE III

PRICING DISCLOSURE PACKAGE

(1) Prospectus, dated _____

(2) Preliminary Prospectus Supplement dated _____ (which shall be deemed to include the Incorporated Documents filed at or prior to the Applicable Time to the extent not superseded by Incorporated Documents filed at or prior to the Applicable Time)

(3) Issuer Free Writing Prospectuses

(a) Pricing Term Sheet attached as Schedule I hereto

SCHEDULE IV

[LETTERHEAD OF SQUIRE, SANDERS & DEMPSEY L.L.P.]

SCHEDULE V

[LETTERHEAD OF THELEN REID BROWN RAYSMAN & STEINER LLP]

SCHEDULE VI

[LETTERHEAD OF HUNTON & WILLIAMS LLP]

[Forms of legal opinions omitted]

Exhibit 1(h)

Exhibit 1(h)

FLORIDA POWER & LIGHT COMPANY

PREFERRED STOCK

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 shares of FPL's serial preferred stock, [$100] [without] par value, with the terms and in the amount specified in Schedule I hereto (the "Preferred Stock" or the "Shares"). 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 4 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. 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 joint registration statement, as amended, with Florida Power & Light Company Trust I and Florida Power & Light Company Trust II (together with Florida Power & Light Company Trust I, "Florida Power & Light Company Trust"), FPL Group,

Inc. ("FPL Group"), FPL Group Capital Inc ("FPL Group Capital"), FPL Group Capital Trust II, FPL Group Capital Trust III (together with FPL Group Capital Trust II, "FPL Group Capital Trust"), FPL Group Trust I and FPL Group Trust II (together with FPL Group Trust I, "FPL Group Trust", and together with Florida Power & Light Company Trust and FPL Group Capital Trust, collectively the "Trusts") on Form S-3, including a prospectus (Registration Statement Nos. 333-_____, 333-_____-01, 333-_____-02, 333-_____-03, 333-_____-04, 333-_____-05, 333-_____-06, 333-_____-07 and 333-_____-08) ("Registration Statement No. 333-_____"), for the registration under the Securities Act of 1933, as amended (the "Securities Act"), of (a) an unspecified aggregate amount of (i) first mortgage bonds of FPL ("Bonds"), (ii) shares of FPL's serial Preferred Stock, $100 par value ("Serial Preferred Stock") and shares of FPL's Preferred Stock without par value ("No Par Preferred Stock," and together with the Serial Preferred Stock, "FPL Preferred Stock"), (iii) junior subordinated debentures of FPL ("FPL Junior Subordinated Debentures"), (iv) preferred trust securities of Florida Power & Light Company Trust I ("Florida Power & Light Company Trust I Preferred Trust Securities") and (v) preferred trust securities of Florida Power & Light Company Trust II (together with Florida Power & Light Company Trust I Preferred Trust Securities, "Florida Power & Light Company Trust Preferred Trust Securities), (b) guarantee of FPL related to the Florida Power & Light Company Trust Preferred Trust Securities (the "Florida Power & Light Company Trust Guarantee"), (c) an unspecified aggregate amount of (i) senior debt securities of FPL Group Capital ("FPL Group Capital Senior Debt Securities"), (ii) FPL Group's shares of common stock, $.01 par value (the "Common Stock"), (iii) shares of FPL Group's preferred stock, $.01 par value ("FPL Group Preferred Stock"), (iv) shares of FPL Group Capital's preferred stock, $.01 par value ("FPL Group Capital Preferred Stock"), (v) contracts to purchase Common Stock or FPL Group Preferred Stock or other agreements or instruments requiring FPL Group to issue Common Stock or FPL Group Preferred Stock (collectively, "Stock Purchase Contracts"), (vi) units, each representing ownership of a Stock Purchase Contract and any of debt securities of FPL Group Capital, debt securities of FPL Group, FPL Group Trust Preferred Trust Securities (as defined below), FPL Group Capital Preferred Trust Securities (as defined below) or debt securities of third parties, including U.S. Treasury securities ("Stock Purchase Units"), (vii) junior subordinated debentures of FPL Group Capital ("FPL Group Capital Junior Subordinated Debentures"), (viii) junior subordinated debentures of FPL Group ("FPL Group Junior Subordinated Debentures"), (ix) debt securities of FPL Group ("FPL Group Senior Debt Securities"), (x) preferred trust securities of FPL Group Capital Trust II ("FPL Group Capital Trust II Preferred Trust Securities"), (xi) preferred trust securities of FPL Group Capital Trust III (together with FPL Group Capital Trust II Preferred Trust Securities, the "FPL Group Capital Trust Preferred Trust Securities"), (xii) preferred trust securities of FPL Group Trust I ("FPL Group Trust I Preferred Trust Securities"), and (xiii) preferred trust securities of FPL Group Trust II (together with FPL Group Trust I Preferred Trust Securities, "FPL Group Trust Preferred Trust Securities") and (d) guarantees of FPL Group ("FPL Group Guarantees") related to the FPL Group Capital Senior Debt Securities, FPL Group Capital Junior Subordinated Debentures, FPL Group Capital Preferred Stock, FPL Group Capital Trust Preferred Trust Securities and FPL Group Trust Preferred Trust Securities. Such registration statement has become effective 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 time shall mean Registration Statement No. 333-_____, as amended or supplemented to such time, including all documents incorporated by reference therein as of such time pursuant to Item 12 of Form S-3 ("Incorporated Documents") and any prospectus, preliminary prospectus supplement or prospectus supplement relating to the Shares deemed to be a part thereof pursuant to Rule 430B that has not been superseded or modified. References herein to the term "Registration Statement" without reference to a time means the Registration Statement as of ____ [A.M./P.M.], New York City time, on [the date hereof] (which date and time is the earlier of the date and time of (x) the first use of the preliminary prospectus supplement relating to the Shares and (y) the first contract of sale of the Shares), which time shall be considered the "Effective Date" of the Registration Statement. For purposes of the definitions of "Registration Statement" in the preceding two sentences, information contained in any prospectus, preliminary prospectus supplement or prospectus supplement that is deemed retroactively to be a part of the Registration Statement pursuant to Rule 430B shall be considered to be included in the Registration Statement as of the time specified in Rule 430B. References herein to the term "Pricing Prospectus" shall mean the prospectus relating to FPL and Florida Power & Light Company Trust forming a part of Registration Statement No. 333-_____ (the "Base Prospectus"), including all Incorporated Documents and any prospectus or prospectus supplement relating to the Shares deemed to be a part of such registration statement that has not been superseded or modified. For purposes of the definition of "Pricing Prospectus" with respect to a particular offering of the Preferred Stock, information contained in a prospectus or prospectus supplement (other than a prospectus or prospectus supplement that relates only to securities issued by FPL Group, FPL Group Capital, FPL Group Capital Trust, FPL Group Trust or FPL Trust or to securities issued by FPL other than the Shares) that is deemed retroactively to be a part of the Registration Statement pursuant to Rule 430B shall be considered to be included in the Pricing Prospectus as of the time that form of prospectus or prospectus supplement is filed with the Commission pursuant to Rule 424 of the general rules and regulations of the Securities Act ("Rule 424"). References herein to the term "Prospectus" means the Pricing Prospectus that discloses the public offering price and other final terms of the Shares and otherwise satisfies Section 10(a) of the Securities Act. The prospectus supplement relating to the Shares 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. Each of the Underwriters acknowledges that on or subsequent to the Closing Date, FPL may file a post-effective amendment to the Registration Statement pursuant to Rule 462(d) under the Securities Act or a Current Report on Form 8-K in order to file one or more unqualified opinions of counsel and any documents executed in connection with the offering of the Shares.

(b) The Registration Statement constitutes an "automatic shelf registration statement" (as defined in Rule 405 under the Securities Act) filed within three years of the date hereof; the Registration Statement became effective upon filing; no notice of objection of the Commission with respect to the use of the Registration Statement pursuant to Rule 401(g)(2) under the Securities Act has been received by FPL and not

removed; and with respect to the Shares, FPL is a "well-known seasoned issuer" within the meaning of subparagraph (1)(ii) of the definition of "well-known seasoned issuer" in Rule 405 under the Securities Act and is not an "ineligible issuer" (as defined in Rule 405 under the Securities Act).

(c) The Registration Statement at the Effective Date fully complied, and the Prospectus, both as of the date hereof and at the Closing Date, and the Registration Statement at the Closing Date, will fully comply, in all material respects with the applicable provisions of the Securities Act and the applicable instructions, rules and regulations of the Commission thereunder; the Registration Statement, at the Effective Date, did not, and at the Closing Date the Registration Statement 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, both as of the date hereof 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 (c) 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 Statements of Eligibility on Form T-1, or amendments thereto, filed as exhibits to the Registration Statement (collectively, the "Statements of Eligibility") or to any statements or omissions made in the Registration Statement or the Prospectus relating to The Depository Trust Company ("DTC") Book-Entry-Only System that are based solely on information contained in published reports of DTC.

(d) As of the Applicable Time (as defined below), the Pricing Disclosure Package (as defined below) did not contain 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; provided, that the foregoing representations and warranties in this subsection (d) 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 Pricing Prospectus, any preliminary prospectus supplement or any Issuer Free Writing Prospectus (as defined below), or to any statements in or omissions from the Pricing Prospectus, any preliminary prospectus supplement or any Issuer Free Writing Prospectus relating to the DTC Book-Entry-Only System that are based solely on information contained in published reports of DTC. References to the term "Pricing Disclosure Package" shall mean the documents listed in Schedule III, taken together as a whole. References to the term "Issuer Free Writing Prospectus" shall mean an issuer free writing prospectus, as defined in Rule 433 under the Securities Act. References to the term "Free Writing

Prospectus" shall mean a free writing prospectus, as defined in Rule 405 under the Securities Act. References to the term "Applicable Time" means ____[A.M./P.M.] on [the date hereof]. If there occurs an event or development as a result of which the Pricing Disclosure Package would include an untrue statement of a material fact or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances then prevailing, not misleading, FPL promptly will notify the Representatives so that any use of the Pricing Disclosure Package may cease until it is amended or supplemented.

(e) As of the Applicable Time, no Issuer Free Writing Prospectus includes any information that conflicts with the information contained in the Registration Statement, the Prospectus or the Pricing Prospectus, including any document incorporated by reference therein that has not been superseded or modified.

(f) The financial statements included as part of or incorporated by reference in the Pricing Disclosure Package, the Prospectus and 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 Pricing Disclosure Package, the Prospectus and the Registration Statement; and Deloitte & Touche LLP, who has audited the audited financial statements of FPL, is an independent registered public accounting firm as required by the Securities Act and the Exchange Act and the rules and regulations of the Commission thereunder.

(g) Except as reflected in or contemplated by the Pricing Disclosure Package, since the respective most recent times as of which information is given in the Pricing Disclosure Package, 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 Pricing Disclosure Package 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 Pricing Disclosure Package.

(h) The execution and delivery of this agreement and the consummation of the transactions herein contemplated by FPL 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 "FPL Charter"), by-laws and applicable law. The execution and delivery by FPL of this agreement and of a certificate or certificates for the Shares and the performance by FPL of its obligations under this agreement and under the Shares do not require any consent, approval, authorization, registration or qualification of or by any governmental agency or body other than (i) those consents, approvals, authorizations, registrations or qualifications as have already been obtained, and (ii) the filing of Articles

of Amendment to the FPL Charter relating to the Shares (the "Articles of Amendment") with the appropriate office of the Department of State, State of Florida which shall be filed by FPL prior to the Closing Date.

(i) The execution and delivery of this agreement and the consummation of the transactions herein contemplated by FPL and the fulfillment of the terms hereof on the part of FPL to be fulfilled will not result in a breach of any of the terms or provisions of, or constitute a default under, the FPL Charter (as amended by the Articles of Amendment) 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 any of 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.

(j) FPL has no direct or indirect significant subsidiaries (as defined in Regulation S-X (17 CFR Part 210)).

(k) FPL has been duly organized, is validly existing and is in good standing under the laws of its jurisdiction of organization, and is duly qualified to do business and is in good standing as a foreign corporation in each jurisdiction in which its ownership of properties or the conduct of its businesses requires such qualification, except where the failure so to qualify would not have a material adverse effect on the business, properties or financial condition of FPL and its subsidiaries taken as a whole, and has the power and authority as a corporation necessary to own or hold its respective properties and to conduct the businesses in which it is engaged.

(l) The Shares conform in all material respects to the description thereof in the Pricing Disclosure Package and the Prospectus.

(m) The Preferred Stock has been validly authorized and, when issued and delivered by FPL against payment therefor in accordance with the provisions of this agreement, will be fully paid and non-assessable.

(n) FPL is not, and after giving effect to the offering and sale of the Preferred Stock and the application of the proceeds thereof as described in the Pricing Disclosure Package and the Prospectus will not be, an "investment company" within the meaning of the Investment Company Act of 1940, as amended ("1940 Act").

3. 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 number of Shares set forth opposite their respective names in Schedule II hereto at the purchase price per Share set forth in Schedule I hereto as the Purchase Price.

The Underwriters agree to make a bona fide public offering of the Shares as set forth in the Pricing Disclosure Package, 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 Shares will be offered to the public at the amount per Share 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. Such dealers' concession may not be in excess of $____ per Share under the Price to Public.

Each Underwriter agrees that (i) no information that is presented by it to investors has been or will be inconsistent with the information contained in the Pricing Disclosure Package as it may then be amended or supplemented and (ii) it will make no offer that would constitute a Free Writing Prospectus that is required to be filed by FPL pursuant to Rule 433 under the Securities Act other than an Issuer Free Writing Prospectus in accordance with Section 5(h).

4. Time, Date and Place of Closing, Default of Underwriter. Delivery of the Shares and payment therefor by wire transfer in federal funds shall be made at ___ A.M., New York City time, on the closing date set forth on Schedule I, at the offices of Thelen Reid Brown Raysman & Steiner LLP, 875 Third Avenue, New York, New York 10022, 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 Shares 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 Shares 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 Shares by the Representatives on behalf of the Underwriters, FPL agrees to make such Shares available to the Representatives for such purpose at the offices of Thelen Reid Brown Raysman & Steiner 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 number of the Shares 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 number of the Shares set forth opposite their respective names in Schedule II hereto) the number of the Shares which such defaulting Underwriter or Underwriters failed to purchase and pay for, up to a number thereof equal to, in the case of each such remaining Underwriter, ten percent (10%) of the aggregate number of the Shares 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 number of the Shares 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 number of the Shares which the defaulting Underwriter or Underwriters agreed but failed to purchase. If any of the Shares 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 Shares 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 Shares or (ii) FPL notifies the non-defaulting Underwriters that it has arranged for the purchase of such Shares, 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 Shares 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 Shares which such Underwriter has agreed to purchase as provided in Section 3 hereof), except as otherwise provided in Section 8 and subsections (d) and (f) of Section 5 hereof.

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

(a) FPL will timely file the Prospectus with the Commission pursuant to Rule 424. FPL has complied and will comply with Rule 433 under the Securities Act in connection with the offering and sale of the Shares, including applicable provisions in respect of timely filing with the Commission, legending and record-keeping.

(b) FPL will prepare a final term sheet, containing a description of the pricing terms of the Shares, substantially in the form of Schedule I hereto and approved by the Representatives and will timely file such term sheet with the Commission pursuant to Rule 433 under the Securities Act.

(c) FPL will deliver to the Representatives and to Counsel for the Underwriters (as defined below) 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 Shares, 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 or cause to be delivered to the Underwriters through the Representatives as many copies of the Prospectus and any Issuer Free Writing Prospectus as the Representatives may reasonably request for the purposes contemplated by the Securities Act.

(d) FPL has paid or cause to be paid or will pay or cause to be paid all expenses in connection with the (i) preparation and filing of the Registration Statement, any preliminary prospectus, the Prospectus and any Issuer Free Writing Prospectus, (ii) issuance and delivery of the Shares as provided in Section 4 hereof, and (iii) printing

and delivery to the Representatives for the account of the Underwriters, in reasonable quantities, of copies of the Registration Statement, any preliminary prospectus, the Prospectus and any Issuer Free Writing Prospectus. FPL will pay or cause to be paid all taxes, if any (but not including any transfer taxes), on the issuance of the Shares. 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 6, 7 or 9 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 or cause to be reimbursed 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 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.

(e) 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 (including an Issuer Free Writing 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, file with the Commission, if required, and furnish to the Representatives a reasonable number of copies of such supplement or supplements or amendment or amendments to the Prospectus (including an Issuer Free Writing 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.

(f) FPL will furnish such proper information as may be lawfully required and otherwise cooperate in qualifying the Shares for offer and sale under the blue sky laws of such United States 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.

(g) 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 Preferred Stock) 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.

(h) Prior to the termination of the offering of the Shares, FPL will not file any amendment to the Registration Statement or any amendment or supplement to the Prospectus or any amendment or supplement to the Pricing Disclosure Package 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. FPL has not made any offer relating to the Shares that would constitute an Issuer Free Writing Prospectus or that would otherwise constitute a Free Writing Prospectus required to be filed by FPL with the Commission or retained by FPL under Rule 433 under the Securities Act, other than a pricing term sheet substantially in the form as set forth on Schedule I, and will not make any such offer without prior notice to the Representatives and to Counsel for the Underwriters, or any such offer to which the Representatives shall reasonably object in writing, or which shall be unsatisfactory to Counsel for the Underwriters.

(i) FPL will advise the Representatives promptly of the filing of the Prospectus pursuant to Rule 424, of the filing of any material pursuant to Rule 433 and of any amendment or supplement to the Pricing Disclosure Package or the Registration Statement or, prior to the termination of the offering of the Shares hereunder, of official notice of the institution of proceedings for, or the entry of, a stop order suspending the effectiveness of the Registration Statement, of receipt from the Commission of any notice of objection to the use of the Registration Statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) under the Securities Act, and, if such a stop order should be entered, or notice of objection should be received, use every commercially reasonable effort to obtain the prompt removal thereof.

(j) FPL will use its commercially reasonable best efforts to deliver, in appropriate form for filing, to the Department of State, State of Florida, on or before the Closing Date the articles of amendment required by Section 607.0602, Florida Statues, relating to the Shares, and will use its commercially reasonable best efforts to have such articles of amendment accepted for filing by such Department of State on or before the Closing Date.

6. Conditions of Underwriters' Obligations to Purchase and Pay for the Shares. The several obligations of the Underwriters to purchase and pay for the Shares 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 and qualified by materiality shall be true and correct in all respects and the representations and warranties made by FPL herein that are not qualified by materiality shall be true and correct in all material respects as of the Closing Date, in each case as if made on and as of such date

and the Representatives shall have received, prior to payment for the Shares, 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 no notice of objection by the Commission to the use of the Registration Statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) under the Securities Act shall have been received by FPL and not removed by such date; and the Representatives shall have received, prior to payment for the Shares, 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 Shares 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 Squire, Sanders & Dempsey L.L.P., counsel to FPL, Thelen Reid Brown Raysman & Steiner LLP, 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 IV, V and VI 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 Shares 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) On the date of this agreement and on the Closing Date, the Representatives shall have received from Deloitte & Touche LLP a letter or letters (which may refer to letters previously delivered to the Representatives) (with copies thereof for each of the Underwriters) dated the respective dates of delivery thereof to the effect that (i) they are an independent registered public accounting firm 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 of FPL audited by them and incorporated by reference in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, 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. 100, Interim Financial Information, on the unaudited condensed consolidated

financial statements of FPL, if any, incorporated by reference in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, a reading of the latest available interim unaudited [condensed] consolidated financial statements of FPL, if any, since the close of FPL's most recent audited fiscal year, a reading of 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 standards of the Public Company Accounting Oversight Board (United States) 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 Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, (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 Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, 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 Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable; (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 such letter, 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 FPL's common shareholders' equity, in each case as compared with amounts shown in the most recent [condensed] consolidated balance sheet incorporated by reference in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, except in all instances for changes, increases or decreases which the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, 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 Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, 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 such letter, there were any decreases, as compared with the corresponding period in the preceding year, in total consolidated operating revenues or in net income, except in all instances for decreases which the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, 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 Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, and Exhibit 12(b) to the Registration Statement and such other items as the Representatives may reasonably request.

(f) Since the respective most recent times as of which information is given in the Pricing Disclosure Package, 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 Pricing Disclosure Package, and (ii) there shall have been no transaction entered into by FPL or any of its subsidiaries that is material to FPL and its subsidiaries taken as a whole, in each case other than transactions disclosed in or contemplated by the Pricing Disclosure Package, 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 Shares shall have been satisfactory in form and substance to Counsel for the Underwriters.

(h) [The Shares shall have been approved for listing on The New York Stock Exchange, Inc. ("NYSE") upon official notice of issuance.]

In case any of the conditions specified above in this Section 6 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 (d) and (f) of Section 5 hereof.

7. Condition of FPL's Obligations. The obligation of FPL to deliver the Shares shall be subject to the following condition:

(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; no proceedings for either such purpose shall be pending before, or threatened by, the Commission on such date; and no notice of objection by the Commission to the use of the Registration Statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) under the Securities Act shall have been received by FPL and not removed by 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 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.

In case the conditions specified above in this Section 7 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 (d) and (f) of Section 5 hereof.

8. 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, the Pricing Prospectus, the Prospectus or any Issuer Free Writing 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 8 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 any preliminary prospectus, the Registration Statement, the Pricing Prospectus, the Prospectus or any Issuer Free Writing Prospectus or any amendment or supplement to any thereof, or arising out of, or based upon, statements in or omissions from the Statements of Eligibility; and provided, further, that the indemnity agreement contained in this subsection (a) of Section 8 in respect of any preliminary prospectus, the Pricing Prospectus, any Issuer Free Writing Prospectus or 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 Shares to any person in respect of any preliminary prospectus, the Pricing Prospectus, any Issuer Free Writing Prospectus or the Prospectus, each as may be then supplemented or amended, furnished by such Underwriter to a person to whom any of the Shares were sold (excluding in all cases, however, any document then incorporated by reference therein), insofar as such indemnity relates to any untrue or misleading statement made in or omission from such preliminary prospectus, Pricing Prospectus, Issuer Free Writing Prospectus or Prospectus, if a copy of a supplement or amendment to such preliminary prospectus, Pricing Prospectus, Prospectus or Issuer Free Writing Prospectus (excluding in all cases, however, any document then incorporated by reference therein) (i) is furnished on a timely basis by FPL to the Underwriter, (ii) is required by law or regulation to have been conveyed to such person by or on behalf of such Underwriter, at or prior to the entry into the contract of sale of the Shares with such person, but was not so conveyed (which conveyance may be oral or written) by or on behalf of such Underwriter and (iii) would have cured the defect giving rise to such loss, claim, damage or liability. The indemnity agreement of FPL contained in this subsection (a) of Section 8 and the representations and warranties

of FPL contained in Section 2 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 Shares. 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 Shares.

(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 [(1)] an untrue statement or alleged untrue statement of a material fact contained in any preliminary prospectus, the Registration Statement, the Pricing Prospectus, the Prospectus [, any Underwriter Free Writing Prospectus] or any Issuer Free Writing 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 any preliminary prospectus, the Registration Statement, the Pricing Prospectus, the Prospectus [, any Underwriter Free Writing Prospectus] or any Issuer Free Writing Prospectus or any amendment or supplement to any thereof [or (2) an untrue statement or alleged untrue statement of a material fact contained in any Underwriter Free Writing Prospectus distributed by or on behalf of such Underwriter unless such statement or omission was made in reliance upon and in conformity with information furnished in writing by FPL expressly for use in connection with such Underwriter Free Writing Prospectus]. The Underwriters hereby furnish to FPL in writing expressly for use in the preliminary prospectus, the Registration Statement, the Pricing Prospectus, the Prospectus [, and Underwriter Free Writing Prospectus] and any Issuer Free Writing 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, the Registration Statement, the Pricing Prospectus, the Prospectus [, any Underwriter Free Writing Prospectus] or any Issuer Free Writing Prospectus. The indemnity agreement of the respective Underwriters contained in this subsection (b) of Section 8 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 Shares. 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 Shares.

(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 8, 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 this 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 or parties shall elect not to assume the defense of such action, such indemnifying party or parties 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 involved 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 8, 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 Shares 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 Shares 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 Shares is to the total amount of Shares set forth in Schedule II hereto.

9. 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 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 Shares as contemplated in the Pricing Disclosure Package or for the Underwriters to enforce contracts for the sale of the Shares[, or

(b) (i) there shall have been any downgrading or any notice of any intended or potential downgrading in the ratings accorded to the Shares or any preferred stock of FPL which are of the same class as the Shares 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 Shares or any preferred stock of FPL which are of the same class as the Shares, 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 Shares as contemplated in the Pricing Disclosure Package or for the Underwriters to enforce contracts for the sale of the Shares].

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 or any Issuer Free Writing 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 Shares to be purchased hereunder. Any termination of this agreement pursuant to this Section 9 shall be without liability of any party to any other party except as otherwise provided in subsections (d) and (f) of Section 5 hereof.

10. Miscellaneous.

(a) The validity and interpretation of this agreement shall be governed by the laws of the State of New York without regard to conflicts 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 8 hereof, each officer, director or controlling person referred to in said Section 8, 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 Shares from any of the several Underwriters.

(b) FPL acknowledges and agrees that the Underwriters are acting solely in the capacity of arm's length contractual counterparties to FPL with respect to the offering of the Shares as contemplated by this agreement and not as financial advisors or fiduciaries to FPL in connection herewith. Additionally, none of the Underwriters is advising FPL as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction in connection with the offering of the Shares as contemplated by this agreement. Any review by the Underwriters of FPL in connection with the offering of the Preferred Stock contemplated by this agreement and the transactions contemplated by this agreement will not be performed on behalf of FPL.

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

12. Counterparts. This agreement may be executed in any number of counterparts by the parties hereto on separate counterparts, each of which, when so executed and delivered, shall

be deemed an original, but all such counterparts shall together constitute one and the same instrument.

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

SCHEDULE I

FLORIDA POWER & LIGHT COMPANY

Pricing Term Sheet

[Date]

Issuer: Florida Power & Light Company

Underwriting Agreement dated
Representatives:

Shares:

Number of Shares:
Designation:
Dividend Rate:
Price to Public:
Purchase Price:
Proceeds to FPL
(before expenses):
Settlement Date:
CUSIP/ISIN Number:
[Expected Credit Ratings*:]

[*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.]

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling _____ toll-free _____ or _____ toll-free _____.

SCHEDULE II

Representatives	**Addresses**

Underwriter	**Number of Shares**
Total.....	

SCHEDULE III

PRICING DISCLOSURE PACKAGE

(1) Prospectus, dated _____

(2) Preliminary Prospectus Supplement dated _____ (which shall be deemed to include the Incorporated Documents filed at or prior to the Applicable Time to the extent not superseded by Incorporated Documents filed at or prior to the Applicable Time)

(3) Issuer Free Writing Prospectuses

(a) Pricing Term Sheet attached as Schedule I hereto

SCHEDULE IV

[LETTERHEAD OF SQUIRE, SANDERS & DEMPSEY L.L.P.]

SCHEDULE V

[LETTERHEAD OF THELEN REID BROWN RAYSMAN & STEINER LLP]

SCHEDULE VI

[LETTERHEAD OF HUNTON & WILLIAMS LLP]

[Forms of legal opinions omitted]

Exhibit 4(hk)

Exhibit 4(bk)

[(legend at the end of this
bond for restrictions on transferability
and change of form)]

FORM OF REGISTERED BOND

FLORIDA POWER & LIGHT COMPANY
First Mortgage Bond,
_____ Series
due _____

CUSIP No. _____
No. R-__ $_____

FLORIDA POWER & LIGHT COMPANY, a corporation of the State of Florida (hereinafter called the "Company"), for value received, hereby promises to pay to

or registered assigns, on _____, at the office or agency of the Company 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, and to pay to the registered owner hereof interest thereon [semi-annually] [quarterly] on _____[, _____, _____] and _____ in each year (each an "Interest Payment Date"), at the rate of ____% per annum in like coin or currency at such office or agency, until the principal of this bond shall have become due and payable, and to 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 at the rate of six per centum per annum. Interest on this bond shall accrue from and including _____ to but excluding _____ 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 this bond, from _____) to, but excluding, the next succeeding Interest Payment Date. 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. 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 this bond is 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 this bond is not in book-entry only form, registered in the name of The Depository Trust Company or any other successor depositary or a nominee thereof.

This bond is one of an issue of bonds of the Company issuable in series and is one of a series known as its First Mortgage Bonds, ____% Series due _____, all bonds of all series issued and to be issued under and equally secured (except insofar as any sinking or other fund, established in accordance with the provisions of the Mortgage hereinafter mentioned, may afford additional security for the bonds of any particular series) by a Mortgage and Deed of Trust (herein, together with any indenture supplemental thereto, including the _____ Supplemental Indenture dated as of _____, ____, called the "Mortgage"), dated as of January 1, 1944, executed by the Company to Deutsche Bank Trust Company Americas (formerly known as Bankers Trust Company) (hereinafter sometimes called the "Corporate Trustee") and The Florida National Bank of Jacksonville (now resigned), as Trustees. Reference is made to the Mortgage for a description of the property mortgaged and pledged, the nature and extent of the security, the rights of the holders of the bonds and of the Corporate Trustee in respect thereof, the duties and immunities of the Corporate Trustee and the terms and conditions upon which the bonds are and are to be secured and the circumstances under which additional bonds may be issued. With the consent of the Company and to the extent permitted by and as provided in the Mortgage, the rights and obligations of the Company and/or the rights of the holders of the bonds and/or coupons and/or the terms and provisions of the Mortgage may be modified or altered by affirmative vote or votes of the holders of bonds then outstanding as specified in the Mortgage.

The principal hereof may be declared or may become due prior to the maturity date hereinbefore named on the conditions, in the manner and at the time set forth in the Mortgage, upon the occurrence of a default as in the Mortgage provided.

This bond is transferable as prescribed in the Mortgage by the registered owner hereof in person, or by his duly authorized attorney, at the office or agency of the Company in the Borough of Manhattan, The City of New York, upon surrender and cancellation of this bond, and, thereupon, a new fully registered bond of the same series and maturity for a like principal amount will be issued to the transferee in exchange herefor as provided in the Mortgage. The Company and the Corporate Trustee may deem and treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment and for all other purposes and neither the Company nor the Corporate Trustee shall be affected by any notice to the contrary.

In the manner prescribed in the Mortgage, any bonds of this series, upon surrender thereof for exchange, at the office or agency of the Company in the Borough of Manhattan, The City of New York, together with a written instrument of transfer wherever required by the Company duly executed by the registered owner or by his duly authorized attorney, are exchangeable for a like aggregate principal amount of bonds of the same series and maturity of other authorized denominations.

[Redemption provisions, if any]

As provided in the Mortgage, the Company shall not be required to make transfers or exchanges of bonds of any series for a period of ten days next preceding any interest payment date for bonds of said series, or next preceding any designation of bonds of said series to be

redeemed, and the Company shall not be required to make transfers or exchanges of any bonds designated in whole or in part for redemption.

No recourse shall be had for the payment of the principal of or interest on this bond against any incorporator, or any past, present or future subscriber to the capital stock, or any stockholder, officer or director of the Company or of any predecessor or successor corporation, as such, either directly or through the Company or any predecessor or successor corporation, under any rule of law, statute or constitution or by the enforcement of any assessment or otherwise, all such liability of incorporators, subscribers, stockholders, officers and directors being released by the holder or owner hereof by the acceptance of this bond and being likewise waived and released by the terms of the Mortgage.

This bond shall not become obligatory until Deutsche Bank Trust Company Americas, the Corporate Trustee under the Mortgage, or its successor thereunder, shall have signed the form of authentication certificate endorsed hereon.

ON OR BEFORE THE DATE HEREOF, THE FLORIDA AND GEORGIA EXCISE TAXES, IF ANY, ON DOCUMENTS HAVE BEEN PAID AND THE PROPER DOCUMENTARY STAMPS ARE AFFIXED TO ORIGINAL RECORDED SUPPLEMENTAL INDENTURES UNDER WHICH THIS BOND IS ISSUED.

IN WITNESS WHEREOF, FLORIDA POWER & LIGHT COMPANY has caused this bond to be signed in its corporate name by its President or one of its Vice Presidents by his signature or a facsimile thereof, and its corporate seal to be impressed or imprinted hereon and attested by its Secretary or one of its Assistant Secretaries by his signature or a facsimile thereof, on

FLORIDA POWER & LIGHT COMPANY

By: _____

ATTEST:

By: _____

FORM OF CORPORATE TRUSTEE'S AUTHENTICATION CERTIFICATE

This bond is one of the bonds, of the series herein designated, described or provided for in the within-mentioned Mortgage.

DEUTSCHE BANK TRUST COMPANY AMERICAS,
as Corporate Trustee

By: _____
Authorized Signatory

[LEGEND

Unless and until this bond is exchanged in whole or in part for certificated bonds registered in the names of the various beneficial holders hereof as then certified to the Corporate Trustee by The Depository Trust Company or its successor (the "Depositary"), this bond may not be transferred except as a whole by the Depositary to a nominee of the Depositary or by a nominee of the Depositary to the Depositary or another nominee of the Depositary or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary.

Unless this certificate is presented by an authorized representative of the Depositary to the Company or its agent for registration of transfer, exchange or payment, and any certificate to be issued is registered in the name of Cede & Co., or in such other name as is requested by an authorized representative of the Depositary and any amount payable thereunder is made payable to Cede & Co., or such other name, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

This bond may be exchanged for certificated bonds registered in the names of the various beneficial owners hereof if (a) the Depositary is at any time unwilling or unable to continue as depositary and a successor depositary is not appointed by the Company within 90 days, or (b) subject to the procedures of the Depositary, the Company elects to issue certificated bonds to beneficial owners (as certified to the Company by the Depositary).]

Exhibit 4(b1)

Exhibit 4(bl)

[(legend at the end of this
bond for restrictions on transferability
and change of form)]

FORM OF TEMPORARY REGISTERED BOND

FLORIDA POWER & LIGHT COMPANY
First Mortgage Bond,
_____ Series
due _____

CUSIP No. _____
$_____

No. R-__

FLORIDA POWER & LIGHT COMPANY, a corporation of the State of Florida (hereinafter called the "Company"), for value received, hereby promises to pay to

or registered assigns, on _____, at the office or agency of the Company 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, and to pay to the registered owner hereof interest thereon [semi-annually] [quarterly] on _____[, _____, _____] and _____ in each year (each an "Interest Payment Date"), at the rate of ____% per annum in like coin or currency at such office or agency, until the principal of this bond shall have become due and payable, and to 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 at the rate of six per centum per annum. Interest on this bond shall accrue from and including _____ to but excluding _____ 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 this bond, from _____) to, but excluding, the next succeeding Interest Payment Date. 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. 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 this bond is 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 this bond is not in book-entry only form, registered in the name of The Depository Trust Company or any other successor depositary or a nominee thereof.

This bond is a temporary bond and is one of an issue of bonds of the Company issuable in series and is one of a series known as its First Mortgage Bonds, ____% Series due _____, all bonds of all series issued and to be issued under and equally secured (except insofar as any sinking or other fund, established in accordance with the provisions of the Mortgage hereinafter mentioned, may afford additional security for the bonds of any particular series) by a Mortgage and Deed of Trust (herein, together with any indenture supplemental thereto, including the _____ Supplemental Indenture dated as of _____, ____, called the "Mortgage"), dated as of January 1, 1944, executed by the Company to Deutsche Bank Trust Company Americas (formerly known as Bankers Trust Company) (hereinafter sometimes called the "Corporate Trustee") and The Florida National Bank of Jacksonville (now resigned), as Trustees. Reference is made to the Mortgage for a description of the property mortgaged and pledged, the nature and extent of the security, the rights of the holders of the bonds and of the Corporate Trustee in respect thereof, the duties and immunities of the Corporate Trustee and the terms and conditions upon which the bonds are and are to be secured and the circumstances under which additional bonds may be issued. With the consent of the Company and to the extent permitted by and as provided in the Mortgage, the rights and obligations of the Company and/or the rights of the holders of the bonds and/or coupons and/or the terms and provisions of the Mortgage may be modified or altered by affirmative vote or votes of the holders of bonds then outstanding as specified in the Mortgage.

The principal hereof may be declared or may become due prior to the maturity date hereinbefore named on the conditions, in the manner and at the time set forth in the Mortgage, upon the occurrence of a default as in the Mortgage provided.

This bond is transferable as prescribed in the Mortgage by the registered owner hereof in person, or by his duly authorized attorney, at the office or agency of the Company in the Borough of Manhattan, The City of New York, upon surrender and cancellation of this bond, and, thereupon, a new fully registered temporary or definitive bond of the same series and maturity for a like principal amount will be issued to the transferee in exchange herefor as provided in the Mortgage. The Company and the Corporate Trustee may deem and treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment and for all other purposes and neither the Company nor the Corporate Trustee shall be affected by any notice to the contrary.

In the manner prescribed in the Mortgage, any bonds of this series, upon surrender thereof for exchange, at the office or agency of the Company in the Borough of Manhattan, The City of New York, together with a written instrument of transfer wherever required by the Company duly executed by the registered owner or by his duly authorized attorney, are exchangeable for a like aggregate principal amount of bonds of the same series and maturity of other authorized denominations.

In the manner prescribed in the Mortgage, this temporary bond is exchangeable at the office or agency of the Company in the Borough of Manhattan, The City of New York, without charge, for a definitive bond or bonds of the same series and maturity of a like aggregate principal amount when such definitive bonds are prepared and ready for delivery.

[Redemption provisions, if any]

As provided in the Mortgage, the Company shall not be required to make transfers or exchanges of bonds of any series for a period of ten days next preceding any interest payment date for bonds of said series, or next preceding any designation of bonds of said series to be redeemed, and the Company shall not be required to make transfers or exchanges of any bonds designated in whole or in part for redemption.

No recourse shall be had for the payment of the principal of or interest on this bond against any incorporator, or any past, present or future subscriber to the capital stock, or any stockholder, officer or director of the Company or of any predecessor or successor corporation, as such, either directly or through the Company or any predecessor or successor corporation, under any rule of law, statute or constitution or by the enforcement of any assessment or otherwise, all such liability of incorporators, subscribers, stockholders, officers and directors being released by the holder or owner hereof by the acceptance of this bond and being likewise waived and released by the terms of the Mortgage.

This bond shall not become obligatory until Deutsche Bank Trust Company Americas, the Corporate Trustee under the Mortgage, or its successor thereunder, shall have signed the form of authentication certificate endorsed hereon.

ON OR BEFORE THE DATE HEREOF, THE FLORIDA AND GEORGIA EXCISE TAXES, IF ANY, ON DOCUMENTS HAVE BEEN PAID AND THE PROPER DOCUMENTARY STAMPS ARE AFFIXED TO ORIGINAL RECORDED SUPPLEMENTAL INDENTURES UNDER WHICH THIS BOND IS ISSUED.

IN WITNESS WHEREOF, FLORIDA POWER & LIGHT COMPANY has caused this bond to be signed in its corporate name by its President or one of its Vice Presidents by his signature or a facsimile thereof, and its corporate seal to be impressed or imprinted hereon and attested by its Secretary or one of its Assistant Secretaries by his signature or a facsimile thereof, on

FLORIDA POWER & LIGHT COMPANY

By: _____

ATTEST:

By: _____

FORM OF CORPORATE TRUSTEE'S AUTHENTICATION CERTIFICATE

This bond is one of the bonds, of the series herein designated, described or provided for in the within-mentioned Mortgage.

DEUTSCHE BANK TRUST COMPANY AMERICAS,
as Corporate Trustee

By: _____
Authorized Signatory

[LEGEND

Unless and until this bond is exchanged in whole or in part for certificated bonds registered in the names of the various beneficial holders hereof as then certified to the Corporate Trustee by The Depository Trust Company or its successor (the "Depositary"), this bond may not be transferred except as a whole by the Depositary to a nominee of the Depositary or by a nominee of the Depositary to the Depositary or another nominee of the Depositary or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary.

Unless this certificate is presented by an authorized representative of the Depositary to the Company or its agent for registration of transfer, exchange or payment, and any certificate to be issued is registered in the name of Cede & Co., or in such other name as is requested by an authorized representative of the Depositary and any amount payable thereunder is made payable to Cede & Co., or such other name, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

This bond may be exchanged for certificated bonds registered in the names of the various beneficial owners hereof if (a) the Depositary is at any time unwilling or unable to continue as depositary and a successor depositary is not appointed by the Company within 90 days, or (b) subject to the procedures of the Depositary, the Company elects to issue certificated bonds to beneficial owners (as certified to the Company by the Depositary).]

Exhibit 5(a)

SQUIRE, SANDERS & DEMPSEY L.L.P.
200 South Biscayne Boulevard Suite 4000
Miami, Florida 33131-2398
Office: +1.305.577.7000
Fax: +1.305.577.7001

SQUIRE SANDERS | LEGAL COUNSEL WORLDWIDE

May 3, 2007

FPL Group, Inc.
FPL Group Capital Inc
Florida Power & Light Company
FPL Group Capital Trust II
FPL Group Capital Trust III
FPL Group Trust I
FPL Group Trust II
Florida Power & Light Company Trust I
Florida Power & Light Company Trust II
700 Universe Boulevard
Juno Beach, Florida 33408

Ladies and Gentlemen:

As counsel for FPL Group, Inc., a Florida corporation ("FPL Group"), FPL Group Capital Inc, a Florida corporation ("FPL Group Capital"), Florida Power & Light Company, a Florida corporation ("FPL"), FPL Group Capital Trust II, a Delaware statutory trust, FPL Group Capital Trust III, a Delaware statutory trust (together with FPL Group Capital Trust II, the "FPL Group Capital Trusts"), FPL Group Trust I, a Delaware statutory trust, FPL Group Trust II, a Delaware statutory trust (together with FPL Group Trust I, the "FPL Group Trusts"), Florida Power & Light Company Trust I, a Delaware statutory trust, and Florida Power & Light Company Trust II, a Delaware statutory trust (together with Florida Power & Light Company Trust I, the "FPL Trusts") (the FPL Group Capital Trusts, the FPL Group Trusts and the FPL Trusts are herein referred to collectively as the "Trusts"), we have participated in the preparation of a joint registration statement on Form S-3 (Registration Statement Nos. 333-137120, 333-137120-01, 333-137120-02, 333-137120-03, 333-137120-04, 333-137120-05, 333-137120-06, 333-137120-07 and 333-137120-08 ("Registration Statement No. 333-137120"), which was filed with the Securities and Exchange Commission ("Commission") under the Securities Act of 1933, as amended ("Securities Act") on September 5, 2006), and of a post-effective amendment no. 1 to that registration statement ("Registration Statement No. 333-137120, as amended by post-effective amendment no. 1 thereto, the "Registration Statement"), to be filed on or about the date hereof with the Commission under the Securities Act, in connection with the registration by:

(a) FPL Group of an unspecified amount of (i) its guarantee relating to FPL Group Capital Senior Debt Securities (as defined below) ("FPL Group Senior Debt Securities Guarantee"); (ii) its guarantee of the FPL Group Capital Subordinated Debentures (as defined below) ("FPL Group Subordinated Debenture Guarantee"); (iii) its unsecured debt securities ("FPL Group Senior Debt Securities"); (iv) its junior subordinated debentures ("FPL Group Subordinated Debentures"); (v) its guarantee of Preferred Trust Securities (as defined below) of FPL Group Capital Trust and FPL Group Trust ("FPL Group Preferred Trust Securities Guarantee"); (vi) shares of its common stock, $.01 par value ("Common Stock"); (vii) shares of its preferred stock, $.01 par value ("FPL Group Preferred Stock"); (viii) contracts to purchase Common Stock or FPL Group Preferred Stock or other agreements or instruments requiring it to sell Common Stock or FPL Group Preferred Stock (collectively, "Stock Purchase Contracts"); (ix) units, each representing ownership of a Stock Purchase Contract and any of debt securities of FPL Group Capital, debt securities of FPL Group, Preferred Trust Securities of FPL Group Trust, Preferred Trust Securities of FPL Group Capital Trust or debt securities of third parties, including, but not limited to, U.S. Treasury securities ("Stock Purchase Units"); and (x) its guarantee ("Preferred Stock Guarantee") of FPL Group Capital Preferred Stock (as defined below);

(b) FPL Group Capital of an unspecified amount of (i) its unsecured debt securities ("FPL Group Capital Senior Debt Securities"); (ii) its junior subordinated debentures ("FPL Group Capital Subordinated Debentures"); and (iii) shares of its preferred stock, $.01 par value ("FPL Group Capital Preferred Stock");

(c) FPL of an unspecified amount of (i) its first mortgage bonds (the "Bonds"); (ii) shares of its Preferred Stock, $100 par value ("Serial Preferred Stock"), and shares of its Preferred Stock without par value ("No Par Preferred Stock," and together with the Serial Preferred Stock, "FPL Preferred Stock"); (iii) its junior subordinated debentures ("FPL Subordinated Debentures"); and (iv) its guarantee of Preferred Trust Securities (as defined below) of the FPL Trusts ("FPL Preferred Trust Securities Guarantee"); and

(d) the Trusts of an unspecified amount of their preferred trust securities ("Preferred Trust Securities").

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. We have

assumed that there will be no changes to such documents and records, or expiration thereof, after the date hereof which would affect the opinions expressed herein.

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

1. The FPL Group Capital Senior Debt Securities and the FPL Group Senior Debt Securities Guarantee will be valid, legal and binding obligations of FPL Group Capital and FPL Group, respectively, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity, when:

a. a duly-authorized officer of FPL Group Capital, acting within the authority granted by the then current resolutions of the Board of Directors of FPL Group Capital, approves and establishes the terms and provisions of the FPL Group Capital Senior Debt Securities in accordance with the Indenture (For Unsecured Debt Securities) dated as of June 1, 1999, between FPL Group Capital and The Bank of New York, as Trustee; and

b. the FPL Group Capital Senior Debt Securities are issued and sold in accordance with their respective terms and provisions and as contemplated by the Registration Statement.

2. The FPL Group Senior Debt Securities will be valid, legal and binding obligations of FPL Group, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity, when:

a. an indenture ("FPL Group Indenture") with respect to such FPL Group Senior Debt Securities shall have been executed and delivered by a duly-authorized officer of FPL Group and by the trustee under such FPL Group Indenture;

b. a duly-authorized officer of FPL Group, acting within the authority granted by the then current resolutions of the Board of Directors of FPL Group, approves and establishes the terms and provisions of the FPL Group Senior Debt Securities in accordance with the FPL Group Indenture; and

c. the FPL Group Senior Debt Securities are issued and sold in accordance with their respective terms and provisions and as contemplated by the Registration Statement.

3. The FPL Group Subordinated Debentures will be valid, legal and binding obligations of FPL Group, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity, when:

a. a subordinated indenture ("FPL Group Subordinated Indenture") with respect to such FPL Group Subordinated Debentures shall have been executed and delivered by a duly-authorized officer of FPL Group and by the trustee under such FPL Group Subordinated Indenture;

b. a duly-authorized officer of FPL Group, acting within the authority granted by the then current resolutions of the Board of Directors of FPL Group, approves and establishes the terms and provisions of the FPL Group Subordinated Debentures in accordance with the FPL Group Subordinated Indenture; and

c. the FPL Group Subordinated Debentures are issued and sold in accordance with their respective terms and provisions and as contemplated by the Registration Statement.

4. The FPL Group Capital Subordinated Debentures and the FPL Group Subordinated Debenture Guarantee will be valid, legal and binding obligations of FPL Group Capital and FPL Group, respectively, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity, when:

a. if the FPL Group Capital Subordinated Debentures will not be issued pursuant to (i) the Indenture (For Unsecured Subordinated Debt Securities relating to Trust Securities) dated as of March 1, 2004 ("FPL Group Capital 2004 Subordinated Indenture"), among FPL Group Capital, FPL Group and The Bank of New York, as Trustee, or (ii) the Indenture (For Unsecured Subordinated Debt Securities) dated as of September 1, 2006 ("FPL Group Capital 2006 Subordinated Indenture"), among FPL Group Capital, FPL Group and The Bank of New York, as Trustee, then a subordinated

indenture ("FPL Group Capital New Subordinated Indenture") with respect to such FPL Group Capital Subordinated Debentures shall have been executed and delivered by a duly-authorized officer of FPL Group Capital, by a duly-authorized officer of FPL Group and by the trustee under such FPL Group Capital New Subordinated Indenture;

b. a duly-authorized officer of FPL Group Capital, acting within the authority granted by the then current resolutions of the Board of Directors of FPL Group Capital, approves and establishes the terms and provisions of the FPL Group Capital Subordinated Debentures in accordance with the FPL Group Capital 2004 Subordinated Indenture, the FPL Group Capital 2006 Subordinated Indenture or the FPL Group Capital New Subordinated Indenture;

c. a duly-authorized officer of FPL Group, acting within the authority granted by the then current resolutions of the Board of Directors of FPL Group, endorses the FPL Group Subordinated Debenture Guarantee onto the FPL Group Capital Subordinated Debentures; and

d. the FPL Group Capital Subordinated Debentures are issued and sold in accordance with their respective terms and provisions and as contemplated by the Registration Statement.

5. The shares of Common Stock will be validly issued, fully paid and non-assessable when:

a. FPL Group's Board of Directors (or a senior executive officer of FPL Group pursuant to express authority conferred on such officer by the Board of Directors) shall have adopted appropriate resolutions approving and authorizing the issuance and sale of the Common Stock and authorizing any other action necessary to the consummation of the proposed issuance and sale thereof; and

b. the Common Stock shall have been issued and sold for the consideration contemplated by such resolutions, and otherwise as contemplated by the Registration Statement.

6. The shares of FPL Group Preferred Stock will be validly issued, fully paid and non-assessable when:

a. FPL Group's Board of Directors (or a senior executive officer of FPL Group pursuant to express authority conferred on such officer by the Board of Directors) shall have adopted appropriate resolutions establishing the preferences, limitations and relative rights of such shares of FPL Group Preferred Stock and approving and authorizing the issuance and sale of the FPL Group Preferred Stock and authorizing any other action necessary to the consummation of the proposed issuance and sale thereof;

b. articles of amendment to FPL Group's Restated Articles of Incorporation, as amended, establishing the preferences, limitations and relative rights of such FPL Group Preferred Stock shall have been filed with the appropriate office of the Department of State of the State of Florida; and

c. the FPL Group Preferred Stock shall have been issued and sold for the consideration contemplated by such resolutions, and otherwise as contemplated by the Registration Statement.

7. The shares of FPL Group Capital Preferred Stock will be validly issued, fully paid and non-assessable when:

a. FPL Group Capital's Board of Directors (or a senior executive officer of FPL Group Capital pursuant to express authority conferred on such officer by the Board of Directors) shall have adopted appropriate resolutions establishing the preferences, limitations and relative rights of such shares of FPL Group Capital Preferred Stock and approving and authorizing the issuance and sale of the FPL Group Capital Preferred Stock and authorizing any other action necessary to the consummation of the proposed issuance and sale thereof;

b. articles of amendment to FPL Group Capital's Articles of Incorporation, as amended, establishing the preferences, limitations and relative rights of such FPL Group Capital Preferred Stock shall have been filed with the appropriate office of the Department of State of the State of Florida; and

c. the FPL Group Capital Preferred Stock shall have been issued and sold for the consideration contemplated by such resolutions, and otherwise as contemplated by the Registration Statement.

8. The Preferred Stock Guarantee will be a valid, legal and binding obligation of FPL Group, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity, when:

a. a preferred stock guarantee agreement ("Preferred Stock Guarantee Agreement") with respect to such Preferred Stock Guarantee shall have been executed and delivered by a duly-authorized officer of FPL Group; and

b. the FPL Group Capital Preferred Stock is issued and sold in accordance with its respective terms and provisions and as contemplated by the Registration Statement.

9. The Stock Purchase Contracts and Stock Purchase Units will be valid, legal and binding obligations of FPL Group, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity, when:

a. FPL Group's Board of Directors (or a senior executive officer of FPL Group pursuant to express authority conferred on such officer by the Board of Directors) shall have adopted appropriate resolutions to establish the terms of such Stock Purchase Contracts or Stock Purchase Units, as the case may be; and

b. such Stock Purchase Contracts or Stock Purchase Units, as the case may be, shall have been issued and sold in accordance with their respective terms and provisions and as contemplated by the Registration Statement.

10. The FPL Group Preferred Trust Securities Guarantee will be a valid, legal and binding obligation of FPL Group, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity, when:

a. a preferred trust securities guarantee agreement ("FPL Group Preferred Trust Securities Guarantee Agreement") with respect to such FPL Group Preferred Trust Securities Guarantee shall have been executed and delivered by a duly-authorized officer of FPL Group and by the trustee under such FPL Group Preferred Trust Securities Guarantee Agreement; and

b. the Preferred Trust Securities are issued and sold by an FPL Group Trust or an FPL Group Capital Trust in accordance with their respective terms and provisions and as contemplated by the Registration Statement.

11. The Bonds will be valid, legal and binding obligations of FPL, 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:

a. the Bonds are issued and sold pursuant to authority contained in an order of the Florida Public Service Commission ("FPSC");

b. a duly-authorized officer of FPL, acting within the authority granted by the then current resolutions of the Board of Directors of FPL and, if applicable, of the Finance Committee of the Board of Directors of FPL, 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 FPL to Deutsche Bank Trust Company Americas, as Trustee; and

c. the Bonds are issued and sold in accordance with their respective terms and provisions and as contemplated by the Registration Statement.

12. The shares of FPL Preferred Stock will be validly issued, fully paid and non-assessable when:

a. the FPL Preferred Stock is issued and sold pursuant to authority contained in an order of the FPSC;

b. FPL's Board of Directors (or a committee of the Board of Directors or a senior executive officer of FPL pursuant to express authority conferred on such

committee or officer by the Board of Directors) shall have adopted appropriate resolutions establishing the preferences, limitations and relative rights of such shares of FPL Preferred Stock and approving and authorizing the issuance and sale of the FPL Preferred Stock and authorizing any other action necessary to the consummation of the proposed issuance and sale thereof;

c. articles of amendment to FPL's Restated Articles of Incorporation, as amended, establishing the preferences, limitations and relative rights of such FPL Preferred Stock shall have been filed with the appropriate office of the Department of State of the State of Florida; and

d. the FPL Preferred Stock shall have been issued and sold for the consideration contemplated by such resolutions, and otherwise as contemplated by the Registration Statement.

13. The FPL Subordinated Debentures will be valid, legal and binding obligations of FPL, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity, when:

a. the FPL Subordinated Debentures are issued and sold pursuant to authority contained in an order of the FPSC;

b. a subordinated indenture ("FPL Subordinated Indenture") with respect to such FPL Subordinated Debentures shall have been executed and delivered by a duly-authorized officer of FPL and by the trustee under such FPL Subordinated Indenture;

c. a duly-authorized officer of FPL, acting within the authority granted by the then current resolutions of the Board of Directors of FPL and, if applicable, of the Finance Committee of the Board of Directors of FPL, approves and establishes the terms and provisions of the FPL Subordinated Debentures in accordance with the FPL Subordinated Indenture; and

d. the FPL Subordinated Debentures are issued and sold in accordance with their respective terms and provisions and as contemplated by the Registration Statement.

14. The FPL Preferred Trust Securities Guarantee will be a valid, legal and binding obligation of FPL, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity, when:

a. a preferred trust securities guarantee agreement ("FPL Preferred Trust Securities Guarantee Agreement") with respect to such FPL Preferred Trust Securities Guarantee shall have been executed and delivered by a duly-authorized officer of FPL pursuant to authority contained in an order of the FPSC and by the trustee under such FPL Preferred Trust Securities Guarantee Agreement;

b. the Preferred Trust Securities are issued and sold by an FPL Trust pursuant to authority contained in an order of the FPSC; and

c. the Preferred Trust Securities are issued and sold in accordance with their respective terms and provisions and as contemplated by the Registration Statement.

Notwithstanding that the Registration Statement provides for the registration of an unspecified amount of the securities described above, the amount of any particular securities, as well as the aggregate amount of all such securities and any combination of such securities, that may be offered and sold as contemplated by the Registration Statement is limited to the amounts authorized from time to time by the respective board of directors (or duly authorized committee of the board of directors) of FPL Group, FPL Group Capital and FPL, as the case may be.

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 prospectuses included in the Registration Statement under the caption "Legal Opinions." In giving the foregoing consents, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission thereunder.

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 Brown Raysman & Steiner LLP, New York, New York. As to all matters of Delaware law, we have relied, with your consent, on the opinions dated September 5, 2006 rendered to you by Morris, James, Hitchens & Williams LLP,

Wilmington, Delaware. As to all matters of Florida law, Thelen Reid Brown Raysman & Steiner LLP is authorized to rely upon this opinion as if it were addressed to it.

Very truly yours,

Squire, Sanders & Dempsey L.L.P.

SQUIRE, SANDERS & DEMPSEY L.L.P.

Exhibit 5(b)

THELEN REID BROWN
RAYSMAN & STEINER LLP

NEW YORK · SAN FRANCISCO · WASHINGTON, DC · LOS ANGELES
SILICON VALLEY · HARTFORD · NORTHERN NEW JERSEY · SHANGHAI

May 3, 2007

FPL Group, Inc.
FPL Group Capital Inc
Florida Power & Light Company
FPL Group Capital Trust II
FPL Group Capital Trust III
FPL Group Trust I
FPL Group Trust II
Florida Power & Light Company Trust I
Florida Power & Light Company Trust II
700 Universe Boulevard
Juno Beach, Florida 33408

Ladies and Gentlemen:

As counsel for FPL Group, Inc., a Florida corporation ("FPL Group"), FPL Group Capital Inc, a Florida corporation ("FPL Group Capital"), Florida Power & Light Company, a Florida corporation ("FPL"), FPL Group Capital Trust II, a Delaware statutory trust, FPL Group Capital Trust III, a Delaware statutory trust (together with FPL Group Capital Trust II, the "FPL Group Capital Trusts"), FPL Group Trust I, a Delaware statutory trust, FPL Group Trust II, a Delaware statutory trust (together with FPL Group Trust I, the "FPL Group Trusts"), Florida Power & Light Company Trust I, a Delaware statutory trust, and Florida Power & Light Company Trust II, a Delaware statutory trust (together with Florida Power & Light Company Trust I, the "FPL Trusts") (the FPL Group Capital Trusts, the FPL Group Trusts and the FPL Trusts are herein referred to collectively as the "Trusts"), we have participated in the preparation of a joint registration statement on Form S-3 (Registration Statement Nos. 333-137120, 333-137120-01, 333-137120-02, 333-137120-03, 333-137120-04, 333-137120-05, 333-137120-06, 333-137120-07 and 333-137120-08 ("Registration Statement No. 333-137120"), which was filed with the Securities and Exchange Commission ("Commission") under the Securities Act of 1933, as amended ("Securities Act") on September 5, 2006), and of a post-effective amendment no. 1 to that registration statement ("Registration Statement No. 333-137120, as amended by post-effective amendment no. 1 thereto, the "Registration Statement"), to be filed on or about the date hereof with the Commission under the Securities Act, in connection with the registration by:

(a) FPL Group of an unspecified amount of (i) its guarantee relating to FPL Group Capital Senior Debt Securities (as defined below) ("FPL Group Senior Debt Securities Guarantee"); (ii) its guarantee of the FPL Group Capital Subordinated Debentures (as defined below) ("FPL Group Subordinated Debenture Guarantee"); (iii) its unsecured debt securities ("FPL Group Senior Debt Securities"); (iv) its junior subordinated debentures ("FPL Group Subordinated Debentures"); (v) its guarantee of Preferred Trust Securities (as defined below) of FPL Group Capital Trust and FPL Group Trust ("FPL Group Preferred Trust Securities

Guarantee"); (vi) shares of its common stock, $.01 par value ("Common Stock"); (vii) shares of its preferred stock, $.01 par value ("FPL Group Preferred Stock"); (viii) contracts to purchase Common Stock or FPL Group Preferred Stock or other agreements or instruments requiring it to sell Common Stock or FPL Group Preferred Stock (collectively, "Stock Purchase Contracts"); (ix) units, each representing ownership of a Stock Purchase Contract and any of debt securities of FPL Group Capital, debt securities of FPL Group, Preferred Trust Securities of FPL Group Trust, Preferred Trust Securities of FPL Group Capital Trust or debt securities of third parties, including, but not limited to, U.S. Treasury securities ("Stock Purchase Units"); and (x) its guarantee ("Preferred Stock Guarantee") of FPL Group Capital Preferred Stock (as defined below);

(b) FPL Group Capital of an unspecified amount of (i) its unsecured debt securities ("FPL Group Capital Senior Debt Securities"); (ii) its junior subordinated debentures ("FPL Group Capital Subordinated Debentures"); and (iii) shares of its preferred stock, $.01 par value ("FPL Group Capital Preferred Stock");

(c) FPL of an unspecified amount of (i) its first mortgage bonds (the "Bonds"); (ii) shares of its Preferred Stock, $100 par value ("Serial Preferred Stock"), and shares of its Preferred Stock without par value ("No Par Preferred Stock," and together with the Serial Preferred Stock, "FPL Preferred Stock"); (iii) its junior subordinated debentures ("FPL Subordinated Debentures"); and (iv) its guarantee of Preferred Trust Securities (as defined below) of the FPL Trusts ("FPL Preferred Trust Securities Guarantee"); and

(d) the Trusts of an unspecified amount of their preferred trust securities ("Preferred Trust Securities").

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. We have assumed that there will be no changes to such documents and records, or expiration thereof, after the date hereof which would affect the opinions expressed herein.

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

1. The FPL Group Capital Senior Debt Securities and the FPL Group Senior Debt Securities Guarantee will be valid, legal and binding obligations of FPL Group Capital and FPL Group, respectively, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity, when:

a. a duly-authorized officer of FPL Group Capital, acting within the authority granted by the then current resolutions of the Board of Directors of FPL Group Capital, approves and establishes the terms and provisions of the FPL Group Capital Senior Debt Securities in accordance with the Indenture (For Unsecured Debt Securities) dated as of June 1, 1999, between FPL Group Capital and The Bank of New York, as Trustee; and

b. the FPL Group Capital Senior Debt Securities are issued and sold in accordance with their respective terms and provisions and as contemplated by the Registration Statement.

2. The FPL Group Senior Debt Securities will be valid, legal and binding obligations of FPL Group, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity, when:

a. an indenture ("FPL Group Indenture") with respect to such FPL Group Senior Debt Securities shall have been executed and delivered by a duly-authorized officer of FPL Group and by the trustee under such FPL Group Indenture;

b. a duly-authorized officer of FPL Group, acting within the authority granted by the then current resolutions of the Board of Directors of FPL Group, approves and establishes the terms and provisions of the FPL Group Senior Debt Securities in accordance with the FPL Group Indenture; and

c. the FPL Group Senior Debt Securities are issued and sold in accordance with their respective terms and provisions and as contemplated by the Registration Statement.

3. The FPL Group Subordinated Debentures will be valid, legal and binding obligations of FPL Group, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity, when:

a. a subordinated indenture ("FPL Group Subordinated Indenture") with respect to such FPL Group Subordinated Debentures shall have been executed and delivered by a duly-authorized officer of FPL Group and by the trustee under such FPL Group Subordinated Indenture;

b. a duly-authorized officer of FPL Group, acting within the authority granted by the then current resolutions of the Board of Directors of FPL Group, approves and establishes the terms and provisions of the FPL Group Subordinated Debentures in accordance with the FPL Group Subordinated Indenture; and

c. the FPL Group Subordinated Debentures are issued and sold in accordance with their respective terms and provisions and as contemplated by the Registration Statement.

4. The FPL Group Capital Subordinated Debentures and the FPL Group Subordinated Debenture Guarantee will be valid, legal and binding obligations of FPL Group Capital and FPL Group, respectively, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity, when:

a. if the FPL Group Capital Subordinated Debentures will not be issued pursuant to (i) the Indenture (For Unsecured Subordinated Debt Securities relating to Trust Securities) dated as of March 1, 2004 ("FPL Group Capital 2004 Subordinated Indenture"), among FPL Group Capital, FPL Group and The Bank of New York, as Trustee, or (ii) the Indenture (For Unsecured Subordinated Debt Securities) dated as of September 1, 2006 ("FPL Group Capital 2006 Subordinated Indenture"), among FPL Group Capital, FPL Group and The Bank of New York, as Trustee, then a subordinated indenture ("FPL Group Capital New Subordinated Indenture") with respect to such FPL Group Capital Subordinated Debentures shall have been executed and delivered by a duly-authorized officer of FPL Group Capital, by a duly-authorized officer of FPL Group and by the trustee under such FPL Group Capital New Subordinated Indenture;

b. a duly-authorized officer of FPL Group Capital, acting within the authority granted by the then current resolutions of the Board of Directors of FPL Group Capital, approves and establishes the terms and provisions of the FPL Group Capital Subordinated Debentures in accordance with the FPL Group Capital 2004 Subordinated Indenture, the FPL Group Capital 2006 Subordinated Indenture or the FPL Group Capital New Subordinated Indenture;

c. a duly-authorized officer of FPL Group, acting within the authority granted by the then current resolutions of the Board of Directors of FPL Group, endorses the FPL Group Subordinated Debenture Guarantee onto the FPL Group Capital Subordinated Debentures; and

d. the FPL Group Capital Subordinated Debentures are issued and sold in accordance with their respective terms and provisions and as contemplated by the Registration Statement.

5. The shares of Common Stock will be validly issued, fully paid and non-assessable when:

a. FPL Group's Board of Directors (or a senior executive officer of FPL Group pursuant to express authority conferred on such officer by the Board of Directors) shall have adopted appropriate resolutions approving and authorizing the issuance and sale of the Common Stock and authorizing any other action necessary to the consummation of the proposed issuance and sale thereof; and

b. the Common Stock shall have been issued and sold for the consideration contemplated by such resolutions, and otherwise as contemplated by the Registration Statement.

6. The shares of FPL Group Preferred Stock will be validly issued, fully paid and non-assessable when:

a. FPL Group's Board of Directors (or a senior executive officer of FPL Group pursuant to express authority conferred on such officer by the Board of Directors) shall have adopted appropriate resolutions establishing the preferences, limitations and relative rights of such shares of FPL Group Preferred Stock and approving and authorizing the issuance and sale of the FPL Group Preferred Stock and authorizing any other action necessary to the consummation of the proposed issuance and sale thereof;

b. articles of amendment to FPL Group's Restated Articles of Incorporation, as amended, establishing the preferences, limitations and relative rights of such FPL Group Preferred Stock shall have been filed with the appropriate office of the Department of State of the State of Florida; and

c. the FPL Group Preferred Stock shall have been issued and sold for the consideration contemplated by such resolutions, and otherwise as contemplated by the Registration Statement.

7. The shares of FPL Group Capital Preferred Stock will be validly issued, fully paid and non-assessable when:

a. FPL Group Capital's Board of Directors (or a senior executive officer of FPL Group Capital pursuant to express authority conferred on such officer by the Board of Directors) shall have adopted appropriate resolutions establishing the preferences, limitations and relative rights of such shares of FPL Group Capital Preferred Stock and approving and authorizing the issuance and sale of the FPL Group Capital Preferred Stock and authorizing any other action necessary to the consummation of the proposed issuance and sale thereof;

b. articles of amendment to FPL Group Capital's Articles of Incorporation, as amended, establishing the preferences, limitations and relative rights of such FPL Group Capital Preferred Stock shall have been filed with the appropriate office of the Department of State of the State of Florida; and

c. the FPL Group Capital Preferred Stock shall have been issued and sold for the consideration contemplated by such resolutions, and otherwise as contemplated by the Registration Statement.

8. The Preferred Stock Guarantee will be a valid, legal and binding obligation of FPL Group, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity, when:

a. a preferred stock guarantee agreement ("Preferred Stock Guarantee Agreement") with respect to such Preferred Stock Guarantee shall have been executed and delivered by a duly-authorized officer of FPL Group; and

b. the FPL Group Capital Preferred Stock is issued and sold in accordance with its respective terms and provisions and as contemplated by the Registration Statement.

9. The Stock Purchase Contracts and Stock Purchase Units will be valid, legal and binding obligations of FPL Group, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity, when:

a. FPL Group's Board of Directors (or a senior executive officer of FPL Group pursuant to express authority conferred on such officer by the Board of Directors) shall have adopted appropriate resolutions to establish the terms of such Stock Purchase Contracts or Stock Purchase Units, as the case may be; and

b. such Stock Purchase Contracts or Stock Purchase Units, as the case may be, shall have been issued and sold in accordance with their respective terms and provisions and as contemplated by the Registration Statement.

10. The FPL Group Preferred Trust Securities Guarantee will be a valid, legal and binding obligation of FPL Group, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity, when:

a. a preferred trust securities guarantee agreement ("FPL Group Preferred Trust Securities Guarantee Agreement") with respect to such FPL Group Preferred Trust Securities Guarantee shall have been executed and delivered by a duly-authorized officer of FPL Group and by the trustee under such FPL Group Preferred Trust Securities Guarantee Agreement; and

b. the Preferred Trust Securities are issued and sold by an FPL Group Trust or an FPL Group Capital Trust in accordance with their respective terms and provisions and as contemplated by the Registration Statement.

11. The Bonds will be valid, legal and binding obligations of FPL, 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:

a. the Bonds are issued and sold pursuant to authority contained in an order of the Florida Public Service Commission ("FPSC");

b. a duly-authorized officer of FPL, acting within the authority granted by the then current resolutions of the Board of Directors of FPL and, if applicable, of the Finance Committee of the Board of Directors of FPL, 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 FPL to Deutsche Bank Trust Company Americas, as Trustee; and

c. the Bonds are issued and sold in accordance with their respective terms and provisions and as contemplated by the Registration Statement.

12. The shares of FPL Preferred Stock will be validly issued, fully paid and non-assessable when:

a. the FPL Preferred Stock is issued and sold pursuant to authority contained in an order of the FPSC;

b. FPL's Board of Directors (or a committee of the Board of Directors or a senior executive officer of FPL pursuant to express authority conferred on such committee or officer by the Board of Directors) shall have adopted appropriate resolutions establishing the preferences, limitations and relative rights of such shares of FPL Preferred Stock and approving and authorizing the issuance and sale of the FPL Preferred Stock and authorizing any other action necessary to the consummation of the proposed issuance and sale thereof;

c. articles of amendment to FPL's Restated Articles of Incorporation, as amended, establishing the preferences, limitations and relative rights of such FPL Preferred Stock shall have been filed with the appropriate office of the Department of State of the State of Florida; and

d. the FPL Preferred Stock shall have been issued and sold for the consideration contemplated by such resolutions, and otherwise as contemplated by the Registration Statement.

13. The FPL Subordinated Debentures will be valid, legal and binding obligations of FPL, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity, when:

a. the FPL Subordinated Debentures are issued and sold pursuant to authority contained in an order of the FPSC;

b. a subordinated indenture ("FPL Subordinated Indenture") with respect to such FPL Subordinated Debentures shall have been executed and delivered by a duly-authorized officer of FPL and by the trustee under such FPL Subordinated Indenture;

c. a duly-authorized officer of FPL, acting within the authority granted by the then current resolutions of the Board of Directors of FPL and, if applicable, of the Finance Committee of the Board of Directors of FPL, approves and establishes the terms

and provisions of the FPL Subordinated Debentures in accordance with the FPL Subordinated Indenture; and

d. the FPL Subordinated Debentures are issued and sold in accordance with their respective terms and provisions and as contemplated by the Registration Statement.

14. The FPL Preferred Trust Securities Guarantee will be a valid, legal and binding obligation of FPL, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights and remedies generally and general principles of equity, when:

a. a preferred trust securities guarantee agreement ("FPL Preferred Trust Securities Guarantee Agreement") with respect to such FPL Preferred Trust Securities Guarantee shall have been executed and delivered by a duly-authorized officer of FPL pursuant to authority contained in an order of the FPSC and by the trustee under such FPL Preferred Trust Securities Guarantee Agreement;

b. the Preferred Trust Securities are issued and sold by an FPL Trust pursuant to authority contained in an order of the FPSC; and

c. the Preferred Trust Securities are issued and sold in accordance with their respective terms and provisions and as contemplated by the Registration Statement.

Notwithstanding that the Registration Statement provides for the registration of an unspecified amount of the securities described above, the amount of any particular securities, as well as the aggregate amount of all such securities and any combination of such securities, that may be offered and sold as contemplated by the Registration Statement is limited to the amounts authorized from time to time by the respective board of directors (or duly authorized committee of the board of directors) of FPL Group, FPL Group Capital and FPL, as the case may be.

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 prospectuses included in the Registration Statement under the caption "Legal Opinions." In giving the foregoing consents, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission thereunder.

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 Squire, Sanders & Dempsey L.L.P., Miami, Florida. As to all matters of Delaware law, we have relied, with your consent, on the opinions of even date rendered to you by Morris, James, Hitchens & Williams LLP, Wilmington, Delaware. As to all matters of New York law, Squire, Sanders & Dempsey L.L.P., is authorized to rely upon this opinion as if it were addressed to it.

Very truly yours,

Thelen Reid Brown Raysman & Steiner LLP

THELEN REID BROWN RAYSMAN & STEINER LLP

Exhibit 23(a)

Exhibit 23(a)

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in this Post-Effective Amendment No. 1 to the Registration Statement Nos. 333-137120, 333-137120-01, 333-137120-02, 333-137120-03, 333-137120-04, 333-137120-05, 333-137120-06, 333-137120-07 and 333-137120-08 on Form S-3 of our report dated February 26, 2007 (which report expresses an unqualified opinion and includes an explanatory paragraph relating to FPL Group, Inc.'s and Florida Power & Light Company's adoption of new accounting standards) relating to the consolidated financial statements of FPL Group, Inc. and Florida Power & Light Company and our report dated February 26, 2007 relating to management's report on the effectiveness of internal control over financial reporting, appearing in the Annual Report on Form 10-K of FPL Group, Inc. and Florida Power & Light Company for the year ended December 31, 2006 and to the reference to us under the heading "Experts" in each Prospectus, which are part of this Registration Statement.

Deloitte + Touche LLP

Miami, Florida
May 2, 2007

Exhibit 25(t)

FORM T-1

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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) |__|

THE BANK OF NEW YORK

(Exact name of trustee as specified in its charter)

New York (State of incorporation if not a U.S. national bank)	13-5160382 (I.R.S. employer identification no.)
One Wall Street, New York, N.Y. (Address of principal executive offices)	10286 (Zip code)

FPL Group, Inc.
(Exact name of obligor as specified in its charter)

Florida (State or other jurisdiction of incorporation or organization)	59-2449419 (I.R.S. employer identification no.)
700 Universe Boulevard Juno Beach, Florida (Address of principal executive offices)	33408 (Zip code)

Stock Purchase Contracts
(Title of the indenture securities)

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
Superintendent of Banks of the State of New York	One State Street, New York, N.Y. 10004-1417, and Albany, N.Y. 12223
Federal Reserve Bank of New York	33 Liberty Street, New York, N.Y. 10045
Federal Deposit Insurance Corporation	Washington, D.C. 20429
New York Clearing House Association	New York, New York 10005

(b) **Whether it is authorized to exercise corporate trust powers.**

Yes.

2. **Affiliations with Obligor.**

If the obligor is an affiliate of the trustee, describe each such affiliation.

None.

16. **List of Exhibits.**

Exhibits identified in parentheses below, on file with the Commission, are incorporated herein by reference as an exhibit hereto, pursuant to Rule 7a-29 under the Trust Indenture Act of 1939 (the "Act") and 17 C.F.R. 229.10(d).

1. A copy of the Organization Certificate of The Bank of New York (formerly Irving Trust Company) as now in effect, which contains the authority to commence business and a grant of powers to exercise corporate trust powers. (Exhibit 1 to Amendment No. 1 to Form T-1 filed with Registration Statement No. 33-6215, Exhibits 1a and 1b to Form T-1 filed with Registration Statement No. 33-21672, Exhibit 1 to Form T-1 filed with Registration Statement No. 33-29637 and Exhibit 1 to Form T-1 filed with Registration Statement No. 333-121195.)

4. A copy of the existing By-laws of the Trustee. (Exhibit 4 to Form T-1 filed with Registration Statement No. 333-121195.)

6. The consent of the Trustee required by Section 321(b) of the Act. (Exhibit 6 to Form T-1 filed with Registration Statement No. 333-106702.)

7. A copy of the latest report of condition of the Trustee published pursuant to law or to the requirements of its supervising or examining authority.

SIGNATURE

Pursuant to the requirements of the Act, the Trustee, The Bank of New York, 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 the 30th day of April, 2007.

THE BANK OF NEW YORK

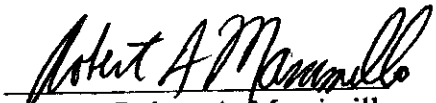
By: 
Name: Robert A. Massimillo
Title: Vice President

EXHIBIT 7

Consolidated Report of Condition of

THE BANK OF NEW YORK

of One Wall Street, New York, N.Y. 10286
And Foreign and Domestic Subsidiaries,

a member of the Federal Reserve System, at the close of business December 31, 2006, published in accordance with a call made by the Federal Reserve Bank of this District pursuant to the provisions of the Federal Reserve Act.

	Dollar Amounts In Thousands
ASSETS	
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin	3,375,000
Interest-bearing balances	11,937,000
Securities:	
Held-to-maturity securities	1,729,000
Available-for-sale securities	17,675,000
Federal funds sold and securities purchased under agreements to resell	
Federal funds sold in domestic offices	3,953,000
Securities purchased under agreements to resell	162,000
Loans and lease financing receivables:	
Loans and leases held for sale	0
Loans and leases, net of unearned income	30,730,000
LESS: Allowance for loan and lease losses	286,000
Loans and leases, net of unearned income and allowance	30,444,000
Trading assets	5,047,000
Premises and fixed assets (including capitalized leases)	830,000
Other real estate owned	1,000
Investments in unconsolidated subsidiaries and associated companies	292,000
Not applicable	
Intangible assets:	
Goodwill	2,747,000
Other intangible assets	981,000
Other assets	6,814,000
Total assets	85,987,000

LIABILITIES	
Deposits:	
In domestic offices	30,000,000
Noninterest-bearing	19,293,000
Interest-bearing	10,707,000
In foreign offices, Edge and Agreement subsidiaries, and IBFs	33,219,000
Noninterest-bearing	472,000
Interest-bearing	32,747,000
Federal funds purchased and securities sold under agreements to repurchase	
Federal funds purchased in domestic offices	671,000
Securities sold under agreements to repurchase	185,000
Trading liabilities	2,479,000
Other borrowed money: (includes mortgage indebtedness and obligations under capitalized leases)	2,076,000
Not applicable	
Not applicable	
Subordinated notes and debentures	1,955,000
Other liabilities	6,527,000
Total liabilities	77,112,000
Minority interest in consolidated subsidiaries	144,000
EQUITY CAPITAL	
Perpetual preferred stock and related surplus	0
Common stock	1,135,000
Surplus (exclude all surplus related to preferred stock)	2,134,000
Retained earnings	5,769,000
Accumulated other comprehensive income	-307,000
Other equity capital components	0
Total equity capital	8,731,000
Total liabilities, minority interest, and equity capital	85,987,000

I, Thomas P. Gibbons, Chief Financial Officer of the above-named bank do hereby declare that this Report of Condition is true and correct to the best of my knowledge and belief.

Thomas P. Gibbons,
Chief Financial Officer

We, the undersigned directors, attest to the correctness of this statement of resources and liabilities. We declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the instructions and is true and correct.

Thomas A. Renyi
Gerald L. Hassell
Catherine A. Rein

Directors

Exhibit (c)-1B

PROSPECTUS SUPPLEMENT
(To prospectus dated September 5, 2006)



Florida Power & Light Company

First Mortgage Bonds,
$300,000,000 5.85% Series due May 1, 2037

Florida Power & Light Company will pay interest on the securities on May 1 and November 1 of each year, beginning November 1, 2007. Florida Power & Light Company may redeem some or all of the securities at any time before their maturity date at the redemption price 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 9 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 the 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 the securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per First Mortgage Bond	Total
Price to Public	99.800%	$ 299,400,000
Underwriting Discount	0.875%	$ 2,625,000
Proceeds to Florida Power & Light Company (before expenses)	98.925%	$ 296,775,000

In addition to the Price to Public set forth above, each purchaser will pay an amount equal to the interest accrued, if any, on the securities from the date that the securities are originally issued to the date that they are delivered to that purchaser.

The securities are expected to be delivered to the underwriters in book-entry only form through The Depository Trust Company, on or about April 17, 2007.

Joint Book-Running Managers

ABN AMRO Incorporated | **Barclays Capital** | **Citigroup**

Co-Managers

BNY Capital Markets, Inc. | **Calyon Securities (USA)** | **KeyBanc Capital Markets**

Lazard Capital Markets | **Mizuho Securities USA Inc.** | **Wells Fargo Securities**

The date of this prospectus supplement is April 12, 2007.

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 and in any written communication from Florida Power & Light Company ("FPL") or the underwriters specifying the final terms of the offering. Neither 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 the 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 accompanying 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 as well as changing governmental policies and regulatory actions, including initiatives regarding deregulation and restructuring of the energy industry and environmental matters. FPL holds franchise agreements with local municipalities and counties, and must renegotiate expiring agreements. These factors may have a negative impact on the business and results of operations of FPL.

FPL is subject to complex laws and regulations, and to changes in laws or regulations, including the Public Utility Regulatory Policies Act of 1978, the Public Utility Holding Company Act of 2005, the Federal Power Act, the Atomic Energy Act of 1954, the Energy Policy Act of 2005 and certain sections of the Florida statutes relating to public utilities, 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 by FPL of any and all 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 as well as the effect of changes in or additions to applicable statutes, rules and regulations relating to air quality, water quality, climate change, 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 operates in a changing market environment influenced by various legislative and regulatory initiatives regarding deregulation, regulation or restructuring of the energy industry, including deregulation or restructuring of the production and sale of electricity. FPL will need to adapt to these changes and may face increasing competitive pressure.

FPL's results of operations could be affected by its ability to renegotiate franchise agreements with municipalities and counties in Florida.

The operation and maintenance of power generation facilities, including nuclear facilities, involve significant risks that could adversely affect the results of operations and financial condition of FPL.

The operation and maintenance of power generation facilities involve many risks, including, but not limited to, start up risks, breakdown or failure of equipment, transmission lines or pipelines, the inability to properly manage or mitigate known equipment defects throughout its generation fleet unless and until such defects are remediated, use of new technology, the dependence on a specific fuel source, including the supply and transportation of fuel, or the impact of unusual or adverse weather conditions (including natural disasters such as hurricanes). 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, but not limited to, the ability to store and/or dispose of spent nuclear fuel and the potential payment of significant retrospective insurance premiums, 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 adversely 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 within established budgets 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 and forwards to manage its commodity and financial market 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 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 Florida Public Service Commission.

Because FPL and FPL Group rely on access to capital markets, the inability to maintain current credit ratings and 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, 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.

Customer growth in FPL's service area affects its results of operations.

FPL's results of operations are affected by the growth in customer accounts in FPL's service area. Customer growth can be affected by population growth as well as economic factors in Florida, including job and income growth, housing starts and new home prices. Customer growth directly influences the demand for electricity and the need for additional power generation and power delivery facilities at FPL.

Weather affects FPL's results of operations.

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. FPL's results of operations can be affected by the impact of severe weather which can be destructive, causing outages and/or property damage, may affect fuel supply, and could require additional costs to be incurred. Recovery of these costs is subject to Florida Public Service Commission approval.

FPL is subject to costs and other effects of legal proceedings as well as changes in or additions to applicable tax laws, rates or 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 laws, rates or policies, rates of inflation, accounting standards, securities laws and 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.

FPL's ability to obtain insurance and the terms of any available insurance coverage could be affected by national, state or local events 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, state or local 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 and 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 6 of the accompanying prospectus. Please read these two sections together.

FPL will add the net proceeds from the sale of the First Mortgage Bonds, 5.85% Series due May 1, 2037 ("Offered Bonds"), which are expected to be approximately $295.2 million (after deducting the underwriting discount and other offering expenses) 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 March 31, 2007, FPL's short-term consolidated indebtedness consisted of $526.3 million of commercial paper, including $301.9 million of FPL commercial paper outstanding which had maturities of up to 13 days and which had annual interest rates ranging from 5.28% to 5.35%. FPL will temporarily invest in short-term instruments any proceeds that are not immediately required for these purposes.

CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES

The information in this section adds to the information in the "Consolidated Ratio of Earnings to Fixed Charges and Ratio of Earnings to Combined Fixed Charges Plus Preferred Dividends" section beginning on page 6 of the accompanying prospectus. Please read these two sections together. For the fiscal year ended December 31, 2006, FPL's consolidated ratio of earnings to fixed charges was 5.14.

CONSOLIDATED CAPITALIZATION OF FPL AND SUBSIDIARIES

The following table shows FPL's consolidated capitalization as of December 31, 2006, and as adjusted to reflect the issuance of the Offered Bonds. 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.

	December 31, 2006	Adjusted(a)	
		Amount	Percent
	(Unaudited) (In Millions)		
Common Shareholder's Equity	$ 7,539	$ 7,539	62.5%
Long-term Debt (excluding current maturities)	$ 4,214	$ 4,514	37.5%
Total Capitalization	$11,753	$12,053	100.0%

(a) To give effect to the issuance of the Offered Bonds offered by this prospectus supplement. Adjusted amounts do not reflect the deduction of any underwriting discounts or other offering expenses in connection with the issuance of the Offered Bonds. Adjusted amounts also do not reflect any possible issuance and sale of additional securities by FPL from time to time after the date of this prospectus supplement.

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 8 of the accompanying prospectus. Please read these two sections together.

General. FPL will issue $300,000,000 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 Eleventh Supplemental Indenture, dated as of April 1, 2007, 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 5.85% per year. The Offered Bonds will mature on May 1, 2037. FPL will pay interest on the Offered Bonds on May 1 and November 1 of each year (each an "Interest Payment Date"). The first Interest Payment Date will be November 1, 2007. 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 immediately preceding 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 year.

Issuance of Additional Bonds. As of December 31, 2006, FPL could have issued under the Mortgage in excess of $6.0 billion of additional First Mortgage Bonds based on unfunded Property Additions (as defined in the accompanying prospectus) and in excess of $5.5 billion of additional First Mortgage Bonds based on retired First Mortgage Bonds.

Dividend Restrictions. As of December 31, 2006, 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 in accordance with the foregoing paragraph 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 ABN AMRO Incorporated, Barclays Capital Inc. or Citigroup Global Markets 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 ABN AMRO Incorporated, Barclays Capital Inc. or Citigroup Global Markets Inc. is to make such calculation but is unwilling or

unable to do so, then the Trustee (as defined in the accompanying prospectus) 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 year 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.

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. Upon issuance of the global securities, DTC or its nominee will credit, on its book-entry registration and transfer system, the respective principal amount of the Offered Bonds represented by such global securities to the accounts of institutions that have an account with DTC or its participants. The accounts to be credited shall be designated by the underwriters. Ownership of beneficial interests in the global securities will be limited to participants or persons that may hold interests through participants.

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 appropriate participant's 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, subject to the procedures of DTC, FPL may decide to discontinue use of the system of book-entry transfers through DTC (or a successor depositary) with respect to some or all of the Offered Bonds. In that event, certificates for such Offered Bonds will be printed and delivered. If certificates for Offered Bonds are printed and delivered,

- the Bonds will be issued in fully registered form without coupons;
- a holder of certificated Offered Bonds would be able to exchange those Offered Bonds, without charge, for an equal aggregate principal amount of Offered Bonds of the same series, having the same issue date and with identical terms and provisions; and
- a holder of certificated Offered Bonds would be able to transfer those Offered Bonds without cost to another holder, other than for applicable stamp taxes or other governmental charges.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that FPL believes to be reliable. Neither FPL nor any underwriter takes 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 ABN AMRO Incorporated, Barclays Capital Inc. and Citigroup Global Markets 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
ABN AMRO Incorporated	$ 75,000,000
Barclays Capital Inc.	75,000,000
Citigroup Global Markets Inc.	75,000,000
BNY Capital Markets, Inc.	12,500,000
Calyon Securities (USA) Inc.	12,500,000
KeyBanc Capital Markets, a Division of McDonald Investments Inc.	12,500,000
Lazard Capital Markets LLC	12,500,000
Mizuho Securities USA Inc.	12,500,000
Wells Fargo Securities, LLC	12,500,000
Total	$300,000,000

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 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, ABN AMRO Incorporated, Barclays Capital Inc. and Citigroup Global Markets 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 ABN AMRO Incorporated, Barclays Capital Inc. or Citigroup Global Markets 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.

FPL estimates that its expenses in connection with the sale of the Offered Bonds, other than underwriting discounts, will be $1.6 million. This estimate includes expenses relating to Florida taxes, printing, rating agency fees, trustee's fees and legal fees, among other expenses.

Lazard Capital Markets LLC ("Lazard") has entered into an agreement with Mitsubishi UFJ Securities (USA), Inc. ("MUS (USA)") pursuant to which MUS (USA) provides certain advisory and/or other services to Lazard, including in respect of this offering. In return for this provision of such services by MUS (USA) to Lazard, Lazard will pay to MUS (USA) a mutually agreed upon fee.

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.

The underwriters and their affiliates engage in transactions with, and perform services for, FPL and its affiliates in the ordinary course of business and have engaged, and may engage in the future, in commercial banking and investment banking transactions with FPL and its affiliates.

EXPERTS

The information in this section updates the information in the "Experts" section on page 37 of the accompanying prospectus.

The consolidated financial statements and management's report on the effectiveness of internal control over financial reporting incorporated in this prospectus by reference from FPL's Annual Report on Form 10-K for the year ended December 31, 2006, have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

LEGAL OPINIONS

The information in this section replaces the information in the "Legal Opinions" section on page 37 of the accompanying prospectus.

Squire, Sanders & Dempsey L.L.P., Miami, Florida, and Thelen Reid Brown Raysman & Steiner 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 Brown Raysman & Steiner LLP and Hunton & Williams LLP may rely as to all matters of Florida law upon the opinion of Squire, Sanders & Dempsey L.L.P., and Squire, Sanders & Dempsey L.L.P. may rely as to all matters of New York law upon the opinion of Thelen Reid Brown Raysman & Steiner LLP.

PROSPECTUS

FLORIDA POWER & LIGHT COMPANY

First Mortgage Bonds,
and
Junior Subordinated Debentures

FLORIDA POWER & LIGHT COMPANY TRUST I
FLORIDA POWER & LIGHT COMPANY TRUST II

Preferred Trust Securities

Guaranteed as described in this prospectus by

FLORIDA POWER & LIGHT COMPANY

Each of Florida Power & Light Company, Florida Power & Light Company Trust I and Florida Power & Light Company Trust II may offer any combination of the securities described in this prospectus in one or more offerings from time to time in amounts authorized from time to time.

Florida Power & Light Company, Florida Power & Light Company Trust I and Florida Power & Light Company Trust II will provide specific terms of the securities, including the 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, Florida Power & Light Company Trust I and Florida Power & Light Company Trust II 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 36 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 purchasing any of the securities being offered.

Florida Power & Light Company's, Florida Power & Light Company Trust I's and Florida Power & Light Company Trust II's principal executive offices are located at 700 Universe Boulevard, Juno Beach, Florida 33408, telephone number (561) 694-4000, and their 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.

September 5, 2006

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that Florida Power & Light Company ("FPL"), Florida Power & Light Company Trust I and Florida Power & Light Company Trust II, among other registrants, have filed with the Securities and Exchange Commission ("SEC") using a "shelf" registration process. Florida Power & Light Company Trust I and Florida Power & Light Company Trust II are each referred to in this prospectus as the "Trust."

Under this shelf registration process, FPL and/or the Trust may issue and sell any combination of the securities described in this prospectus in one or more offerings from time to time. As of the date of this prospectus, FPL and/or the Trust are each authorized to issue securities up to a maximum aggregate offering price of $700,000,000, provided that the aggregate amount of all such securities or combinations of such securities offered by FPL and the Trust under the registration statement as of this date may not exceed $700,000,000. The aggregate amount of securities which FPL and/or the Trust are authorized to issue pursuant to this registration statement may be increased in the future. FPL may offer first mortgage bonds, junior subordinated debentures and guarantees related to the preferred trust securities which the Trust may offer and the Trust may offer preferred trust securities.

This prospectus provides you with a general description of the securities that FPL and/or the Trust may offer. Each time FPL and/or the Trust sells securities, FPL and/or the Trust will provide a prospectus supplement that will contain specific information about the terms of that offering. Material United States federal income tax considerations applicable to the offered securities will be discussed in the applicable prospectus supplement if necessary. 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 risk factors and 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 as well as changing governmental policies and regulatory actions, including initiatives regarding deregulation and restructuring of the energy industry. FPL holds franchise agreements with local municipalities and counties, and must renegotiate expiring agreements. These factors may have a negative impact on the business and results of operations of FPL.

FPL is subject to complex laws and regulations, and to changes in laws or regulations, including the Public Utility Regulatory Policies Act of 1978, the Public Utility Holding Company Act of 2005, the Federal Power Act, the Atomic Energy Act of 1954, the Energy Policy Act of 2005 and certain sections of the Florida statutes relating to public utilities, 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 by FPL of any and all 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 as well as the effect of changes in or additions to applicable 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 operates in a changing market environment influenced by various legislative and regulatory initiatives regarding deregulation, regulation or restructuring of the energy industry, including deregulation or restructuring of the production and sale of electricity. FPL will need to adapt to these changes and may face increasing competitive pressure.

FPL's results of operations could be affected by its ability to renegotiate franchise agreements with municipalities and counties in Florida.

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, including the supply and transportation of fuel, 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'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, the potential payment of significant retrospective insurance premiums, 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 adversely 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 within established budgets 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 and forwards to manage its commodity and financial market 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 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 Florida Public Service Commission.

FPL Group, Inc.'s proposed merger with Constellation Energy Group, Inc. is subject to receipt of consents or approvals from governmental entities that could delay or prevent the completion of the merger or impose conditions that could have a material adverse effect on the combined company or that could cause abandonment of the merger.

Completion of the proposed merger between FPL Group, Inc. ("FPL Group") and Constellation Energy Group, Inc. ("Constellation Energy") is conditioned upon the receipt of consents, orders, approvals or clearances, as required, from the Federal Energy Regulatory Commission and the public service commissions or similar entities in several of the states in which Constellation Energy and/or FPL Group operate electric and/or gas businesses, including the state of Maryland. Among other things, governmental entities could condition their approval of the merger upon Constellation Energy and/or FPL Group entering into agreements to restrict the operations of the combined businesses in accordance with specified business conduct rules to divest generation facilities or to take other actions which governmental entities deem necessary or desirable in the public interest. The terms of any such conditions that may be imposed, if any, are not known by FPL Group as of the date hereof. If those approvals are not received, or they are not received on terms that satisfy the conditions set forth in the merger agreement, then neither Constellation Energy nor FPL Group will be required to complete the merger. Recently adopted energy legislation in Maryland requires the appointment of a new group of commissioners at the Maryland Public Service Commission ("MPSC") and directs the MPSC to complete a prompt and comprehensive review of the merger pursuant to new standards. These changes have created additional uncertainty about the MPSC approval process and may result in substantial delay in the timing of required MPSC approval of the merger or the imposition of terms and conditions that are unfavorable to the combined company, such as a requirement to share expected merger savings with utility customers. In addition, one lawsuit has been filed challenging the constitutionality of certain provisions of the new legislation, and additional lawsuits may be filed in the future. The outcome of such litigation and the additional uncertainty that could result cannot be predicted. A substantial delay in obtaining required approvals or the imposition of unfavorable terms or conditions in connection with such approvals could have a material adverse effect on the business, financial condition or results of operations of FPL Group, FPL or the combined company. In addition, delays or unfavorable terms could lead Constellation Energy or FPL Group to become involved in litigation with one or more governmental entities or may cause the abandonment of the merger.

FPL will be subject to business uncertainties and contractual restrictions while the merger is pending that could adversely affect its business.

Uncertainty about the effect of the merger on employees and customers may have an adverse effect on FPL regardless of whether the merger is eventually completed. Although FPL has taken steps designed to reduce any adverse effects, these uncertainties may impair FPL's ability to attract, retain and motivate key personnel until the merger is completed, or the merger agreement is terminated, and for a period of time thereafter. These uncertainties also could cause customers, suppliers and others that deal with FPL to seek to change existing business relationships with FPL.

Employee retention and recruitment may be particularly challenging during the pendency of the merger, as employees and prospective employees may be uncertain about their future roles with the combined company. If, despite FPL's retention and recruiting efforts, key employees depart or fail to accept employment with either of the companies because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with the combined company, FPL's business could be seriously harmed.

The pursuit of the merger and the preparation for the integration of Constellation Energy and FPL Group place a significant burden on management and internal resources. The diversion of management attention away from day-to-day business concerns and any difficulties encountered in the transition and integration process could harm FPL's business, financial condition and operating results, regardless of whether the merger is eventually completed.

In addition, the merger agreement restricts FPL Group and its subsidiaries, including FPL, without Constellation Energy's consent, from making certain acquisitions and taking other specified actions until the merger occurs or the merger agreement terminates. These restrictions may prevent FPL from pursuing otherwise attractive business opportunities and making other changes to its business prior to completion of the merger or termination of the merger agreement.

Because FPL and FPL Group rely on access to capital markets, the inability to maintain current credit ratings and 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, 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.

Customer growth in FPL's service area affects its results of operations.

FPL's results of operations are affected by the growth in customer accounts in FPL's service area. Customer growth can be affected by population growth as well as economic factors in Florida, including job and income growth, housing starts and new home prices. Customer growth directly influences the demand for electricity and the need for additional power generation and power delivery facilities at FPL.

Weather affects FPL's results of operations.

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. FPL's results of operations can be affected by the impact of severe weather which can be destructive, causing outages and/or property damage, may affect fuel supply, and could require additional costs to be incurred. Recovery of these costs is subject to Florida Public Service Commission approval.

FPL is subject to costs and other effects of legal proceedings as well as changes in or additions to applicable tax laws, rates or 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 laws, rates or policies, rates of inflation, accounting standards, securities laws and 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.

FPL's ability to obtain insurance and the terms of any available insurance coverage could be affected by national, state or local events 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, state or local 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 and work stoppage that could affect the business and financial condition of FPL.

FLORIDA POWER & LIGHT COMPANY

FPL was incorporated under the laws of Florida in 1925 and is a rate-regulated utility engaged primarily 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 more than 8 million. During 2005, FPL served approximately 4.3 million customer accounts. FPL is a wholly-owned subsidiary of FPL Group, Inc.

FLORIDA POWER & LIGHT COMPANY TRUST I AND FLORIDA POWER & LIGHT COMPANY TRUST II

Florida Power & Light Company Trust I and Florida Power & Light Company Trust II are Delaware statutory trusts created pursuant to separate trust agreements among FPL as depositor of the Trust, The Bank of New York as the Property Trustee, The Bank of New York (Delaware) as the Delaware Trustee and one or more Administrative Trustees appointed by FPL. The trust agreements will be amended and restated substantially in the form filed as an exhibit to the registration statement. Each trust agreement, as so amended and restated, is referred to in this prospectus as the "Trust Agreement." The Trust exists only to issue its preferred trust securities and common trust securities and to hold the junior subordinated debentures of FPL as trust assets. All of the common trust securities will be owned by FPL. Unless otherwise stated in a prospectus supplement, the common trust securities will represent at least 3% of the total capital of the Trust. Payments on any distribution payment date or redemption date will be made on the common trust securities pro rata with the preferred trust securities, except that the common trust securities' right to payment will be subordinated to the rights of the preferred trust securities if there is a default under the Trust Agreement. The Trust will have a term as stated in the applicable prospectus supplement, but may dissolve earlier as provided in the Trust Agreement.

The Trust's business and affairs will be conducted by its Administrative Trustees. The office of the Delaware Trustee in the State of Delaware is White Clay Center, Route 273, Newark, Delaware 19711. The principal place of business of the Trust is 700 Universe Boulevard, Juno Beach, Florida 33408, and the telephone number is (561) 694-4000.

USE OF PROCEEDS

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

The Trust will use the proceeds from the sale of preferred trust securities and common trust securities to invest in junior subordinated debentures issued by FPL. FPL will add the net proceeds from the sale of such junior subordinated debentures to its general funds, which will be used as described above.

CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES AND RATIO OF EARNINGS TO COMBINED FIXED CHARGES PLUS PREFERRED DIVIDENDS

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

Years Ended December 31,				
2005	2004	2003	2002	2001
5.74	6.74	7.23	7.47	6.44

The following table shows FPL's consolidated ratio of earnings to combined fixed charges and preferred stock dividends for each of its last five fiscal years:

Years Ended December 31,				
2005	2004	2003	2002	2001
5.74	6.67	6.52	6.61	5.77

FPL's consolidated ratio of earnings to fixed charges and consolidated ratio of earnings to combined fixed charges and preferred stock dividends for the six months ended June 30, 2006 was 4.04.

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 100 F Street, N.E., 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 (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 (www.fpl.com).

No separate financial statements of the Trust are included in this prospectus. FPL and the Trust do not consider those financial statements to be material to holders of the preferred trust securities because (1) the Trust is a special purpose entity and has no operating history or independent operations, and (2) the Trust is not engaged in and does not propose to engage in any activity other than holding as trust assets the junior subordinated debentures of FPL and issuing its preferred trust securities and common trust securities. FPL and the Trust do not expect the Trust to file periodic reports under Sections 13 or 15(d) of the Securities Exchange Act of 1934.

INCORPORATION BY REFERENCE

The SEC allows FPL and the Trust to "incorporate by reference" the information that FPL files with the SEC, which means that FPL and the Trust 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 and the Trust are 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 after the date of this prospectus until FPL and/or the Trust sell all of these securities:

(1) FPL's Annual Report on Form 10-K for the year ended December 31, 2005;

(2) FPL's Quarterly Report on Form 10-Q for the quarters ended March 31, 2006 and June 30, 2006; and

(3) FPL's Current Reports on Form 8-K filed with the SEC on January 5, 2006, April 24, 2006, May 19, 2006 and May 26, 2006.

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.

FORWARD-LOOKING STATEMENTS

In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, FPL and the Trust are 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 and the Trust 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," "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 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 have a significant impact on FPL's operations and financial results, and could cause FPL's actual results to differ materially from those contained in forward-looking statements made by or on behalf of FPL or the Trust.

Any forward-looking statement speaks only as of the date on which that statement is made, and neither FPL nor the Trust undertakes any obligation to update any forward-looking statement to reflect events or circumstances, including unanticipated events, after the date on which that statement is made. 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 herein by reference 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 first mortgage bonds, 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, may be supplemented prior to the issuance of these first mortgage bonds, and which will be supplemented again by one or more supplemental indentures relating to these first mortgage bonds. This Mortgage and Deed of Trust, as amended and supplemented, is referred to in this prospectus as the "Mortgage." These first mortgage bonds 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.

All Bonds of one series need not be issued at the same time, and a series may be re-opened for issuances of additional Bonds of such series. This means that FPL may from time to time, without notice to, or the consent of the existing holders of the Bonds of a particular series, create and issue additional Bonds of such series. Such additional Bonds will have the same terms as the Bonds of such series in all respects (except for the payment of interest accruing prior to the issue date of the additional Bonds or except for the first payments of interest following the issue date of the additional Bonds) so that the additional Bonds may be consolidated and form a single series with the Bonds of such series.

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 for such reason at the redemption prices applicable to those First Mortgage Bonds. If any Bonds are so 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 June 30, 2006, FPL could have issued under the Mortgage in excess of $5.8 billion of additional First Mortgage Bonds based on unfunded Property Additions and in excess of $5.5 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 June 30, 2006, 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. 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.

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.

DESCRIPTION OF PREFERRED TRUST SECURITIES

General. The Trust may issue preferred trust securities and common trust securities under the Trust Agreement. The terms of the agreements pursuant to which the preferred trust securities of the Trust will be issued are substantially the same; each of these agreements is referred to in this prospectus as the "Trust Agreement." The preferred trust securities and common trust securities issued by the Trust are referred to in this prospectus as "Preferred Trust Securities" and "Common Trust Securities," respectively, and collectively as "Trust Securities." These Trust Securities will represent undivided beneficial interests in the assets of the Trust. The Junior Subordinated Debentures (as defined below under "Description of Junior Subordinated Debentures") will be held by the Trust. This section briefly summarizes some of the provisions of the Trust Agreement. This summary does not contain a complete description of the Trust Agreement. You should read this summary together with the Trust Agreement for a complete understanding of all the provisions. The form of the Trust Agreement has been previously filed with the SEC and is an exhibit to the registration statement filed with the SEC of which this prospectus is a part. In addition, each Trust Agreement will be 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.

In this section, any discussion of the Trust, Preferred Trust Securities and Common Trust Securities relate only to the applicable Trust. Holders of Preferred Trust Securities of the Trust will be entitled to any of the benefits and protections contained in the Trust Agreement applicable to the particular Trust which issued the relevant Trust Securities and not with respect to any other Trust.

The Preferred Trust Securities and Common Trust Securities issued by the Trust will be substantially the same except that, if there is an event of default under the Trust Agreement, as described below, that results from an event of default under the Subordinated Indenture (as such term is defined below under "Description of the Junior Subordinated Debentures—General"), the right of FPL, as holder of the Common Trust Securities, to payment of distributions and upon liquidation or redemption will be subordinated to the rights of the holders of the Preferred Trust Securities. (Trust Agreement, Section 4.03). All of the Common Trust Securities will be owned by FPL. (Trust Agreement, Section 5.10).

FPL will fully and unconditionally guarantee payments due on the Preferred Trust Securities issued by the Trust through a combination of the following:

(1) FPL's obligations under the Junior Subordinated Debentures;

(2) the rights of holders of Preferred Trust Securities to enforce those obligations;

(3) FPL's agreement to pay the expenses of the Trust; and

(4) FPL's guarantee of payments due on the Preferred Trust Securities to the extent of the Trust's legally available assets (referred to in this prospectus as the "Preferred Trust Securities Guarantee").

No single one of the documents listed above standing alone or operating in conjunction with fewer than all of the other documents constitutes the guarantee by FPL. It is only the combined operation of these documents that has the effect of providing a full and unconditional, but subordinated, guarantee as to payment by FPL of the Preferred Trust Securities.

The Trust will use the proceeds from its sale of the Trust Securities to purchase Junior Subordinated Debentures from FPL. (Trust Agreement, Section 2.05). The Junior Subordinated Debentures will be issued under a subordinated indenture between FPL and The Bank of New York, as trustee. The Junior Subordinated Debentures will be held in trust for the benefit of holders of the applicable Preferred Trust Securities and Common Trust Securities. (Trust Agreement, Section 2.09).

A prospectus supplement relating to the Preferred Trust Securities will include specific terms of those securities and of the Junior Subordinated Debentures issued in connection therewith. For a description of some specific terms that will affect both the Preferred Trust Securities and the Junior Subordinated Debentures, and holders' rights under each, see "Description of the Junior Subordinated Debentures" below.

Distributions. The only income of the Trust available for distribution to the holders of Preferred Trust Securities will be payments on the applicable Junior Subordinated Debentures. (Trust Agreement, Section 8.01). If FPL does not make interest payments on the Junior Subordinated Debentures, the Trust will not have funds available to pay distributions on Preferred Trust Securities. The payment of distributions, if and to the extent the Trust has sufficient funds available for the payment of such distributions, is guaranteed on a limited basis by FPL as described under "Description of the Preferred Trust Securities Guarantee."

Unless otherwise provided in the related prospectus supplement, FPL may have the option to defer the payment of interest from time to time on the Junior Subordinated Debentures for one or more periods, in which case, distributions on the Preferred Trust Securities would be deferred during any such period. Unless otherwise provided in the related prospectus supplement, distributions would, however, continue to accumulate. (Trust Agreement, Section 4.01). Unless otherwise provided in a related prospectus supplement, during any optional deferral period, or for so long as an "Event of Default" under the Subordinated Indenture resulting from a payment default or a payment default under the Preferred Trust Securities Guarantee has occurred and is continuing, FPL may not:

(1) declare or pay any dividend or distribution on its capital stock;

(2) redeem, purchase, acquire or make a liquidation payment with respect to any of its capital stock;

(3) pay any principal, interest or premium on, or repay, repurchase or redeem any debt securities that are equal or junior in right of payment with the Junior Subordinated Debentures; or

(4) make any payments with respect to any guarantee of debt securities if such guarantee is equal or junior in right of payment to the Junior Subordinated Debentures,

other than

(1) purchases, redemptions or other acquisitions of its capital stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or agents or a stock purchase or dividend reinvestment plan, or the satisfaction of its obligations pursuant to any contract or security outstanding on the date that the interest payment period is extended requiring it to purchase, redeem or acquire its capital stock;

(2) any payment, repayment, redemption, purchase, acquisition or declaration of dividend listed as restricted payments in clauses (1) and (2) above as a result of a reclassification of its capital stock or the exchange or conversion of all or a portion of one class or series of its capital stock for another class or series of its capital stock;

(3) the purchase of fractional interests in shares of its capital stock pursuant to the conversion or exchange provisions of its capital stock or the security being converted or exchanged, or in connection with the settlement of stock purchase contracts;

(4) dividends or distributions paid or made in its capital stock (or rights to acquire its capital stock), or repurchases, redemptions or acquisitions of capital stock in connection with the issuance or exchange of capital stock (or of securities convertible into or exchangeable for shares of its capital stock and distributions in connection with the settlement of stock purchase contracts);

(5) redemptions, exchanges or repurchases of, or with respect to, any rights outstanding under a shareholder rights plan or the declaration or payment thereunder of a dividend or distribution of or with respect to rights in the future; or

(6) payments under any preferred trust securities guarantee or guarantee of junior subordinated debentures executed and delivered by FPL concurrently with the issuance by a trust of any preferred trust securities, so long as the amount of payments made on any preferred trust securities or junior subordinated debentures (as the case may be) is paid on all preferred trust securities or junior subordinated debentures (as the case may be) then outstanding on a pro rata basis in proportion to the full distributions to which each series of preferred trust securities or junior subordinated debentures (as the case may be) is then entitled if paid in full.

Unless otherwise provided in the related prospectus supplement, before an optional deferral period ends, FPL may further defer the payment of interest. Unless otherwise provided in the related prospectus supplement, no optional deferral period may exceed the period of time specified in that prospectus supplement. After any optional deferral period and the payment of all amounts then due, FPL may select a new optional deferral period. No interest period may be deferred beyond the maturity of the Junior Subordinated Debentures.

Redemption. Whenever Junior Subordinated Debentures are repaid, whether at maturity or earlier redemption, the Property Trustee will apply the proceeds to redeem a like amount of Preferred Trust Securities and Common Trust Securities. (Trust Agreement, Section 4.02(a)).

Preferred Trust Securities will be redeemed at the redemption price plus accrued and unpaid distributions with the proceeds from the contemporaneous redemption or repayment of Junior Subordinated Debentures. Redemptions of the Preferred Trust Securities will be made on a redemption date only if the Trust has funds available for the payment of the redemption price plus accrued and unpaid distributions. (Trust Agreement, Section 4.02(c)).

Holders of Preferred Trust Securities will be given not less than 30 nor more than 60 days' notice of any redemption. (Trust Agreement, Section 4.02(b)). On or before the redemption date, the Trust will irrevocably deposit with the paying agent for Preferred Trust Securities sufficient funds and will give the paying agent irrevocable instructions and authority to pay the redemption price plus accrued and unpaid distributions to the holders upon surrender of their Preferred Trust Securities. Distributions payable on or before a redemption date will be payable to the holders on the record date for the distribution payment. If notice is given and funds are deposited as required, then on the redemption date all rights of holders of the Preferred Trust Securities called for redemption will cease, except the right of the holders to receive the redemption price plus accrued and unpaid distributions, and the Preferred Trust Securities will cease to be outstanding. No interest will accrue on amounts payable on the redemption date. In the event that any date fixed for redemption of Preferred Trust Securities is not a business day, then payment will be made on the next business day, except that, if such business day falls in the next calendar year, then payment will be made on the immediately preceding business day. No interest will be payable because of any such delay. If payment of Preferred Trust Securities called for redemption is improperly withheld or refused and not paid either by the Trust or by FPL pursuant to the Preferred Trust Securities Guarantee, distributions on such Preferred Trust Securities will continue to accrue to the date of payment. In that event, the actual payment date will be considered the date fixed for redemption for purposes of calculating the redemption price plus accrued and unpaid distributions. (Trust Agreement, Section 4.02(d)).

Subject to applicable law, including United States federal securities laws, FPL or its affiliates may at any time and from time to time purchase outstanding Preferred Trust Securities by tender, in the open market or by private agreement.

If Preferred Trust Securities are partially redeemed on a redemption date, a corresponding percentage of the Common Trust Securities will be redeemed. The particular Preferred Trust Securities to be redeemed will be selected not more than 60 days prior to the redemption date by the Property Trustee by such method as the Property Trustee shall deem fair, taking into account the denominations in which they were issued. The Property Trustee will promptly notify the Preferred Trust Security registrar in writing of the Preferred Trust Securities selected for redemption and, where applicable, the partial amount to be redeemed. (Trust Agreement, Section 4.02(f)).

Subordination of Common Trust Securities. Payment of distributions on, and the redemption price, plus accrued and unpaid distributions, of, the Preferred Trust Securities and Common Trust Securities shall be made pro rata based on the liquidation preference amount of such securities. However, if on any distribution payment date or redemption date an event of default under the Trust Agreement resulting from an event of default under the related Subordinated Indenture has occurred and is continuing, no payment on any Common Trust Security shall be made until all payments due on the Preferred Trust Securities have been made. In that case, funds available to the Property Trustee shall first be applied to the payment in full of all distributions on, or the redemption price plus accrued and unpaid distributions of, Preferred Trust Securities then due and payable. (Trust Agreement, Section 4.03(a)).

If an event of default under the Trust Agreement results from an event of default under the related Subordinated Indenture, the holder of Common Trust Securities cannot take action with respect to the Trust Agreement default until the effect of all defaults with respect to the Preferred Trust Securities has been cured, waived or otherwise eliminated. Until the event of default under the Trust Agreement with respect to Preferred Trust Securities has been cured, waived or otherwise eliminated, the Property Trustee shall, to the fullest extent permitted by law, act solely on behalf of the holders of Preferred Trust Securities and not the holder of the Common Trust Securities, and only the holders of Preferred Trust Securities will have the right to direct the Property Trustee to act on their behalf. (Trust Agreement, Section 4.03(b)).

Liquidation Distribution upon Dissolution. The Trust will be dissolved and liquidated by the Property Trustee on the first to occur of:

(1) the expiration of the term of the Trust;

(2) the bankruptcy, dissolution or liquidation of FPL;

(3) the redemption of all of the Preferred Trust Securities of the Trust;

(4) the entry of an order for dissolution of the Trust by a court of competent jurisdiction; or

(5) at any time, at the election of FPL. (Trust Agreement, Sections 9.01 and 9.02).

If a dissolution of the Trust occurs, the Trust will be liquidated by the Property Trustee as expeditiously as the Property Trustee determines to be appropriate. If a dissolution of the Trust occurs other than by redemption of all the Preferred Trust Securities, the Property Trustee will provide for the satisfaction of liabilities of creditors, if any, and distribute to each holder of the Preferred Trust Securities and Common Trust Securities a proportionate amount of Junior Subordinated Debentures. If a distribution of Junior Subordinated Debentures is determined by the Property Trustee not to be practical, holders of Preferred Trust Securities will be entitled to receive, out of the assets of the Trust after adequate provision for the satisfaction of liabilities of creditors, if any, an amount equal to the aggregate liquidation preference of the Preferred Trust Securities plus accrued and unpaid distributions thereon to the date of payment. If this liquidation distribution can be paid only in part because the Trust has insufficient assets available to pay in full the aggregate liquidation distribution, then the amounts payable by the Trust on the Preferred Trust Securities shall be paid on a pro rata basis. FPL, as holder of the Common Trust Securities, will be entitled to receive distributions upon any dissolution pro rata with the holders of the Preferred Trust Securities, except that if an event of default (or event that, with the lapse of time or giving of notice, would become such an event of default) has occurred and is continuing under the related Subordinated Indenture, the Preferred Trust Securities will have a preference over the Common Trust Securities. (Trust Agreement, Section 9.04).

Events of Default; Notice. Any one of the following events will be an event of default under the Trust Agreement whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body:

(1) the occurrence of an event of default as described in the related Subordinated Indenture;

(2) default by the Trust in the payment of any distribution when it becomes due and payable, and continuation of that default for a period of 30 days;

(3) default by the Trust in the payment of any redemption price, plus accrued and unpaid distributions, of any Preferred Trust Security or Common Trust Security when it becomes due and payable;

(4) default in the performance, or breach, in any material respect, of any covenant or warranty of the trustees in the Trust Agreement which is not dealt with above, and continuation of that default or breach for a period of 90 days after written notice to the Trust, the defaulting trustee under the Trust Agreement and FPL by the holders of Preferred Trust Securities having at least 33% of the total liquidation preference amount of the outstanding Preferred Trust Securities. However, the holders of Preferred Trust Securities will be deemed to have agreed to an extension of the 90 day period if corrective action is initiated by any of the trustees within such period and is diligently pursued in good faith; or

(5) the occurrence of certain events of bankruptcy or insolvency with respect to the Trust. (Trust Agreement, Section 1.01).

Within 90 days after the occurrence of any default known to the Property Trustee, the Property Trustee shall transmit to the holders of Preferred Trust Securities, FPL and the Administrative Trustees notice of any such default, unless that default shall have been cured or waived. (Trust Agreement, Section 8.02).

A holder of Preferred Trust Securities may directly institute a proceeding to enforce payment when due to the holder of the Preferred Trust Securities of the principal of or interest on Junior Subordinated Debentures having a principal amount equal to the aggregate liquidation preference amount of the holder's Preferred Trust Securities. The holders of Preferred Trust Securities have no other rights to exercise directly any other remedies available to the holder of the Junior Subordinated Debentures unless the trustees under the Trust Agreement fail to do so. (Trust Agreement, Section 6.01(a)).

Removal of Trustees. Unless an event of default under the related Subordinated Indenture has occurred and is continuing, the holder of the Common Trust Securities may remove any trustee under the Trust Agreement at any time. If an event of default under the Subordinated Indenture has occurred and is continuing, the holders of a majority of the total liquidation preference amount of the outstanding Preferred Trust Securities may remove the Property Trustee or the Delaware Trustee, or both of them. The holder of the Common Trust Securities may remove any Administrative Trustee at any time. Any resignation or removal of a trustee under the Trust Agreement will take effect only on the acceptance of appointment by the successor trustee. (Trust Agreement, Section 8.10).

Holders of Preferred Trust Securities will have no right to appoint or remove the Administrative Trustees of the Trust, who may be appointed, removed or replaced solely by FPL as the holder of the Common Trust Securities. (Trust Agreement, Section 8.10).

Voting Rights. Except as provided below and under "Description of the Preferred Trust Securities Guarantee—Modification and Assignment," and as otherwise required by law or the Trust Agreement, the holders of Preferred Trust Securities will have no voting rights.

While Junior Subordinated Debentures are held by the Property Trustee, the Property Trustee shall not:

(1) direct the time, method and place to conduct any proceeding for any remedy available to the Subordinated Indenture Trustee (as such term is defined below under "Description of the Junior Subordinated Debentures—General"), or execute any trust or power conferred on the Subordinated Indenture Trustee with respect to the Junior Subordinated Debentures;

(2) waive any past default under the related Subordinated Indenture;

(3) exercise any right to rescind or annul a declaration that the principal of all the Junior Subordinated Debentures will be due and payable; or

(4) consent to any amendment, modification or termination of the related Subordinated Indenture or the Junior Subordinated Debentures, where that consent will be required,

without, in each case, obtaining the prior approval of the holders of Preferred Trust Securities having at least a majority of the aggregate liquidation preference amount of all outstanding Preferred Trust Securities of the Trust. Where a consent of each holder of Junior Subordinated Debentures affected is required, no consent shall be given by the Property Trustee without the prior consent of each holder of the Preferred Trust Securities affected. The Property Trustee shall not revoke any action previously authorized or approved by a vote of the holders of Preferred Trust Securities, except pursuant to the subsequent vote of the holders of Preferred Trust Securities. (Trust Agreement, Section 6.01(b)). If the Property Trustee fails to enforce its rights, as holder, under the Junior Subordinated Debentures or the Trust Agreement, a holder of the Preferred Trust Securities may institute a legal proceeding directly against FPL to enforce the Property Trustee's rights under the Junior Subordinated Debentures or the Trust Agreement without first instituting any legal proceeding against the Property Trustee or anyone else. (Trust Agreement, Section 6.01(a)). The Property Trustee shall notify all holders of Preferred Trust Securities of any notice of default received from the Subordinated Indenture Trustee. The Property Trustee shall not take any action approved by the consent of the holders of Preferred Trust Securities without an opinion of counsel experienced in those matters to the effect that the Trust will be classified as a grantor trust and not as an association taxable as a corporation for United States federal income tax purposes on account of that action. (Trust Agreement, Section 6.01(b)).

Holders of Preferred Trust Securities may give any required approval at a meeting convened for such purpose or by written consent without prior notice. (Trust Agreement, Section 6.06). The Administrative Trustees will give notice of any meeting at which holders of Preferred Trust Securities are entitled to vote. (Trust Agreement, Section 6.02).

No vote or consent of the holders of Preferred Trust Securities will be required for the Trust to redeem and cancel Preferred Trust Securities in accordance with the Trust Agreement.

Notwithstanding that holders of Preferred Trust Securities are entitled to vote or consent under any of the circumstances described above, any Preferred Trust Securities that are owned by FPL, any Administrative Trustee or any affiliate of any of them, shall be treated as if they were not outstanding for purposes of such vote or consent. (Trust Agreement, Section 1.01).

Amendments. The Trust Agreement may be amended from time to time by a majority of its Administrative Trustees and FPL, without the consent of any holders of Preferred Trust Securities or the other trustees under the Trust Agreement in order to:

(1) cure any ambiguity; correct or supplement any provision that may be inconsistent with any other provision of the Trust Agreement or amendment to the Trust Agreement; or make any other provisions with respect to matters or questions arising under the Trust Agreement;

(2) change the name of the Trust; or

(3) modify, eliminate or add to any provisions of the Trust Agreement to the extent necessary to ensure that the Trust will not be classified for United States federal income tax purposes other than as a grantor trust (and not an association taxable as a corporation) at any time that any Preferred Trust Securities and Common Trust Securities are outstanding or to ensure the Trust's exemption from the status of an "investment company" under the Investment Company Act of 1940.

No amendment described above may materially adversely affect the interests of any holder of Preferred Trust Securities or Common Trust Securities without the applicable consents required pursuant to the following two paragraphs. Any of the amendments of the Trust Agreement described in paragraph (1) above shall become effective when notice of the amendment is given to the holders of Preferred Trust Securities and Common Trust Securities in accordance with the provisions of the Trust Agreement. (Trust Agreement, Section 10.03(a)).

Except as provided below, any provision of the Trust Agreement may be amended by the Administrative Trustees and FPL with:

(1) the consent of holders of Preferred Trust Securities and Common Trust Securities representing not less than a majority in aggregate liquidation preference amount of the Preferred Trust Securities and Common Trust Securities then outstanding; and

(2) receipt by the trustees of an opinion of counsel to the effect that such amendment or the exercise of any power granted to the trustees in accordance with the amendment will not affect the Trust's status as a grantor trust for federal income tax purposes (and not an association taxable as a corporation) or affect the Trust's exemption from the status of an "investment company" under the Investment Company Act of 1940. (Trust Agreement, Section 10.03(b)).

Each affected holder of Preferred Trust Securities must consent to any amendment to the Trust Agreement that:

(1) adversely changes the amount or timing of any distribution with respect to Preferred Trust Securities or otherwise adversely affects the amount of any distribution required to be made in respect of Preferred Trust Securities as of a specified date;

(2) restricts the right of a holder of Preferred Trust Securities to institute suit for the enforcement of any such payment on or after that date; or

(3) modify the provisions described in clauses (1) and (2) above. (Trust Agreement, Section 10.03(c)).

Form, Exchange and Transfer. Preferred Trust Securities may be exchanged for other Preferred Trust Securities in any authorized denomination and of like tenor and aggregate liquidation preference. (Trust Agreement, Section 5.04).

Subject to the terms of the Trust Agreement, Preferred Trust Securities may be presented for exchange as provided above or for registration of transfer, duly endorsed or accompanied by a duly executed instrument of transfer, at the office of the Preferred Trust Security registrar. The Administrative Trustees may designate FPL or any affiliate of FPL as the Preferred Trust Security registrar. The Property Trustee will initially act as the Preferred Trust Security registrar and transfer agent. (Trust Agreement, Section 5.08). No service charge will be made for any registration of transfer or exchange of Preferred Trust Securities, but the Preferred Trust Security registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange. A transfer or exchange will be made when the Preferred Trust Security registrar and Administrative Trustees are satisfied with the documents of title and identity of the person making the request. (Trust Agreement, Section 5.04). The Administrative Trustees may at any time designate another transfer agent and registrar or rescind the designation of any transfer agent and registrar or approve a change in the office through which any transfer agent and registrar acts, except that FPL will, or will cause the Preferred Trust Security registrar to, maintain an office or agency in The City of New York where Preferred Trust Securities may be transferred or exchanged. (Trust Agreement, Sections 2.07(a) and 5.08).

The Trust will not be required to:

(1) issue, register the transfer of, or exchange any Preferred Trust Securities during the period beginning at the opening of business 15 calendar days before the mailing of a notice of redemption of any Preferred Trust Securities called for redemption and ending at the close of business on the day the notice is mailed; or

(2) register the transfer of or exchange any Preferred Trust Securities so selected for redemption, in whole or in part, except the unredeemed portion of any Preferred Trust Securities being redeemed in part. (Trust Agreement, Section 5.04).

Payment on Preferred Trust Securities and Paying Agent. Unless otherwise stated in a prospectus supplement, payments in respect of the Preferred Trust Securities will be made on the applicable distribution dates by check mailed to the address of the holder entitled thereto as such address appears on the Preferred Trust Security register. (Trust Agreement, Section 4.04). The paying agent shall initially be the Property Trustee and any co-paying agent chosen by the Property Trustee that is acceptable to the Administrative Trustees and FPL. The paying agent may resign upon 30 days' written notice to the Administrative Trustees, the Property Trustee and FPL. In the event that the Property Trustee shall no longer be the paying agent, the Administrative Trustees shall appoint a successor, which shall be a bank, trust company or affiliate of FPL reasonably acceptable to the Property Trustee and FPL, to act as paying agent. (Trust Agreement, Section 5.09).

Duties of the Trustees. The Delaware Trustee will act as the resident trustee in the State of Delaware and will have no other significant duties. The Property Trustee will hold the Junior Subordinated Debentures on behalf of the Trust and will maintain a payment account with respect to the Preferred Trust Securities and Common Trust Securities, and will also act as trustee under the Trust Agreement for the purposes of the Trust Indenture Act of 1939. (Trust Agreement, Sections 2.06 and 2.07(b)).

The Administrative Trustees of the Trust are authorized and directed to conduct the affairs of the Trust and to operate the Trust so that

(1) the Trust will not be deemed to be an "investment company" required to be registered under the Investment Company Act of 1940,

(2) the Trust will not be taxed as a corporation, and

(3) the Junior Subordinated Debentures will be treated as indebtedness of FPL for United States federal income tax purposes.

In this regard, FPL and the Administrative Trustees are authorized to take any action, not inconsistent with applicable law, the certificate of trust or the Trust Agreement, that FPL and the Administrative Trustees determine in

their discretion to be necessary or desirable for those purposes, as long as the action does not materially adversely affect the interests of the holders of the Preferred Trust Securities. (Trust Agreement, Section 2.07(d)).

Miscellaneous. Holders of the Preferred Trust Securities have no preemptive or similar rights. (Trust Agreement, Section 5.13).

Notices. Notices to holders of Preferred Trust Securities will be sent by mail to the addresses of those holders as they appear in the security register for those Preferred Trust Securities. (Trust Agreement, Section 6.02).

Title. The Property Trustee, the Delaware Trustee, the Administrative Trustees, and the Preferred Trust Security registrar and transfer agent, and any agent of the Property Trustee, the Delaware Trustee, the Administrative Trustees, or the Preferred Trust Security registrar and transfer agent, may treat the person in whose name a Preferred Trust Security is registered as the absolute owner of that Preferred Trust Security for the purpose of receiving distributions and all other purposes, regardless of any notice to the contrary. (Trust Agreement, Section 5.06).

Governing Law. The Trust Agreement, the Preferred Trust Securities and the Common Trust Securities will be governed by and construed in accordance with the laws of the State of Delaware, without regard to conflict of laws principles thereunder, except to the extent that the law of any other jurisdiction is mandatorily applicable. (Trust Agreement, Section 10.05).

DESCRIPTION OF THE PREFERRED TRUST SECURITIES GUARANTEE

General. This section briefly summarizes some of the provisions of the Preferred Trust Securities Guarantee Agreement that FPL will execute and deliver for the benefit of the holders of the Preferred Trust Securities issued by the Trust. The terms of these agreements are substantially the same, and they are referred to in this prospectus as the "Preferred Trust Securities Guarantee Agreement." This summary does not contain a complete description of the Preferred Trust Securities Guarantee Agreement. You should read this summary together with the Preferred Trust Securities Guarantee Agreement for a complete understanding of all the provisions. The form of the Preferred Trust Securities Guarantee Agreement has been previously filed with the SEC and is an exhibit to the registration statement filed with the SEC of which this prospectus is a part. In addition, the Preferred Trust Securities Guarantee Agreement will be 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.

The Bank of New York will act as Preferred Trust Securities Guarantee Trustee under the Preferred Trust Securities Guarantee Agreement and will hold the Preferred Trust Securities Guarantee for the benefit of the holders of the Preferred Trust Securities.

General Terms of the Preferred Trust Securities Guarantee. FPL will absolutely, irrevocably and unconditionally agree to make the guarantee payments listed below in full to the holders of the Preferred Trust Securities if they are not made by the Trust, as and when due, regardless of any defense, right of set-off or counterclaim that the Trust may have or assert. (Preferred Trust Securities Guarantee Agreement, Section 5.01). The following payments will be subject to the Preferred Trust Securities Guarantee (without duplication):

(1) any accrued and unpaid distributions required to be paid on Preferred Trust Securities, to the extent the Trust has funds in the payment account maintained by the Property Trustee legally available for these payments at such time;

(2) the redemption price, plus all accrued and unpaid distributions to the redemption date, for any Preferred Trust Securities called for redemption by the Trust, to the extent the Trust has funds in the payment account maintained by the Property Trustee legally available for these payments at such time; and

(3) upon a voluntary or involuntary dissolution, winding-up or termination of the Trust (except in connection with the distribution of Junior Subordinated Debentures to the holders in exchange for

Preferred Trust Securities as provided in the Trust Agreement or upon a redemption of all of the Preferred Trust Securities upon maturity or redemption of the Junior Subordinated Debentures as provided in the Trust Agreement), the lesser of:

(a) the aggregate of the liquidation preference amount and all accrued and unpaid distributions on Preferred Trust Securities to the date of payment, to the extent the Trust has funds in the payment account maintained by the Property Trustee legally available for these payments at such time; and

(b) the amount of assets of the Trust remaining available for distribution to holders of Preferred Trust Securities in liquidation of the Trust after satisfaction of liabilities to creditors of the Trust as required by applicable law.

(Preferred Trust Securities Guarantee Agreement, Section 1.01). FPL's obligation to make a guarantee payment may be satisfied by either making a direct payment of the required amounts by FPL to the holders of Preferred Trust Securities or causing the Trust to pay such amounts to those holders. (Preferred Trust Securities Guarantee Agreement, Section 5.01).

The Preferred Trust Securities Guarantee will be a guarantee, subject to certain subordination provisions, as to payment with respect to the Preferred Trust Securities, but will not apply to any payment of distributions if and to the extent that the Trust does not have funds legally available to make those payments. (Preferred Trust Securities Guarantee Agreement, Sections 1.01 and 5.05). If FPL does not make interest payments on the Junior Subordinated Debentures held by a Trust, the applicable Trust will not have funds available to pay distributions on the Preferred Trust Securities.

FPL will fully and unconditionally guarantee payments due on the Preferred Trust Securities issued by the Trust through a combination of the following:

(1) FPL's obligations under Junior Subordinated Debentures;

(2) the rights of holders of Preferred Trust Securities to enforce those obligations;

(3) FPL's agreement to pay the expenses of the Trust; and

(4) the Preferred Trust Securities Guarantee.

No single one of the documents listed above standing alone or operating in conjunction with fewer than all of the other documents constitutes the guarantee by FPL. It is only the combined operation of these documents that has the effect of providing a full and unconditional, but subordinated, guarantee as to payment by FPL of the Preferred Trust Securities.

Except as otherwise stated in the related prospectus supplement, the covenants in the Preferred Trust Securities Guarantee Agreement would not give holders of the Preferred Trust Securities protection in the event of a highly-leveraged transaction involving FPL.

Security and Ranking. The Preferred Trust Securities Guarantee will be an unsecured obligation of FPL and will rank:

(1) subordinate and junior in right of payment to all other liabilities of FPL (except those made pari passu or subordinate by their terms);

(2) equal in right of payment with the most senior preferred or preference stock that may be issued by FPL and with any guarantee that may be entered into by FPL in respect of any preferred or preference stock of any affiliate of FPL; and

(3) senior to FPL common stock. (Preferred Trust Securities Guarantee Agreement, Section 6.01).

The Preferred Trust Securities Guarantee Agreement does not limit the amount of other indebtedness, including guarantees, that FPL may issue or incur or the amount of preferred or preference stock it may issue.

The Trust Agreement provides that by accepting Preferred Trust Securities, a holder agrees to the subordination provisions and other terms of the Preferred Trust Securities Guarantee. (Trust Agreement, Section 5.02).

The Preferred Trust Securities Guarantee will be a guarantee of payment and not of collection, that is, the guaranteed party may institute a legal proceeding directly against FPL to enforce its rights under the Preferred Trust Securities Guarantee without first instituting a legal proceeding against anyone else. (Preferred Trust Securities Guarantee Agreement, Sections 5.04 and 5.05).

Events of Default. An event of default under the Preferred Trust Securities Guarantee Agreement will occur upon failure of FPL to perform any of its payment obligations under the Preferred Trust Securities Guarantee Agreement, which failure has not been cured within 90 days of receipt of notice thereof. (Preferred Trust Securities Guarantee Agreement, Section 1.01). Upon an event of default, the holders of the Preferred Trust Securities having a majority of the aggregate liquidation preference of the Preferred Trust Securities have the right to:

(1) direct the time, method and place of conducting any proceeding for any remedy available to the Preferred Trust Securities Guarantee Trustee under the Preferred Trust Securities Guarantee Agreement, or

(2) direct the exercise of any trust or power conferred upon the Preferred Trust Securities Guarantee Trustee under the Preferred Trust Securities Guarantee Agreement. (Preferred Trust Securities Guarantee Agreement, Section 5.04).

Any holder of the Preferred Trust Securities may enforce the Preferred Trust Securities Guarantee, or institute a legal proceeding directly against FPL to enforce the Preferred Trust Securities Guarantee Trustee's rights under the Preferred Trust Securities Guarantee Agreement without first instituting a legal proceeding against the Trust, the Preferred Trust Securities Guarantee Trustee or anyone else. (Preferred Trust Securities Guarantee Agreement, Section 5.04). The holders of the Preferred Trust Securities having a majority of the aggregate liquidation preference of the Preferred Trust Securities may waive any past event of default and its consequences. (Preferred Trust Securities Guarantee Agreement, Section 2.06).

FPL will be required to deliver to the Preferred Trust Securities Guarantee Trustee an annual statement as to its compliance with all conditions under the Preferred Trust Securities Guarantee Agreement. (Preferred Trust Securities Guarantee Agreement, Section 2.04).

Modification and Assignment. No consent of holders of Preferred Trust Securities is required for changes to the Preferred Trust Securities Guarantee Agreement that do not materially adversely affect their rights. Except as provided below, changes to the Preferred Trust Securities Guarantee Agreement that materially adversely affect the rights of Preferred Trust Securities require the prior approval of the holders of Preferred Trust Securities having at least a majority of the aggregate liquidation preference amount of the outstanding Preferred Trust Securities. Each affected holder of Preferred Trust Securities must consent to any amendment to the Preferred Trust Securities Guarantee Agreement that impairs the right of such holder to receive guarantee payments under the Preferred Trust Securities Guarantee Agreement or to institute suit for enforcement of any such payment. (Preferred Trust Securities Guarantee Agreement, Section 8.01).

All guarantees and agreements contained in the Preferred Trust Securities Guarantee Agreement will bind the successors, assigns, receivers, trustees and representatives of FPL and will inure to the benefit of the holders of the Preferred Trust Securities then outstanding. (Preferred Trust Securities Guarantee Agreement, Section 8.02).

Termination of the Preferred Trust Securities Guarantee. The Preferred Trust Securities Guarantee Agreement will terminate and be of no further force and effect upon:

(1) full payment of the redemption price, plus accrued and unpaid distributions to the redemption date, for all the Preferred Trust Securities;

(2) the distribution of Junior Subordinated Debentures to holders of the Preferred Trust Securities in exchange for all of the Preferred Trust Securities; or

(3) full payment of the amounts payable upon liquidation of the Trust.

However, the Preferred Trust Securities Guarantee will continue to be effective or will be reinstated, as the case may be, if at any time, as result of the subordination provisions or any mistake or any judicial proceeding or otherwise, any holder of Preferred Trust Securities must return any sums paid under the Preferred Trust Securities or the Preferred Trust Securities Guarantee. (Preferred Trust Securities Guarantee Agreement, Section 7.01).

Governing Law. The Preferred Trust Securities Guarantee Agreement provides that it is to be governed by and construed in accordance with the laws of the State of New York, without regard to conflict of laws principles thereunder, except to the extent that the law of any other jurisdiction is mandatorily applicable. (Preferred Trust Securities Guarantee Agreement, Section 8.06).

DESCRIPTION OF THE JUNIOR SUBORDINATED DEBENTURES

General. The junior subordinated debentures issued by FPL are referred to in this prospectus as the "Junior Subordinated Debentures." The Junior Subordinated Debentures, which the Property Trustee will hold on behalf of the Trust as trust assets, will be issued by FPL in one or more series under one or more indentures between FPL and The Bank of New York, as trustee. This indenture or indentures pursuant to which Junior Subordinated Debentures may be issued, as it may be amended and supplemented from time to time, is referred to in this prospectus as the "Subordinated Indenture." The Bank of New York, as trustee under the Subordinated Indenture, is referred to in this prospectus as the "Subordinated Indenture Trustee." The Subordinated Indenture provides for the issuance from time to time of subordinated debt in an unlimited amount. The Junior Subordinated Debentures and all other subordinated debt issued previously or hereafter under the Subordinated Indenture are collectively referred to in this prospectus as the "Subordinated Indenture Securities."

This section briefly summarizes some of the terms of the Junior Subordinated Debentures and some of the provisions of the Subordinated Indenture. This summary does not contain a complete description of the Junior Subordinated Debentures or the Subordinated Indenture. You should read this summary together with the Subordinated Indenture and the officer's certificates or other documents establishing the Junior Subordinated Debentures for a complete understanding of all the provisions and for the definitions of some terms used in this summary. The form of Subordinated Indenture, the form of officer's certificate that may be used to establish a series of Junior Subordinated Debentures and a form of the Junior Subordinated Debentures have been previously filed with the SEC, and are exhibits to the registration statement. In addition, the Subordinated Indenture will be qualified 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.

The Junior Subordinated Debentures issued by FPL to the Trust will constitute a separate series under the Subordinated Indenture and the principal amount of each series will be limited to the sum of the aggregate liquidation preference amount of the related Preferred Trust Securities and the consideration paid by FPL for the related Common Trust Securities.

The Junior Subordinated Debentures will be unsecured, subordinated obligations of FPL which rank junior to all of FPL's Senior Indebtedness. The term "Senior Indebtedness" will be defined in the related prospectus supplement. All Junior Subordinated Debentures issued under the Subordinated Indenture will rank equally and ratably with all other Junior Subordinated Debentures issued under the Subordinated Indenture, except to the extent that FPL elects to provide security with respect to any series of Junior Subordinated Debentures without providing that security to all outstanding Junior Subordinated Debentures as allowed under the Subordinated Indenture.

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

(1) the title of those Junior Subordinated Debentures,

(2) any limit upon the aggregate principal amount of those Junior Subordinated Debentures,

(3) the date(s) on which the principal will be paid,

(4) the rate(s) of interest on those Junior Subordinated Debentures, or how the rate(s) of interest will be determined, the date(s) from which interest will accrue, the dates on which interest will be paid and the record date for any interest payable on any interest payment date,

(5) the person to whom interest will be paid on any interest payment date, if other than the person in whose name those Junior Subordinated Debentures are registered at the close of business on the record date for that interest payment,

(6) the place(s) at which or methods by which payments will be made on those Junior Subordinated Debentures and the place(s) at which or methods by which the registered owners of those Junior Subordinated Debentures may transfer or exchange those Junior Subordinated Debentures and serve notices and demands to or upon FPL,

(7) the security registrar and any paying agent or agents for those Junior Subordinated Debentures,

(8) any date(s) on which, the price(s) at which and the terms and conditions upon which FPL may, at its option, redeem those Junior Subordinated Debentures, in whole or in part, and any restrictions on those redemptions,

(9) any sinking fund or other provisions or options held by the registered owners of those Junior Subordinated Debentures that would obligate FPL to repurchase or redeem those Junior Subordinated Debentures,

(10) the denominations in which those Junior Subordinated Debentures may be issued, if other than denominations of $25 and any integral multiple of $25,

(11) the currency or currencies in which the principal of or premium, if any, or interest on those Junior Subordinated Debentures may be paid (if other than in U.S. dollars),

(12) if FPL or a registered owner may elect to pay, or receive, principal of or premium, if any, or interest on those Junior Subordinated Debentures in a currency other than that in which those Junior Subordinated Debentures are stated to be payable, the terms and conditions upon which that election may be made,

(13) if the principal of or premium, if any, or interest on those Junior Subordinated Debentures may be paid in securities or other property, the type and amount of those securities or other property and the terms and conditions upon which FPL or a registered owner may elect to pay or receive those payments,

(14) if the amount payable in respect of principal of or premium, if any, or interest on those Junior Subordinated Debentures may be determined by reference to an index or other fact or event ascertainable outside of the Subordinated Indenture, the manner in which those amounts will be determined,

(15) the portion of the principal amount of the Junior Subordinated Debentures that FPL will pay upon declaration of acceleration of the maturity of those Junior Subordinated Debentures, if other than the entire principal amount of those Junior Subordinated Debentures,

(16) any events of default with respect to those Junior Subordinated Debentures and any covenants of FPL for the benefit of the registered owners of those Junior Subordinated Debentures, other than those specified in the Subordinated Indenture,

(17) the terms, if any, pursuant to which those Junior Subordinated Debentures may be exchanged for shares of capital stock or other securities of any other entity,

(18) a definition of "Eligible Obligations" under the Subordinated Indenture with respect to the Junior Subordinated Debentures denominated in a currency other than U.S. dollars, and any other provisions for the reinstatement of FPL's indebtedness in respect of those Junior Subordinated Debentures after their satisfaction and discharge,

(19) if those Junior Subordinated Debentures will be issued in global form, necessary information relating to the issuance of those Junior Subordinated Debentures in global form,

(20) if those Junior Subordinated Debentures will be issued as bearer securities, necessary information relating to the issuance of those Junior Subordinated Debentures as bearer securities,

(21) any limits on the rights of the registered owners of those Junior Subordinated Debentures to transfer or exchange those Junior Subordinated Debentures or to register their transfer, and any related service charges,

(22) any exceptions to the provisions governing payments due on legal holidays or any variations in the definition of business day with respect to those Junior Subordinated Debentures,

(23) any collateral security, assurance, or guarantee for those Junior Subordinated Debentures,

(24) the designation of the trust to which the Junior Subordinated Debentures are to be issued,

(25) the terms relating to any additional interest that may be payable as a result of any tax, assessment or governmental charges, and

(26) any other terms of those Junior Subordinated Debentures that are not inconsistent with the provisions of the Subordinated Indenture. (Subordinated Indenture, Section 301).

Except as otherwise stated in the related prospectus supplement, the covenants in the Subordinated Indenture would not give registered owners of Junior Subordinated Debentures protection in the event of a highly-leveraged transaction involving FPL.

Subordination. The Junior Subordinated Debentures will be subordinate and junior in right of payment to all Senior Indebtedness of FPL. (Subordinated Indenture, Article Fourteen). No payment of the principal (including redemption and sinking fund payments) of, or interest, or premium, if any, on the Junior Subordinated Debentures may be made by FPL until all holders of Senior Indebtedness of FPL have been paid in full (or provision has been made for such payment), if any of the following occurs:

(1) certain events of bankruptcy, insolvency or reorganization of FPL;

(2) any Senior Indebtedness of FPL is not paid when due (after the expiration of any applicable grace period) and that default continues without waiver; or

(3) any other default has occurred and continues without waiver (after the expiration of any applicable grace period) pursuant to which the holders of Senior Indebtedness of FPL are permitted to accelerate the maturity of such Senior Indebtedness. (Subordinated Indenture, Section 1402).

Upon any distribution of assets of FPL to creditors in connection with any insolvency, bankruptcy or similar proceeding, all principal of, and premium, if any, and interest due or to become due on all Senior Indebtedness of FPL must be paid in full before the holders of the Junior Subordinated Debentures are entitled to receive or retain any payment from such distribution. (Subordinated Indenture, Section 1402).

Payment and Paying Agents. Except as stated in the related prospectus supplement, on each interest payment date FPL will pay interest on each Junior Subordinated Debenture to the person in whose name that Junior Subordinated Debenture is registered as of the close of business on the record date relating to that interest payment date. However, on the date that the Junior Subordinated Debentures mature, FPL will pay the interest to the person to whom it pays the principal. Also, if FPL has defaulted in the payment of interest on any Junior Subordinated Debenture, it may pay that defaulted interest to the registered owner of that Junior Subordinated Debenture:

(1) as of the close of business on a date that the Subordinated Indenture Trustee selects, which may not be more than 15 days or less than 10 days before the date that FPL proposes to pay the defaulted interest, or

(2) in any other lawful manner that does not violate the requirements of any securities exchange on which that Junior Subordinated Debenture is listed and that the Subordinated Indenture Trustee believes is acceptable. (Subordinated Indenture, Section 307).

Unless otherwise stated in the related prospectus supplement, the principal, premium, if any, and interest on the Junior Subordinated Debentures at maturity will be payable when such Junior Subordinated Debentures are presented at the main corporate trust office of The Bank of New York, as paying agent, in The City of New York. FPL may change the place of payment on the Junior Subordinated Debentures, appoint one or more additional paying agents, including itself, and remove any paying agent. (Subordinated Indenture, Section 602).

Transfer and Exchange. Unless otherwise stated in the related prospectus supplement, Junior Subordinated Debentures may be transferred or exchanged at the main corporate trust office of The Bank of New York, as security registrar, in The City of New York. FPL may change the place for transfer and exchange of the Junior Subordinated Debentures and may designate one or more additional places for that transfer and exchange.

Except as otherwise stated in the related prospectus supplement, there will be no service charge for any transfer or exchange of the Junior Subordinated Debentures. However, FPL may require payment of any tax or other governmental charge in connection with any transfer or exchange of the Junior Subordinated Debentures.

FPL will not be required to transfer or exchange any Junior Subordinated Debenture selected for redemption. Also, FPL will not be required to transfer or exchange any Junior Subordinated Debenture during a period of 15 days before selection of Junior Subordinated Debentures to be redeemed. (Subordinated Indenture, Section 305).

Unless otherwise stated in the related prospectus supplement, if Junior Subordinated Debentures are distributed to holders of Preferred Trust Securities in a dissolution of the Trust, the Junior Subordinated Debentures will be issued in fully registered certificated form in the denominations and integral multiples thereof in which the Preferred Trust Securities have been issued, and they may be transferred or exchanged as described above. (Trust Agreement, Section 9.04).

Defeasance. FPL may, at any time, elect to have all of its obligations discharged with respect to all or a portion of any Subordinated Indenture Securities (including the Junior Subordinated Debentures). To do so, FPL must irrevocably deposit with the Subordinated Indenture Trustee or any paying agent, in trust:

(1) money in an amount that will be sufficient to pay all or that portion of the principal, premium, if any, and interest due and to become due on those Subordinated Indenture Securities, on or prior to their maturity, or

(2) in the case of a deposit made prior to the maturity of that series of Subordinated Indenture Securities,

(a) direct obligations of, or obligations unconditionally guaranteed by, the United States and entitled to the benefit of its full faith and credit that do not contain provisions permitting their redemption or other prepayment at the option of their issuer, and

(b) certificates, depositary receipts or other instruments that evidence a direct ownership interest in those obligations or in any specific interest or principal payments due in respect of those obligations that do not contain provisions permitting their redemption or other prepayment at the option of their issuer, the principal of and the interest on which, when due, without any regard to reinvestment of that principal or interest, will provide money that, together with any money deposited with or held by the Subordinated Indenture Trustee, will be sufficient to pay all or that portion of the principal, premium, if any, and interest due and to become due on those Subordinated Indenture Securities, on or prior to their maturity, or

(3) a combination of (1) and (2) that will be sufficient to pay all or that portion of the principal, premium, if any, and interest due and to become due on those Subordinated Indenture Securities, on or prior to their maturity. (Subordinated Indenture, Section 701).

Option to Defer Interest Payments. Unless otherwise provided in a related prospectus supplement, FPL may have the option to defer the payment of interest from time to time on the Junior Subordinated Debentures for one or more periods. As a consequence, distributions on the Preferred Trust Securities would be deferred during any optional deferral period. Interest would, however, continue to accrue on the Junior Subordinated Debentures. Unless otherwise provided in a related prospectus supplement, during any optional deferral period, or for so long as an "Event of Default" under the Subordinated Indenture resulting from a payment default or a payment default under the Preferred Trust Securities Guarantee has occurred and is continuing, FPL may not:

(1) declare or pay any dividend or distribution on its capital stock;

(2) redeem, purchase, acquire or make a liquidation payment with respect to any of its capital stock;

(3) pay any principal, interest or premium on, or repay, repurchase or redeem any debt securities that are equal or junior in right of payment with the Junior Subordinated Debentures; or

(4) make any payments with respect to any guarantee of debt securities if such guarantee is equal or junior in right of payment to the Junior Subordinated Debentures,

other than

(1) purchases, redemptions or other acquisitions of its capital stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or agents or a stock purchase or dividend reinvestment plan, or the satisfaction of its obligations pursuant to any contract or security outstanding on the date that the interest payment period is extended requiring it to purchase, redeem or acquire its capital stock;

(2) any payment, repayment, redemption, purchase, acquisition or declaration of dividend listed as restricted payments in clauses (1) and (2) above as a result of a reclassification of its capital stock or the exchange or conversion of all or a portion of one class or series of its capital stock for another class or series of its capital stock;

(3) the purchase of fractional interests in shares of its capital stock pursuant to the conversion or exchange provisions of its capital stock or the security being converted or exchanged, or in connection with the settlement of stock purchase contracts;

(4) dividends or distributions paid or made in its capital stock (or rights to acquire its capital stock), or repurchases, redemptions or acquisitions of capital stock in connection with the issuance or exchange

of capital stock (or of securities convertible into or exchangeable for shares of its capital stock and distributions in connection with the settlement of stock purchase contracts);

(5) redemptions, exchanges or repurchases of, or with respect to, any rights outstanding under a shareholder rights plan or the declaration or payment thereunder of a dividend or distribution of or with respect to rights in the future; or

(6) payments under any preferred trust securities guarantee or guarantee of junior subordinated debentures executed and delivered by FPL concurrently with the issuance by a trust of any preferred trust securities, so long as the amount of payments made on any preferred trust securities or junior subordinated debentures (as the case may be) is paid on all preferred trust securities or junior subordinated debentures (as the case may be) then outstanding on a pro rata basis in proportion to the full distributions to which each series of preferred trust securities or junior subordinated debentures (as the case may be) is then entitled if paid in full. (Subordinated Indenture, Section 608).

Unless otherwise provided in a related prospectus supplement, before an optional deferral period ends, FPL may further defer the payment of interest. Unless otherwise specified in the related prospectus supplement, no optional deferral period may exceed the period of time specified in that prospectus supplement. After any optional deferral period and the payment of all amounts then due, FPL may select a new optional deferral period. No interest period may be deferred beyond the maturity of the Junior Subordinated Debentures. FPL will give the Trust and the Subordinated Indenture Trustee notice of its election of an optional deferral period prior to the earlier of (i) one business day before the record date for the distribution on the Preferred Trust Securities which would occur if FPL did not make the election to defer or (ii) the date the Administrative Trustees are required to give notice to any securities exchange or any other applicable self-regulatory organization of the record date for such a distribution. The Property Trustee shall send notice of that election to the holders of Preferred Trust Securities.

Additional Interest. So long as any Preferred Trust Securities remain outstanding, if the Trust is required to pay any taxes, duties, assessments or governmental charges imposed by the United States or any other taxing authority on income derived from the interest payments on the Junior Subordinated Debentures, then FPL will pay as interest on the Junior Subordinated Debentures any additional interest that may be necessary in order that the net amounts received and retained by the Trust after the payment of those taxes, duties, assessments or governmental charges will be the same as the Trust would have had in the absence of such payment. (Subordinated Indenture, Section 313).

Redemption. For so long as the Trust is the holder of all of the related Junior Subordinated Debentures, the proceeds of any redemption of Junior Subordinated Debentures will used by the Trust to redeem Preferred Trust Securities and Common Trust Securities in accordance with their terms. (Trust Agreement, Section 4.02(a)). The redemption terms of the Junior Subordinated Debentures, if any, will be set forth in a prospectus supplement. Unless set forth differently in a prospectus supplement, and except with respect to Junior Subordinated Debentures redeemable at the option of the holder, Junior Subordinated Debentures will be redeemable upon notice between 30 and 60 days prior to the redemption date. If less than all of the Junior Subordinated Debentures of any series or any tranche thereof are to be redeemed, the Subordinated Indenture Trustee will select the Junior Subordinated Debentures to be redeemed. In the absence of any provision for selection, the Subordinated Indenture Trustee will choose a method of random selection as it deems fair and appropriate. (Subordinated Indenture, Sections 403 and 404).

Junior Subordinated Debentures selected for redemption will cease to bear interest on the redemption date. The paying agent will pay the redemption price and any accrued interest once the Junior Subordinated Debentures are surrendered for redemption. (Subordinated Indenture, Section 405). If only part of a Junior Subordinated Debenture is redeemed, the Subordinated Indenture Trustee will deliver a new Junior Subordinated Debenture of the same series for the remaining portion without charge. (Subordinated Indenture, Section 406).

Any redemption at the option of FPL may be conditional upon the receipt by the paying agent, on or prior to the date fixed for redemption, of money sufficient to pay the redemption price. If the paying agent has not received such money by the date fixed for redemption, FPL will not be required to redeem such Junior Subordinated Debentures. (Subordinated Indenture, Section 404).

Subject to applicable law, including United States federal securities laws, FPL or its affiliates may at any time and from time to time purchase outstanding Junior Subordinated Debentures by tender, in the open market or by private agreement.

Consolidation, Merger, and Sale of Assets. Under the Subordinated Indenture, FPL may not consolidate with or merge into any other entity or convey, transfer or lease its properties and assets substantially as an entirety to any entity, unless:

(1) the entity formed by that consolidation, or the entity into which FPL is merged, or the entity that acquires or leases FPL's property and assets, is an entity organized and existing under the laws of the United States, any state or the District of Columbia and that entity expressly assumes FPL's obligations on all Subordinated Indenture Securities and under the Subordinated Indenture,

(2) immediately after giving effect to the transaction, no event of default under the Subordinated Indenture and no event that, after notice or lapse of time or both, would become an event of default under the Subordinated Indenture exists, and

(3) FPL delivers an officer's certificate and an opinion of counsel to the Subordinated Indenture Trustee, as provided in the Subordinated Indenture. (Subordinated Indenture, Section 1101).

The Subordinated Indenture does not prevent or restrict:

(1) any consolidation or merger after the consummation of which FPL would be the surviving or resulting entity;

(2) any consolidation of FPL with any entity all of the outstanding voting securities of which are owned, directly or indirectly, by FPL, or any merger of any such entity into any other of such entities, or any conveyance or other transfer, or lease, of properties or assets by any thereof to any other thereof;

(3) any conveyance or other transfer, or lease, of any part of the properties or assets of FPL which does not constitute the entirety, or substantially the entirety, thereof; or

(4) the approval by FPL of, or the consent by FPL to any consolidation or merger to which any direct or indirect subsidiary or affiliate of FPL may be a party, or any conveyance, transfer or lease by any such subsidiary or affiliate of any or all of its properties or assets. (Subordinated Indenture, Section 1103).

Events of Default. Each of the following is an event of default under the Subordinated Indenture with respect to the Subordinated Indenture Securities of any series:

(1) failure to pay interest on the Subordinated Indenture Securities of that series within 30 days after it is due (provided, however, that a valid extension of the interest period by FPL will not constitute an event of default),

(2) failure to pay principal or premium, if any, on the Subordinated Indenture Securities of that series when it is due,

(3) failure to comply with any other covenant in the Subordinated Indenture, other than a covenant that does not relate to that series of Subordinated Indenture Securities, that continues for 90 days after FPL receive written notice of such failure to comply from the Subordinated Indenture Trustee, or FPL and the Subordinated Indenture Trustee receive written notice of such failure to comply from the registered owners of at least 33% in principal amount of the Subordinated Indenture Securities of that series,

(4) certain events of bankruptcy, insolvency or reorganization of FPL and

(5) any other event of default specified with respect to the Subordinated Indenture Securities of that series. (Subordinated Indenture, Section 801).

In the case of the third event of default listed above, the Subordinated Indenture Trustee may extend the grace period. In addition, if holders of a particular series have given a notice of default, then holders of at least the same percentage of Junior Subordinated Debentures of that series, together with the Subordinated Indenture Trustee, may also extend the grace period. The grace period will be automatically extended if FPL has initiated and is diligently pursuing corrective action in good faith. (Subordinated Indenture, Section 801). An event of default with respect to the Subordinated Indenture Securities of a particular series will not necessarily constitute an event of default with respect to Subordinated Indenture Securities of any other series issued under the Subordinated Indenture.

Remedies. If an event of default applicable to the Subordinated Indenture Securities of one or more series, but not applicable to all outstanding Subordinated Indenture Securities, exists, then either the Subordinated Indenture Trustee or the registered owners of at least 33% in aggregate principal amount of the Subordinated Indenture Securities of each of the affected series may declare the principal of and accrued but unpaid interest on all the Subordinated Indenture Securities of that series to be due and payable immediately. (Subordinated Indenture, Section 802).

If the event of default is applicable to all outstanding Subordinated Indenture Securities, then only the Subordinated Indenture Trustee or the registered owners of at least 33% in aggregate principal amount of all outstanding Subordinated Indenture Securities of all series, voting as one class, and not the registered owners of any one series, may make a declaration of acceleration. (Subordinated Indenture, Section 802). However, the event of default giving rise to the declaration relating to any series of Subordinated Indenture Securities will be automatically waived, and that declaration and its consequences will be automatically rescinded and annulled, if, at any time after that declaration and before a judgment or decree for payment of the money due has been obtained:

(1) FPL deposits with the Subordinated Indenture Trustee a sum sufficient to pay:

(a) all overdue interest on all Subordinated Indenture Securities of that series,

(b) the principal of and any premium on any Subordinated Indenture Securities of that series that have become due for reasons other than that declaration, and interest that is then due,

(c) interest on overdue interest for that series, and

(d) all amounts due to the Subordinated Indenture Trustee under the Subordinated Indenture, and

(2) any other event of default with respect to the Subordinated Indenture Securities of that series has been cured or waived as provided in the Subordinated Indenture. (Subordinated Indenture, Section 802).

Other than its obligations and duties in case of an event of default under the Subordinated Indenture, the Subordinated Indenture Trustee is not obligated to exercise any of its rights or powers under the Subordinated Indenture at the request or direction of any of the registered owners of the Subordinated Indenture Securities, unless those registered owners offer reasonable indemnity to the Subordinated Indenture Trustee. (Subordinated Indenture, Section 903). If they provide this reasonable indemnity, the registered owners of a majority in principal amount of any series of Subordinated Indenture Securities will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Subordinated Indenture Trustee, or exercising any trust or power conferred on the Subordinated Indenture Trustee, with respect to the Subordinated Indenture Securities of that series. However, if an event of default under the Subordinated Indenture relates to more than one series of Subordinated Indenture Securities, only the registered owners of a majority in aggregate principal amount of all affected series of Subordinated Indenture Securities, considered as one class, will have the right to make that direction. Also, the direction must not violate any law or the Subordinated Indenture, and may not expose the Subordinated Indenture Trustee to personal liability in circumstances where its indemnity would not, in the Subordinated Indenture Trustee's sole discretion, be adequate. (Subordinated Indenture, Section 812).

No registered owner of Subordinated Indenture Securities of any series will have any right to institute any proceeding under the Subordinated Indenture, or exercise any remedy under the Subordinated Indenture, unless:

(1) that registered owner has previously given to the Subordinated Indenture Trustee written notice of a continuing event of default with respect to the Subordinated Indenture Securities of that series,

(2) the registered owners of a majority in aggregate principal amount of the outstanding Subordinated Indenture Securities of all series in respect of which an event of default under the Subordinated Indenture exists, considered as one class, have made written request to the Subordinated Indenture Trustee, and have offered reasonable indemnity to the Subordinated Indenture Trustee to institute that proceeding in its own name as trustee, and

(3) the Subordinated Indenture Trustee has failed to institute any proceeding, and has not received from the registered owners of a majority in aggregate principal amount of the outstanding Subordinated Indenture Securities of all series in respect of which an event of default under the Subordinated Indenture exists, considered as one class, a direction inconsistent with that request, within 60 days after that notice, request and offer. (Subordinated Indenture, Section 807).

However, these limitations do not apply to a suit instituted by a registered owner of a Subordinated Indenture Security for the enforcement of payment of the principal of or any premium, if any, or interest on that Subordinated Indenture Security on or after the applicable due date specified in that Subordinated Indenture Security. (Subordinated Indenture, Section 808).

FPL is required to deliver to the Subordinated Indenture Trustee an annual statement as to its compliance with all conditions and covenants applicable to it under the Subordinated Indenture. (Subordinated Indenture, Section 606).

Enforcement of Certain Rights by Holders of Preferred Trust Securities. If there is an event of default with respect to Junior Subordinated Debentures held by the Trust, then the holders of Preferred Trust Securities issued by the Trust will rely on the Property Trustee or the Subordinated Indenture Trustee, acting for the benefit of the Property Trustee, to enforce the Property Trustee's rights against FPL as a holder of the Junior Subordinated Debentures. However, a holder of Preferred Trust Securities may enforce the Subordinated Indenture directly against FPL to the same extent, and upon the same conditions, as if the holder of Preferred Trust Securities held a principal amount of Junior Subordinated Debentures equal to the aggregate liquidation amount of its Preferred Trust Securities. (Subordinated Indenture, Section 610).

Subject to their right to bring suit to enforce their right to payment, the holders of Preferred Trust Securities would not be able to institute any proceeding with respect to the Subordinated Indenture unless the Subordinated Indenture Trustee has failed to do so for 60 days after a request of the holders of at least a majority of the aggregate liquidation amount of outstanding Preferred Trust Securities. Upon such failure, the holders of a majority of the aggregate liquidation amount of the outstanding Preferred Trust Securities would have the right to directly institute proceedings for enforcement of all other rights of the Subordinated Indenture Trustee against FPL to the fullest extent permitted by law. (Subordinated Indenture, Sections 807, 808 and 812).

Modification and Waiver. Without the consent of any registered owner of Subordinated Indenture Securities, FPL and the Subordinated Indenture Trustee may amend or supplement the Subordinated Indenture for any of the following purposes:

(1) to provide for the assumption by any permitted successor to FPL of FPL's obligations with respect to the Subordinated Indenture and the Subordinated Indenture Securities in the case of a merger or consolidation or a conveyance, transfer or lease of its properties and assets substantially as an entirety,

(2) to add covenants of FPL or to surrender any right or power conferred upon FPL by the Subordinated Indenture,

(3) to add any additional events of default,

(4) to change, eliminate or add any provision of the Subordinated Indenture, provided that if that change, elimination or addition will materially adversely affect the interests of the registered owners of Subordinated Indenture Securities of any series or tranche, that change, elimination or addition will become effective with respect to that series or tranche only

(a) when the required consent of the registered owners of Subordinated Indenture Securities of that series or tranche has been obtained, or

(b) when no Subordinated Indenture Securities of that series or tranche remain outstanding under the Subordinated Indenture,

(5) to provide collateral security for all but not a part of the Subordinated Indenture Securities,

(6) to establish the form or terms of Subordinated Indenture Securities of any other series or tranche,

(7) to provide for the authentication and delivery of bearer securities and the related coupons and for other matters relating to those bearer securities,

(8) to accept the appointment of a successor Subordinated Indenture Trustee or co-trustee with respect to the Subordinated Indenture Securities of one or more series and to change any of the provisions of the Subordinated Indenture as necessary to provide for the administration of the trusts under the Subordinated Indenture by more than one trustee,

(9) to add procedures to permit the use of a non-certificated system of registration for the Subordinated Indenture Securities of all or any series or tranche,

(10) to change any place where

(a) the principal of and premium, if any, and interest on all or any series or tranche of Subordinated Indenture Securities are payable,

(b) all or any series or tranche of Subordinated Indenture Securities may be transferred or exchanged, and

(c) notices and demands to or upon FPL in respect of Subordinated Indenture Securities and the Subordinated Indenture may be served, or

(11) to cure any ambiguity or inconsistency or to add or change any other provisions with respect to matters and questions arising under the Subordinated Indenture, provided those changes or additions may not materially adversely affect the interests of the registered owners of Subordinated Indenture Securities of any series or tranche. (Subordinated Indenture, Section 1201).

The registered owners of a majority in aggregate principal amount of the Subordinated Indenture Securities of all series then outstanding may waive compliance by FPL with certain restrictive provisions of the Subordinated Indenture. (Subordinated Indenture, Section 607). The registered owners of a majority in principal amount of the outstanding Subordinated Indenture Securities of any series may waive any past default under the Subordinated Indenture with respect to that series, except a default in the payment of principal, premium, if any, or interest and a default with respect to certain restrictive covenants or provisions of the Subordinated Indenture that cannot be modified or amended without the consent of the registered owner of each outstanding Subordinated Indenture Security of that series affected. (Subordinated Indenture, Section 813). If the Trust holds Subordinated Indenture Securities of any series, the Trust may not waive compliance, or any default in compliance, by FPL with any covenant or term contained in, or any past default under, the Subordinated Indenture or the Subordinated Indenture Securities of such series, without the approval of at least a majority (or such greater percentage required by the Trust

Agreement) in aggregate liquidation preference amount of the outstanding Preferred Trust Securities. (Subordinated Indenture, Sections 607 and 813).

In addition to any amendments described above, if the Trust Indenture Act of 1939 is amended after the date of the Subordinated Indenture in a way that requires changes to the Subordinated Indenture or in a way that permits changes to, or the elimination of, provisions that were previously required by the Trust Indenture Act of 1939, the Subordinated Indenture will be deemed to be amended to conform to that amendment of the Trust Indenture Act of 1939 or to make those changes, additions or eliminations. FPL and the Subordinated Indenture Trustee may, without the consent of any registered owners, enter into supplemental indentures to make that amendment. (Subordinated Indenture, Section 1201).

Except for any amendments described above, the consent of the registered owners of a majority in aggregate principal amount of the Subordinated Indenture Securities of all series then outstanding, considered as one class, is required for all other modifications to the Subordinated Indenture. However, if less than all of the series of Subordinated Indenture Securities outstanding are directly affected by a proposed supplemental indenture, then the consent only of the registered owners of a majority in aggregate principal amount of outstanding Subordinated Indenture Securities of all directly affected series, considered as one class, is required. But, if FPL issues any series of Subordinated Indenture Securities in more than one tranche and if the proposed supplemental indenture directly affects the rights of the registered owners of Subordinated Indenture Securities of less than all of those tranches, then the consent only of the registered owners of a majority in aggregate principal amount of the outstanding Subordinated Indenture Securities of all directly affected tranches, considered as one class, will be required. However, none of those amendments or modifications may:

(1) change the dates on which the principal of or interest (except as described above under "—Option to Defer Interest Payments") on a Subordinated Indenture Security is due without the consent of the registered owner of that Subordinated Indenture Security,

(2) reduce any Subordinated Indenture Security's principal amount or rate of interest (or the amount of any installment of that interest) or change the method of calculating that rate without the consent of the registered owner of that Subordinated Indenture Security,

(3) reduce any premium payable upon the redemption of a Subordinated Indenture Security without the consent of the registered owner of that Subordinated Indenture Security,

(4) change the currency (or other property) in which a Subordinated Indenture Security is payable without the consent of the registered owner of that Subordinated Indenture Security,

(5) impair the right to sue to enforce payments on any Subordinated Indenture Security on or after the date that it states that the payment is due (or, in the case of redemption, on or after the redemption date) without the consent of the registered owner of that Subordinated Indenture Security,

(6) reduce the percentage in principal amount of the outstanding Subordinated Indenture Securities of any series or tranche whose owners must consent to an amendment, supplement or waiver without the consent of the registered owner of each outstanding Subordinated Indenture Security of that series or tranche,

(7) reduce the requirements for quorum or voting of any series or tranche without the consent of the registered owner of each outstanding Subordinated Indenture Security of that series or tranche, or

(8) modify certain of the provisions of the Subordinated Indenture relating to supplemental indentures, waivers of certain covenants and waivers of past defaults with respect to the Subordinated Indenture Securities of any series or tranche, without the consent of the registered owner of each outstanding Subordinated Indenture Security affected by the modification.

A supplemental indenture that changes or eliminates any provision of the Subordinated Indenture that has expressly been included only for the benefit of one or more particular series or tranches of Subordinated Indenture Securities, or that modifies the rights of the registered owners of Subordinated Indenture Securities of that series or tranche with respect to that provision, will not affect the rights under the Subordinated Indenture of the registered owners of the Subordinated Indenture Securities of any other series or tranche. So long as any Preferred Trust Securities are outstanding, the Subordinated Indenture Trustee may not consent to any supplemental indenture without the prior consent of the holders of a majority in aggregate liquidation preference of all outstanding Preferred Trust Securities affected or, in the case of changes described in clauses (1) through (8) immediately above, 100% in aggregate liquidation preference of all such outstanding Preferred Trust Securities affected. (Subordinated Indenture, Section 1202).

The Subordinated Indenture provides that, in order to determine whether the registered owners of the required principal amount of the outstanding Subordinated Indenture Securities have given any request, demand, authorization, direction, notice, consent or waiver under the Subordinated Indenture, or whether a quorum is present at the meeting of the registered owners of Subordinated Indenture Securities, Subordinated Indenture Securities owned by FPL or any other obligor upon the Subordinated Indenture Securities or any affiliate of FPL or of that other obligor (unless FPL, that affiliate or that obligor owns all Subordinated Indenture Securities outstanding under the Subordinated Indenture, determined without regard to this provision) will be disregarded and deemed not to be outstanding. (Subordinated Indenture, Section 101).

If FPL solicits any action under the Subordinated Indenture from registered owners of Subordinated Indenture Securities, FPL may, at its option, by signing a written request to the Subordinated Indenture Trustee, fix in advance a record date for determining the registered owners of Subordinated Indenture Securities entitled to take that action. However, FPL will not be obligated to do this. If FPL fixes such a record date, that action may be taken before or after that record date, but only the registered owners of record at the close of business on that record date will be deemed to be registered owners of Subordinated Indenture Securities for the purposes of determining whether registered owners of the required proportion of the outstanding Subordinated Indenture Securities have authorized that action. For these purposes, the outstanding Subordinated Indenture Securities will be computed as of the record date. Any action of a registered owner of any Subordinated Indenture Security under the Subordinated Indenture will bind every future registered owner of that Subordinated Indenture Security, or any Subordinated Indenture Security replacing that Subordinated Indenture Security, with respect to anything that the Subordinated Indenture Trustee or FPL do, fail to do, or allow to be done in reliance on that action, whether or not that action is noted upon that Subordinated Indenture Security. (Subordinated Indenture, Section 104).

Resignation and Removal of Subordinated Indenture Trustee. The Subordinated Indenture Trustee may resign at any time with respect to any series of Subordinated Indenture Securities by giving written notice of its resignation to FPL. Also, the registered owners of a majority in principal amount of the outstanding Subordinated Indenture Securities of one or more series of Subordinated Indenture Securities may remove the Subordinated Indenture Trustee at any time with respect to the Subordinated Indenture Securities of that series, by delivering an instrument evidencing this action to the Subordinated Indenture Trustee and FPL. However, so long as any Preferred Trust Securities remain outstanding, the Trust cannot deliver an instrument evidencing this action without the consent of the holders of a majority in aggregate liquidation preference of Preferred Trust Securities outstanding. (Subordinated Indenture, Section 910). The resignation or removal of the Subordinated Indenture Trustee and the appointment of a successor trustee will not become effective until a successor trustee accepts its appointment.

Except with respect to a Subordinated Indenture Trustee appointed by the registered owners of Subordinated Indenture Securities, the Subordinated Indenture Trustee will be deemed to have resigned and the successor will be deemed to have been appointed as trustee in accordance with the Subordinated Indenture if:

(1) no event of default under the Subordinated Indenture or event that, after notice or lapse of time, or both, would become an event of default under the Subordinated Indenture exists, and

(2) FPL has delivered to the Subordinated Indenture Trustee resolutions of its Board of Directors appointing a successor trustee and that successor trustee has accepted that appointment in accordance with the terms of the Subordinated Indenture. (Subordinated Indenture, Section 910).

Notices. Notices to registered owners of Subordinated Indenture Securities will be sent by mail to the addresses of those registered owners as they appear in the security register for those Subordinated Indenture Securities. (Subordinated Indenture, Section 106).

Title. The person in whose name a Subordinated Indenture Security is registered may be treated as the absolute owner of that Subordinated Indenture Security, whether or not that Subordinated Indenture Security is overdue, for the purpose of making payments and for all other purposes, regardless of any notice to the contrary. (Subordinated Indenture, Section 308).

Governing Law. The Subordinated Indenture and the Subordinated Indenture Securities will be governed by, and construed in accordance with, the laws of the State of New York, without regard to New York's conflict of law principles, except to the extent that the law of any other jurisdiction is mandatorily applicable. (Subordinated Indenture, Section 112).

INFORMATION CONCERNING THE TRUSTEES

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

FPL and its affiliates, including FPL Group and FPL Group Capital Inc, also maintain various banking and trust relationships with The Bank of New York. In addition to acting as Subordinated Indenture Trustee, security registrar and paying agent under the Subordinated Indenture, The Bank of New York would act as (i) Preferred Trust Securities Guarantee Trustee under the Preferred Trust Securities Guarantee Agreement described under "Description of the Preferred Trust Securities Guarantee" above and (ii) Property Trustee under the Trust Agreement. The Bank of New York (Delaware) acts as the Delaware Trustee under the Trust Agreement.

PLAN OF DISTRIBUTION

FPL and the Trust may sell the securities offered pursuant to this prospectus ("Offered Securities"):

(1) through underwriters or dealers,

(2) through agents, or

(3) directly to one or more purchasers.

Through Underwriters or Dealers. If FPL and/or the Trust uses underwriters in the sale of the Offered Securities, the underwriters will acquire the Offered Securities for their own account. The underwriters may resell the Offered Securities 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 Offered Securities directly or through underwriting syndicates represented by managing underwriters. Unless otherwise stated in the prospectus supplement relating to the Offered Securities, the obligations of the underwriters to purchase those Offered Securities will be subject to certain conditions, and the underwriters will be obligated to purchase all of those Offered Securities if they purchase any of them. If FPL and/or the Trust uses a dealer in the sale, FPL and/or the Trust will sell the Offered Securities to the dealer as principal. The dealer may then resell those Offered Securities 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 and/or the Trust may designate one or more agents to sell the Offered Securities. 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 and/or the Trust may sell the Offered Securities 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 and/or the Trust from the sale of the Offered Securities, any initial public offering price and other terms of the offering of those Offered Securities.

FPL and/or the Trust may authorize underwriters, dealers or agents to solicit offers by certain institutions to purchase the Offered Securities from FPL and/or the Trust 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.

The Offered Securities may also be offered and sold, if so indicated in the applicable prospectus supplement, in connection with a remarketing upon their purchase, in accordance with a redemption or repayment pursuant to their terms, or otherwise, by one or more firms, which are referred to herein as the "remarketing firms," acting as principals for their own accounts or as our agent or the applicable trust's agents, as applicable. Any remarketing firm will be identified and the terms of its agreement, if any, with FPL and/or the Trust and its compensation will be described in the applicable prospectus supplement. Remarketing firms may be deemed to be underwriters, as that term is defined in the Securities Act of 1933, in connection with the securities remarketed thereby.

FPL and/or the Trust may enter into derivative transactions with third parties, or sell securities not covered by this prospectus to third parties in privately negotiated transactions. If the applicable prospectus supplement indicates, in connection with those derivatives, the third parties may sell securities covered by this prospectus and the applicable prospectus supplement, including in short sale transactions. If so, the third party may use securities pledged by FPL and/or the Trust or borrowed from any of them or others to settle those sales or to close out any related open borrowings of securities, and may use securities received from FPL and/or the Trust in settlement of those derivatives to close out any related open borrowings of securities. The third party in such sale transactions will be an underwriter and, if not identified in this prospectus, will be identified in the applicable prospectus supplement.

FPL and/or the Trust 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 and management's report on the effectiveness of internal control over financial reporting incorporated in this prospectus by reference from FPL's Annual Report on Form 10-K for the year ended December 31, 2005, have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

LEGAL OPINIONS

Squire, Sanders & Dempsey L.L.P., Miami, Florida, and Thelen Reid & Priest LLP, New York, New York, co-counsel to FPL and the Trust, will pass upon the legality of the Offered Securities for FPL and the Trust. Hunton & Williams LLP, New York, New York, will pass upon the legality of the Offered Securities for any underwriter, dealer or agent. Certain matters of Delaware law relating to the validity of the Preferred Trust Securities, the enforceability of the Trust Agreement and the creation of the Trust will be passed upon by Morris, James, Hitchens & Williams LLP, special Delaware counsel to FPL and the Trust. Thelen Reid & Priest LLP and Hunton & Williams LLP may rely as to all matters of Florida law upon the opinion of Squire, Sanders & Dempsey L.L.P., and on the opinion of Morris, James, Hitchens & Williams LLP, as to matters involving the law of the State of Delaware in connection with the Preferred Trust Securities. Squire, Sanders & Dempsey L.L.P. may rely as to all matters of

New York law upon the opinion of Thelen Reid & Priest LLP, and on the opinion of Morris, James, Hitchens & Williams LLP, as to matters involving the law of the State of Delaware in connection with the Preferred Trust Securities.

You should rely only on the information incorporated by reference or provided in this prospectus or any prospectus supplement or in any written communication from FPL or the Trust specifying the final terms of a particular offering of securities. Neither FPL nor the Trust has authorized anyone else to provide you with additional or different information. Neither FPL nor the Trust 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 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.

Florida Power & Light Company

First Mortgage Bonds,

$300,000,000 5.85% Series due May 1, 2037



PROSPECTUS SUPPLEMENT
April 12, 2007

Joint Book-Running Managers

ABN AMRO Incorporated

Barclays Capital

Citigroup

Co-Managers

BNY Capital Markets, Inc.

Calyon Securities (USA)

KeyBanc Capital Markets

Lazard Capital Markets

Mizuho Securities USA Inc.

Wells Fargo Securities

Exhibit (c)-1C

PROSPECTUS SUPPLEMENT
(To prospectus dated May 3, 2007)



FPL

Florida Power & Light Company

First Mortgage Bonds,
$300,000,000 5.55% Series due November 1, 2017

Florida Power & Light Company will pay interest on the securities on May 1 and November 1 of each year, beginning May 1, 2008. Florida Power & Light Company may redeem some or all of the securities at any time before their maturity date at the redemption price discussed under "Certain Terms of the Offered Bonds—Redemption" beginning on page S-4 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 from time to time outstanding. The lien of the mortgage is discussed under "Description of the Bonds—Security" on page 8 of the accompanying prospectus.

See "Risk Factors" beginning on page 2 of the accompanying prospectus to read about certain factors you should consider before making an investment in the securities.

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

	Per First Mortgage Bond	Total
Price to Public	99.972%	$299,916,000
Underwriting Discount	0.650%	$ 1,950,000
Proceeds to Florida Power & Light Company (before expenses)	99.322%	$297,966,000

In addition to the Price to Public set forth above, each purchaser will pay an amount equal to the interest accrued, if any, on the securities from the date that the securities are originally issued to the date that they are delivered to that purchaser.

The securities are expected to be delivered to the underwriters in book-entry only form through The Depository Trust Company, on or about October 10, 2007.

Joint Book-Running Managers

Banc of America Securities LLC **BNP PARIBAS** **Credit Suisse**

Co-Managers

Daiwa Securities America Inc. **Morgan Keegan & Company, Inc.** **Piper Jaffray**

Scotia Capital **Sovereign Securities Corporation, LLC**

The date of this prospectus supplement is October 3, 2007.

You should rely only on the information incorporated by reference or provided in this prospectus supplement and in the accompanying prospectus and in any written communication from Florida Power & Light Company ("FPL") or the underwriters specifying the final terms of the offering. Neither 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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USE OF PROCEEDS

The information in this section adds to the information in the "Use of Proceeds" section on page 5 of the accompanying prospectus. Please read these two sections together.

FPL will add the net proceeds from the sale of the First Mortgage Bonds, 5.55% Series due November 1, 2017 ("Offered Bonds"), which are expected to be approximately $296.4 million (after deducting the underwriting discount and other offering expenses) 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 September 28, 2007, FPL's short-term consolidated indebtedness consisted of $809.5 million of commercial paper, including $482.9 million of FPL commercial paper outstanding which had maturities of up to 17 days and which had annual interest rates ranging from 4.80% to 4.90%. FPL will temporarily invest in short-term instruments any proceeds that are not immediately required for these purposes.

CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES

The information in this section adds to the information in the "Consolidated Ratio of Earnings to Fixed Charges and Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends" section beginning on page 5 of the accompanying prospectus. Please read these two sections together. For the six months ended June 30, 2007, FPL's consolidated ratio of earnings to fixed charges was 4.36.

CONSOLIDATED CAPITALIZATION OF FPL AND SUBSIDIARIES

The following table shows FPL's consolidated capitalization as of June 30, 2007, and as adjusted to reflect the issuance of the Offered Bonds. 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.

	June 30, 2007	Adjusted(a)	
		Amount	Percent
	(Unaudited) (In Millions)		
Common shareholder's equity	$ 6,776	$ 6,776	57.6%
Long-term debt (excluding current maturities)	$ 4,688	$ 4,988	42.4%
Total capitalization	$11,464	$11,764	100.0%

(a) To give effect to the issuance of the Offered Bonds offered by this prospectus supplement. Adjusted amounts do not reflect the deduction of any discounts or commissions in connection with the issuance of the Offered Bonds. Adjusted amounts also do not reflect any possible issuance and sale of additional securities by FPL from time to time after the date of this prospectus supplement.

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 7 of the accompanying prospectus. Please read these two sections together.

General. FPL will issue $300,000,000 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 Twelfth Supplemental Indenture, dated as of October 1, 2007, 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 5.55% per year. The Offered Bonds will mature on November 1, 2017. FPL will pay interest on the Offered Bonds on May 1 and November 1 of each year (each an "Interest Payment Date"). The first Interest Payment Date will be May 1, 2008. The record date for interest payable on any Interest Payment Date on the Offered Bonds will be the close of business (1) on the business day immediately preceding such Interest Payment Date so long as all of the Offered Bonds remain in book-entry only form, or (2) on the 15th calendar day immediately preceding each Interest Payment Date if any of 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 year.

Issuance of Additional Bonds. As of June 30, 2007, FPL could have issued under the Mortgage in excess of $6.0 billion of additional First Mortgage Bonds based on unfunded Property Additions (as defined in the accompanying prospectus) and in excess of $5.5 billion of additional First Mortgage Bonds based on retired First Mortgage Bonds.

Dividend Restrictions. As of June 30, 2007, 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 in accordance with the foregoing paragraph 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 20 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, BNP Paribas Securities Corp. or Credit Suisse Securities (USA) LLC 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, BNP Paribas Securities Corp. or Credit Suisse Securities (USA) LLC is to make such calculation but is unwilling or unable to do so, then the Trustee (as defined in the accompanying prospectus) 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 year 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 The Depository Trust Company ("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 will be subject to their receipt before the Redemption Date and such notice will 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.

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. Upon issuance of the global securities, DTC or its nominee will credit, on its book-entry registration and transfer system, the respective principal amount of the Offered Bonds represented by such global securities to the accounts of institutions that have an account with DTC or its participants. The accounts to be credited will be designated by the underwriters. Ownership of beneficial interests in the global securities will be limited to participants or persons that may hold interests through participants. The global certificates will be deposited with the Trustee as custodian for DTC.

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 appropriate participant's 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, subject to the procedures of DTC, FPL may decide to discontinue use of the system of book-entry transfers through DTC (or a successor depositary) with respect to some or all of the Offered Bonds. In that event, certificates for such Offered Bonds will be printed and delivered. If certificates for Offered Bonds are printed and delivered,

- the Bonds will be issued in fully registered form without coupons;
- a holder of certificated Offered Bonds would be able to exchange those Offered Bonds, without charge, for an equal aggregate principal amount of Offered Bonds of the same series, having the same issue date and with identical terms and provisions; and
- a holder of certificated Offered Bonds would be able to transfer those Offered Bonds without cost to another holder, other than for applicable stamp taxes or other governmental charges.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that FPL believes to be reliable. Neither FPL nor any underwriter takes 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 between FPL and the underwriters named below, for whom Banc of America Securities LLC, BNP Paribas Securities Corp. and Credit Suisse Securities (USA) LLC 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	$ 78,000,000
BNP Paribas Securities Corp.	78,000,000
Credit Suisse Securities (USA) LLC	78,000,000
Daiwa Securities America Inc.	13,200,000
Morgan Keegan & Company, Inc.	13,200,000
Piper Jaffray & Co.	13,200,000
Scotia Capital (USA) Inc.	13,200,000
Sovereign Securities Corporation, LLC	13,200,000
Total	$300,000,000

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 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	0.650%
Initial Dealers' Concession	0.400%
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.

The Offered Bonds are a new issue of securities with no established trading market. 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, BNP Paribas Securities Corp. and Credit Suisse Securities (USA) LLC 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, BNP Paribas Securities Corp. or Credit Suisse Securities (USA) LLC, 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.

FPL estimates that its expenses in connection with the sale of the Offered Bonds, other than underwriting discounts, will be $1.6 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.

The underwriters and their affiliates engage in transactions with, and perform services for, FPL and its affiliates in the ordinary course of business and have engaged, and may engage in the future, in commercial banking and investment banking transactions with FPL and its affiliates.

Daiwa Securities America Inc. ("DSA") has entered into an agreement with SMBC Securities, Inc. ("SMBCSI") pursuant to which SMBCSI provides certain advisory and/or other services to DSA, including services with respect to this offering. In return for the provision of such services by SMBCSI to DSA, DSA will pay to SMBCSI a mutually agreed-upon fee.

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PROSPECTUS

FLORIDA POWER & LIGHT COMPANY

First Mortgage Bonds,
Preferred Stock
and
Junior Subordinated Debentures

FLORIDA POWER & LIGHT COMPANY TRUST I
FLORIDA POWER & LIGHT COMPANY TRUST II

Preferred Trust Securities

Guaranteed as described in this prospectus by

FLORIDA POWER & LIGHT COMPANY

Each of Florida Power & Light Company, Florida Power & Light Company Trust I and Florida Power & Light Company Trust II may offer any combination of the securities described in this prospectus in one or more offerings from time to time in amounts authorized from time to time.

Florida Power & Light Company, Florida Power & Light Company Trust I and Florida Power & Light Company Trust II will provide specific terms of the securities, including the 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, Florida Power & Light Company Trust I and Florida Power & Light Company Trust II 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 36 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 purchasing any of the securities being offered.

Florida Power & Light Company's, Florida Power & Light Company Trust I's and Florida Power & Light Company Trust II's principal executive offices are located at 700 Universe Boulevard, Juno Beach, Florida 33408, telephone number (561) 694-4000, and their 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.

May 3, 2007

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement, as amended, that Florida Power & Light Company ("FPL"), Florida Power & Light Company Trust I and Florida Power & Light Company Trust II, among other registrants, have filed with the Securities and Exchange Commission ("SEC") using a "shelf" registration process. Florida Power & Light Company Trust I and Florida Power & Light Company Trust II are each referred to in this prospectus as the "Trust."

Under this shelf registration process, FPL and/or the Trust may issue and sell any combination of the securities described in this prospectus in one or more offerings from time to time. As of the date of this prospectus, FPL and/or the Trust are each authorized to issue securities up to a maximum aggregate offering price of $700,000,000, provided that the aggregate amount of all such securities or combinations of such securities offered by FPL and the Trust under the registration statement as of this date may not exceed $700,000,000. The aggregate amount of securities which FPL and/or the Trust are authorized to issue pursuant to this registration statement may be increased in the future. FPL may offer preferred stock, first mortgage bonds, junior subordinated debentures and guarantees related to the preferred trust securities which the Trust may offer and the Trust may offer preferred trust securities.

This prospectus provides you with a general description of the securities that FPL and/or the Trust may offer. Each time FPL and/or the Trust sells securities, FPL and/or the Trust will provide a prospectus supplement that will contain specific information about the terms of that offering. Material United States federal income tax considerations applicable to the offered securities will be discussed in the applicable prospectus supplement if necessary. 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 risk factors and 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 as well as changing governmental policies and regulatory actions, including initiatives regarding deregulation and restructuring of the energy industry and environmental matters. FPL holds franchise agreements with local municipalities and counties, and must renegotiate expiring agreements. These factors may have a negative impact on the business and results of operations of FPL.

FPL is subject to complex laws and regulations, and to changes in laws or regulations, including the Public Utility Regulatory Policies Act of 1978, the Public Utility Holding Company Act of 2005, the Federal Power Act, the Atomic Energy Act of 1954, the Energy Policy Act of 2005 and certain sections of the Florida statutes relating to public utilities, 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 by FPL of any and all 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 as well as the effect of changes in or additions to applicable statutes, rules and regulations relating to air quality, water quality, climate change, 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 operates in a changing market environment influenced by various legislative and regulatory initiatives regarding deregulation, regulation or restructuring of the energy industry, including deregulation or restructuring of the production and sale of electricity. FPL will need to adapt to these changes and may face increasing competitive pressure.

FPL's results of operations could be affected by its ability to renegotiate franchise agreements with municipalities and counties in Florida.

The operation and maintenance of power generation facilities, including nuclear facilities, involve significant risks that could adversely affect the results of operations and financial condition of FPL.

The operation and maintenance of power generation facilities involve many risks, including, but not limited to, start up risks, breakdown or failure of equipment, transmission lines or pipelines, the inability to properly manage or mitigate known equipment defects throughout its generation fleet unless and until such defects are remediated, use of new technology, the dependence on a specific fuel source, including the supply and transportation of fuel, or the impact of unusual or adverse weather conditions (including natural disasters such as hurricanes). 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, but not limited to, the ability to store and/or dispose of spent nuclear fuel and the potential payment of significant retrospective insurance premiums, 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 adversely 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 within established budgets 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 and forwards to manage its commodity and financial market 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 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 Florida Public Service Commission.

Because FPL and FPL Group rely on access to capital markets, the inability to maintain current credit ratings and 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, 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.

Customer growth in FPL's service area affects its results of operations.

FPL's results of operations are affected by the growth in customer accounts in FPL's service area. Customer growth can be affected by population growth as well as economic factors in Florida, including job and income growth, housing starts and new home prices. Customer growth directly influences the demand for electricity and the need for additional power generation and power delivery facilities at FPL.

Weather affects FPL's results of operations.

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. FPL's results of operations can be affected by the impact of severe weather which can be destructive, causing outages and/or property damage, may affect fuel supply, and could require additional costs to be incurred. Recovery of these costs is subject to Florida Public Service Commission approval.

FPL is subject to costs and other effects of legal proceedings as well as changes in or additions to applicable tax laws, rates or 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 laws, rates or policies, rates of inflation, accounting standards, securities laws and 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.

FPL's ability to obtain insurance and the terms of any available insurance coverage could be affected by national, state or local events 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, state or local 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 and work stoppage that could affect the business and financial condition of FPL.

FLORIDA POWER & LIGHT COMPANY

FPL was incorporated under the laws of Florida in 1925 and is a rate-regulated utility engaged primarily 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 more than 8.5 million. During 2006, FPL served approximately 4.4 million customer accounts. FPL is a wholly-owned subsidiary of FPL Group, Inc.

FLORIDA POWER & LIGHT COMPANY TRUST I AND FLORIDA POWER & LIGHT COMPANY TRUST II

Florida Power & Light Company Trust I and Florida Power & Light Company Trust II are Delaware statutory trusts created pursuant to separate trust agreements among FPL as depositor of the Trust, The Bank of New York as the Property Trustee, The Bank of New York (Delaware) as the Delaware Trustee and one or more Administrative Trustees appointed by FPL. The trust agreements will be amended and restated substantially in the form filed as an exhibit to the registration statement. Each trust agreement, as so amended and restated, is referred to in this prospectus as the "Trust Agreement." The Trust exists only to issue its preferred trust securities and common trust securities and to hold the junior subordinated debentures of FPL as trust assets. All of the common trust securities will be owned by FPL. Unless otherwise stated in a prospectus supplement, the common trust securities will represent at least 3% of the total capital of the Trust. Payments on any distribution payment date or redemption date will be made on the common trust securities pro rata with the preferred trust securities, except that the common trust securities' right to payment will be subordinated to the rights of the preferred trust securities if there is a default under the Trust Agreement. The Trust will have a term as stated in the applicable prospectus supplement, but may dissolve earlier as provided in the Trust Agreement.

The Trust's business and affairs will be conducted by its Administrative Trustees. The office of the Delaware Trustee in the State of Delaware is White Clay Center, Route 273, Newark, Delaware 19711. The principal place of business of the Trust is 700 Universe Boulevard, Juno Beach, Florida 33408, and the telephone number is (561) 694-4000.

USE OF PROCEEDS

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

The Trust will use the proceeds from the sale of preferred trust securities and common trust securities to invest in junior subordinated debentures issued by FPL. FPL will add the net proceeds from the sale of such junior subordinated debentures to its general funds, which will be used as described above.

CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES AND RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

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

Years Ended December 31,				
2006	2005	2004	2003	2002
5.14	5.74	6.74	7.23	7.47

The following table shows FPL's consolidated ratio of earnings to combined fixed charges and preferred stock dividends for each of its last five fiscal years:

Years Ended December 31,				
2006	2005	2004	2003	2002
5.14	5.74	6.67	6.52	6.61

FPL's consolidated ratio of earnings to fixed charges and consolidated ratio of earnings to combined fixed charges and preferred stock dividends for the three months ended March 31, 2007 was 3.62.

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 100 F Street, N.E., 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 (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 (www.fpl.com).

No separate financial statements of the Trust are included in this prospectus. FPL and the Trust do not consider those financial statements to be material to holders of the preferred trust securities because (1) the Trust is a special purpose entity and has no operating history or independent operations, and (2) the Trust is not engaged in and does not propose to engage in any activity other than holding as trust assets the junior subordinated debentures of FPL and issuing its preferred trust securities and common trust securities. FPL and the Trust do not expect the Trust to file periodic reports under Sections 13 or 15(d) of the Securities Exchange Act of 1934.

INCORPORATION BY REFERENCE

The SEC allows FPL and the Trust to "incorporate by reference" the information that FPL files with the SEC, which means that FPL and the Trust 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 and the Trust are 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 after the date of this prospectus until FPL and/or the Trust sell all of these securities:

(1) FPL's Annual Report on Form 10-K for the year ended December 31, 2006;

(2) FPL's Quarterly Report on Form 10-Q for the quarter ended March 31, 2007; and

(3) FPL's Current Reports on Form 8-K filed with the SEC on April 5, 2007 and April 18, 2007.

You may request a copy of these documents, at no cost to you, by writing or calling Robert J. Reger, Jr., Esq., Thelen Reid Brown Raysman & Steiner 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.

FORWARD-LOOKING STATEMENTS

In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, FPL and the Trust are 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 and the Trust 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," "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 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 have a significant impact on FPL's operations and financial results, and could cause FPL's actual results to differ materially from those contained in forward-looking statements made by or on behalf of FPL or the Trust.

Any forward-looking statement speaks only as of the date on which that statement is made, and neither FPL nor the Trust undertakes any obligation to update any forward-looking statement to reflect events or circumstances, including unanticipated events, after the date on which that statement is made. 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 herein by reference 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 first mortgage bonds, 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, may be supplemented prior to the issuance of these first mortgage bonds, and which will be supplemented again by one or more supplemental indentures relating to these first mortgage bonds. This Mortgage and Deed of Trust, as amended and supplemented, is referred to in this prospectus as the "Mortgage." These first mortgage bonds 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.

All Bonds of one series need not be issued at the same time, and a series may be re-opened for issuances of additional Bonds of such series. This means that FPL may from time to time, without notice to, or the consent of the existing holders of the Bonds of a particular series, create and issue additional Bonds of such series. Such additional Bonds will have the same terms as the Bonds of such series in all respects (except for the payment of interest accruing prior to the issue date of the additional Bonds or except for the first payments of interest following the issue date of the additional Bonds) so that the additional Bonds may be consolidated and form a single series with the Bonds of such series.

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 for such reason at the redemption prices applicable to those First Mortgage Bonds. If any Bonds are so 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 March 31, 2007, after giving effect to the issuance in April, 2007, of $300,000,000 in principal amount of FPL's First Mortgage Bonds, 5.85% Series due May 1, 2037, FPL could have issued under the Mortgage in excess of $5.7 billion of additional First Mortgage Bonds based on unfunded Property Additions and in excess of $5.5 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 March 31, 2007, 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. 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.

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.

DESCRIPTION OF PREFERRED STOCK

General. The following statements describing FPL's preferred stock are not intended to be a complete description. For additional information, please see FPL's Restated Articles of Incorporation, as amended ("Charter"), and its bylaws. You should read this summary together with the articles of amendment to FPL's Charter which will describe the terms of any preferred stock to be offered hereby for a complete understanding of all the provisions. Each of these documents has been previously filed with the SEC and each is an exhibit to the registration statement filed with the SEC of which this prospectus is a part. Reference is also made to the laws of the State of Florida.

FPL's Charter authorizes three classes of preferred stock. No shares of preferred stock are presently outstanding. The preferred stock offered hereby will be one or more series of FPL's Preferred Stock, $100 par value per share ("Serial Preferred Stock") and/or one or more series of FPL's Preferred Stock, without par value ("No Par Preferred Stock"). Under the Charter, 10,414,000 shares of Serial Preferred Stock and 5,000,000 shares of No Par Preferred Stock are available for issuance. FPL's Charter also authorizes the issuance of 5,000,000 shares of Subordinated Preferred Stock, without par value ("Preference Stock"), none of which are currently outstanding. References in this "Description of Preferred Stock" section of this prospectus to preferred stock do not include the Preference Stock.

Some terms of a series of preferred stock may differ from those of another series. A prospectus supplement will describe the terms of any preferred stock being offered. These terms will also be described in articles of amendment to FPL's Charter, which will establish the terms of the preferred stock being offered. These terms will include any of the following that apply to that series:

(1) the class of preferred stock, the number of shares in the series and the title of that series of preferred stock,

(2) the annual rate or rates of dividends payable and the date from which such dividends shall commence to accrue,

(3) the terms and conditions, including the redemption price and the date or dates, on which the shares of the series of preferred stock may be redeemed or converted into another class of security, the manner of effecting such redemption and any restrictions on such redemptions,

(4) any sinking fund or other provisions that would obligate FPL to redeem or repurchase shares of the series of preferred stock, and

(5) with respect to the No Par Preferred Stock only, variations with respect to whole or fractional voting rights and involuntary liquidation values.

If the trusts formed by FPL issue preferred trust securities and FPL exercises a right to delay interest payments on junior subordinated debentures issued in connection with preferred trust securities, FPL will not be able to pay dividends on its common or preferred stock during the periods when such payments are delayed with certain limited exceptions

Shares of preferred stock offered hereby by FPL will, when issued, be fully paid and non-assessable.

Voting Rights. FPL Group, as the owner of all of FPL's common stock, has sole voting power, except as provided in the FPL Charter or as otherwise required by law. The Charter does not limit the right of any affiliate of FPL to vote any shares of preferred stock owned by it. The voting rights provided in the Charter relating to the Serial Preferred Stock and the No Par Preferred Stock will be described in a prospectus supplement relating to any preferred stock being offered.

Liquidation Rights. In the event of any voluntary liquidation, dissolution or winding up of FPL, unless otherwise described in a prospectus supplement, the Serial Preferred Stock and No Par Preferred Stock will rank pari passu with all classes of preferred stock then outstanding and shall have a preference over each series of the Preference Stock (none of which has been issued or is currently outstanding) and the common stock until an amount equal to the then current redemption price shall have been paid. In the event of any involuntary liquidation, dissolution or winding up of FPL,

(1) the Serial Preferred Stock will rank pari passu with all classes of preferred stock then outstanding and shall also have a preference over each series of the Preference Stock and the common stock until $100 per share shall have been paid, and

(2) the No Par Preferred Stock will rank pari passu with all classes of FPL's preferred stock then outstanding and shall also have a preference over each series of Preference Stock and the common stock until the full involuntary liquidation value thereof, as established upon issuance of the applicable series of No Par Preferred Stock, shall have been paid,

in each case, plus all accumulated and unpaid dividends thereon, if any. Any changes to the liquidation rights of the Serial Preferred Stock and the No Par Preferred Stock will be described in a prospectus supplement relating to any preferred stock being offered.

DESCRIPTION OF PREFERRED TRUST SECURITIES

General. The Trust may issue preferred trust securities and common trust securities under the Trust Agreement. The terms of the agreements pursuant to which the preferred trust securities of the Trust will be issued are substantially the same; each of these agreements is referred to in this prospectus as the "Trust Agreement." The preferred trust securities and common trust securities issued by the Trust are referred to in this prospectus as

"Preferred Trust Securities" and "Common Trust Securities," respectively, and collectively as "Trust Securities." These Trust Securities will represent undivided beneficial interests in the assets of the Trust. The Junior Subordinated Debentures (as defined below under "Description of Junior Subordinated Debentures") will be held by the Trust. This section briefly summarizes some of the provisions of the Trust Agreement. This summary does not contain a complete description of the Trust Agreement. You should read this summary together with the Trust Agreement for a complete understanding of all the provisions. The form of the Trust Agreement has been previously filed with the SEC and is an exhibit to the registration statement filed with the SEC of which this prospectus is a part. In addition, each Trust Agreement will be 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.

In this section, any discussion of the Trust, Preferred Trust Securities and Common Trust Securities relate only to the applicable Trust. Holders of Preferred Trust Securities of the Trust will be entitled to any of the benefits and protections contained in the Trust Agreement applicable to the particular Trust which issued the relevant Trust Securities and not with respect to any other Trust.

The Preferred Trust Securities and Common Trust Securities issued by the Trust will be substantially the same except that, if there is an event of default under the Trust Agreement, as described below, that results from an event of default under the Subordinated Indenture (as such term is defined below under "Description of the Junior Subordinated Debentures—General"), the right of FPL, as holder of the Common Trust Securities, to payment of distributions and upon liquidation or redemption will be subordinated to the rights of the holders of the Preferred Trust Securities. (Trust Agreement, Section 4.03). All of the Common Trust Securities will be owned by FPL. (Trust Agreement, Section 5.10).

FPL will fully and unconditionally guarantee payments due on the Preferred Trust Securities issued by the Trust through a combination of the following:

(1) FPL's obligations under the Junior Subordinated Debentures;

(2) the rights of holders of Preferred Trust Securities to enforce those obligations;

(3) FPL's agreement to pay the expenses of the Trust; and

(4) FPL's guarantee of payments due on the Preferred Trust Securities to the extent of the Trust's legally available assets (referred to in this prospectus as the "Preferred Trust Securities Guarantee").

No single one of the documents listed above standing alone or operating in conjunction with fewer than all of the other documents constitutes the guarantee by FPL. It is only the combined operation of these documents that has the effect of providing a full and unconditional, but subordinated, guarantee as to payment by FPL of the Preferred Trust Securities.

The Trust will use the proceeds from its sale of the Trust Securities to purchase Junior Subordinated Debentures from FPL. (Trust Agreement, Section 2.05). The Junior Subordinated Debentures will be issued under a subordinated indenture between FPL and The Bank of New York, as trustee. The Junior Subordinated Debentures will be held in trust for the benefit of holders of the applicable Preferred Trust Securities and Common Trust Securities. (Trust Agreement, Section 2.09).

A prospectus supplement relating to the Preferred Trust Securities will include specific terms of those securities and of the Junior Subordinated Debentures issued in connection therewith. For a description of some specific terms that will affect both the Preferred Trust Securities and the Junior Subordinated Debentures, and holders' rights under each, see "Description of the Junior Subordinated Debentures" below.

Distributions. The only income of the Trust available for distribution to the holders of Preferred Trust Securities will be payments on the applicable Junior Subordinated Debentures. (Trust Agreement, Section 8.01). If FPL does not make interest payments on the Junior Subordinated Debentures, the Trust will not have funds available

to pay distributions on Preferred Trust Securities. The payment of distributions, if and to the extent the Trust has sufficient funds available for the payment of such distributions, is guaranteed on a limited basis by FPL as described under "Description of the Preferred Trust Securities Guarantee."

Unless otherwise provided in the related prospectus supplement, FPL may have the option to defer the payment of interest from time to time on the Junior Subordinated Debentures for one or more periods, in which case, distributions on the Preferred Trust Securities would be deferred during any such period. Unless otherwise provided in the related prospectus supplement, distributions would, however, continue to accumulate. (Trust Agreement, Section 4.01). Unless otherwise provided in a related prospectus supplement, during any optional deferral period, or for so long as an "Event of Default" under the Subordinated Indenture resulting from a payment default or a payment default under the Preferred Trust Securities Guarantee has occurred and is continuing, FPL may not:

(1) declare or pay any dividend or distribution on its capital stock;

(2) redeem, purchase, acquire or make a liquidation payment with respect to any of its capital stock;

(3) pay any principal, interest or premium on, or repay, repurchase or redeem any debt securities that are equal or junior in right of payment with the Junior Subordinated Debentures; or

(4) make any payments with respect to any guarantee of debt securities if such guarantee is equal or junior in right of payment to the Junior Subordinated Debentures,

other than

(1) purchases, redemptions or other acquisitions of its capital stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or agents or a stock purchase or dividend reinvestment plan, or the satisfaction of its obligations pursuant to any contract or security outstanding on the date that the payment of interest is deferred requiring it to purchase, redeem or acquire its capital stock;

(2) any payment, repayment, redemption, purchase, acquisition or declaration of dividend listed as restricted payments in clauses (1) and (2) above as a result of a reclassification of its capital stock or the exchange or conversion of all or a portion of one class or series of its capital stock for another class or series of its capital stock;

(3) the purchase of fractional interests in shares of its capital stock pursuant to the conversion or exchange provisions of its capital stock or the security being converted or exchanged, or in connection with the settlement of stock purchase contracts;

(4) dividends or distributions paid or made in its capital stock (or rights to acquire its capital stock), or repurchases, redemptions or acquisitions of capital stock in connection with the issuance or exchange of capital stock (or of securities convertible into or exchangeable for shares of its capital stock) and distributions in connection with the settlement of stock purchase contracts;

(5) redemptions, exchanges or repurchases of, or with respect to, any rights outstanding under a shareholder rights plan or the declaration or payment thereunder of a dividend or distribution of or with respect to rights in the future; or

(6) payments under any preferred trust securities guarantee or guarantee of subordinated debentures executed and delivered by FPL concurrently with the issuance by a trust of any preferred trust securities, so long as the amount of payments made on any preferred trust securities or subordinated debentures (as the case may be) is paid on all preferred trust securities or subordinated debentures (as the case may be) then outstanding on a pro rata basis in proportion to the full distributions to which each series of preferred trust securities or subordinated debentures (as the case may be) is then entitled if paid in full.

Unless otherwise provided in the related prospectus supplement, before an optional deferral period ends, FPL may further defer the payment of interest. Unless otherwise provided in the related prospectus supplement, no optional deferral period may exceed the period of time specified in that prospectus supplement. After any optional deferral period and the payment of all amounts then due, FPL may select a new optional deferral period. No interest period may be deferred beyond the maturity of the Junior Subordinated Debentures.

Redemption. Whenever Junior Subordinated Debentures are repaid, whether at maturity or earlier redemption, the Property Trustee will apply the proceeds to redeem a like amount of Preferred Trust Securities and Common Trust Securities. (Trust Agreement, Section 4.02(a)).

Preferred Trust Securities will be redeemed at the redemption price plus accrued and unpaid distributions with the proceeds from the contemporaneous redemption or repayment of Junior Subordinated Debentures. Redemptions of the Preferred Trust Securities will be made on a redemption date only if the Trust has funds available for the payment of the redemption price plus accrued and unpaid distributions. (Trust Agreement, Section 4.02(c)).

Holders of Preferred Trust Securities will be given not less than 30 nor more than 60 days' notice of any redemption. (Trust Agreement, Section 4.02(b)). On or before the redemption date, the Trust will irrevocably deposit with the paying agent for Preferred Trust Securities sufficient funds and will give the paying agent irrevocable instructions and authority to pay the redemption price plus accrued and unpaid distributions to the holders upon surrender of their Preferred Trust Securities. Distributions payable on or before a redemption date will be payable to the holders on the record date for the distribution payment. If notice is given and funds are deposited as required, then on the redemption date all rights of holders of the Preferred Trust Securities called for redemption will cease, except the right of the holders to receive the redemption price plus accrued and unpaid distributions, and the Preferred Trust Securities will cease to be outstanding. No interest will accrue on amounts payable on the redemption date. In the event that any date fixed for redemption of Preferred Trust Securities is not a business day, then payment will be made on the next business day, except that, if such business day falls in the next calendar year, then payment will be made on the immediately preceding business day. No interest will be payable because of any such delay. If payment of Preferred Trust Securities called for redemption is improperly withheld or refused and not paid either by the Trust or by FPL pursuant to the Preferred Trust Securities Guarantee, distributions on such Preferred Trust Securities will continue to accrue to the date of payment. In that event, the actual payment date will be considered the date fixed for redemption for purposes of calculating the redemption price plus accrued and unpaid distributions. (Trust Agreement, Section 4.02(d)).

Subject to applicable law, including United States federal securities laws, FPL or its affiliates may at any time and from time to time purchase outstanding Preferred Trust Securities by tender, in the open market or by private agreement.

If Preferred Trust Securities are partially redeemed on a redemption date, a corresponding percentage of the Common Trust Securities will be redeemed. The particular Preferred Trust Securities to be redeemed will be selected not more than 60 days prior to the redemption date by the Property Trustee by such method as the Property Trustee shall deem fair, taking into account the denominations in which they were issued. The Property Trustee will promptly notify the Preferred Trust Security registrar in writing of the Preferred Trust Securities selected for redemption and, where applicable, the partial amount to be redeemed. (Trust Agreement, Section 4.02(f)).

Subordination of Common Trust Securities. Payment of distributions on, and the redemption price, plus accrued and unpaid distributions, of, the Preferred Trust Securities and Common Trust Securities shall be made pro rata based on the liquidation preference amount of such securities. However, if on any distribution payment date or redemption date an event of default under the Trust Agreement resulting from an event of default under the related Subordinated Indenture has occurred and is continuing, no payment on any Common Trust Security shall be made until all payments due on the Preferred Trust Securities have been made. In that case, funds available to the Property Trustee shall first be applied to the payment in full of all distributions on, or the redemption price plus accrued and unpaid distributions of, Preferred Trust Securities then due and payable. (Trust Agreement, Section 4.03(a)).

If an event of default under the Trust Agreement results from an event of default under the related Subordinated Indenture, the holder of Common Trust Securities cannot take action with respect to the Trust Agreement default until the effect of all defaults with respect to the Preferred Trust Securities has been cured, waived or otherwise eliminated. Until the event of default under the Trust Agreement with respect to Preferred Trust Securities has been cured, waived or otherwise eliminated, the Property Trustee shall, to the fullest extent permitted by law, act solely on behalf of the holders of Preferred Trust Securities and not the holder of the Common Trust Securities, and only the holders of Preferred Trust Securities will have the right to direct the Property Trustee to act on their behalf. (Trust Agreement, Section 4.03(b)).

Liquidation Distribution upon Dissolution. The Trust will be dissolved and liquidated by the Property Trustee on the first to occur of:

(1) the expiration of the term of the Trust;

(2) the bankruptcy, dissolution or liquidation of FPL;

(3) the redemption of all of the Preferred Trust Securities of the Trust;

(4) the entry of an order for dissolution of the Trust by a court of competent jurisdiction; or

(5) at any time, at the election of FPL. (Trust Agreement, Sections 9.01 and 9.02).

If a dissolution of the Trust occurs, the Trust will be liquidated by the Property Trustee as expeditiously as the Property Trustee determines to be appropriate. If a dissolution of the Trust occurs other than by redemption of all the Preferred Trust Securities, the Property Trustee will provide for the satisfaction of liabilities of creditors, if any, and distribute to each holder of the Preferred Trust Securities and Common Trust Securities a proportionate amount of Junior Subordinated Debentures. If a distribution of Junior Subordinated Debentures is determined by the Property Trustee not to be practical, holders of Preferred Trust Securities will be entitled to receive, out of the assets of the Trust after adequate provision for the satisfaction of liabilities of creditors, if any, an amount equal to the aggregate liquidation preference of the Preferred Trust Securities plus accrued and unpaid distributions thereon to the date of payment. If this liquidation distribution can be paid only in part because the Trust has insufficient assets available to pay in full the aggregate liquidation distribution, then the amounts payable by the Trust on the Preferred Trust Securities shall be paid on a pro rata basis. FPL, as holder of the Common Trust Securities, will be entitled to receive distributions upon any dissolution pro rata with the holders of the Preferred Trust Securities, except that if an event of default (or event that, with the lapse of time or giving of notice, would become such an event of default) has occurred and is continuing under the related Subordinated Indenture, the Preferred Trust Securities will have a preference over the Common Trust Securities. (Trust Agreement, Section 9.04).

Events of Default; Notice. Any one of the following events will be an event of default under the Trust Agreement whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body:

(1) the occurrence of an event of default as described in the related Subordinated Indenture;

(2) default by the Trust in the payment of any distribution when it becomes due and payable, and continuation of that default for a period of 30 days;

(3) default by the Trust in the payment of any redemption price, plus accrued and unpaid distributions, of any Preferred Trust Security or Common Trust Security when it becomes due and payable;

(4) default in the performance, or breach, in any material respect, of any covenant or warranty of the trustees in the Trust Agreement which is not dealt with above, and continuation of that default or breach for a period of 90 days after written notice to the Trust, the defaulting trustee under the Trust Agreement and FPL by the holders of Preferred Trust Securities having at least 33% of the total liquidation preference amount of the outstanding Preferred Trust Securities. However, the holders of

Preferred Trust Securities will be deemed to have agreed to an extension of the 90 day period if corrective action is initiated by any of the trustees within such period and is diligently pursued in good faith; or

(5) the occurrence of certain events of bankruptcy or insolvency with respect to the Trust. (Trust Agreement, Section 1.01).

Within 90 days after the occurrence of any default known to the Property Trustee, the Property Trustee shall transmit to the holders of Preferred Trust Securities, FPL and the Administrative Trustees notice of any such default, unless that default shall have been cured or waived. (Trust Agreement, Section 8.02).

A holder of Preferred Trust Securities may directly institute a proceeding to enforce payment when due to the holder of the Preferred Trust Securities of the principal of or interest on Junior Subordinated Debentures having a principal amount equal to the aggregate liquidation preference amount of the holder's Preferred Trust Securities. The holders of Preferred Trust Securities have no other rights to exercise directly any other remedies available to the holder of the Junior Subordinated Debentures unless the trustees under the Trust Agreement fail to do so. (Trust Agreement, Section 6.01(a)).

Removal of Trustees. Unless an event of default under the related Subordinated Indenture has occurred and is continuing, the holder of the Common Trust Securities may remove any trustee under the Trust Agreement at any time. If an event of default under the Subordinated Indenture has occurred and is continuing, the holders of a majority of the total liquidation preference amount of the outstanding Preferred Trust Securities may remove the Property Trustee or the Delaware Trustee, or both of them. The holder of the Common Trust Securities may remove any Administrative Trustee at any time. Any resignation or removal of a trustee under the Trust Agreement will take effect only on the acceptance of appointment by the successor trustee. (Trust Agreement, Section 8.10).

Holders of Preferred Trust Securities will have no right to appoint or remove the Administrative Trustees of the Trust, who may be appointed, removed or replaced solely by FPL as the holder of the Common Trust Securities. (Trust Agreement, Section 8.10).

Voting Rights. Except as provided below and under "Description of the Preferred Trust Securities Guarantee—Modification and Assignment," and as otherwise required by law or the Trust Agreement, the holders of Preferred Trust Securities will have no voting rights.

While Junior Subordinated Debentures are held by the Property Trustee, the Property Trustee shall not:

(1) direct the time, method and place to conduct any proceeding for any remedy available to the Subordinated Indenture Trustee (as such term is defined below under "Description of the Junior Subordinated Debentures—General"), or execute any trust or power conferred on the Subordinated Indenture Trustee with respect to the Junior Subordinated Debentures;

(2) waive any past default under the related Subordinated Indenture;

(3) exercise any right to rescind or annul a declaration that the principal of all the Junior Subordinated Debentures will be due and payable; or

(4) consent to any amendment, modification or termination of the related Subordinated Indenture or the Junior Subordinated Debentures, where that consent will be required,

without, in each case, obtaining the prior approval of the holders of Preferred Trust Securities having at least a majority of the aggregate liquidation preference amount of all outstanding Preferred Trust Securities of the Trust. Where a consent of each holder of Junior Subordinated Debentures affected is required, no consent shall be given by the Property Trustee without the prior consent of each holder of the Preferred Trust Securities affected. The Property Trustee shall not revoke any action previously authorized or approved by a vote of the holders of Preferred Trust Securities, except pursuant to the subsequent vote of the holders of Preferred Trust Securities. (Trust

Agreement, Section 6.01(b)). If the Property Trustee fails to enforce its rights, as holder, under the Junior Subordinated Debentures or the Trust Agreement, a holder of the Preferred Trust Securities may institute a legal proceeding directly against FPL to enforce the Property Trustee's rights under the Junior Subordinated Debentures or the Trust Agreement without first instituting any legal proceeding against the Property Trustee or anyone else. (Trust Agreement, Section 6.01(a)). The Property Trustee shall notify all holders of Preferred Trust Securities of any notice of default received from the Subordinated Indenture Trustee. The Property Trustee shall not take any action approved by the consent of the holders of Preferred Trust Securities without an opinion of counsel experienced in those matters to the effect that the Trust will be classified as a grantor trust and not as an association taxable as a corporation for United States federal income tax purposes on account of that action. (Trust Agreement, Section 6.01(b)).

Holders of Preferred Trust Securities may give any required approval at a meeting convened for such purpose or by written consent without prior notice. (Trust Agreement, Section 6.06). The Administrative Trustees will give notice of any meeting at which holders of Preferred Trust Securities are entitled to vote. (Trust Agreement, Section 6.02).

No vote or consent of the holders of Preferred Trust Securities will be required for the Trust to redeem and cancel Preferred Trust Securities in accordance with the Trust Agreement.

Notwithstanding that holders of Preferred Trust Securities are entitled to vote or consent under any of the circumstances described above, any Preferred Trust Securities that are owned by FPL, any Administrative Trustee or any affiliate of any of them, shall be treated as if they were not outstanding for purposes of such vote or consent. (Trust Agreement, Section 1.01).

Amendments. The Trust Agreement may be amended from time to time by a majority of its Administrative Trustees and FPL, without the consent of any holders of Preferred Trust Securities or the other trustees under the Trust Agreement in order to:

(1) cure any ambiguity; correct or supplement any provision that may be inconsistent with any other provision of the Trust Agreement or amendment to the Trust Agreement; or make any other provisions with respect to matters or questions arising under the Trust Agreement;

(2) change the name of the Trust; or

(3) modify, eliminate or add to any provisions of the Trust Agreement to the extent necessary to ensure that the Trust will not be classified for United States federal income tax purposes other than as a grantor trust (and not an association taxable as a corporation) at any time that any Preferred Trust Securities and Common Trust Securities are outstanding or to ensure the Trust's exemption from the status of an "investment company" under the Investment Company Act of 1940.

No amendment described above may materially adversely affect the interests of any holder of Preferred Trust Securities or Common Trust Securities without the applicable consents required pursuant to the following two paragraphs. Any of the amendments of the Trust Agreement described in paragraph (1) above shall become effective when notice of the amendment is given to the holders of Preferred Trust Securities and Common Trust Securities in accordance with the provisions of the Trust Agreement. (Trust Agreement, Section 10.03(a)).

Except as provided below, any provision of the Trust Agreement may be amended by the Administrative Trustees and FPL with:

(1) the consent of holders of Preferred Trust Securities and Common Trust Securities representing not less than a majority in aggregate liquidation preference amount of the Preferred Trust Securities and Common Trust Securities then outstanding; and

(2) receipt by the trustees of an opinion of counsel to the effect that such amendment or the exercise of any power granted to the trustees in accordance with the amendment will not affect the Trust's status as a

grantor trust for federal income tax purposes (and not an association taxable as a corporation) or affect the Trust's exemption from the status of an "investment company" under the Investment Company Act of 1940. (Trust Agreement, Section 10.03(b)).

Each affected holder of Preferred Trust Securities must consent to any amendment to the Trust Agreement that:

(1) adversely changes the amount or timing of any distribution with respect to Preferred Trust Securities or otherwise adversely affects the amount of any distribution required to be made in respect of Preferred Trust Securities as of a specified date;

(2) restricts the right of a holder of Preferred Trust Securities to institute suit for the enforcement of any such payment on or after that date; or

(3) modify the provisions described in clauses (1) and (2) above. (Trust Agreement, Section 10.03(c)).

Form, Exchange and Transfer. Preferred Trust Securities may be exchanged for other Preferred Trust Securities in any authorized denomination and of like tenor and aggregate liquidation preference. (Trust Agreement, Section 5.04).

Subject to the terms of the Trust Agreement, Preferred Trust Securities may be presented for exchange as provided above or for registration of transfer, duly endorsed or accompanied by a duly executed instrument of transfer, at the office of the Preferred Trust Security registrar. The Administrative Trustees may designate FPL or any affiliate of FPL as the Preferred Trust Security registrar. The Property Trustee will initially act as the Preferred Trust Security registrar and transfer agent. (Trust Agreement, Section 5.08). No service charge will be made for any registration of transfer or exchange of Preferred Trust Securities, but the Preferred Trust Security registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange. A transfer or exchange will be made when the Preferred Trust Security registrar and Administrative Trustees are satisfied with the documents of title and identity of the person making the request. (Trust Agreement, Section 5.04). The Administrative Trustees may at any time designate another transfer agent and registrar or rescind the designation of any transfer agent and registrar or approve a change in the office through which any transfer agent and registrar acts, except that FPL will, or will cause the Preferred Trust Security registrar to, maintain an office or agency in The City of New York where Preferred Trust Securities may be transferred or exchanged. (Trust Agreement, Sections 2.07(a) and 5.08).

The Trust will not be required to:

(1) issue, register the transfer of, or exchange any Preferred Trust Securities during the period beginning at the opening of business 15 calendar days before the mailing of a notice of redemption of any Preferred Trust Securities called for redemption and ending at the close of business on the day the notice is mailed; or

(2) register the transfer of or exchange any Preferred Trust Securities so selected for redemption, in whole or in part, except the unredeemed portion of any Preferred Trust Securities being redeemed in part. (Trust Agreement, Section 5.04).

Payment on Preferred Trust Securities and Paying Agent. Unless otherwise stated in a prospectus supplement, payments in respect of the Preferred Trust Securities will be made on the applicable distribution dates by check mailed to the address of the holder entitled thereto as such address appears on the Preferred Trust Security register. (Trust Agreement, Section 4.04). The paying agent shall initially be the Property Trustee and any co-paying agent chosen by the Property Trustee that is acceptable to the Administrative Trustees and FPL. The paying agent may resign upon 30 days' written notice to the Administrative Trustees, the Property Trustee and FPL. In the event that the Property Trustee shall no longer be the paying agent, the Administrative Trustees shall appoint a successor, which shall be a bank, trust company or affiliate of FPL reasonably acceptable to the Property Trustee and FPL, to act as paying agent. (Trust Agreement, Section 5.09).

Duties of the Trustees. The Delaware Trustee will act as the resident trustee in the State of Delaware and will have no other significant duties. The Property Trustee will hold the Junior Subordinated Debentures on behalf of the Trust and will maintain a payment account with respect to the Preferred Trust Securities and Common Trust Securities, and will also act as trustee under the Trust Agreement for the purposes of the Trust Indenture Act of 1939. (Trust Agreement, Sections 2.06 and 2.07(b)).

The Administrative Trustees of the Trust are authorized and directed to conduct the affairs of the Trust and to operate the Trust so that

(1) the Trust will not be deemed to be an "investment company" required to be registered under the Investment Company Act of 1940,

(2) the Trust will not be taxed as a corporation, and

(3) the Junior Subordinated Debentures will be treated as indebtedness of FPL for United States federal income tax purposes.

In this regard, FPL and the Administrative Trustees are authorized to take any action, not inconsistent with applicable law, the certificate of trust or the Trust Agreement, that FPL and the Administrative Trustees determine in their discretion to be necessary or desirable for those purposes, as long as the action does not materially adversely affect the interests of the holders of the Preferred Trust Securities. (Trust Agreement, Section 2.07(d)).

Miscellaneous. Holders of the Preferred Trust Securities have no preemptive or similar rights. (Trust Agreement, Section 5.13).

Notices. Notices to holders of Preferred Trust Securities will be sent by mail to the addresses of those holders as they appear in the security register for those Preferred Trust Securities. (Trust Agreement, Section 6.02).

Title. The Property Trustee, the Delaware Trustee, the Administrative Trustees, and the Preferred Trust Security registrar and transfer agent, and any agent of the Property Trustee, the Delaware Trustee, the Administrative Trustees, or the Preferred Trust Security registrar and transfer agent, may treat the person in whose name a Preferred Trust Security is registered as the absolute owner of that Preferred Trust Security for the purpose of receiving distributions and all other purposes, regardless of any notice to the contrary. (Trust Agreement, Section 5.06).

Governing Law. The Trust Agreement, the Preferred Trust Securities and the Common Trust Securities will be governed by and construed in accordance with the laws of the State of Delaware, without regard to conflict of laws principles thereunder, except to the extent that the law of any other jurisdiction is mandatorily applicable. (Trust Agreement, Section 10.05).

DESCRIPTION OF THE PREFERRED TRUST SECURITIES GUARANTEE

General. This section briefly summarizes some of the provisions of the Preferred Trust Securities Guarantee Agreement that FPL will execute and deliver for the benefit of the holders of the Preferred Trust Securities issued by the Trust. The terms of these agreements are substantially the same, and they are referred to in this prospectus as the "Preferred Trust Securities Guarantee Agreement." This summary does not contain a complete description of the Preferred Trust Securities Guarantee Agreement. You should read this summary together with the Preferred Trust Securities Guarantee Agreement for a complete understanding of all the provisions. The form of the Preferred Trust Securities Guarantee Agreement has been previously filed with the SEC and is an exhibit to the registration statement filed with the SEC of which this prospectus is a part. In addition, the Preferred Trust Securities Guarantee Agreement will be 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.

The Bank of New York will act as Preferred Trust Securities Guarantee Trustee under the Preferred Trust Securities Guarantee Agreement and will hold the Preferred Trust Securities Guarantee for the benefit of the holders of the Preferred Trust Securities.

General Terms of the Preferred Trust Securities Guarantee. FPL will absolutely, irrevocably and unconditionally agree to make the guarantee payments listed below in full to the holders of the Preferred Trust Securities if they are not made by the Trust, as and when due, regardless of any defense, right of set-off or counterclaim that the Trust may have or assert. (Preferred Trust Securities Guarantee Agreement, Section 5.01). The following payments will be subject to the Preferred Trust Securities Guarantee (without duplication):

(1) any accrued and unpaid distributions required to be paid on Preferred Trust Securities, to the extent the Trust has funds in the payment account maintained by the Property Trustee legally available for these payments at such time;

(2) the redemption price, plus all accrued and unpaid distributions to the redemption date, for any Preferred Trust Securities called for redemption by the Trust, to the extent the Trust has funds in the payment account maintained by the Property Trustee legally available for these payments at such time; and

(3) upon a voluntary or involuntary dissolution, winding-up or termination of the Trust (except in connection with the distribution of Junior Subordinated Debentures to the holders in exchange for Preferred Trust Securities as provided in the Trust Agreement or upon a redemption of all of the Preferred Trust Securities upon maturity or redemption of the Junior Subordinated Debentures as provided in the Trust Agreement), the lesser of:

   (a) the aggregate of the liquidation preference amount and all accrued and unpaid distributions on Preferred Trust Securities to the date of payment, to the extent the Trust has funds in the payment account maintained by the Property Trustee legally available for these payments at such time; and

   (b) the amount of assets of the Trust remaining available for distribution to holders of Preferred Trust Securities in liquidation of the Trust after satisfaction of liabilities to creditors of the Trust as required by applicable law.

(Preferred Trust Securities Guarantee Agreement, Section 1.01). FPL's obligation to make a guarantee payment may be satisfied by either making a direct payment of the required amounts by FPL to the holders of Preferred Trust Securities or causing the Trust to pay such amounts to those holders. (Preferred Trust Securities Guarantee Agreement, Section 5.01).

The Preferred Trust Securities Guarantee will be a guarantee, subject to certain subordination provisions, as to payment with respect to the Preferred Trust Securities, but will not apply to any payment of distributions if and to the extent that the Trust does not have funds legally available to make those payments. (Preferred Trust Securities Guarantee Agreement, Sections 1.01 and 5.05). If FPL does not make interest payments on the Junior Subordinated Debentures held by a Trust, the applicable Trust will not have funds available to pay distributions on the Preferred Trust Securities.

FPL will fully and unconditionally guarantee payments due on the Preferred Trust Securities issued by the Trust through a combination of the following:

(1) FPL's obligations under Junior Subordinated Debentures;

(2) the rights of holders of Preferred Trust Securities to enforce those obligations;

(3) FPL's agreement to pay the expenses of the Trust; and

(4) the Preferred Trust Securities Guarantee.

No single one of the documents listed above standing alone or operating in conjunction with fewer than all of the other documents constitutes the guarantee by FPL. It is only the combined operation of these documents that has the effect of providing a full and unconditional, but subordinated, guarantee as to payment by FPL of the Preferred Trust Securities.

Except as otherwise stated in the related prospectus supplement, the covenants in the Preferred Trust Securities Guarantee Agreement would not give holders of the Preferred Trust Securities protection in the event of a highly-leveraged transaction involving FPL.

Security and Ranking. The Preferred Trust Securities Guarantee will be an unsecured obligation of FPL and will rank:

(1) subordinate and junior in right of payment to all other liabilities of FPL (except those made pari passu or subordinate by their terms);

(2) equal in right of payment with the most senior preferred or preference stock that may be issued by FPL and with any guarantee that may be entered into by FPL in respect of any preferred or preference stock of any affiliate of FPL; and

(3) senior to FPL common stock. (Preferred Trust Securities Guarantee Agreement, Section 6.01).

The Preferred Trust Securities Guarantee Agreement does not limit the amount of other indebtedness, including guarantees, that FPL may issue or incur or the amount of preferred or preference stock it may issue.

The Trust Agreement provides that by accepting Preferred Trust Securities, a holder agrees to the subordination provisions and other terms of the Preferred Trust Securities Guarantee. (Trust Agreement, Section 5.02).

The Preferred Trust Securities Guarantee will be a guarantee of payment and not of collection, that is, the guaranteed party may institute a legal proceeding directly against FPL to enforce its rights under the Preferred Trust Securities Guarantee without first instituting a legal proceeding against anyone else. (Preferred Trust Securities Guarantee Agreement, Sections 5.04 and 5.05).

Events of Default. An event of default under the Preferred Trust Securities Guarantee Agreement will occur upon failure of FPL to perform any of its payment obligations under the Preferred Trust Securities Guarantee Agreement, which failure has not been cured within 90 days of receipt of notice thereof. (Preferred Trust Securities Guarantee Agreement, Section 1.01). Upon an event of default, the holders of the Preferred Trust Securities having a majority of the aggregate liquidation preference of the Preferred Trust Securities have the right to:

(1) direct the time, method and place of conducting any proceeding for any remedy available to the Preferred Trust Securities Guarantee Trustee under the Preferred Trust Securities Guarantee Agreement, or

(2) direct the exercise of any trust or power conferred upon the Preferred Trust Securities Guarantee Trustee under the Preferred Trust Securities Guarantee Agreement. (Preferred Trust Securities Guarantee Agreement, Section 5.04).

Any holder of the Preferred Trust Securities may enforce the Preferred Trust Securities Guarantee, or institute a legal proceeding directly against FPL to enforce the Preferred Trust Securities Guarantee Trustee's rights under the Preferred Trust Securities Guarantee Agreement without first instituting a legal proceeding against the Trust, the Preferred Trust Securities Guarantee Trustee or anyone else. (Preferred Trust Securities Guarantee Agreement, Section 5.04). The holders of the Preferred Trust Securities having a majority of the aggregate liquidation preference of the Preferred Trust Securities may waive any past event of default and its consequences. (Preferred Trust Securities Guarantee Agreement, Section 2.06).

FPL will be required to deliver to the Preferred Trust Securities Guarantee Trustee an annual statement as to its compliance with all conditions under the Preferred Trust Securities Guarantee Agreement. (Preferred Trust Securities Guarantee Agreement, Section 2.04).

Modification and Assignment. No consent of holders of Preferred Trust Securities is required for changes to the Preferred Trust Securities Guarantee Agreement that do not materially adversely affect their rights. Except as provided below, changes to the Preferred Trust Securities Guarantee Agreement that materially adversely affect the rights of Preferred Trust Securities require the prior approval of the holders of Preferred Trust Securities having at least a majority of the aggregate liquidation preference amount of the outstanding Preferred Trust Securities. Each affected holder of Preferred Trust Securities must consent to any amendment to the Preferred Trust Securities Guarantee Agreement that impairs the right of such holder to receive guarantee payments under the Preferred Trust Securities Guarantee Agreement or to institute suit for enforcement of any such payment. (Preferred Trust Securities Guarantee Agreement, Section 8.01).

All guarantees and agreements contained in the Preferred Trust Securities Guarantee Agreement will bind the successors, assigns, receivers, trustees and representatives of FPL and will inure to the benefit of the holders of the Preferred Trust Securities then outstanding. (Preferred Trust Securities Guarantee Agreement, Section 8.02).

Termination of the Preferred Trust Securities Guarantee. The Preferred Trust Securities Guarantee Agreement will terminate and be of no further force and effect upon:

(1) full payment of the redemption price, plus accrued and unpaid distributions to the redemption date, for all the Preferred Trust Securities;

(2) the distribution of Junior Subordinated Debentures to holders of the Preferred Trust Securities in exchange for all of the Preferred Trust Securities; or

(3) full payment of the amounts payable upon liquidation of the Trust.

However, the Preferred Trust Securities Guarantee will continue to be effective or will be reinstated, as the case may be, if at any time, as result of the subordination provisions or any mistake or any judicial proceeding or otherwise, any holder of Preferred Trust Securities must return any sums paid under the Preferred Trust Securities or the Preferred Trust Securities Guarantee. (Preferred Trust Securities Guarantee Agreement, Section 7.01).

Governing Law. The Preferred Trust Securities Guarantee Agreement provides that it is to be governed by and construed in accordance with the laws of the State of New York, without regard to conflict of laws principles thereunder, except to the extent that the law of any other jurisdiction is mandatorily applicable. (Preferred Trust Securities Guarantee Agreement, Section 8.06).

DESCRIPTION OF THE JUNIOR SUBORDINATED DEBENTURES

General. The junior subordinated debentures issued by FPL are referred to in this prospectus as the "Junior Subordinated Debentures." The Junior Subordinated Debentures, which the Property Trustee will hold on behalf of the Trust as trust assets, will be issued by FPL in one or more series under one or more indentures between FPL and The Bank of New York, as trustee. This indenture or indentures pursuant to which Junior Subordinated Debentures may be issued, as it may be amended and supplemented from time to time, is referred to in this prospectus as the "Subordinated Indenture." The Bank of New York, as trustee under the Subordinated Indenture, is referred to in this prospectus as the "Subordinated Indenture Trustee." The Subordinated Indenture provides for the issuance from time to time of subordinated debt in an unlimited amount. The Junior Subordinated Debentures and all other subordinated debt issued previously or hereafter under the Subordinated Indenture are collectively referred to in this prospectus as the "Subordinated Indenture Securities."

This section briefly summarizes some of the terms of the Junior Subordinated Debentures and some of the provisions of the Subordinated Indenture. This summary does not contain a complete description of the Junior Subordinated Debentures or the Subordinated Indenture. You should read this summary together with the Subordinated Indenture and the officer's certificates or other documents establishing the Junior Subordinated

Debentures for a complete understanding of all the provisions and for the definitions of some terms used in this summary. The form of Subordinated Indenture, the form of officer's certificate that may be used to establish a series of Junior Subordinated Debentures and a form of the Junior Subordinated Debentures have been previously filed with the SEC, and are exhibits to the registration statement. In addition, the Subordinated Indenture will be qualified 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.

The Junior Subordinated Debentures issued by FPL to the Trust will constitute a separate series under the Subordinated Indenture and the principal amount of each series will be limited to the sum of the aggregate liquidation preference amount of the related Preferred Trust Securities and the consideration paid by FPL for the related Common Trust Securities.

The Junior Subordinated Debentures will be unsecured, subordinated obligations of FPL which rank junior to all of FPL's Senior Indebtedness. The term "Senior Indebtedness" will be defined in the related prospectus supplement. All Junior Subordinated Debentures issued under the Subordinated Indenture will rank equally and ratably with all other Junior Subordinated Debentures issued under the Subordinated Indenture, except to the extent that FPL elects to provide security with respect to any series of Junior Subordinated Debentures without providing that security to all outstanding Junior Subordinated Debentures as allowed under the Subordinated Indenture.

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

(1) the title of those Junior Subordinated Debentures,

(2) any limit upon the aggregate principal amount of those Junior Subordinated Debentures,

(3) the date(s) on which the principal will be paid,

(4) the rate(s) of interest on those Junior Subordinated Debentures, or how the rate(s) of interest will be determined, the date(s) from which interest will accrue, the dates on which interest will be paid and the record date for any interest payable on any interest payment date,

(5) the person to whom interest will be paid on any interest payment date, if other than the person in whose name those Junior Subordinated Debentures are registered at the close of business on the record date for that interest payment,

(6) the place(s) at which or methods by which payments will be made on those Junior Subordinated Debentures and the place(s) at which or methods by which the registered owners of those Junior Subordinated Debentures may transfer or exchange those Junior Subordinated Debentures and serve notices and demands to or upon FPL,

(7) the security registrar and any paying agent or agents for those Junior Subordinated Debentures,

(8) any date(s) on which, the price(s) at which and the terms and conditions upon which FPL may, at its option, redeem those Junior Subordinated Debentures, in whole or in part, and any restrictions on those redemptions,

(9) any sinking fund or other provisions or options held by the registered owners of those Junior Subordinated Debentures that would obligate FPL to repurchase or redeem those Junior Subordinated Debentures,

(10) the denominations in which those Junior Subordinated Debentures may be issued, if other than denominations of $25 and any integral multiple of $25,

(11) the currency or currencies in which the principal of or premium, if any, or interest on those Junior Subordinated Debentures may be paid (if other than in U.S. dollars),

(12) if FPL or a registered owner may elect to pay, or receive, principal of or premium, if any, or interest on those Junior Subordinated Debentures in a currency other than that in which those Junior Subordinated Debentures are stated to be payable, the terms and conditions upon which that election may be made,

(13) if the principal of or premium, if any, or interest on those Junior Subordinated Debentures may be paid in securities or other property, the type and amount of those securities or other property and the terms and conditions upon which FPL or a registered owner may elect to pay or receive those payments,

(14) if the amount payable in respect of principal of or premium, if any, or interest on those Junior Subordinated Debentures may be determined by reference to an index or other fact or event ascertainable outside of the Subordinated Indenture, the manner in which those amounts will be determined,

(15) the portion of the principal amount of the Junior Subordinated Debentures that FPL will pay upon declaration of acceleration of the maturity of those Junior Subordinated Debentures, if other than the entire principal amount of those Junior Subordinated Debentures,

(16) any events of default with respect to those Junior Subordinated Debentures and any covenants of FPL for the benefit of the registered owners of those Junior Subordinated Debentures, other than those specified in the Subordinated Indenture,

(17) the terms, if any, pursuant to which those Junior Subordinated Debentures may be exchanged for shares of capital stock or other securities of any other entity,

(18) a definition of "Eligible Obligations" under the Subordinated Indenture with respect to the Junior Subordinated Debentures denominated in a currency other than U.S. dollars, and any other provisions for the reinstatement of FPL's indebtedness in respect of those Junior Subordinated Debentures after their satisfaction and discharge,

(19) if those Junior Subordinated Debentures will be issued in global form, necessary information relating to the issuance of those Junior Subordinated Debentures in global form,

(20) if those Junior Subordinated Debentures will be issued as bearer securities, necessary information relating to the issuance of those Junior Subordinated Debentures as bearer securities,

(21) any limits on the rights of the registered owners of those Junior Subordinated Debentures to transfer or exchange those Junior Subordinated Debentures or to register their transfer, and any related service charges,

(22) any exceptions to the provisions governing payments due on legal holidays or any variations in the definition of business day with respect to those Junior Subordinated Debentures,

(23) any collateral security, assurance, or guarantee for those Junior Subordinated Debentures,

(24) the designation of the trust to which the Junior Subordinated Debentures are to be issued,

(25) the terms relating to any additional interest that may be payable as a result of any tax, assessment or governmental charges, and

(26) any other terms of those Junior Subordinated Debentures that are not inconsistent with the provisions of the Subordinated Indenture. (Subordinated Indenture, Section 301).

Except as otherwise stated in the related prospectus supplement, the covenants in the Subordinated Indenture would not give registered owners of Junior Subordinated Debentures protection in the event of a highly-leveraged transaction involving FPL.

Subordination. The Junior Subordinated Debentures will be subordinate and junior in right of payment to all Senior Indebtedness of FPL. (Subordinated Indenture, Article Fourteen). No payment of the principal (including redemption and sinking fund payments) of, or interest, or premium, if any, on the Junior Subordinated Debentures may be made by FPL until all holders of Senior Indebtedness of FPL have been paid in full (or provision has been made for such payment), if any of the following occurs:

(1) certain events of bankruptcy, insolvency or reorganization of FPL;

(2) any Senior Indebtedness of FPL is not paid when due (after the expiration of any applicable grace period) and that default continues without waiver; or

(3) any other default has occurred and continues without waiver (after the expiration of any applicable grace period) pursuant to which the holders of Senior Indebtedness of FPL are permitted to accelerate the maturity of such Senior Indebtedness. (Subordinated Indenture, Section 1402).

Upon any distribution of assets of FPL to creditors in connection with any insolvency, bankruptcy or similar proceeding, all principal of, and premium, if any, and interest due or to become due on all Senior Indebtedness of FPL must be paid in full before the holders of the Junior Subordinated Debentures are entitled to receive or retain any payment from such distribution. (Subordinated Indenture, Section 1402).

Payment and Paying Agents. Except as stated in the related prospectus supplement, on each interest payment date FPL will pay interest on each Junior Subordinated Debenture to the person in whose name that Junior Subordinated Debenture is registered as of the close of business on the record date relating to that interest payment date. However, on the date that the Junior Subordinated Debentures mature, FPL will pay the interest to the person to whom it pays the principal. Also, if FPL has defaulted in the payment of interest on any Junior Subordinated Debenture, it may pay that defaulted interest to the registered owner of that Junior Subordinated Debenture:

(1) as of the close of business on a date that the Subordinated Indenture Trustee selects, which may not be more than 15 days or less than 10 days before the date that FPL proposes to pay the defaulted interest, or

(2) in any other lawful manner that does not violate the requirements of any securities exchange on which that Junior Subordinated Debenture is listed and that the Subordinated Indenture Trustee believes is acceptable. (Subordinated Indenture, Section 307).

Unless otherwise stated in the related prospectus supplement, the principal, premium, if any, and interest on the Junior Subordinated Debentures at maturity will be payable when such Junior Subordinated Debentures are presented at the main corporate trust office of The Bank of New York, as paying agent, in The City of New York. FPL may change the place of payment on the Junior Subordinated Debentures, appoint one or more additional paying agents, including itself, and remove any paying agent. (Subordinated Indenture, Section 602).

Transfer and Exchange. Unless otherwise stated in the related prospectus supplement, Junior Subordinated Debentures may be transferred or exchanged at the main corporate trust office of The Bank of New York, as security registrar, in The City of New York. FPL may change the place for transfer and exchange of the Junior Subordinated Debentures and may designate one or more additional places for that transfer and exchange.

Except as otherwise stated in the related prospectus supplement, there will be no service charge for any transfer or exchange of the Junior Subordinated Debentures. However, FPL may require payment of any tax or other governmental charge in connection with any transfer or exchange of the Junior Subordinated Debentures.

FPL will not be required to transfer or exchange any Junior Subordinated Debenture selected for redemption. Also, FPL will not be required to transfer or exchange any Junior Subordinated Debenture during a period of 15 days before selection of Junior Subordinated Debentures to be redeemed. (Subordinated Indenture, Section 305).

Unless otherwise stated in the related prospectus supplement, if Junior Subordinated Debentures are distributed to holders of Preferred Trust Securities in a dissolution of the Trust, the Junior Subordinated Debentures will be issued in fully registered certificated form in the denominations and integral multiples thereof in which the Preferred Trust Securities have been issued, and they may be transferred or exchanged as described above. (Trust Agreement, Section 9.04).

Defeasance. FPL may, at any time, elect to have all of its obligations discharged with respect to all or a portion of any Subordinated Indenture Securities (including the Junior Subordinated Debentures). To do so, FPL must irrevocably deposit with the Subordinated Indenture Trustee or any paying agent, in trust:

(1) money in an amount that will be sufficient to pay all or that portion of the principal, premium, if any, and interest due and to become due on those Subordinated Indenture Securities, on or prior to their maturity, or

(2) in the case of a deposit made prior to the maturity of that series of Subordinated Indenture Securities,

  (a) direct obligations of, or obligations unconditionally guaranteed by, the United States and entitled to the benefit of its full faith and credit that do not contain provisions permitting their redemption or other prepayment at the option of their issuer, and

  (b) certificates, depositary receipts or other instruments that evidence a direct ownership interest in those obligations or in any specific interest or principal payments due in respect of those obligations that do not contain provisions permitting their redemption or other prepayment at the option of their issuer, the principal of and the interest on which, when due, without any regard to reinvestment of that principal or interest, will provide money that, together with any money deposited with or held by the Subordinated Indenture Trustee, will be sufficient to pay all or that portion of the principal, premium, if any, and interest due and to become due on those Subordinated Indenture Securities, on or prior to their maturity, or

(3) a combination of (1) and (2) that will be sufficient to pay all or that portion of the principal, premium, if any, and interest due and to become due on those Subordinated Indenture Securities, on or prior to their maturity. (Subordinated Indenture, Section 701).

Option to Defer Interest Payments. Unless otherwise provided in a related prospectus supplement, FPL may have the option to defer the payment of interest from time to time on the Junior Subordinated Debentures for one or more periods. As a consequence, distributions on the Preferred Trust Securities would be deferred during any optional deferral period. Interest would, however, continue to accrue on the Junior Subordinated Debentures. Unless otherwise provided in a related prospectus supplement, during any optional deferral period, or for so long as an "Event of Default" under the Subordinated Indenture resulting from a payment default or a payment default under the Preferred Trust Securities Guarantee has occurred and is continuing, FPL may not:

(1) declare or pay any dividend or distribution on its capital stock;

(2) redeem, purchase, acquire or make a liquidation payment with respect to any of its capital stock;

(3) pay any principal, interest or premium on, or repay, repurchase or redeem any debt securities that are equal or junior in right of payment with the Junior Subordinated Debentures; or

(4) make any payments with respect to any guarantee of debt securities if such guarantee is equal or junior in right of payment to the Junior Subordinated Debentures,

other than

(1) purchases, redemptions or other acquisitions of its capital stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or agents or a stock purchase or dividend reinvestment plan, or the satisfaction of its obligations pursuant to any contract or security outstanding on the date that the payment of interest is deferred requiring it to purchase, redeem or acquire its capital stock;

(2) any payment, repayment, redemption, purchase, acquisition or declaration of dividend listed as restricted payments in clauses (1) and (2) above as a result of a reclassification of its capital stock or the exchange or conversion of all or a portion of one class or series of its capital stock for another class or series of its capital stock;

(3) the purchase of fractional interests in shares of its capital stock pursuant to the conversion or exchange provisions of its capital stock or the security being converted or exchanged, or in connection with the settlement of stock purchase contracts;

(4) dividends or distributions paid or made in its capital stock (or rights to acquire its capital stock), or repurchases, redemptions or acquisitions of capital stock in connection with the issuance or exchange of capital stock (or of securities convertible into or exchangeable for shares of its capital stock) and distributions in connection with the settlement of stock purchase contracts;

(5) redemptions, exchanges or repurchases of, or with respect to, any rights outstanding under a shareholder rights plan or the declaration or payment thereunder of a dividend or distribution of or with respect to rights in the future; or

(6) payments under any preferred trust securities guarantee or guarantee of subordinated debentures executed and delivered by FPL concurrently with the issuance by a trust of any preferred trust securities, so long as the amount of payments made on any preferred trust securities or subordinated debentures (as the case may be) is paid on all preferred trust securities or subordinated debentures (as the case may be) then outstanding on a pro rata basis in proportion to the full distributions to which each series of preferred trust securities or subordinated debentures (as the case may be) is then entitled if paid in full. (Subordinated Indenture, Section 608).

Unless otherwise provided in a related prospectus supplement, before an optional deferral period ends, FPL may further defer the payment of interest. Unless otherwise provided in the related prospectus supplement, no optional deferral period may exceed the period of time specified in that prospectus supplement. After any optional deferral period and the payment of all amounts then due, FPL may select a new optional deferral period. No interest period may be deferred beyond the maturity of the Junior Subordinated Debentures. FPL will give the Trust and the Subordinated Indenture Trustee notice of its election of an optional deferral period prior to the earlier of (i) one business day before the record date for the distribution on the Preferred Trust Securities which would occur if FPL did not make the election to defer or (ii) the date the Administrative Trustees are required to give notice to any securities exchange or any other applicable self-regulatory organization of the record date for such a distribution. The Property Trustee shall send notice of that election to the holders of Preferred Trust Securities.

Additional Interest. So long as any Preferred Trust Securities remain outstanding, if the Trust is required to pay any taxes, duties, assessments or governmental charges imposed by the United States or any other taxing authority on income derived from the interest payments on the Junior Subordinated Debentures, then FPL will pay as interest on the Junior Subordinated Debentures any additional interest that may be necessary in order that the net amounts received and retained by the Trust after the payment of those taxes, duties, assessments or governmental charges will be the same as the Trust would have had in the absence of such payment. (Subordinated Indenture, Section 313).

Redemption. For so long as the Trust is the holder of all of the related Junior Subordinated Debentures, the proceeds of any redemption of Junior Subordinated Debentures will used by the Trust to redeem Preferred Trust

Securities and Common Trust Securities in accordance with their terms. (Trust Agreement, Section 4.02(a)). The redemption terms of the Junior Subordinated Debentures, if any, will be set forth in a prospectus supplement. Unless set forth differently in a prospectus supplement, and except with respect to Junior Subordinated Debentures redeemable at the option of the holder, Junior Subordinated Debentures will be redeemable upon notice between 30 and 60 days prior to the redemption date. If less than all of the Junior Subordinated Debentures of any series or any tranche thereof are to be redeemed, the Subordinated Indenture Trustee will select the Junior Subordinated Debentures to be redeemed. In the absence of any provision for selection, the Subordinated Indenture Trustee will choose a method of random selection as it deems fair and appropriate. (Subordinated Indenture, Sections 403 and 404).

Junior Subordinated Debentures selected for redemption will cease to bear interest on the redemption date. The paying agent will pay the redemption price and any accrued interest once the Junior Subordinated Debentures are surrendered for redemption. (Subordinated Indenture, Section 405). If only part of a Junior Subordinated Debenture is redeemed, the Subordinated Indenture Trustee will deliver a new Junior Subordinated Debenture of the same series for the remaining portion without charge. (Subordinated Indenture, Section 406).

Any redemption at the option of FPL may be conditional upon the receipt by the paying agent, on or prior to the date fixed for redemption, of money sufficient to pay the redemption price. If the paying agent has not received such money by the date fixed for redemption, FPL will not be required to redeem such Junior Subordinated Debentures. (Subordinated Indenture, Section 404).

Subject to applicable law, including United States federal securities laws, FPL or its affiliates may at any time and from time to time purchase outstanding Junior Subordinated Debentures by tender, in the open market or by private agreement.

Consolidation, Merger, and Sale of Assets. Under the Subordinated Indenture, FPL may not consolidate with or merge into any other entity or convey, transfer or lease its properties and assets substantially as an entirety to any entity, unless:

(1) the entity formed by that consolidation, or the entity into which FPL is merged, or the entity that acquires or leases FPL's property and assets, is an entity organized and existing under the laws of the United States, any state or the District of Columbia and that entity expressly assumes FPL's obligations on all Subordinated Indenture Securities and under the Subordinated Indenture,

(2) immediately after giving effect to the transaction, no event of default under the Subordinated Indenture and no event that, after notice or lapse of time or both, would become an event of default under the Subordinated Indenture exists, and

(3) FPL delivers an officer's certificate and an opinion of counsel to the Subordinated Indenture Trustee, as provided in the Subordinated Indenture. (Subordinated Indenture, Section 1101).

The Subordinated Indenture does not prevent or restrict:

(1) any consolidation or merger after the consummation of which FPL would be the surviving or resulting entity;

(2) any consolidation of FPL with any entity all of the outstanding voting securities of which are owned, directly or indirectly, by FPL, or any merger of any such entity into any other of such entities, or any conveyance or other transfer, or lease, of properties or assets by any thereof to any other thereof;

(3) any conveyance or other transfer, or lease, of any part of the properties or assets of FPL which does not constitute the entirety, or substantially the entirety, thereof; or

(4) the approval by FPL of, or the consent by FPL to any consolidation or merger to which any direct or indirect subsidiary or affiliate of FPL may be a party, or any conveyance, transfer or lease by any such subsidiary or affiliate of any or all of its properties or assets. (Subordinated Indenture, Section 1103).

Events of Default. Each of the following is an event of default under the Subordinated Indenture with respect to the Subordinated Indenture Securities of any series:

(1) failure to pay interest on the Subordinated Indenture Securities of that series within 30 days after it is due (provided, however, that a failure to pay interest during a valid optional deferral period will not constitute an event of default),

(2) failure to pay principal or premium, if any, on the Subordinated Indenture Securities of that series when it is due,

(3) failure to comply with any other covenant in the Subordinated Indenture, other than a covenant that does not relate to that series of Subordinated Indenture Securities, that continues for 90 days after FPL receive written notice of such failure to comply from the Subordinated Indenture Trustee, or FPL and the Subordinated Indenture Trustee receive written notice of such failure to comply from the registered owners of at least 33% in principal amount of the Subordinated Indenture Securities of that series,

(4) certain events of bankruptcy, insolvency or reorganization of FPL and

(5) any other event of default specified with respect to the Subordinated Indenture Securities of that series. (Subordinated Indenture, Section 801).

In the case of the third event of default listed above, the Subordinated Indenture Trustee may extend the grace period. In addition, if holders of a particular series have given a notice of default, then holders of at least the same percentage of Junior Subordinated Debentures of that series, together with the Subordinated Indenture Trustee, may also extend the grace period. The grace period will be automatically extended if FPL has initiated and is diligently pursuing corrective action in good faith. (Subordinated Indenture, Section 801). An event of default with respect to the Subordinated Indenture Securities of a particular series will not necessarily constitute an event of default with respect to Subordinated Indenture Securities of any other series issued under the Subordinated Indenture.

Remedies. If an event of default applicable to the Subordinated Indenture Securities of one or more series, but not applicable to all outstanding Subordinated Indenture Securities, exists, then either the Subordinated Indenture Trustee or the registered owners of at least 33% in aggregate principal amount of the Subordinated Indenture Securities of each of the affected series may declare the principal of and accrued but unpaid interest on all the Subordinated Indenture Securities of that series to be due and payable immediately. (Subordinated Indenture, Section 802).

If the event of default is applicable to all outstanding Subordinated Indenture Securities, then only the Subordinated Indenture Trustee or the registered owners of at least 33% in aggregate principal amount of all outstanding Subordinated Indenture Securities of all series, voting as one class, and not the registered owners of any one series, may make a declaration of acceleration. (Subordinated Indenture, Section 802). However, the event of default giving rise to the declaration relating to any series of Subordinated Indenture Securities will be automatically waived, and that declaration and its consequences will be automatically rescinded and annulled, if, at any time after that declaration and before a judgment or decree for payment of the money due has been obtained:

(1) FPL deposits with the Subordinated Indenture Trustee a sum sufficient to pay:

(a) all overdue interest on all Subordinated Indenture Securities of that series,

(b) the principal of and any premium on any Subordinated Indenture Securities of that series that have become due for reasons other than that declaration, and interest that is then due,

(c) interest on overdue interest for that series, and

(d) all amounts due to the Subordinated Indenture Trustee under the Subordinated Indenture, and

(2) any other event of default with respect to the Subordinated Indenture Securities of that series has been cured or waived as provided in the Subordinated Indenture. (Subordinated Indenture, Section 802).

Other than its obligations and duties in case of an event of default under the Subordinated Indenture, the Subordinated Indenture Trustee is not obligated to exercise any of its rights or powers under the Subordinated Indenture at the request or direction of any of the registered owners of the Subordinated Indenture Securities, unless those registered owners offer reasonable indemnity to the Subordinated Indenture Trustee. (Subordinated Indenture, Section 903). If they provide this reasonable indemnity, the registered owners of a majority in principal amount of any series of Subordinated Indenture Securities will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Subordinated Indenture Trustee, or exercising any trust or power conferred on the Subordinated Indenture Trustee, with respect to the Subordinated Indenture Securities of that series. However, if an event of default under the Subordinated Indenture relates to more than one series of Subordinated Indenture Securities, only the registered owners of a majority in aggregate principal amount of all affected series of Subordinated Indenture Securities, considered as one class, will have the right to make that direction. Also, the direction must not violate any law or the Subordinated Indenture, and may not expose the Subordinated Indenture Trustee to personal liability in circumstances where its indemnity would not, in the Subordinated Indenture Trustee's sole discretion, be adequate. (Subordinated Indenture, Section 812).

No registered owner of Subordinated Indenture Securities of any series will have any right to institute any proceeding under the Subordinated Indenture, or exercise any remedy under the Subordinated Indenture, unless:

(1) that registered owner has previously given to the Subordinated Indenture Trustee written notice of a continuing event of default with respect to the Subordinated Indenture Securities of that series,

(2) the registered owners of a majority in aggregate principal amount of the outstanding Subordinated Indenture Securities of all series in respect of which an event of default under the Subordinated Indenture exists, considered as one class, have made written request to the Subordinated Indenture Trustee, and have offered reasonable indemnity to the Subordinated Indenture Trustee to institute that proceeding in its own name as trustee, and

(3) the Subordinated Indenture Trustee has failed to institute any proceeding, and has not received from the registered owners of a majority in aggregate principal amount of the outstanding Subordinated Indenture Securities of all series in respect of which an event of default under the Subordinated Indenture exists, considered as one class, a direction inconsistent with that request, within 60 days after that notice, request and offer. (Subordinated Indenture, Section 807).

However, these limitations do not apply to a suit instituted by a registered owner of a Subordinated Indenture Security for the enforcement of payment of the principal of or any premium, if any, or interest on that Subordinated Indenture Security on or after the applicable due date specified in that Subordinated Indenture Security. (Subordinated Indenture, Section 808).

FPL is required to deliver to the Subordinated Indenture Trustee an annual statement as to its compliance with all conditions and covenants applicable to it under the Subordinated Indenture. (Subordinated Indenture, Section 606).

Enforcement of Certain Rights by Holders of Preferred Trust Securities. If there is an event of default with respect to Junior Subordinated Debentures held by the Trust, then the holders of Preferred Trust Securities issued by the Trust will rely on the Property Trustee or the Subordinated Indenture Trustee, acting for the benefit of the Property Trustee, to enforce the Property Trustee's rights against FPL as a holder of the Junior Subordinated Debentures. However, a holder of Preferred Trust Securities may enforce the Subordinated Indenture directly against FPL to the same extent, and upon the same conditions, as if the holder of Preferred Trust Securities held a

principal amount of Junior Subordinated Debentures equal to the aggregate liquidation amount of its Preferred Trust Securities. (Subordinated Indenture, Section 610).

Subject to their right to bring suit to enforce their right to payment, the holders of Preferred Trust Securities would not be able to institute any proceeding with respect to the Subordinated Indenture unless the Subordinated Indenture Trustee has failed to do so for 60 days after a request of the holders of at least a majority of the aggregate liquidation amount of outstanding Preferred Trust Securities. Upon such failure, the holders of a majority of the aggregate liquidation amount of the outstanding Preferred Trust Securities would have the right to directly institute proceedings for enforcement of all other rights of the Subordinated Indenture Trustee against FPL to the fullest extent permitted by law. (Subordinated Indenture, Sections 807, 808 and 812).

Modification and Waiver. Without the consent of any registered owner of Subordinated Indenture Securities, FPL and the Subordinated Indenture Trustee may amend or supplement the Subordinated Indenture for any of the following purposes:

(1) to provide for the assumption by any permitted successor to FPL of FPL's obligations with respect to the Subordinated Indenture and the Subordinated Indenture Securities in the case of a merger or consolidation or a conveyance, transfer or lease of its properties and assets substantially as an entirety,

(2) to add covenants of FPL or to surrender any right or power conferred upon FPL by the Subordinated Indenture,

(3) to add any additional events of default,

(4) to change, eliminate or add any provision of the Subordinated Indenture, provided that if that change, elimination or addition will materially adversely affect the interests of the registered owners of Subordinated Indenture Securities of any series or tranche, that change, elimination or addition will become effective with respect to that series or tranche only

  (a) when the required consent of the registered owners of Subordinated Indenture Securities of that series or tranche has been obtained, or

  (b) when no Subordinated Indenture Securities of that series or tranche remain outstanding under the Subordinated Indenture,

(5) to provide collateral security for all but not a part of the Subordinated Indenture Securities,

(6) to establish the form or terms of Subordinated Indenture Securities of any other series or tranche,

(7) to provide for the authentication and delivery of bearer securities and the related coupons and for other matters relating to those bearer securities,

(8) to accept the appointment of a successor Subordinated Indenture Trustee or co-trustee with respect to the Subordinated Indenture Securities of one or more series and to change any of the provisions of the Subordinated Indenture as necessary to provide for the administration of the trusts under the Subordinated Indenture by more than one trustee,

(9) to add procedures to permit the use of a non-certificated system of registration for the Subordinated Indenture Securities of all or any series or tranche,

(10) to change any place where

  (a) the principal of and premium, if any, and interest on all or any series or tranche of Subordinated Indenture Securities are payable,

(b) all or any series or tranche of Subordinated Indenture Securities may be transferred or exchanged, and

(c) notices and demands to or upon FPL in respect of Subordinated Indenture Securities and the Subordinated Indenture may be served, or

(11) to cure any ambiguity or inconsistency or to add or change any other provisions with respect to matters and questions arising under the Subordinated Indenture, provided those changes or additions may not materially adversely affect the interests of the registered owners of Subordinated Indenture Securities of any series or tranche. (Subordinated Indenture, Section 1201).

The registered owners of a majority in aggregate principal amount of the Subordinated Indenture Securities of all series then outstanding may waive compliance by FPL with certain restrictive provisions of the Subordinated Indenture. (Subordinated Indenture, Section 607). The registered owners of a majority in principal amount of the outstanding Subordinated Indenture Securities of any series may waive any past default under the Subordinated Indenture with respect to that series, except a default in the payment of principal, premium, if any, or interest and a default with respect to certain restrictive covenants or provisions of the Subordinated Indenture that cannot be modified or amended without the consent of the registered owner of each outstanding Subordinated Indenture Security of that series affected. (Subordinated Indenture, Section 813). If the Trust holds Subordinated Indenture Securities of any series, the Trust may not waive compliance, or any default in compliance, by FPL with any covenant or term contained in, or any past default under, the Subordinated Indenture or the Subordinated Indenture Securities of such series, without the approval of at least a majority (or such greater percentage required by the Trust Agreement) in aggregate liquidation preference amount of the outstanding Preferred Trust Securities. (Subordinated Indenture, Sections 607 and 813).

In addition to any amendments described above, if the Trust Indenture Act of 1939 is amended after the date of the Subordinated Indenture in a way that requires changes to the Subordinated Indenture or in a way that permits changes to, or the elimination of, provisions that were previously required by the Trust Indenture Act of 1939, the Subordinated Indenture will be deemed to be amended to conform to that amendment of the Trust Indenture Act of 1939 or to make those changes, additions or eliminations. FPL and the Subordinated Indenture Trustee may, without the consent of any registered owners, enter into supplemental indentures to make that amendment. (Subordinated Indenture, Section 1201).

Except for any amendments described above, the consent of the registered owners of a majority in aggregate principal amount of the Subordinated Indenture Securities of all series then outstanding, considered as one class, is required for all other modifications to the Subordinated Indenture. However, if less than all of the series of Subordinated Indenture Securities outstanding are directly affected by a proposed supplemental indenture, then the consent only of the registered owners of a majority in aggregate principal amount of outstanding Subordinated Indenture Securities of all directly affected series, considered as one class, is required. But, if FPL issues any series of Subordinated Indenture Securities in more than one tranche and if the proposed supplemental indenture directly affects the rights of the registered owners of Subordinated Indenture Securities of less than all of those tranches, then the consent only of the registered owners of a majority in aggregate principal amount of the outstanding Subordinated Indenture Securities of all directly affected tranches, considered as one class, will be required. However, none of those amendments or modifications may:

(1) change the dates on which the principal of or interest (except as described above under "—Option to Defer Interest Payments") on a Subordinated Indenture Security is due without the consent of the registered owner of that Subordinated Indenture Security,

(2) reduce any Subordinated Indenture Security's principal amount or rate of interest (or the amount of any installment of that interest) or change the method of calculating that rate without the consent of the registered owner of that Subordinated Indenture Security,

(3) reduce any premium payable upon the redemption of a Subordinated Indenture Security without the consent of the registered owner of that Subordinated Indenture Security,

(4) change the currency (or other property) in which a Subordinated Indenture Security is payable without the consent of the registered owner of that Subordinated Indenture Security,

(5) impair the right to sue to enforce payments on any Subordinated Indenture Security on or after the date that it states that the payment is due (or, in the case of redemption, on or after the redemption date) without the consent of the registered owner of that Subordinated Indenture Security,

(6) reduce the percentage in principal amount of the outstanding Subordinated Indenture Securities of any series or tranche whose owners must consent to an amendment, supplement or waiver without the consent of the registered owner of each outstanding Subordinated Indenture Security of that series or tranche,

(7) reduce the requirements for quorum or voting of any series or tranche without the consent of the registered owner of each outstanding Subordinated Indenture Security of that series or tranche, or

(8) modify certain of the provisions of the Subordinated Indenture relating to supplemental indentures, waivers of certain covenants and waivers of past defaults with respect to the Subordinated Indenture Securities of any series or tranche, without the consent of the registered owner of each outstanding Subordinated Indenture Security affected by the modification.

A supplemental indenture that changes or eliminates any provision of the Subordinated Indenture that has expressly been included only for the benefit of one or more particular series or tranches of Subordinated Indenture Securities, or that modifies the rights of the registered owners of Subordinated Indenture Securities of that series or tranche with respect to that provision, will not affect the rights under the Subordinated Indenture of the registered owners of the Subordinated Indenture Securities of any other series or tranche. So long as any Preferred Trust Securities are outstanding, the Subordinated Indenture Trustee may not consent to any supplemental indenture without the prior consent of the holders of a majority in aggregate liquidation preference of all outstanding Preferred Trust Securities affected or, in the case of changes described in clauses (1) through (8) immediately above, 100% in aggregate liquidation preference of all such outstanding Preferred Trust Securities affected. (Subordinated Indenture, Section 1202).

The Subordinated Indenture provides that, in order to determine whether the registered owners of the required principal amount of the outstanding Subordinated Indenture Securities have given any request, demand, authorization, direction, notice, consent or waiver under the Subordinated Indenture, or whether a quorum is present at the meeting of the registered owners of Subordinated Indenture Securities, Subordinated Indenture Securities owned by FPL or any other obligor upon the Subordinated Indenture Securities or any affiliate of FPL or of that other obligor (unless FPL, that affiliate or that obligor owns all Subordinated Indenture Securities outstanding under the Subordinated Indenture, determined without regard to this provision) will be disregarded and deemed not to be outstanding. (Subordinated Indenture, Section 101).

If FPL solicits any action under the Subordinated Indenture from registered owners of Subordinated Indenture Securities, FPL may, at its option, by signing a written request to the Subordinated Indenture Trustee, fix in advance a record date for determining the registered owners of Subordinated Indenture Securities entitled to take that action. However, FPL will not be obligated to do this. If FPL fixes such a record date, that action may be taken before or after that record date, but only the registered owners of record at the close of business on that record date will be deemed to be registered owners of Subordinated Indenture Securities for the purposes of determining whether registered owners of the required proportion of the outstanding Subordinated Indenture Securities have authorized that action. For these purposes, the outstanding Subordinated Indenture Securities will be computed as of the record date. Any action of a registered owner of any Subordinated Indenture Security under the Subordinated Indenture will bind every future registered owner of that Subordinated Indenture Security, or any Subordinated Indenture Security replacing that Subordinated Indenture Security, with respect to anything that the Subordinated Indenture Trustee or FPL do, fail to do, or allow to be done in reliance on that action, whether or not that action is noted upon that Subordinated Indenture Security. (Subordinated Indenture, Section 104).

Resignation and Removal of Subordinated Indenture Trustee. The Subordinated Indenture Trustee may resign at any time with respect to any series of Subordinated Indenture Securities by giving written notice of its

resignation to FPL. Also, the registered owners of a majority in principal amount of the outstanding Subordinated Indenture Securities of one or more series of Subordinated Indenture Securities may remove the Subordinated Indenture Trustee at any time with respect to the Subordinated Indenture Securities of that series, by delivering an instrument evidencing this action to the Subordinated Indenture Trustee and FPL. However, so long as any Preferred Trust Securities remain outstanding, the Trust cannot deliver an instrument evidencing this action without the consent of the holders of a majority in aggregate liquidation preference of Preferred Trust Securities outstanding. (Subordinated Indenture, Section 910). The resignation or removal of the Subordinated Indenture Trustee and the appointment of a successor trustee will not become effective until a successor trustee accepts its appointment.

Except with respect to a Subordinated Indenture Trustee appointed by the registered owners of Subordinated Indenture Securities, the Subordinated Indenture Trustee will be deemed to have resigned and the successor will be deemed to have been appointed as trustee in accordance with the Subordinated Indenture if:

(1) no event of default under the Subordinated Indenture or event that, after notice or lapse of time, or both, would become an event of default under the Subordinated Indenture exists, and

(2) FPL has delivered to the Subordinated Indenture Trustee resolutions of its Board of Directors appointing a successor trustee and that successor trustee has accepted that appointment in accordance with the terms of the Subordinated Indenture. (Subordinated Indenture, Section 910).

Notices. Notices to registered owners of Subordinated Indenture Securities will be sent by mail to the addresses of those registered owners as they appear in the security register for those Subordinated Indenture Securities. (Subordinated Indenture, Section 106).

Title. The person in whose name a Subordinated Indenture Security is registered may be treated as the absolute owner of that Subordinated Indenture Security, whether or not that Subordinated Indenture Security is overdue, for the purpose of making payments and for all other purposes, regardless of any notice to the contrary. (Subordinated Indenture, Section 308).

Governing Law. The Subordinated Indenture and the Subordinated Indenture Securities will be governed by, and construed in accordance with, the laws of the State of New York, without regard to New York's conflict of law principles, except to the extent that the law of any other jurisdiction is mandatorily applicable. (Subordinated Indenture, Section 112).

INFORMATION CONCERNING THE TRUSTEES

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

FPL and its affiliates, including FPL Group and FPL Group Capital Inc, also maintain various banking and trust relationships with The Bank of New York. In addition to acting as Subordinated Indenture Trustee, security registrar and paying agent under the Subordinated Indenture, The Bank of New York would act as (i) Preferred Trust Securities Guarantee Trustee under the Preferred Trust Securities Guarantee Agreement described under "Description of the Preferred Trust Securities Guarantee" above and (ii) Property Trustee under the Trust Agreement. The Bank of New York (Delaware) acts as the Delaware Trustee under the Trust Agreement.

PLAN OF DISTRIBUTION

FPL and the Trust may sell the securities offered pursuant to this prospectus ("Offered Securities"):

(1) through underwriters or dealers,

(2) through agents, or

(3) directly to one or more purchasers.

Through Underwriters or Dealers. If FPL and/or the Trust uses underwriters in the sale of the Offered Securities, the underwriters will acquire the Offered Securities for their own account. The underwriters may resell the Offered Securities 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 Offered Securities directly or through underwriting syndicates represented by managing underwriters. Unless otherwise stated in the prospectus supplement relating to the Offered Securities, the obligations of the underwriters to purchase those Offered Securities will be subject to certain conditions, and the underwriters will be obligated to purchase all of those Offered Securities if they purchase any of them. If FPL and/or the Trust uses a dealer in the sale, FPL and/or the Trust will sell the Offered Securities to the dealer as principal. The dealer may then resell those Offered Securities 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 and/or the Trust may designate one or more agents to sell the Offered Securities. 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 and/or the Trust may sell the Offered Securities 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 and/or the Trust from the sale of the Offered Securities, any initial public offering price and other terms of the offering of those Offered Securities.

FPL and/or the Trust may authorize underwriters, dealers or agents to solicit offers by certain institutions to purchase the Offered Securities from FPL and/or the Trust 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.

The Offered Securities may also be offered and sold, if so indicated in the applicable prospectus supplement, in connection with a remarketing upon their purchase, in accordance with a redemption or repayment pursuant to their terms, or otherwise, by one or more firms, which are referred to herein as the "remarketing firms," acting as principals for their own accounts or as our agent or the applicable trust's agents, as applicable. Any remarketing firm will be identified and the terms of its agreement, if any, with FPL and/or the Trust and its compensation will be described in the applicable prospectus supplement. Remarketing firms may be deemed to be underwriters, as that term is defined in the Securities Act of 1933, in connection with the securities remarketed thereby.

FPL and/or the Trust may enter into derivative transactions with third parties, or sell securities not covered by this prospectus to third parties in privately negotiated transactions. If the applicable prospectus supplement indicates, in connection with those derivatives, the third parties may sell securities covered by this prospectus and the applicable prospectus supplement, including in short sale transactions. If so, the third party may use securities pledged by FPL and/or the Trust or borrowed from any of them or others to settle those sales or to close out any related open borrowings of securities, and may use securities received from FPL and/or the Trust in settlement of those derivatives to close out any related open borrowings of securities. The third party in such sale transactions will be an underwriter and, if not identified in this prospectus, will be identified in the applicable prospectus supplement.

FPL and/or the Trust 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 and management's report on the effectiveness of internal control over financial reporting incorporated in this prospectus by reference from FPL's Annual Report on Form 10-K for the year ended December 31, 2006, have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

LEGAL OPINIONS

Squire, Sanders & Dempsey L.L.P., Miami, Florida, and Thelen Reid Brown Raysman & Steiner LLP, New York, New York, co-counsel to FPL and the Trust, will pass upon the legality of the Offered Securities for FPL and the Trust. Hunton & Williams LLP, New York, New York, will pass upon the legality of the Offered Securities for any underwriter, dealer or agent. Certain matters of Delaware law relating to the validity of the Preferred Trust Securities, the enforceability of the Trust Agreement and the creation of the Trust will be passed upon by Morris, James, Hitchens & Williams LLP, special Delaware counsel to FPL and the Trust. Thelen Reid Brown Raysman & Steiner LLP and Hunton & Williams LLP may rely as to all matters of Florida law upon the opinion of Squire, Sanders & Dempsey L.L.P., and on the opinion of Morris, James, Hitchens & Williams LLP, as to matters involving the law of the State of Delaware in connection with the Preferred Trust Securities. Squire, Sanders & Dempsey L.L.P. may rely as to all matters of New York law upon the opinion of Thelen Reid Brown Raysman & Steiner LLP, and on the opinion of Morris, James, Hitchens & Williams LLP, as to matters involving the law of the State of Delaware in connection with the Preferred Trust Securities.

You should rely only on the information incorporated by reference or provided in this prospectus or any prospectus supplement or in any written communication from FPL or the Trust specifying the final terms of a particular offering of securities. Neither FPL nor the Trust has authorized anyone else to provide you with additional or different information. Neither FPL nor the Trust 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 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.

Florida Power & Light Company

First Mortgage Bonds,

$300,000,000 5.55% Series due November 1, 2017



PROSPECTUS SUPPLEMENT
October 3, 2007

Banc of America Securities LLC

BNP PARIBAS

Credit Suisse

Daiwa Securities America Inc.

Morgan Keegan & Company, Inc.

Piper Jaffray

Scotia Capital

Sovereign Securities Corporation, LLC

FLORIDA POWER & LIGHT COMPANY
CONSOLIDATED BALANCE SHEETS
(millions)

	December 31, 2006	December 31, 2005*
ELECTRIC UTILITY PLANT		
Plant in service	$ 24,150	$ 23,251
Nuclear fuel	423	380
Construction work in progress	1,113	776
Less accumulated depreciation and amortization	(9,848)	(9,530)
Electric utility plant – net	15,838	14,877
CURRENT ASSETS		
Cash and cash equivalents	64	56
Customer receivables, net of allowances of $15 and $20, respectively	872	653
Other receivables, net of allowances of $1 and $1, respectively	221	313
Materials, supplies and fossil fuel inventory – at average cost	558	449
Regulatory assets:		
Deferred clause and franchise expenses	167	795
Storm reserve deficiency	106	156
Derivatives	921	-
Other	-	7
Derivatives	4	828
Other	202	212
Total current assets	3,115	3,469
OTHER ASSETS		
Nuclear decommissioning reserve funds	2,264	2,083
Pension plan assets – net	857	802
Regulatory assets:		
Storm reserve deficiency	762	957
Deferred clause expenses	-	307
Unamortized loss on reacquired debt	39	42
Other	37	37
Other	161	152
Total other assets	4,120	4,380
TOTAL ASSETS	$ 23,073	$ 22,726
CAPITALIZATION		
Common shareholder's equity	$ 7,539	$ 6,737
Long-term debt	4,214	3,271
Total capitalization	11,753	10,008
CURRENT LIABILITIES		
Commercial paper	630	1,159
Current maturities of long-term debt	-	135
Accounts payable	735	863
Customer deposits	500	423
Margin cash deposits	-	382
Accrued interest and taxes	281	174
Regulatory liabilities:		
Deferred clause and franchise revenues	37	32
Derivatives	-	757
Derivatives	780	-
Other	423	929
Total current liabilities	3,386	4,854
OTHER LIABILITIES AND DEFERRED CREDITS		
Asset retirement obligations	1,572	1,474
Accumulated deferred income taxes	2,561	2,647
Regulatory liabilities:		
Accrued asset removal costs	2,044	2,033
Asset retirement obligation regulatory expense difference	868	786
Other	209	256
Other	680	668
Total other liabilities and deferred credits	7,934	7,864
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$ 23,073	$ 22,726

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

FLORIDA POWER & LIGHT COMPANY 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,				
	2006	2005	2004	2003	2002
	(millions of dollars)				
RATIO OF EARNINGS TO FIXED CHARGES					
Earnings, as defined:					
Net income	$ 802	$ 748	$ 750	$ 755	$ 732
Income taxes	424	408	409	403	413
Fixed charges, as below	296	244	202	186	177
Total earnings, as defined	$1,522	$1,400	$1,361	$1,344	$1,322
Fixed charged, as defined:					
Interest charges	$ 278	$ 224	$ 183	$ 173	$ 166
Rental interest factor	7	7	8	8	8
Fixed charges included in nuclear fuel cost	-	-	-	1	3
Capitalized interest	11	13	11	4	-
Total fixed charges, as defined	$ 296	$ 244	$ 202	$ 186	$ 177
Ratio of earnings to fixed charges	5.14	5.74	6.74	7.23	7.47
RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS					
Earnings, as defined:					
Net income	$ 802	$ 748	$ 750	$ 755	$ 732
Income taxes	424	408	409	403	413
Fixed charges, as below	296	244	202	186	177
Total earnings, as defined	$1,522	$1,400	$1,361	$1,344	$1,322
Fixed charged, as defined:					
Interest charges	$ 278	$ 224	$ 183	$ 173	$ 166
Rental interest factor	7	7	8	8	8
Fixed charges included in nuclear fuel cost	-	-	-	1	3
Capitalized interest	11	13	11	4	-
Total fixed charges, as defined	296	244	202	186	177
Non-tax deductible preferred stock dividends	-	-	1	13	15
Ratio of income before income taxes to net income	1.53	1.55	1.55	1.53	1.56
Preferred stock dividends before income taxes	-	-	2	20	23
Combined fixed charges and preferred stock dividends	$ 296	$ 244	$ 204	$ 206	$ 200
Ratio of earnings to combined fixed charges and preferred stock dividends	5.14	5.74	6.67	6.52	6.61

[a] Florida Power & Light Company's preference equity securities were redeemed in January 2005. For the year ended December 31, 2005, preferred stock dividends were less than $1 million. Therefore, for the years ended December 31, 2006 and 2005, the ratio of earnings to fixed charges is the same as the ratio of earnings to combined fixed charges and preferred stock dividends.

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 **March 31, 2007**

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.
FPL Group, Inc. Yes __X__ No ____ Florida Power & Light Company Yes __X__ No ____

Indicate by check mark whether the registrants are a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "large accelerated filer" and "accelerated filer" in Rule 12b-2 of the Securities Exchange Act of 1934.
FPL Group, Inc. Large Accelerated Filer __X__ Accelerated Filer ____ Non-Accelerated Filer ____
Florida Power & Light Company Large Accelerated Filer ____ Accelerated Filer ____ Non-Accelerated Filer __X__

Indicate by check mark whether the registrants are shell companies (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, 2007: 406,415,900 shares.

As of March 31, 2007, 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.

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.

Florida Power & Light Company meets the conditions set forth under General Instruction H(1)(a) and (b) of Form 10-Q and is therefore filing this form with reduced disclosure format.

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FPL Group, Inc., Florida Power & Light Company, FPL Group Capital Inc and FPL Energy, LLC each have subsidiaries and affiliates with names that include FPL, FPL Energy, FPLE and similar references. For convenience and simplicity, in this report the terms FPL Group, FPL, FPL Group Capital and FPL Energy are sometimes used as abbreviated references to specific subsidiaries, affiliates or groups of subsidiaries or affiliates. The precise meaning depends on the context.

FORWARD-LOOKING STATEMENTS

This report includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. 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 have a significant impact on FPL Group, Inc.'s (FPL Group) and/or Florida Power & Light Company's (FPL) operations and financial results, and could cause FPL Group's and/or FPL's actual results to differ materially from those contained in forward-looking statements made by or on behalf of FPL Group and/or FPL in this combined Form 10-Q, in presentations, on their respective websites, in response to questions or otherwise.

- FPL Group and FPL are subject to complex laws and regulations and to changes in laws and regulations as well as changing governmental policies and regulatory actions, including initiatives regarding deregulation and restructuring of the energy industry and environmental matters. FPL holds franchise agreements with local municipalities and counties, and must renegotiate expiring agreements. These factors may have a negative impact on the business and results of operations of FPL Group and FPL.

- The operation and maintenance of power generation facilities, including nuclear facilities, involve significant risks that could adversely affect the results of operations and financial condition of FPL Group and FPL.

- 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 Group and FPL could be adversely affected.

- The use of derivative contracts by FPL Group and FPL in the normal course of business could result in financial losses that negatively impact the results of operations of FPL Group and FPL.

- FPL Group's competitive energy business is subject to risks, many of which are beyond the control of FPL Group, that may reduce the revenues and adversely impact the results of operations and financial condition of FPL Group.

- FPL Group's ability to successfully identify, complete and integrate acquisitions is subject to significant risks, including the effect of increased competition for acquisitions resulting from the consolidation of the power industry.

- Because FPL Group and FPL rely on access to capital markets, the inability to maintain current credit ratings and access capital markets on favorable terms may limit the ability of FPL Group and FPL to grow their businesses and would likely increase interest costs.
- Customer growth in FPL's service area affects FPL Group's and FPL's results of operations.
- Weather affects FPL Group's and FPL's results of operations.
- FPL Group and FPL are subject to costs and other effects of legal proceedings as well as changes in or additions to applicable tax laws, rates or policies, rates of inflation, accounting standards, securities laws and corporate governance requirements.
- Threats of terrorism and catastrophic events that could result from terrorism may impact the operations of FPL Group and FPL in unpredictable ways.
- The ability of FPL Group and FPL to obtain insurance and the terms of any available insurance coverage could be affected by national, state or local events and company-specific events.
- FPL Group and FPL are subject to employee workforce factors that could affect the businesses and financial condition of FPL Group and FPL.

These and other risk factors are included in Part I, Item 1A. Risk Factors of FPL Group's and FPL's Annual Report on Form 10-K for the year ended December 31, 2006 (2006 Form 10-K). 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, including unanticipated events, after the date on which such statement is made. 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.

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,	
	2007	2006
OPERATING REVENUES	$ 3,075	$ 3,584
OPERATING EXPENSES		
Fuel, purchased power and interchange	1,672	2,053
Other operations and maintenance	516	469
Merger-related	-	5
Amortization of storm reserve deficiency	23	32
Depreciation and amortization	295	286
Taxes other than income taxes	271	266
Total operating expenses	2,777	3,111
OPERATING INCOME	298	473
OTHER INCOME (DEDUCTIONS)		
Interest charges	(180)	(169)
Equity in earnings of equity method investees	10	11
Allowance for equity funds used during construction	8	4
Interest income	15	8
Other – net	5	1
Total other deductions – net	(142)	(145)
INCOME BEFORE INCOME TAXES	156	328
INCOME TAXES	6	77
NET INCOME	$ 150	$ 251
Earnings per share of common stock:		
Basic	$ 0.38	$ 0.64
Assuming dilution	$ 0.38	$ 0.64
Dividends per share of common stock	$ 0.410	$ 0.375
Weighted-average number of common shares outstanding:		
Basic	396.8	389.2
Assuming dilution	399.7	392.9

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 2006 Form 10-K for FPL Group and FPL.

FPL GROUP, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(millions)
(unaudited)

	March 31, 2007	December 31, 2006
PROPERTY, PLANT AND EQUIPMENT		
Electric utility plant in service and other property	$ 34,328	$ 34,071
Nuclear fuel	762	688
Construction work in progress	1,888	1,393
Less accumulated depreciation and amortization	(11,807)	(11,653)
Total property, plant and equipment – net	25,171	24,499
CURRENT ASSETS		
Cash and cash equivalents	226	620
Customer receivables, net of allowances of $20 and $32, respectively	1,224	1,279
Other receivables, net of allowances of $8 and $8, respectively	711	377
Materials, supplies and fossil fuel inventory – at average cost	719	785
Regulatory assets:		
Deferred clause and franchise expenses	41	167
Storm reserve deficiency	108	106
Derivatives	378	921
Other	3	3
Derivatives	144	376
Other	387	365
Total current assets	3,941	4,999
OTHER ASSETS		
Nuclear decommissioning reserve funds	2,855	2,824
Pension plan assets – net	1,627	1,608
Other investments	455	533
Regulatory assets:		
Storm reserve deficiency	743	762
Unamortized loss on reacquired debt	38	39
Other	88	80
Other	617	647
Total other assets	6,423	6,493
TOTAL ASSETS	$ 35,535	$ 35,991
CAPITALIZATION		
Common stock	$ 4	$ 4
Additional paid-in capital	4,562	4,555
Retained earnings	5,255	5,256
Accumulated other comprehensive income	50	115
Total common shareholders' equity	9,871	9,930
Long-term debt	9,091	9,591
Total capitalization	18,962	19,521
CURRENT LIABILITIES		
Commercial paper	1,100	1,097
Current maturities of long-term debt	1,586	1,645
Accounts payable	995	1,060
Customer deposits	522	510
Accrued interest and taxes	370	302
Regulatory liabilities:		
Deferred clause and franchise revenues	138	37
Pension	13	17
Derivatives	526	1,144
Other	703	681
Total current liabilities	5,953	6,493
OTHER LIABILITIES AND DEFERRED CREDITS		
Asset retirement obligations	1,845	1,820
Accumulated deferred income taxes	3,476	3,432
Regulatory liabilities:		
Accrued asset removal costs	2,077	2,044
Asset retirement obligation regulatory expense difference	872	868
Pension	531	531
Deferred clause revenues	17	-
Other	235	209
Other	1,567	1,073
Total other liabilities and deferred credits	10,620	9,977
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$ 35,535	$ 35,991

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2006 Form 10-K for FPL Group and FPL.

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

	Three Months Ended March 31,	
	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 150	$ 251
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	295	276
Nuclear fuel amortization	33	34
Recoverable storm-related costs of FPL	(4)	(282)
Amortization of storm reserve deficiency	23	32
Unrealized (gains) losses on marked to market energy contracts	187	(61)
Deferred income taxes	317	134
Cost recovery clauses and franchise fees	244	312
Change in prepaid option premiums	23	9
Equity in earnings of equity method investees	(10)	(11)
Distributions of earnings from equity method investees	85	26
Changes in operating assets and liabilities:		
Customer receivables	56	(32)
Other receivables	5	29
Materials, supplies and fossil fuel inventory	66	(167)
Other current assets	(11)	(9)
Other assets	(27)	(7)
Accounts payable	(75)	(295)
Customer deposits	12	11
Margin cash deposits	101	(384)
Income taxes	(337)	(83)
Interest and other taxes	67	114
Other current liabilities	6	(73)
Other liabilities	(26)	72
Other – net	39	(13)
Net cash provided by (used in) operating activities	1,219	(117)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures of FPL	(491)	(487)
Independent power investments	(265)	(639)
Nuclear fuel purchases	(68)	(61)
Other capital expenditures	(15)	(15)
Proceeds from sale of securities in nuclear decommissioning funds	477	651
Purchases of securities in nuclear decommissioning funds	(503)	(670)
Proceeds from sale of other securities	48	20
Purchases of other securities	(62)	(31)
Other – net	26	(1)
Net cash used in investing activities	(853)	(1,233)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuances of long-term debt	-	392
Retirements of long-term debt	(618)	(37)
Proceeds from purchased Corporate Units	-	210
Payments to terminate Corporate Units	-	(258)
Net change in short-term debt	3	484
Issuances of common stock	11	299
Dividends on common stock	(163)	(148)
Other – net	7	26
Net cash provided by (used in) financing activities	(760)	968
Net decrease in cash and cash equivalents	(394)	(382)
Cash and cash equivalents at beginning of period	620	530
Cash and cash equivalents at end of period	$ 226	$ 148

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2006 Form 10-K for FPL Group and FPL.

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

	Three Months Ended March 31,	
	2007	2006
OPERATING REVENUES	$ 2,448	$ 2,584
OPERATING EXPENSES		
Fuel, purchased power and interchange	1,414	1,538
Other operations and maintenance	329	330
Amortization of storm reserve deficiency	23	32
Depreciation and amortization	188	195
Taxes other than income taxes	247	243
Total operating expenses	2,201	2,338
OPERATING INCOME	247	246
OTHER INCOME (DEDUCTIONS)		
Interest charges	(68)	(68)
Allowance for equity funds used during construction	8	4
Other – net	7	(1)
Total other deductions – net	(53)	(65)
INCOME BEFORE INCOME TAXES	194	181
INCOME TAXES	68	59
NET INCOME	$ 126	$ 122

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2006 Form 10-K for FPL Group and FPL.

FLORIDA POWER & LIGHT COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(millions)
(unaudited)

	March 31, 2007	December 31, 2006
ELECTRIC UTILITY PLANT		
Plant in service	$ 24,323	$ 24,150
Nuclear fuel	458	423
Construction work in progress	1,303	1,113
Less accumulated depreciation and amortization	(9,880)	(9,848)
Electric utility plant – net	16,204	15,838
CURRENT ASSETS		
Cash and cash equivalents	43	64
Customer receivables, net of allowances of $9 and $15, respectively	744	872
Other receivables, net of allowances of $1 and $1, respectively	136	221
Materials, supplies and fossil fuel inventory – at average cost	551	558
Regulatory assets:		
Deferred clause and franchise expenses	41	167
Storm reserve deficiency	108	106
Derivatives	378	921
Derivatives	11	4
Other	201	202
Total current assets	2,213	3,115
OTHER ASSETS		
Nuclear decommissioning reserve funds	2,288	2,264
Pension plan assets – net	876	857
Regulatory assets:		
Storm reserve deficiency	743	762
Unamortized loss on reacquired debt	38	39
Other	46	37
Other	151	161
Total other assets	4,142	4,120
TOTAL ASSETS	$ 22,559	$ 23,073
CAPITALIZATION		
Common stock	$ 1,373	$ 1,373
Additional paid-in capital	4,319	4,318
Retained earnings	1,624	1,848
Total common shareholder's equity	7,316	7,539
Long-term debt	4,214	4,214
Total capitalization	11,530	11,753
CURRENT LIABILITIES		
Commercial paper	526	630
Accounts payable	651	735
Customer deposits	511	500
Accrued interest and taxes	336	281
Regulatory liabilities:		
Deferred clause and franchise revenues	138	37
Derivatives	268	780
Other	444	423
Total current liabilities	2,874	3,386
OTHER LIABILITIES AND DEFERRED CREDITS		
Asset retirement obligations	1,593	1,572
Accumulated deferred income taxes	2,398	2,561
Regulatory liabilities:		
Accrued asset removal costs	2,077	2,044
Asset retirement obligation regulatory expense difference	872	868
Deferred clause revenues	17	-
Other	235	209
Other	963	680
Total other liabilities and deferred credits	8,155	7,934
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$ 22,559	$ 23,073

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2006 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,	
	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 126	$ 122
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	188	184
Nuclear fuel amortization	23	24
Recoverable storm-related costs	(4)	(282)
Amortization of storm reserve deficiency	23	32
Deferred income taxes	109	62
Cost recovery clauses and franchise fees	244	312
Change in prepaid option premiums	23	12
Changes in operating assets and liabilities:		
Customer receivables	128	(61)
Other receivables	16	27
Materials, supplies and fossil fuel inventory	7	(113)
Other current assets	(22)	(17)
Other assets	(34)	(19)
Accounts payable	(88)	(177)
Customer deposits	11	10
Margin cash deposits	56	(382)
Income taxes	63	139
Interest and other taxes	61	92
Other current liabilities	17	(53)
Other liabilities	(3)	39
Other – net	29	22
Net cash provided by (used in) operating activities	973	(27)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(491)	(487)
Nuclear fuel purchases	(29)	(34)
Proceeds from sale of securities in nuclear decommissioning funds	413	634
Purchases of securities in nuclear decommissioning funds	(435)	(652)
Other – net	2	(1)
Net cash used in investing activities	(540)	(540)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuances of long-term debt	-	392
Net change in short-term debt	(104)	170
Dividends on common stock	(350)	-
Net cash provided by (used in) financing activities	(454)	562
Net decrease in cash and cash equivalents	(21)	(5)
Cash and cash equivalents at beginning of period	64	56
Cash and cash equivalents at end of period	$ 43	$ 51

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2006 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 2006 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. Prior year's amounts included in the condensed consolidated financial statements and the Notes herein have been adjusted to reflect the retrospective application of a Financial Accounting Standards Board (FASB) Staff Position related to planned major maintenance activities adopted by FPL Group and FPL effective December 31, 2006. In addition, certain amounts included in the prior year's condensed consolidated financial statements have been reclassified to conform to the current year's presentation. The results of operations for an interim period generally will not give a true indication of results for the year.

1. Employee Retirement 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 supplemental executive retirement plan (SERP), which includes a non-qualified supplemental defined pension benefit component that provides benefits to a select group of management and highly compensated employees. The cost of this SERP component is included in the determination of net periodic benefit income for pension benefits in the following table and was not material to FPL Group's financial statements for the three months ended March 31, 2007 and 2006, respectively. In addition to pension benefits, FPL Group sponsors a 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 following table provides the components of net periodic benefit (income) cost for the plans:

	Pension Benefits Three Months Ended March 31,		Other Benefits Three Months Ended March 31,	
	2007	2006	2007	2006
	(millions)			
Service cost	$ 13	$ 13	$ 1	$ 1
Interest cost	24	22	6	6
Expected return on plan assets	(55)	(53)	(1)	(1)
Amortization of transition obligation	-	-	1	1
Amortization of prior service benefit	(1)	(1)	-	-
Amortization of (gains) losses	(4)	(4)	-	-
Other	-	-	-	2
Net periodic benefit (income) cost at FPL Group	$ (23)	$ (23)	$ 7	$ 9
Net periodic benefit (income) cost at FPL	$ (19)	$ (19)	$ 6	$ 8

2. Derivative Instruments

Derivative instruments, when required to be marked to market under Statement of Financial Accounting Standards No. (FAS) 133, "Accounting for Derivative Instruments and Hedging Activities," as amended, are recorded on FPL Group's and FPL's condensed consolidated balance sheets as either an asset or liability measured at fair value.

FPL Group's and FPL's mark-to-market derivative instrument assets (liabilities) are included in the condensed consolidated balance sheets as follows:

	FPL Group		FPL	
	March 31, 2007	December 31, 2006	March 31, 2007	December 31, 2006
	(millions)			
Current derivative assets	$ 144	$ 376	$ 11	$ 4
Other assets	37	78	-	-
Current derivative liabilities	(526)	(1,144)	(268)	(780)
Other liabilities	(228)	(107)	(3)	(1)
Total mark-to-market derivative instrument assets (liabilities)	$ (573)	$ (797)	$ (260)	$ (777)

FPL Group and FPL use derivative instruments (primarily swaps, options and forwards) to manage the commodity price risk inherent in the purchase and sale of fuel and electricity, as well as interest rate risk associated with long-term debt. In addition, FPL Group, through FPL Energy, LLC (FPL Energy), uses derivatives to optimize the value of power generation assets and engages in energy trading activities to take advantage of expected future favorable price movements, including providing full energy and capacity requirements services to distribution utilities in certain markets. At FPL, substantially all changes in fair value are deferred as a regulatory asset or liability until the contracts are settled, and upon settlement, any gains or losses are passed through the fuel and purchased power cost recovery clause (fuel clause) or 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 on a net basis in operating revenues; fuel purchases and sales are recognized on a net basis 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. While most of FPL Energy's derivative transactions are entered into for the purpose of managing commodity price risk, 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 been deemed not to have occurred for financial reporting purposes. Transactions for which physical delivery is deemed to have not occurred are presented on a net basis. 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 March 31, 2007, FPL Group had cash flow hedges with expiration dates through December 2011 for energy contract derivative instruments, and interest rate cash flow hedges with expiration dates through January 2022. 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 (OCI) and is reclassified into earnings in the period(s) during which the transaction being hedged affects earnings. The ineffective portion of net unrealized gains on these hedges flows through earnings in the current period and amounted to $7 million and $7 million for the three months ended March 31, 2007 and 2006, respectively. Settlement gains and losses are included within the line items in the statements of income to which they relate.

FPL Group's unrealized mark-to-market gains (losses) on derivative transactions reflected in the condensed consolidated statements of income for consolidated subsidiaries and equity method investees are as follows:

	Three Months Ended March 31,	
	2007	2006
	(millions)	
Consolidated subsidiaries	$ (187)	$ 61
Equity method investees	$ (1)	$ (10)

3. Income Taxes

FPL Group's effective income tax rate for the three months ended March 31, 2007 and 2006 was approximately 3.9% and 23.5%, respectively. The reduction from the federal statutory rate mainly reflects the benefit of production tax credits (PTCs), related to FPL Energy's wind projects, of approximately $52 million and $42 million for the three months ended March 31, 2007 and 2006, respectively.

FPL Group recognizes PTCs as wind energy is generated and sold based on a per kilowatt-hour (kwh) rate prescribed in applicable federal and state statutes, which may differ significantly from amounts computed, on a quarterly basis, using an overall effective income tax rate anticipated for the full year. FPL Group utilizes this method of recognizing PTCs for specific reasons including that PTCs are an integral part of the financial viability of most wind projects and a fundamental component of such wind projects' results of operations.

On January 1, 2007, FPL Group and FPL adopted FASB Interpretation No. (FIN) 48, "Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109." The interpretation prescribes a more-likely-than-not recognition threshold and establishes new measurement requirements for financial statement reporting of an entity's income tax positions.

FPL Group and its subsidiaries file income tax returns in the U.S. federal jurisdiction and various states, the most significant being Florida. FPL Group and FPL are no longer subject to U.S. federal, state and local examinations by taxing authorities for years before 1988. As of January 1, 2007, FPL Group is disputing certain adjustments proposed by the Internal Revenue Service (IRS) to its U.S. income tax returns for 1988 through 2002. These IRS proposed adjustments primarily relate to FPL Group's and FPL's method for capitalizing indirect service costs and certain deductions for repairs. Additionally, income tax returns for 2003 through 2006 are still subject to examination.

The adoption of FIN 48 on January 1, 2007 did not have a significant cumulative effect on FPL Group's and FPL's beginning retained earnings or other components of common shareholders' equity. Upon adoption, FPL Group recognized, primarily by reclassification from accumulated deferred income taxes, approximately $316 million ($274 million for FPL) of liabilities for unrecognized tax benefits which are included in the condensed consolidated balance sheets as other liabilities. The majority of the liabilities for unrecognized tax benefits represents tax positions for which the ultimate deductibility is highly certain but for which there is uncertainty about the timing of such deductibility. A disallowance of the shorter deductibility period for these tax positions would not affect the annual effective income tax rate and would not result in a significant payment of cash to the taxing authority due to FPL Group's ability to offset tax adjustments by utilizing tax credit carryforwards. Included in the liabilities for unrecognized tax benefits identified above is approximately $11 million at FPL Group ($8 million at FPL) that, if disallowed, could impact the annual effective income tax rate. It is expected that the amount of unrecognized tax benefits may change in the next twelve months, however, management does not expect the change to have a significant impact on FPL Group's or FPL's financial statements.

FPL Group recognizes interest income (expense) related to unrecognized tax benefits (liabilities) in interest income and interest charges, respectively, net of the amount deferred at FPL. At FPL, the offset to accrued interest receivable (payable) on income taxes is classified as a regulatory liability (regulatory asset) which will be amortized to income (expense) over a five-year period upon settlement in accordance with regulatory treatment as required by FAS 71, "Accounting for the Effects of Certain Types of Regulation." On January 1, 2007, FPL Group accrued approximately $36 million for net interest receivable ($17 million for FPL).

4. Comprehensive Income

FPL Group's comprehensive income is as follows:

	Three Months Ended March 31,	
	2007	2006
	(millions)	
Net income of FPL Group	$ 150	$ 251
Net unrealized gains (losses) on commodity cash flow hedges:		
Effective portion of net unrealized gains (losses) (net of $47 tax benefit and $27 tax expense, respectively)	(70)	39
Reclassification from OCI to net income (net of $8 and $9 tax expense, respectively)	11	13
Net unrealized gains (losses) on interest rate cash flow hedges:		
Effective portion of net unrealized gains (losses) (net of $3 tax benefit and $3 tax expense, respectively)	(6)	5
Reclassification from OCI to net income (net of $0.6 tax benefit in 2007)	(1)	-
Net unrealized gains on available for sale securities (net of $1 and $3 tax expense, respectively)	2	5
Supplemental retirement plan liability adjustment (net of $0.5 tax expense in 2006)	-	1
Defined benefit pension and other benefits plans (net of $0.4 tax benefit in 2007)	(1)	-
Comprehensive income of FPL Group	$ 85	$ 314

Approximately $67 million of losses included in FPL Group's accumulated other comprehensive income at March 31, 2007 will be reclassified into earnings within the next twelve 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. Accumulated other comprehensive income is separately displayed on the condensed consolidated balance sheets of FPL Group.

5. 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,	
	2007	2006
	(millions, except per share amounts)	
Numerator – net income	$ 150	$ 251
Denominator:		
Weighted-average number of common shares outstanding – basic	396.8	389.2
Restricted stock, performance share awards, options, warrants and equity units [a]	2.9	3.7
Weighted-average number of common shares outstanding – assuming dilution	399.7	392.9
Earnings per share of common stock:		
Basic	$ 0.38	$ 0.64
Assuming dilution	$ 0.38	$ 0.64

(a) Performance share 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 were the end of the term of the award. Restricted stock, performance share awards, options, warrants and, for the 2006 period, 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 for the 2007 period and upon the settlement of equity units for the 2006 period which were not included in the denominator above due to their antidilutive effect were approximately 0.2 million and 0.3 million for the three months ended March 31, 2007 and 2006, respectively.

6. Debt

In January 2007, an indirect wholly-owned subsidiary of FPL Energy entered into an interest rate swap agreement to pay a fixed rate of 5.39% on approximately $547 million of its variable rate limited recourse debt in order to limit cash flow exposure.

In April 2007, FPL issued $300 million principal amount of 5.85% first mortgage bonds maturing in May 2037. The proceeds were used to repay a portion of FPL's short-term borrowings and for other corporate purposes.

In April 2007, FPL and FPL Group Capital Inc (FPL Group Capital) each entered into a new five-year revolving credit and letter of credit facility aggregating $6.5 billion ($4.0 billion for FPL Group Capital and $2.5 billion for FPL) expiring in April 2012. These new facilities replaced the previously existing five-year credit facilities aggregating $4.5 billion.

7. 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 include, among other things, 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 cost, including capitalized interest, for construction of wind projects and the procurement of nuclear fuel, as well as announced acquisitions. FPL FiberNet, LLC's (FPL FiberNet) capital expenditures primarily include costs to meet customer specific requirements and sustain its fiber-optic network. At March 31, 2007, planned capital expenditures for the remainder of 2007 through 2011 were estimated as follows:

	2007	2008	2009	2010	2011	Total
			(millions)			
FPL:						
Generation: [a]						
New [b] [c]	$ 270	$ 720	$ 210	$ 10	$ -	$ 1,210
Existing	475	600	485	565	425	2,550
Transmission and distribution [d]	640	985	1,105	1,055	1,080	4,865
Nuclear fuel	70	130	140	170	110	620
General and other	110	160	170	205	210	855
Total	$ 1,565	$ 2,595	$ 2,110	$ 2,005	$ 1,825	$ 10,100
FPL Energy:						
Wind [e]	$ 1,485	$ 1,365	$ 10	$ 5	$ 5	$ 2,870
Nuclear [f]	1,175	205	120	165	115	1,780
Gas	65	40	75	80	45	305
Other	55	35	10	10	5	115
Total	$ 2,780	$ 1,645	$ 215	$ 260	$ 170	$ 5,070
FPL FiberNet	$ 8	$ 11	$ 11	$ 11	$ 11	$ 52

[a] Includes allowance for funds used during construction (AFUDC) of approximately $25 million, $52 million, $53 million and $6 million in 2007, 2008, 2009 and 2010, respectively.
[b] Includes land, generating structures, transmission interconnection and integration, licensing and AFUDC.
[c] Excludes capital expenditures of approximately $3.4 billion (approximately $310 million in 2008) for two ultra super critical pulverized coal generating units for the period from early 2008 (expected Siting Board approval) through 2011.
[d] Includes estimated capital costs associated with FPL's initiative to enhance its electrical grid as a result of heightened hurricane activity and in response to concerns expressed by the community, state leaders and regulators, as well as the Florida Public Service Commission's (FPSC) approved storm preparedness plan (collectively, Storm Secure® Plan). These capital costs are subject to change over time based on, among other things, productivity enhancements and prioritization.
[e] Capital expenditures for new wind projects are estimated through 2008, when eligibility for PTCs for new wind projects is scheduled to expire.
[f] Includes nuclear fuel for Seabrook Station (Seabrook) and Duane Arnold Energy Center (Duane Arnold) and, in 2007, the pending acquisition of Point Beach Nuclear Power Plant (Point Beach).

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, 2007, FPL Energy had approximately $4.4 billion in firm commitments, primarily for the purchase of wind turbines and towers, natural gas transportation, purchase and storage, firm transmission service, nuclear fuel for Seabrook and Duane Arnold and a portion of its projected capital expenditures, including the pending acquisition of Point Beach for approximately $1.0 billion. The Point Beach transaction is subject to, among other things, the receipt of approvals from various federal and state regulatory agencies. FPL Energy expects to close the transaction in the third quarter of 2007. In addition, 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, 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, 2007, 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 11 years. The maximum potential amount of future payments that could be required under these guarantees at March 31, 2007 was approximately $16 million. At March 31, 2007, 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 March 31, 2007.

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 becoming liable for 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.

Contracts – FPL Group has entered into a long-term agreement for the purchase of wind, combustion and steam turbines, as well as parts, repairs and on-site services, through 2021. The related commitments are included in FPL Energy's minimum payments shown in the table below and in FPL Energy's estimated capital expenditures shown in the table above.

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 megawatts (mw) of power annually through mid-2015 and 375 mw annually thereafter through 2021, and one of the Southern subsidiaries' contracts is subject to minimum quantities. FPL also has various firm pay-for-performance contracts to purchase approximately 700 mw from certain cogenerators and small power producers (qualifying facilities) with expiration dates ranging from 2009 through 2026. The purchased power contracts provide for capacity and energy payments. Energy payments are based on the actual power taken under these contracts. Capacity payments for the pay-for-performance contracts are subject to the qualifying facilities meeting certain contract conditions. FPL has various agreements with several electricity suppliers to purchase an aggregate of up to approximately 1,250 mw of power with expiration dates ranging from 2007 through 2012. In general, the agreements require FPL to make capacity payments and supply the fuel consumed by the plants under the contracts. FPL has contracts with expiration dates through 2028 for the purchase of natural gas, coal and oil, transportation of natural gas and coal, and storage of natural gas.

FPL Energy has entered into several contracts for the purchase of wind turbines and towers in support of a portion of its planned new wind generation. In addition, FPL Energy has contracts primarily for the purchase, transportation and storage of natural gas and firm transmission service with expiration dates ranging from 2007 through 2036. FPL Energy also has several contracts for the supply, conversion, enrichment and fabrication of nuclear fuel with expiration dates ranging from 2007 to 2018.

The required capacity and minimum payments under these contracts as of March 31, 2007 were estimated as follows:

	2007	2008	2009	2010	2011	Thereafter
				(millions)		
FPL:						
Capacity payments: [a]						
JEA and Southern subsidiaries [b]	$ 150	$ 200	$ 210	$ 200	$ 200	$ 980
Qualifying facilities [b]	$ 240	$ 320	$ 320	$ 290	$ 270	$ 3,200
Other electricity suppliers [b]	$ 40	$ 55	$ 50	$ 10	$ 10	$ 5
Minimum payments, at projected prices:						
Southern subsidiaries – energy [b]	$ 60	$ 80	$ 90	$ 40	$ -	$ -
Natural gas, including transportation and storage [c]	$ 2,435	$ 1,345	$ 325	$ 260	$ 260	$ 2,150
Coal [c]	$ 50	$ 35	$ 20	$ 10	$ 10	$ -
Oil [c]	$ 460	$ -	$ -	$ -	$ -	$ -
FPL Energy	$ 1,060	$ 1,100	$ 120	$ 115	$ 80	$ 695

(a) Capacity payments under these contracts, the majority of which are recoverable through the capacity clause, totaled approximately $151 million and $145 million for the three months ended March 31, 2007 and 2006, respectively.
(b) Energy payments under these contracts, which are recoverable through the fuel clause, totaled approximately $99 million and $91 million for the three months ended March 31, 2007 and 2006, respectively.
(c) Recoverable through the fuel clause.

In addition, FPL has entered into several long-term agreements for storage capacity and transportation of natural gas from facilities that have not yet begun construction. These agreements range from 12 to 23 years in length and contain firm commitments totaling up to approximately $131 million annually or $2.4 billion over the terms of the agreements. These firm commitments are contingent upon the occurrence of certain events, including approval by the Federal Energy Regulatory Commission (FERC) and completion of construction of the facilities in 2008 and 2009.

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 $604 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 $90 million ($60 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, Duane Arnold and St. Lucie Unit No. 2, which approximates $12 million, $30 million and $15 million, plus any applicable taxes, per incident, respectively.

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 $141 million ($97 million for FPL), plus any applicable taxes, 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, Duane Arnold and St. Lucie Unit No. 2, which approximates $2 million, $5 million and $4 million, plus any applicable taxes, respectively.

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 and FPL Group has no insurance coverage for FPL FiberNet's fiber-optic cable located throughout Florida. Under the terms of the agreement regarding FPL's retail base rates approved by the FPSC (2005 rate agreement) and the FPSC-approved storm cost accounting method, FPL may recover prudently incurred storm restoration costs either through securitization pursuant to Section 366.8260 of the Florida Statutes, through surcharges or through the use of any funds available in a storm reserve.

In the event of a loss, the amount of insurance available might not be adequate to cover property damage and other expenses incurred. Uninsured losses and other expenses, to the extent not recovered from customers 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.

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 April 2007, the U.S. Supreme Court ruled in a separate unrelated case in which it rejected an argument that a "major modification" occurs at a plant only when there is a resulting increase in the hourly rate of air emissions. Georgia Power Company has made a similar argument in defense of its case, but has other factual and legal defenses that are unaffected by the Supreme Court's decision.

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. In 1993, FPL filed 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) FMPA's request for transmission credits related to the costs of its transmission facilities (the crediting issue), (ii) treatment of behind-the-meter generation and load ratio pricing for network integration transmission service (the behind-the-meter issue), and (iii) exclusions from FPL's transmission rates of the costs of FPL's facilities that fail to meet the same integration test that was applied to FMPA's facilities with respect to the crediting issue (the rate base issue). The FERC and the DC Circuit have rejected FMPA's claim for transmission credits, which would have reduced FMPA's payment obligation to FPL for network integration transmission service.

With regard to the behind-the-meter issue, the FERC rejected FMPA's argument that its obligation to pay for network integration transmission service should be reduced to the extent that FPL allegedly cannot provide transmission service because of "physical transmission limitations." In June 2005, the DC Circuit remanded the case to the FERC for further consideration. In December 2005, the FERC issued an order on remand finding that load ratio share pricing is appropriate notwithstanding constraints on a third-party's system. In January 2006, FMPA filed a rehearing request of this order with the FERC, which the FERC denied in July 2006. FMPA submitted a petition for review of the FERC's December 2005 and July 2006 orders at the DC Circuit. A briefing schedule has not yet been established in that proceeding.

With regard to the rate base issue, 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 that filing, FPL's current network transmission rate would have been reduced by $0.02 per kilowatt (kw) per month. In June 2004, FMPA filed a protest to FPL's compliance filing, arguing that FPL's current network transmission rate should be reduced by approximately $0.41 per kw per month. In January 2005, the FERC issued an order on FPL's compliance filing. In the order, the 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. The FERC required FPL to make an additional compliance filing removing the cost of all radial transmission lines from transmission rates, 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 made this compliance filing in April 2005, which would reduce FPL's current rate by $0.04 per kw per month. In May 2005, FMPA protested FPL's compliance filing and argued that FPL's rates should be reduced by an additional $0.20 per kw per month, potentially resulting in a refund obligation to FMPA of approximately $23 million at March 31, 2007. Any reduction in FPL's network service rate also would apply effective January 1, 2004 to Seminole Electric Cooperative Inc. (Seminole), FPL's other network customer. The potential refund obligation to Seminole based on FMPA's position is approximately $10 million at March 31, 2007.

In December 2005, the FERC issued an order accepting FPL's April 2005 compliance filing in part, rejecting it in part, and directing the submission of a further compliance filing. The FERC concluded that it is not clear whether FPL failed to test its non-radial facilities in a manner comparable to the way it tested FMPA's facilities. FPL filed a rehearing request in January 2006, which the FERC denied in July 2006. FPL filed a request for rehearing of the FERC's July 2006 order. In September 2006, FPL made the required compliance filing, removing additional transmission facilities from rates, which resulted in a refund liability of approximately $4 million to FMPA and approximately $2 million to Seminole at March 31, 2007. FMPA has protested FPL's filing, claiming again that FPL's rates should be reduced by an additional $0.20 per kw per month.

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 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 has filed an answer to the complaint. FPL Group believes that the complaint is without merit 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. The case is in discovery and has been set for trial in July 2008.

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, as subsequently amended, 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. In January 2006, the court granted FPL's motion for final summary judgment and dismissed the case. On February 8, 2006, the plaintiffs filed a notice of appeal of the court's decision, which appeal is pending before the U.S. Court of Appeals for the Eleventh Circuit.

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, as subsequently amended, are virtually identical to those contained in the Finestone lawsuit described above. In January 2006, the court granted FPL's motion for final summary judgment and dismissed the case. On February 8, 2006, the plaintiffs filed a notice of appeal of the court's decision, which appeal is pending before the U.S. Court of Appeals for the Eleventh Circuit.

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 Eleventh 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 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 power plants in southeast Florida. 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 U.S. District Court remanded the action back to the state court. The drug manufacturing and distribution companies have moved to dismiss the action. Plaintiffs and FPL have agreed that FPL will not respond to the complaint until requested by the plaintiffs.

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 Eighteenth 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 Orlando Utilities Commission, 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 Roig lawsuit described above. FPL's motion to dismiss the complaint was denied. The U.S. District Court subsequently remanded the action back to the state court. The state court subsequently dismissed the drug manufacturing and distribution companies from the action. Plaintiffs' appeal of that order is pending before the Florida Fifth District Court of Appeal. Plaintiffs and FPL have agreed that FPL will not respond to the complaint until requested by the plaintiffs.

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. FPL Energy was added as a defendant in 2005. The petition alleges that the 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 approximately $34 million. The FPL Energy Affiliates filed their answer and counterclaim in November 2004, denying the allegations. The counterclaim, as now amended, asserts claims for conversion, breach of fiduciary duty, breach of warranty, conspiracy, breach of contract and fraud and seeks termination of the contract and damages. The case has been set for trial in late May 2007.

In September 2006, PT Pertamina, Indonesia's state-owned oil/energy company, filed an action against Karaha Bodas Company, LLC (KBC), an entity in which FPL Energy owns an equity interest, in the Grand Court of the Cayman Islands for fraud and for an injunction prohibiting KBC from disposing of, dealing with or diminishing the value of any of KBC's assets up to the value of PT Pertamina's funds KBC received as a result of a court judgment (approximately $320 million) pending resolution of the fraud claim. FPL Energy's portion of the damages being sought is approximately $145 million. KBC sought and in December 2006 received from the U.S. District Court for the Southern District of New York an anti-suit injunction against the plaintiff, prohibiting the plaintiff from pursuing the fraud action, or any similar action, and the request for injunctive relief in the Cayman court or any other court worldwide. The plaintiff's appeal of that order to the U.S. Court of Appeals for the Second Circuit is pending.

In addition to those legal proceedings discussed above, 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. Generating plants in which FPL Group or FPL have an ownership interest are also involved in legal proceedings and claims, the liabilities from which, if any, would be shared by FPL Group or FPL.

FPL Group and FPL believe that they, or their affiliates, have meritorious defenses to all the pending litigation and proceedings discussed above under the heading Litigation and are vigorously defending the lawsuits. While management is unable to predict with certainty the outcome of the legal proceedings and claims discussed or described herein, based on current knowledge it is not expected that their ultimate resolution, individually or collectively, will have a material adverse effect on the financial statements of FPL Group or FPL.

8. Segment Information

FPL Group's reportable segments include FPL, a rate-regulated utility, and FPL Energy, a competitive energy business. 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,							
	2007				2006			
	FPL	FPL Energy[a]	Corporate & Other	Total	FPL	FPL Energy[a]	Corporate & Other	Total
	(millions)							
Operating revenues	$ 2,448	$ 585	$ 42	$ 3,075	$ 2,584	$ 952	$ 48	$ 3,584
Operating expenses	$ 2,201	$ 538	$ 38	$ 2,777	$ 2,338	$ 723	$ 50	$ 3,111
Net income (loss) [b]	$ 126	$ 45	$ (21)	$ 150	$ 122	$ 154	$ (25)	$ 251

	March 31, 2007				December 31, 2006			
	FPL	FPL Energy	Corporate & Other	Total	FPL	FPL Energy	Corporate & Other	Total
	(millions)							
Total assets	$ 22,559	$ 11,567	$ 1,409	$35,535	$ 23,073	$ 11,371	$ 1,547	$ 35,991

(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) See Note 3 for a discussion of FPL Energy's tax benefits related to PTCs that were recognized based on its tax sharing agreement with FPL Group.

9. 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, including its debentures, and payment guarantees 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,							
	2007				2006			
	FPL Group (Guarantor)	FPL Group Capital	Other[a]	FPL Group Consolidated	FPL Group (Guarantor)	FPL Group Capital	Other[a]	FPL Group Consolidated
	(millions)							
Operating revenues	$ -	$ 629	$ 2,446	$ 3,075	$ -	$ 1,002	$ 2,582	$ 3,584
Operating expenses	-	(578)	(2,199)	(2,777)	(5)	(769)	(2,337)	(3,111)
Interest charges	(5)	(112)	(63)	(180)	(6)	(101)	(62)	(169)
Other income (deductions) – net	159	24	(145)	38	260	25	(261)	24
Income (loss) before income taxes	154	(37)	39	156	249	157	(78)	328
Income tax expense (benefit)	4	(66)	68	6	(2)	21	58	77
Net income (loss)	$ 150	$ 29	$ (29)	$ 150	$ 251	$ 136	$ (136)	$ 251

(a) Represents FPL and consolidating adjustments.

FPL GROUP, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(unaudited)

Condensed Consolidating Balance Sheets

	March 31, 2007				December 31, 2006			
	FPL Group (Guarantor)	FPL Group Capital	Other[a]	FPL Group Consolidated	FPL Group (Guarantor)	FPL Group Capital	Other[a]	FPL Group Consolidated
	(millions)							
PROPERTY, PLANT AND EQUIPMENT								
Electric utility plant in service and other property	$ -	$10,894	$ 26,084	$ 36,978	$ -	$10,466	$ 25,686	$ 36,152
Less accumulated depreciation and amortization	-	(1,927)	(9,880)	(11,807)	-	(1,805)	(9,848)	(11,653)
Total property, plant and equipment – net	-	8,967	16,204	25,171	-	8,661	15,838	24,499
CURRENT ASSETS								
Cash and cash equivalents	4	178	44	226	-	556	64	620
Receivables	883	910	142	1,935	170	683	803	1,656
Other	8	510	1,262	1,780	10	767	1,946	2,723
Total current assets	895	1,598	1,448	3,941	180	2,006	2,813	4,999
OTHER ASSETS								
Investment in subsidiaries	9,565	-	(9,565)	-	9,892	-	(9,892)	-
Other	1,173	1,622	3,628	6,423	1,166	1,747	3,580	6,493
Total other assets	10,738	1,622	(5,937)	6,423	11,058	1,747	(6,312)	6,493
TOTAL ASSETS	$ 11,633	$12,187	$ 11,715	$ 35,535	$ 11,238	$12,414	$ 12,339	$ 35,991
CAPITALIZATION								
Common shareholders' equity	$ 9,871	$ 2,249	$ (2,249)	$ 9,871	$ 9,930	$ 2,354	$ (2,354)	$ 9,930
Long-term debt	-	4,877	4,214	9,091	-	5,377	4,214	9,591
Total capitalization	9,871	7,126	1,965	18,962	9,930	7,731	1,860	19,521
CURRENT LIABILITIES								
Debt due within one year	-	2,160	526	2,686	-	2,112	630	2,742
Accounts payable	4	340	651	995	-	325	735	1,060
Other	637	702	933	2,272	222	749	1,720	2,691
Total current liabilities	641	3,202	2,110	5,953	222	3,186	3,085	6,493
OTHER LIABILITIES AND DEFERRED CREDITS								
Asset retirement obligations	-	252	1,593	1,845	-	248	1,572	1,820
Accumulated deferred income taxes	268	1,138	2,070	3,476	269	945	2,218	3,432
Regulatory liabilities	531	-	3,201	3,732	531	-	3,121	3,652
Other	322	469	776	1,567	286	304	483	1,073
Total other liabilities and deferred credits	1,121	1,859	7,640	10,620	1,086	1,497	7,394	9,977
COMMITMENTS AND CONTINGENCIES								
TOTAL CAPITALIZATION AND LIABILITIES	$ 11,633	$12,187	$ 11,715	$ 35,535	$ 11,238	$12,414	$ 12,339	$ 35,991

[a] Represents FPL and consolidating adjustments.

Condensed Consolidating Statements of Cash Flows

	Three Months Ended March 31,							
	2007				2006			
	FPL Group (Guarantor)	FPL Group Capital	Other[a]	FPL Group Consolidated	FPL Group (Guarantor)	FPL Group Capital	Other[a]	FPL Group Consolidated
	(millions)							
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	$ 159	$ 504	$ 556	$ 1,219	$ (100)	$ 54	$ (71)	$ (117)
CASH FLOWS FROM INVESTING ACTIVITIES								
Capital expenditures, independent power investments and nuclear fuel purchases	(12)	(307)	(520)	(839)	-	(674)	(528)	(1,202)
Other – net	14	3	(31)	(14)	-	(11)	(20)	(31)
Net cash provided by (used in) investing activities	2	(304)	(551)	(853)	-	(685)	(548)	(1,233)
CASH FLOWS FROM FINANCING ACTIVITIES								
Issuances of long-term debt	-	-	-	-	-	-	392	392
Retirements of long-term debt	-	(618)	-	(618)	-	(37)	-	(37)
Net change in short-term debt	-	106	(103)	3	-	314	170	484
Proceeds from purchased Corporate Units	-	-	-	-	210	-	-	210
Payments to terminate Corporate Units	-	-	-	-	(258)	-	-	(258)
Issuances of common stock	11	-	-	11	299	-	-	299
Dividends on common stock	(163)	-	-	(163)	(148)	-	-	(148)
Other – net	(5)	(66)	78	7	(10)	(16)	52	26
Net cash provided by (used in) financing activities	(157)	(578)	(25)	(760)	93	261	614	968
Net increase (decrease) in cash and cash equivalents	4	(378)	(20)	(394)	(7)	(370)	(5)	(382)
Cash and cash equivalents at beginning of period	-	556	64	620	7	467	56	530
Cash and cash equivalents at end of period	$ 4	$ 178	$ 44	$ 226	$ -	$ 97	$ 51	$ 148

[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 2006 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

Summary – Presented below is a summary of net income by reportable segment (see Note 8):

	Three Months Ended March 31,	
	2007	2006
	(millions)	
FPL	$ 126	$ 122
FPL Energy	45	154
Corporate and Other	(21)	(25)
FPL Group Consolidated	$ 150	$ 251

FPL's first quarter 2007 improved results reflect continued customer growth and AFUDC earned on capital expenditures for FPL's power plants partly offset by higher depreciation expense recovered under base rates and lower tax benefits from the manufacturers' deduction.

The first quarter 2006 net income of FPL Energy has been adjusted to reflect the retrospective application of a FASB Staff Position related to planned major maintenance activities adopted by FPL Group effective December 31, 2006. FPL Energy's 2007 results reflect the benefits of increased gains from its full energy and capacity requirements services and additional earnings from new investments. In addition, FPL Group's and FPL Energy's net income for 2007 reflect net unrealized after-tax losses from non-qualifying hedges of $126 million while 2006 net income reflects net unrealized after-tax gains from non-qualifying hedges of $23 million. The change in unrealized mark-to-market activity is primarily attributable to changes in forward power and natural gas prices, as well as the reversal of previously recognized unrealized mark-to-market gains/losses as the underlying transactions are realized. As a general rule, a gain (loss) in the non-qualifying hedge category is offset by decreases (increases) in the fair value of related physical asset positions in the portfolio or contracts, which are not marked to market under generally accepted accounting principles.

Results for Corporate and Other in the first quarter of 2007 reflect approximately $3 million of after-tax interest income accrued on unrecognized tax benefits in accordance with a new accounting pronouncement as well as higher interest expense. Results for 2006 reflect approximately $3 million of after-tax merger-related costs associated with the proposed merger between FPL Group and Constellation Energy Group, Inc. (Constellation Energy), which was terminated in October 2006. See Note 3 for a discussion of FIN 48 and Note 8 for segment information.

FPL Group's effective income tax rate for the three months ended March 31, 2007 and 2006 reflects PTCs for wind projects at FPL Energy. PTCs can significantly affect FPL Group's effective income tax rate depending on the amount of pretax income and wind generation. PTCs are recognized as wind energy is generated and sold based on a per kwh rate prescribed in applicable federal and state statutes, and amounted to approximately $52 million and $42 million for the three months ended March 31, 2007 and 2006, respectively. See Note 3.

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 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. FPL Group uses derivative instruments to reduce its commodity price and interest rate risk.

FPL Group's management uses earnings excluding certain items (adjusted earnings), which in the first quarter of 2007 and 2006 were the unrealized mark-to-market effect of non-qualifying hedges and in 2006 also included merger-related costs, internally for financial planning, for analysis of performance, for reporting of results to the Board of Directors and as inputs in determining whether performance targets are met for performance-based compensation under FPL Group's employee incentive compensation plans. FPL Group also uses adjusted earnings when communicating its earnings outlook to 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, management believes that the amount and/or nature of such items make period to period comparisons of operations difficult and potentially confusing.

FPL – FPL's net income for the three months ended March 31, 2007 and 2006 was $126 million and $122 million, respectively. In 2007, FPL's net income benefited from continued customer growth and AFUDC earned on capital expenditures for FPL's power plants partly offset by higher depreciation expense recovered under base rates and lower tax benefits from the manufacturers' deduction. Total depreciation for the three months ended March 31, 2007 was lower than the prior year as depreciation expense recovered through cost recovery clauses declined.

FPL's operating revenues consisted of the following:

	Three Months Ended March 31,	
	2007	2006
	(millions)	
Retail base	$ 793	$ 777
Fuel cost recovery	1,287	1,422
Other cost recovery clauses and pass-through costs	329	345
Other, primarily transmission and wholesale sales and customer-related fees	39	40
Total	$ 2,448	$ 2,584

For the three months ended March 31, 2007, an increase in the average number of customers of 2.2% increased retail base revenues by approximately $17 million and a 0.8% increase in usage per retail customer increased retail base revenues by approximately $6 million. The increase in retail usage was primarily due to weather and economic conditions partly offset by the elasticity effect on customer usage of higher electricity prices. In addition, a higher proportion of non-residential sales, which generally yield lower retail base revenues on a price per kwh basis than residential sales, reduced retail base revenues by approximately $7 million. Turkey Point Unit No. 5 was placed in service on May 1, 2007, which is expected to increase retail base revenues approximately $127 million on an annualized basis.

Revenues from fuel and other cost recovery clauses and pass-through costs, such as franchise fees, revenue taxes and storm cost recoveries, do not significantly affect net income; however, underrecovery or overrecovery of such costs can significantly affect FPL Group's and FPL's operating cash flows. Fluctuations in fuel cost recovery revenues are primarily driven by changes in fuel and energy charges which are included in fuel, purchased power and interchange expense, as well as by changes in energy sales. Fluctuations in other cost recovery clauses and pass-through costs revenues are primarily driven by changes in capacity charges, franchise fee costs and storm reserve deficiency amortization, and the impact of changes in other operations and maintenance (O&M) and depreciation expenses on the underlying cost recovery clause, as well as changes in energy sales. Capacity charges and franchise fee costs are included in fuel, purchased power and interchange and taxes other than income taxes, respectively, in the condensed consolidated statements of income.

In January 2007, the retail fuel charge decreased approximately 7.2% and declined another 2.3% when Turkey Point Unit No. 5 was placed in service on May 1, 2007, although a typical 1,000 kwh residential bill remains the same because the previously discussed base rate increase for this unit was substantially offset by the retail fuel charge decline. In January 2006, the retail fuel charge had been increased approximately 46% in response to significantly higher fuel prices. During the three months ended March 31, 2007, FPL collected approximately $113 million of fuel revenues in excess of fuel costs. These revenues were deferred and will be returned to customers in subsequent periods. This revenue deferral and the 7.2% decline in the retail fuel charge were the primary reasons for the decline in fuel cost recovery revenues.

In 2005, FPL began recovering the 2004 storm restoration cost deficiency from retail customers. These revenues are included in other cost recovery clauses and pass-through costs. For the three months ended March 31, 2007 and 2006, the amount billed to customers related to these storm restoration cost recoveries amounted to approximately $23 million and $32 million, respectively, and the corresponding expense for the amortization of the storm reserve deficiency is shown as a separate line item on the condensed consolidated statements of income. Revenues from other cost recovery clauses and pass-through costs also declined in the first quarter of 2007 due to the absence in 2007 of the recovery of a portion of litigation costs that FPL had been recovering since 2002 through the capacity clause. See further discussion below of depreciation and amortization expense.

The major components of FPL's fuel, purchased power and interchange expense are as follows:

	Three Months Ended March 31,	
	2007	2006
	(millions)	
Fuel and energy charges during the period	$ 1,152	$ 1,110
Recovery of costs incurred in a prior period	145	186
Net over (under) recovery of costs during the period	-	132
Other, primarily capacity charges net of any capacity deferral	117	110
Total	$ 1,414	$ 1,538

The increase in fuel and energy charges reflects approximately $22 million attributable to higher energy sales and approximately $20 million related to higher fuel and energy prices. The recovery of costs incurred in a prior period represents the collection of underrecovered fuel costs the FPSC permitted FPL to start collecting at the beginning of the respective year. The net overrecovery (underrecovery) of costs during the period represents fuel clause collections from customers which were higher (lower) than fuel and energy costs incurred. Since all of FPL's remaining retail underrecovered fuel costs were collected during the three months ended March 31, 2007, FPL began deferring revenues (see fuel cost recovery revenue discussion above) as fuel collections exceeded fuel and energy costs. The decrease in deferred clause and franchise expenses and increase in deferred clause and franchise revenues (current and noncurrent, collectively) on FPL Group's and FPL's condensed consolidated balance sheets at March 31, 2007 totaling $244 million positively affected FPL Group's and FPL's cash flows from operations for the three months ended March 31, 2007.

FPL's O&M expenses for the three months ended March 31, 2007 decreased approximately $1 million reflecting, as expected, increased costs associated with FPL's Storm Secure Plan of approximately $7 million as well as higher customer service, nuclear, employee benefit and insurance costs (collectively, approximately $10 million). These increases were offset by lower distribution costs of approximately $12 million as the prior year first quarter costs reflected additional fleet vehicle and storm restoration expenses. Other changes in O&M expenses were primarily driven by pass-through costs which did not significantly affect net income. Management expects O&M expense in 2007 to continue trending upward, reflecting an expected increase of approximately $20 million in Storm Secure Plan costs for the year, higher fossil generation costs reflecting the placement of Turkey Point Unit No. 5 into service and higher nuclear, employee benefit, customer service and insurance costs.

Depreciation and amortization expense for the three months ended March 31, 2007 decreased approximately $7 million reflecting the full recovery in 2006 through cost recovery clauses of $222.5 million of litigation costs that FPL had been recovering over a five-year period that began January 1, 2002. This was partially offset by higher depreciation on transmission and distribution facilities to support customer growth and demand. FPL placed Turkey Point Unit No. 5, a 1,144 mw natural gas-fired generating unit, into service on May 1, 2007.

Interest charges for the three months ended March 31, 2007 reflect higher allowance for borrowed funds used during construction (AFUDC – debt) on Turkey Point Unit No. 5, two 1,220 mw natural gas-fired combined cycle units in western Palm Beach County, Florida, the steam generator replacement project at St. Lucie Unit No. 2 and the nuclear spent fuel storage projects. This increase in AFUDC – debt was offset primarily by higher interest expense due to an increase in average interest rates of approximately 36 basis points partly offset by lower debt balances. The increase in allowance for equity funds used during construction for the three months ended March 31, 2007 is attributable to the projects discussed above for AFUDC – debt.

FPL Energy – FPL Energy's net income for the three months ended March 31, 2007 and 2006 was $45 million and $154 million, respectively, a decrease of $109 million. The primary drivers, on an after-tax basis, of this decrease were as follows:

	Increase (Decrease) Three Months Ended March 31, 2007
	(millions)
New investments [a]	$ 26
Existing assets [a]	-
Full energy and capacity requirements services and trading	27
Restructuring activities and asset sales	1
Interest expense and other	(14)
Change in unrealized mark-to-market non-qualifying hedge activity [b]	(149)
Net income decrease	$ (109)

(a) Includes PTCs on wind projects but does not include allocation of interest expense or corporate general and administrative expenses. See Note 3 for a discussion of PTCs. Results from new projects are included in new investments during the first twelve months of operation. A project's results are included in existing assets beginning with the thirteenth month of operation.

(b) For discussion of derivative instruments, see Note 2 and Summary.

The increase in FPL Energy's results from new investments reflects the addition of over 1,275 mw of wind, nuclear and gas generation during or after the first quarter of 2006. Results from FPL Energy's existing asset portfolio benefited from improved market conditions in the New England Power Pool (NEPOOL) and Electric Reliability Council of Texas (ERCOT) regions offset by the impact of lower wind resource, a refueling outage at the Duane Arnold nuclear facility and the effect of the completion, in January 2007, of the amortization of deferred income under a power purchase agreement related to a combined-cycle plant in the NEPOOL region. Results in NEPOOL also benefited from a new FERC-approved forward capacity market that began in December 2006.

FPL Energy is currently planning to make alloy 600 pressurizer upgrades to its Seabrook nuclear plant in 2008, but the Nuclear Regulatory Commission may require the upgrades to be done in 2007. Performing these upgrades in 2007 may reduce FPL Energy's 2007 results of operations primarily due to lost revenues during the period the plant is shutdown for such upgrades but it is not expected to significantly affect the estimated capital expenditures for the 2007 through 2011 period. See Note 7 – Commitments.

FPL Energy's first quarter 2007 financial results benefited from increased gains from its full energy and capacity requirements services and trading activities. Full energy and capacity requirements services included 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.

Interest expense and other reflects higher interest expense due to higher debt balances as a result of growth in the business. In addition, interest expense and other includes higher corporate general and administrative expenses to support the growth in the business.

For the quarter ended March 31, 2007, FPL Energy recorded approximately $126 million of after-tax net unrealized mark-to-market losses on non-qualifying hedge activity compared to $23 million of after-tax net gains for the quarter ended March 31, 2006. The change in unrealized mark-to-market activity for 2007 compared to 2006 is primarily attributable to increased forward power and natural gas prices, as well as the reversal of previously recognized unrealized mark-to-market gains as the underlying transactions were realized during the first quarter of 2007.

FPL Energy's operating revenues for the quarter ended March 31, 2007 decreased $367 million reflecting $363 million of losses on unrealized mark-to-market non-qualifying hedge activity as compared to $239 million of gains in the 2006 period. Excluding this mark-to-market change, operating revenues increased primarily due to project additions and favorable market conditions in the NEPOOL and ERCOT regions, partially offset by the impact of a refueling outage at Duane Arnold and lower wind resource.

FPL Energy's operating expenses for the quarter ended March 31, 2007 decreased $185 million reflecting $165 million of unrealized mark-to-market non-qualifying hedge gains compared to $187 million of losses in the 2006 period. Excluding this mark-to-market change, operating expenses increased primarily due to increased fuel costs as a result of market conditions and additional O&M and depreciation and amortization expenses. FPL Energy expects 2007 O&M expenses to be higher than 2006 O&M expenses, primarily due to costs associated with project additions and plant maintenance.

Equity in earnings of equity method investees decreased $1 million for the quarter ended March 31, 2007 primarily due to the effect of the completion, in January 2007, of the amortization of deferred income under a power purchase agreement related to a combined-cycle plant in the NEPOOL region partially offset by unrealized mark-to-market after-tax losses on non- qualifying hedge activity of approximately $1 million in the first quarter of 2007 as compared to $12 million of such losses in the 2006 period.

PTCs from FPL Energy's wind projects are reflected in FPL Energy's earnings. PTCs are recognized as wind energy is generated and sold based on a per kwh rate prescribed in applicable federal and state statutes, and amounted to approximately $52 million and $42 million for the three months ended March 31, 2007 and 2006, respectively. See Note 3.

In December 2006, FPL Energy entered into an agreement to purchase Point Beach, a two-unit, 1,033 mw nuclear power plant located in Wisconsin from Wisconsin Electric Power Company (Wisconsin Electric). Under the agreement, FPL Energy will purchase the plant, including nuclear fuel, inventory and other items, for a total of approximately $998 million, subject to certain adjustments at closing. Under the agreement, FPL Energy will sell the output of Point Beach to Wisconsin Electric under a long-term contract. The duration of the contract will be, at the option of Wisconsin Electric, either through the current license terms of 2030 for Unit 1 and 2033 for Unit 2 or for a term of 16 or 17 years from the closing date for Units 1 and 2, respectively. FPL Energy will be responsible for management and operation of the plant, as well as for the ultimate decommissioning of the facility, and expects to receive at least $360 million of decommissioning funds at closing. The transaction is subject to, among other things, the receipt of approvals from various federal and state regulatory agencies. FPL Energy expects to close the transaction in the third quarter of 2007.

FPL Energy expects its future portfolio capacity growth to come primarily from wind development and from asset acquisitions. FPL Energy plans to add a total of at least 1,500 mw of new wind generation over the 2007 and 2008 period, including over 500 mw which are currently under construction.

Corporate and Other – Corporate and Other is primarily comprised of interest expense, the operating results of FPL FiberNet and other business activities, as well as corporate interest income and expenses. 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. Each subsidiary's income taxes are calculated based on the "separate return method," except that tax benefits that could not be utilized on a separate return basis, but are utilized on the consolidated tax return, are recorded by the subsidiary. Any remaining consolidated income tax benefits or detriments are recorded at Corporate and Other. The major components of Corporate and Other results, on an after-tax basis, are as follows:

	Three Months Ended March 31,	
	2007	2006
	(millions)	
Interest expense	$ (24)	$ (22)
Interest accrued on unrecognized tax benefits	3	-
Merger-related costs	-	(3)
Net loss	$ (21)	$ (25)

The interest income accrued on unrecognized tax benefits represents the net interest recorded on unrecognized tax benefits in accordance with the provisions of FIN 48. See Note 3. The merger-related costs represent costs associated with the proposed merger between FPL Group and Constellation Energy, which was terminated in October 2006.

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 and investments in or acquisitions of assets and businesses, to pay maturing debt obligations and, from time to time, to redeem outstanding debt 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 respective financing strategies.

Cash Flow – The changes in cash and cash equivalents are summarized as follows:

	FPL Group		FPL	
	Three Months Ended March 31,			
	2007	2006	2007	2006
	(millions)			
Net cash provided by (used in) operating activities	$ 1,219	$ (117)	$ 973	$ (27)
Net cash used in investing activities	(853)	(1,233)	(540)	(540)
Net cash provided by (used in) financing activities	(760)	968	(454)	562
Net decrease in cash and cash equivalents	$ (394)	$ (382)	$ (21)	$ (5)

The net decrease in FPL Group's cash and cash equivalents for the three months ended March 31, 2007 reflects payment for capital expenditures by FPL, capital investments by FPL Energy, maturing debentures and common stock dividends. These outflows were partially offset by the receipt of cash for the recovery of fuel costs, the return of cash collateral posted in prior periods with FPL's and FPL Energy's counterparties (margin cash deposits) and a distribution from KBC.

FPL Group's cash flows from operating activities for the three months ended March 31, 2007 reflect the recovery by FPL of fuel costs for prior period deferrals and collections in excess of fuel costs in the current period, the return of margin cash deposits to FPL and FPL Energy related to changes in energy contract prices and the receipt of distributions from equity method investees, including a distribution from KBC as a result of a court judgment.

FPL Group's cash flows from investing activities for the three months ended March 31, 2007 reflect capital investments of approximately $491 million by FPL to meet customer demand and costs associated with its Storm Secure Plan and independent power investments at FPL Energy of approximately $265 million. FPL Group's cash flows from investing activities also include amounts related to the purchase and sale of restricted securities held in the nuclear decommissioning funds, including the reinvestment of fund earnings and new contributions from FPL Energy, as well as other investment activity.

FPL Group's cash flows from financing activities for the three months ended March 31, 2007 reflect the maturity of $575 million of 4.086% FPL Group Capital debentures, principal payments of approximately $43 million on FPL Energy debt and the payment of approximately $163 million of dividends on FPL Group's common stock. In January 2007, an indirect wholly-owned subsidiary of FPL Energy entered into an interest rate swap agreement to pay a fixed rate of 5.39% on approximately $547 million of its variable rate limited recourse debt in order to limit cash flow exposure.

FPL Group's cash flows for the three months ended March 31, 2006 reflect the use of funds for capital investment by FPL to meet customer demand; new investments at FPL Energy, including the acquisition of a 70% interest in Duane Arnold; the payment of dividends on FPL Group's common stock; the payment to cancel a portion of its 8% Corporate Units; the return of margin cash deposits primarily to FPL's counterparties related to declining energy contract prices; the payment of storm related costs; a decrease in accounts payable and an increase in materials, supplies and fossil fuel inventory, reflecting the accumulation of oil inventory. The accumulation of oil inventory was primarily the result of burning more natural gas than originally planned due to lower natural gas prices in the first quarter of 2006. FPL Group's cash flows for the three months ended March 31, 2006 benefited from the net issuance of debt, the issuance of common stock related to its 8% Corporate Units and a decrease in underrecovered fuel costs at FPL, primarily reflecting an increase in the fuel clause recovery factor effective January 2006.

The following provides various metrics regarding FPL Group's (including FPL's) and FPL's outstanding debt:

	FPL Group		FPL	
	March 31, 2007	December 31, 2006	March 31, 2007	December 31, 2006
Weighted-average annual interest rate [a]	6.2%	6.1%	5.4%	5.4%
Weighted-average life (years)	13.5	13.1	18.0	17.9
Average of floating rate debt to total debt [a]	24%	31%	31%	33%

[a] Calculations include the effects of interest rate swaps.

Contractual Obligations and Planned Capital Expenditures – FPL Group's commitments at March 31, 2007 were as follows:

	2007	2008	2009	2010	2011	Thereafter	Total
				(millions)			
Long-term debt, including interest: [a]							
FPL	$ 175	$ 661	$ 418	$ 187	$ 187	$ 7,306	$ 8,934
FPL Energy	678	667	328	314	293	1,852	4,132
Corporate and Other	649	810	745	97	697	4,077	7,075
Purchase obligations:							
FPL [b]	5,000	4,630	3,125	2,815	2,575	6,335	24,480
FPL Energy [c]	2,230	1,106	125	124	86	769	4,440
Asset retirement activities: [d]							
FPL [e]	-	-	-	-	-	11,571	11,571
FPL Energy [f]	-	1	-	-	-	4,762	4,763
Total	$ 8,732	$ 7,875	$ 4,741	$ 3,537	$ 3,838	$ 36,672	$ 65,395

[a] Includes principal, interest and interest rate swaps. Variable rate interest was computed using March 31, 2007 rates.

[b] Represents required capacity and minimum payments under long-term purchased power and fuel contracts, the majority of which are recoverable through various cost recovery clauses (see Note 7 – Contracts), and projected capital expenditures through 2011 to meet, among other things, increased electricity usage and customer growth, capital improvements to and maintenance of existing facilities and estimated capital costs associated with FPL's Storm Secure Plan. Estimated capital costs associated with FPL's Storm Secure Plan are subject to change over time based on, among other things, productivity enhancements and prioritization. Excludes capital expenditures of approximately $3.4 billion (approximately $310 million in 2008) for two ultra super critical pulverized coal generating units for the period from early 2008 (expected Siting Board approval) through 2011. See Note 7 – Commitments.

[c] Represents firm commitments primarily in connection with the purchase of wind turbines and towers, natural gas transportation, purchase and storage, firm transmission service, nuclear fuel for Seabrook and Duane Arnold and a portion of its projected capital expenditures, including, in 2007, the pending acquisition of Point Beach. See Note 7 – Commitments and Contracts.

[d] Represents expected cash payments adjusted for inflation for estimated costs to perform asset retirement activities.

[e] At March 31, 2007, FPL had approximately $2,288 million in restricted trust funds for the payment of future expenditures to decommission FPL's nuclear units, which are included in FPL Group's and FPL's nuclear decommissioning reserve funds.

[f] At March 31, 2007, FPL Energy's 88.23% portion of Seabrook's and 70% portion of Duane Arnold's restricted trust funds for the payment of future expenditures to decommission Seabrook and Duane Arnold totaled approximately $567 million and are included in FPL Group's nuclear decommissioning reserve funds.

Guarantees and Letters of Credit – FPL Group and FPL obtain letters of credit and issue guarantees to facilitate commercial transactions with third parties and financings. At March 31, 2007, FPL Group had standby letters of credit of approximately $680 million ($14 million for FPL) and approximately $7,776 million notional amount of guarantees ($356 million for FPL), of which approximately $6,078 million ($340 million for FPL) have expirations within the next five years. An aggregate of approximately $312 million of the standby letters of credit at March 31, 2007 were issued under FPL's and FPL Group Capital's credit facilities. See Available Liquidity below. These letters of credit and guarantees support the buying and selling of wholesale energy commodities, debt-related reserves, nuclear activities and other contractual agreements. FPL Group and FPL believe it is unlikely that they would incur any liabilities associated with these letters of credit and guarantees. At March 31, 2007, FPL Group and FPL did not have any liabilities recorded for these letters of credit and guarantees. In addition, FPL Group has guaranteed certain payment obligations of FPL Group Capital, including most of its debt, including all of its debentures and commercial paper issuances, as well as most of its payment guarantees, and FPL Group Capital has guaranteed certain debt and other obligations of FPL Energy and its subsidiaries. See Note 7 – 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 becoming liable for 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.

Available Liquidity – FPL Group's total available net liquidity was approximately $6.4 billion and FPL's was approximately $2.5 billion. The components of each company's net available liquidity were as follows:

					Maturity Date	
	FPL	FPL Group Capital	FPL Group	FPL Group Consolidated	FPL	FPL Group Capital
			(millions)			
Bank revolving lines of credit [a]	$ 2,500[b]	$ 4,000	$ -	$ 6,500[b]	April 2012	April 2012
Less letters of credit [c]	1	311	-	312		
	2,499	3,689	-	6,188		
Revolving term loan facility [c]	250	-	-	250	May 2011	
Less borrowings [c]	250	-	-	250	May 2008	
	-	-	-	-		
Cash and cash equivalents [c]	43	178	5	226		
Net available liquidity	$ 2,542	$ 3,867	$ 5	$ 6,414		

[a] Reflects new credit facilities entered into in April 2007 which provide for the issuance of letters of credit up to $6.5 billion and are available to support the companies' commercial paper programs and to provide additional liquidity in the event of a loss to the companies' or their subsidiaries' operating facilities (including, in the case of FPL, a transmission and distribution property loss), as well as for general corporate purposes.

[b] Excludes $300 million in senior secured revolving credit facilities of a variable interest entity consolidated by FPL (the VIE) that leases nuclear fuel to FPL which credit facilities are available only to the VIE.

[c] Reflects amounts available/outstanding as of March 31, 2007.

FPL Group (which guarantees the payment of FPL Group Capital's credit facilities pursuant to a 1998 guarantee agreement) is required to maintain a minimum ratio of funded debt to total capitalization under the terms of FPL Group Capital's credit facility. FPL is required to maintain a minimum ratio of funded debt to total capitalization under the terms of FPL's credit facility. At March 31, 2007, each of FPL Group and FPL was in compliance with its respective ratio.

In addition to the amounts in the table above, 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 March 31, 2007, there were no amounts outstanding for either FPL Group Capital or FPL under the uncommitted credit facilities.

In addition to the bank lines of credit discussed above, the consolidated VIE that leases nuclear fuel to FPL has established a $100 million senior secured revolving credit facility, which expires in June 2009, and a $200 million senior secured revolving credit facility, which expires in July 2007. Both credit facilities provide backup support for the VIE's commercial paper program. FPL has provided an unconditional guarantee of the payment obligations of the VIE under the credit facilities, which is included in the guarantee discussion under Guarantees and Letters of Credit above. At March 31, 2007, the VIE had no outstanding borrowings under the revolving credit facilities and had approximately $224 million of commercial paper outstanding.

In addition, an indirect wholly-owned subsidiary of FPL Energy has established a $100 million letter of credit facility which expires in 2017 and serves as security for certain obligations under commodity hedge agreements entered into by the subsidiary.

Shelf Registration – In September 2006, FPL Group, FPL Group Capital, FPL and certain affiliated trusts filed a shelf registration statement with the U.S. Securities and Exchange Commission (SEC) for an unspecified amount of securities. The amount of securities issuable by the companies is established from time to time by their respective board of directors. As of May 2, 2007, securities that may be issued under the registration statement, which became effective upon filing, include, depending on the registrant, senior debt securities, subordinated debt securities, first mortgage bonds, preferred trust securities and guarantees related to certain of those securities. As of May 2, 2007, FPL Group and FPL Group Capital had $2 billion (issuable by either or both of them up to such aggregate amount) of board-authorized available capacity, and FPL had $700 million of board-authorized available capacity.

Accumulated Other Comprehensive Income (Loss)

FPL Group's total other comprehensive income (loss) activity is as follows:

	Accumulated Other Comprehensive Income (Loss)						
	Three Months Ended March 31,						
	2007				2006		
	Net Unrealized Gains (Losses) On Cash Flow Hedges	Pension and Other Benefits	Other	Total	Net Unrealized Gains (Losses) On Cash Flow Hedges	Other	Total
				(millions)			
Balances at December 31 of prior year	$ (25)	$ 98	$ 42	$ 115	$ (215)	$ 22	$ (193)
Net unrealized gains (losses) on commodity cash flow hedges:							
Effective portion of net unrealized gains (losses) (net of $47 tax benefit and $27 tax expense, respectively)	(70)	-	-	(70)	39	-	39
Reclassification from OCI to net income (net of $8 and $9 tax expense, respectively)	11	-	-	11	13	-	13
Net unrealized gains (losses) on interest rate cash flow hedges:							
Effective portion of net unrealized gains (losses) (net of $3 tax benefit and $3 tax expense, respectively)	(6)	-	-	(6)	5	-	5
Reclassification from OCI to net income (net of $0.6 tax benefit in 2007)	(1)	-	-	(1)	-	-	-
Net unrealized gains on available for sale securities (net of $1 and $3 tax expense, respectively)	-	-	2	2	-	5	5
Supplemental retirement plan liability adjustment (net of $0.5 tax expense in 2006)	-	-	-	-	-	1	1
Defined benefit pension and other benefits plans (net of $0.4 tax benefit in 2007)	-	(1)	-	(1)	-	-	-
Balances at March 31	$ (91)	$ 97	$ 44	$ 50	$ (158)	$ 28	$ (130)

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 swaps, options and forwards) to manage the commodity price risk inherent in the purchase and sale of fuel and electricity, as well as to optimize the value of power generation assets. FPL Energy provides full energy and capacity requirements services to distribution utilities in certain markets and engages in 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 condensed consolidated balance sheets as either an asset or liability 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 or 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 on a net basis 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. See Note 2.

The changes in the fair value of FPL Group's consolidated subsidiaries' energy contract derivative instruments for the three months ended March 31, 2007 were as follows:

	Trading	Hedges on Owned Assets: Non-Qualifying	Hedges on Owned Assets: OCI	Hedges on Owned Assets: FPL Cost Recovery Clauses	FPL Group Total
			(millions)		
Fair value of contracts outstanding at December 31, 2006	$ 5	$ 8	$ (56)	$ (921)	$ (964)
Reclassification to realized at settlement of contracts	(3)	(81)	18	274	208
Value of contracts purchased/previously not consolidated	-	23	-	-	23
Effective portion of changes in fair value recorded in OCI	-	-	(116)	-	(116)
Ineffective portion of changes in fair value recorded in earnings	-	(7)	-	-	(7)
Changes in fair value excluding reclassification to realized	3	(122)	-	266	147
Fair value of contracts outstanding at March 31, 2007	5	(179)	(154)	(381)	(709)
Net option premium payments	-	15	-	122	137
Total mark-to-market energy contract net assets (liabilities) at March 31, 2007	$ 5	$ (164)	$ (154)	$ (259)	$ (572)

FPL Group's total mark-to-market energy contract net assets (liabilities) at March 31, 2007 shown above are included in the condensed consolidated balance sheet as follows:

	March 31, 2007
	(millions)
Current derivative assets	$ 140
Other assets	34
Current derivative liabilities	(525)
Other liabilities	(221)
FPL Group's total mark-to-market energy contract net assets (liabilities)	$ (572)

The sources of fair value estimates and maturity of energy contract derivative instruments at March 31, 2007 were as follows:

	Maturity: 2007	2008	2009	2010	2011	Thereafter	Total
				(millions)			
Trading:							
Actively quoted (i.e., exchange traded) prices	$ (7)	$ 4	$ 6	$ (2)	$ -	$ 1	$ 2
Prices provided by other external sources	4	(1)	-	(2)	-	-	1
Modeled	20	(7)	(9)	(2)	-	-	2
Total	17	(4)	(3)	(6)	-	1	5
Owned Assets – Non-Qualifying:							
Actively quoted (i.e., exchange traded) prices	(47)	10	2	(22)	(18)	(16)	(91)
Prices provided by other external sources	22	(18)	(10)	4	1	(40)	(41)
Modeled	(15)	(9)	(4)	(6)	(2)	(11)	(47)
Total	(40)	(17)	(12)	(24)	(19)	(67)	(179)
Owned Assets – OCI:							
Actively quoted (i.e., exchange traded) prices	(70)	(51)	(17)	(6)	-	-	(144)
Prices provided by other external sources	-	-	-	-	(1)	-	(1)
Modeled	(4)	(5)	-	-	-	-	(9)
Total	(74)	(56)	(17)	(6)	(1)	-	(154)
Owned Assets – FPL Cost Recovery Clauses:							
Actively quoted (i.e., exchange traded) prices	(260)	-	-	-	-	-	(260)
Prices provided by other external sources	(119)	-	-	-	-	-	(119)
Modeled	1	(3)	-	-	-	-	(2)
Total	(378)	(3)	-	-	-	-	(381)
Total sources of fair value	$ (475)	$ (80)	$ (32)	$ (36)	$ (20)	$ (66)	$ (709)

The changes in the fair value of FPL Group's consolidated subsidiaries' energy contract derivative instruments for the three months ended March 31, 2006 were as follows:

	Trading	Hedges on Owned Assets: Non-Qualifying	Hedges on Owned Assets: OCI	Hedges on Owned Assets: FPL Cost Recovery Clauses	FPL Group Total
			(millions)		
Fair value of contracts outstanding at December 31, 2005	$ 2	$ (176)	$ (373)	$ 757	$ 210
Reclassification to realized at settlement of contracts	15	13	23	(226)	(175)
Effective portion of changes in fair value recorded in OCI	-	-	65	-	65
Ineffective portion of changes in fair value recorded in earnings	-	7	-	-	7
Changes in fair value excluding reclassification to realized	(9)	31	-	(536)	(514)
Fair value of contracts outstanding at March 31, 2006	8	(125)	(285)	(5)	(407)
Net option premium payments	-	13	-	60	73
Total mark-to-market energy contract net assets (liabilities) at March 31, 2006	$ 8	$ (112)	$ (285)	$ 55	$ (334)

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. With respect to commodities, 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 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, 2007 and December 31, 2006, the VaR figures were as follows:

	Trading: FPL	Trading: FPL Energy	Trading: FPL Group	Non-Qualifying Hedges and Hedges in OCI and FPL Cost Recovery Clauses [a]: FPL	Non-Qualifying Hedges and Hedges in OCI and FPL Cost Recovery Clauses [a]: FPL Energy	Non-Qualifying Hedges and Hedges in OCI and FPL Cost Recovery Clauses [a]: FPL Group	Total: FPL	Total: FPL Energy	Total: FPL Group
					(millions)				
December 31, 2006	$ -	$ 2	$ 2	$ 89	$ 57	$ 54	$ 89	$ 60	$ 56
March 31, 2007	$ -	$ 1	$ 1	$ 78	$ 56	$ 42	$ 78	$ 55	$ 41
Average for the period ended March 31, 2007	$ -	$ 1	$ 1	$ 97	$ 56	$ 58	$ 97	$ 56	$ 58

(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 and FPL cost recovery clauses 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 respective issuances of debt, investments in nuclear decommissioning reserve funds and interest rate swaps. FPL Group and FPL manage their respective interest rate exposure by monitoring current interest rates, entering into interest rate swaps 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, 2007		December 31, 2006	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
FPL Group:	(millions)			
Long-term debt, including current maturities	$ 10,677	$ 10,747[a]	$ 11,236	$ 11,314[a]
Fixed income securities:				
Nuclear decommissioning reserve funds	$ 1,436	$ 1,436[b]	$ 1,430	$ 1,430[b]
Other investments	$ 109	$ 109[b]	$ 93	$ 93[b]
Interest rate swaps – net unrealized gain (loss)	$ (1)	$ (1)[c]	$ 6	$ 6[c]
FPL:				
Long-term debt, including current maturities	$ 4,214	$ 4,193[a]	$ 4,214	$ 4,208[a]
Fixed income securities:				
Nuclear decommissioning reserve funds	$ 1,249	$ 1,249[b]	$ 1,235	$ 1,235[b]

(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 nuclear decommissioning reserve funds of FPL Group consist of restricted funds set aside to cover the cost of 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. At FPL, adjustments to market value result in a corresponding adjustment to the related liability accounts based on current regulatory treatment. The market value adjustments of FPL Group's non-rate regulated operations result in a corresponding adjustment to OCI.

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, 2007, 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)
Cash flow hedges – FPL Energy:					
$ 86	August 2002	December 2007	4.410%	variable[a]	$ 1
$ 172	August 2003	November 2007	3.557%	variable[a]	2
$ 5	February 2005	June 2008	4.255%	variable[a]	1
$ 74	December 2003	December 2017	4.245%	variable[a]	2
$ 25	April 2004	December 2017	3.845%	variable[a]	1
$ 234	December 2005	November 2019	4.905%	variable[a]	1
$ 547	January 2007	January 2022	5.390%	variable[b]	(9)
Total interest rate hedges					$ (1)

(a) Three-month London InterBank Offered Rate (LIBOR)
(b) Six-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 $412 million ($203 million for FPL) at March 31, 2007.

Equity price risk – Included in the nuclear decommissioning reserve funds of FPL Group are marketable equity securities carried at their market value of approximately $1,419 million and $1,395 million ($1,040 million and $1,029 million for FPL) at March 31, 2007 and December 31, 2006, respectively. A hypothetical 10% decrease in the prices quoted by stock exchanges, which is a reasonable near-term market change, would result in a $142 million ($104 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, 2007.

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, 2007, approximately 95% of FPL Group's and 100% of FPL's energy marketing and trading counterparty credit risk exposure is associated with companies that have 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, 2007, each of 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 their respective disclosure controls and procedures will be met.

(b) Changes in Internal Control over Financial Reporting

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 2006 Form 10-K for FPL Group and FPL.

In April 2007, the U.S. Supreme Court ruled in a case, separate and unrelated to the EPA lawsuit against Georgia Power Company, in which it rejected an argument that a "major modification" occurs at a plant only when there is a resulting increase in the hourly rate of air emissions. Georgia Power Company has made a similar argument in defense of its case with the EPA, but has other factual and legal defenses that are unaffected by the Supreme Court's decision.

In the Adelphia lawsuit, the trial has been rescheduled for July 2008.

In the TXU lawsuit, the trial has been rescheduled for late May 2007.

Item 1A. Risk Factors

There were no material changes from the risk factors disclosed in FPL Group's and FPL's 2006 Form 10-K. The factors discussed in Part I, Item 1A. Risk Factors in FPL Group's and FPL's 2006 Form 10-K, as well as other information set forth in this report, which could materially affect FPL Group's and FPL's businesses, financial condition and/or future operating results should be carefully considered. The risks described in FPL Group's and FPL's 2006 Form 10-K are not the only risks facing FPL Group and FPL. Additional risks and uncertainties not currently known to FPL Group or FPL, or that are currently deemed to be immaterial, also may materially adversely affect FPL Group's or FPL's business, financial condition and/or future operating results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table presents information regarding purchases made by FPL Group of its common stock:

Period	Total Number of Shares Purchased [a]	Average Price Paid Per Share [a]	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]
1/1/07 – 1/31/07	2,717	$ 54.42	-	20,000,000
2/1/07 – 2/28/07	63,360	$ 59.00	-	20,000,000
3/1/07 – 3/31/07	12,173	$ 58.17	-	20,000,000
Total	78,250		-	

(a) Represents: (1) shares of common stock purchased from employees to pay certain withholding taxes upon the vesting of stock awards granted to such employees under the FPL Group, Inc. Amended and Restated Long Term Incentive Plan; and (2) shares of common stock purchased in February 2007 as a reinvestment of dividends and interest thereon by the trustee of a grantor trust in connection with FPL Group's obligations under grants of retirement share awards in February 2006 to two executive officers.

(b) In February 2005, FPL Group's Board of Directors authorized a common stock repurchase plan of up to 20 million shares of common stock over an unspecified period, which authorization was ratified and confirmed by the Board of Directors in December 2005.

Item 6. Exhibits

Exhibit Number	Description	FPL Group	FPL
*2	Termination and Release Agreement dated as of October 24, 2006, among FPL Group, Constellation Energy Group, Inc. and CF Merger Corporation (filed as Exhibit 2.1 to Form 8-K dated October 24, 2006, File No. 1-8841)	x	x
*3(i)a	Restated Articles of Incorporation of FPL Group dated December 31, 1984, as amended through March 10, 2005 (filed as Exhibit 3(i) to Form S-4, File No. 333-124438)	x	
*3(i)b	Amendment to FPL Group's Restated Articles of Incorporation dated July 3, 2006 (filed as Exhibit 3(i) to Form 8-K dated June 30, 2006, File No. 1-8841)	x	
*3(i)c	Restated Articles of Incorporation of FPL dated March 23, 1992 (filed as Exhibit 3(i)a to Form 10-K for the year ended December 31, 1993, File No. 1-3545)		x
*3(i)d	Amendment to FPL's Restated Articles of Incorporation dated March 23, 1992 (filed as Exhibit 3(i)b to Form 10-K for the year ended December 31, 1993, File No. 1-3545)		x
*3(i)e	Amendment to FPL's Restated Articles of Incorporation dated May 11, 1992 (filed as Exhibit 3(i)c to Form 10-K for the year ended December 31, 1993, File No. 1-3545)		x
*3(i)f	Amendment to FPL's Restated Articles of Incorporation dated March 12, 1993 (filed as Exhibit 3(i)d to Form 10-K for the year ended December 31, 1993, File No. 1-3545)		x

Exhibit Number	Description	FPL Group	FPL
*3(i)g	Amendment to FPL's Restated Articles of Incorporation dated June 16, 1993 (filed as Exhibit 3(i)e to Form 10-K for the year ended December 31, 1993, File No. 1-3545)		x
*3(i)h	Amendment to FPL's Restated Articles of Incorporation dated August 31, 1993 (filed as Exhibit 3(i)f to Form 10-K for the year ended December 31, 1993, File No. 1-3545)		x
*3(i)i	Amendment to FPL's Restated Articles of Incorporation dated November 30, 1993 (filed as Exhibit 3(i)g to Form 10-K for the year ended December 31, 1993, File No. 1-3545)		x
*3(i)j	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
*3(i)k	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
*3(i)l	Amendment to FPL's Restated Articles of Incorporation dated February 11, 2005 (filed as Exhibit 3(i)m to Form 10-K for the year ended December 31, 2004, File No. 2-27612)		x
*3(ii)a	Amended and Restated Bylaws of FPL Group, as amended through May 26, 2006 (filed as Exhibit 3(ii)a to Form 10-Q for the quarter ended June 30, 2006, 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

Exhibit Number	Description	FPL Group	FPL
*4(a)	Mortgage and Deed of Trust dated as of January 1, 1944, and One hundred and eleven 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; Exhibit 4(m) to Post-Effective Amendment No. 3 to Form S-3, File No. 333-102172; Exhibit 4(a) to Form 10-Q for the quarter ended September 30, 2004, File No. 2-27612; Exhibit 4(f) to Amendment No. 1 to Form S-3, File No. 333-125275; Exhibit 4(y) to Post-Effective Amendment No. 2 to Form S-3, File Nos. 333-116300, 333-116300-01 and 333-116300-02; Exhibit 4(z) to Post-Effective Amendment No. 3 to Form S-3, File Nos. 333-116300, 333-116300-01 and 333-116300-02; Exhibit 4(b) to Form 10-Q for the quarter ended March 31, 2006, File No. 2-27612; and Exhibit 4(a) to Form 8-K dated April 17, 2007, File No. 2-27612)	x	x
*10(a)	Appendix C1 (revised as of February 15, 2007) to amendment #4 adopted October 13, 2005 to FPL Group Supplemental Executive Retirement Plan, amended and restated effective April 1, 1997 (filed as Exhibit 10(e) to Form 10-K for the year ended December 31, 2006, File No. 1-8841)	x	x
*10(b)	Amendment #5 adopted February 15, 2007 to FPL Group Supplemental Executive Retirement Plan, amended and restated effective April 1, 1997 (filed as Exhibit 10(f) to Form 10-K for the year ended December 31, 2006, File No. 1-8841)	x	x
*10(c)	Form of FPL Group Amended and Restated Long Term Incentive Plan Performance Share Award Agreement (filed as Exhibit 10(i) to Form 10-K for the year ended December 31, 2006, File No. 1-8841)	x	x
*10(d)	Form of FPL Group Amended and Restated Long Term Incentive Plan Restricted Stock Award Agreement (filed as Exhibit 10(l) to Form 10-K for the year ended December 31, 2006, File No. 1-8841)	x	x
*10(e)	2007 FPL Group Annual Incentive Plan (filed as Exhibit 10(q) to Form 10-K for the year ended December 31, 2006, File No. 1-8841)	x	x

Exhibit Number	Description	FPL Group	FPL
*10(f)	Non-Employee Director Compensation Summary (filed as Exhibit 10(u) to Form 10-K for the year ended December 31, 2006, File No. 1-8841)	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.

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 2, 2007

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, 2007 (millions of dollars)
Earnings, as defined:	
Net income	$ 150
Income taxes	6
Fixed charges included in the determination of net income, as below	185
Amortization of capitalized interest	3
Distributed income of equity method investees	85
Less: Equity in earnings of equity method investees	10
Total earnings, as defined	$ 419
Fixed charges, as defined:	
Interest charges	$ 180
Rental interest factor	5
Fixed charges included in the determination of net income	185
Capitalized interest	11
Total fixed charges, as defined	$ 196
Ratio of earnings to fixed charges and ratio of earnings to combined fixed charges and preferred stock dividends [a]	2.14

[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 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, 2007 (millions of dollars)
Earnings, as defined:	
Net income	$ 126
Income taxes	68
Fixed charges, as below	74
Total earnings, as defined	$ 268
Fixed charges, as defined:	
Interest charges	$ 68
Rental interest factor	1
Capitalized interest	5
Total fixed charges, as defined	$ 74
Ratio of earnings to fixed charges and ratio of earnings to combined fixed charges and preferred stock dividends [a]	3.62

[a] Florida Power & Light Company 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 31(a)

Rule 13a-14(a)/15d-14(a) Certification

I, Lewis Hay, III, certify that:

1. I have reviewed this Form 10-Q for the quarterly period ended March 31, 2007 of FPL Group, Inc. (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: May 2, 2007

LEWIS HAY, III
Lewis Hay, III
Chairman of the Board
and Chief Executive Officer
of FPL Group, Inc.

Exhibit 31(b)

Rule 13a-14(a)/15d-14(a) Certification

I, Moray P. Dewhurst, certify that:

1. I have reviewed this Form 10-Q for the quarterly period ended March 31, 2007 of FPL Group, Inc. (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: May 2, 2007

MORAY P. DEWHURST
Moray P. Dewhurst
Vice President, Finance
and Chief Financial Officer
of FPL Group, Inc.

Exhibit 31(c)

Rule 13a-14(a)/15d-14(a) Certification

I, Lewis Hay, III, certify that:

1. I have reviewed this Form 10-Q for the quarterly period ended March 31, 2007 of Florida Power & Light Company (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: May 2, 2007

LEWIS HAY, III
Lewis Hay, III
Chairman of the Board
and Chief Executive Officer
of Florida Power & Light Company

Exhibit 31(d)

Rule 13a-14(a)/15d-14(a) Certification

I, Moray P. Dewhurst, certify that:

1. I have reviewed this Form 10-Q for the quarterly period ended March 31, 2007 of Florida Power & Light Company (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: May 2, 2007

MORAY P. DEWHURST
Moray P. Dewhurst
Senior Vice President, Finance
and Chief Financial Officer
of Florida Power & Light Company

Exhibit 32(a)

Section 1350 Certification

We, Lewis Hay, III and Moray P. Dewhurst, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Quarterly Report on Form 10-Q of FPL Group, Inc. (FPL Group) for the quarterly period ended March 31, 2007 (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: May 2, 2007

LEWIS HAY, III
Lewis Hay, III
Chairman of the Board
and Chief Executive Officer of FPL Group, Inc.

MORAY P. DEWHURST
Moray P. Dewhurst
Vice President, Finance
and Chief Financial Officer of FPL Group, Inc.

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 and Moray P. Dewhurst, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Quarterly Report on Form 10-Q of Florida Power & Light Company (FPL) for the quarterly period ended March 31, 2007 (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: May 2, 2007

LEWIS HAY, III
Lewis Hay, III
Chairman of the Board
and Chief Executive Officer of
Florida Power & Light Company

MORAY P. DEWHURST
Moray P. Dewhurst
Senior Vice President, Finance
and Chief Financial Officer of
Florida Power & Light Company

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).

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 **June 30, 2007**

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.
FPL Group, Inc. Yes X No _____ Florida Power & Light Company Yes X No _____

Indicate by check mark whether the registrants are a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "large accelerated filer" and "accelerated filer" in Rule 12b-2 of the Securities Exchange Act of 1934.
FPL Group, Inc. Large Accelerated Filer X Accelerated Filer _____ Non-Accelerated Filer _____
Florida Power & Light Company Large Accelerated Filer _____ Accelerated Filer _____ Non-Accelerated Filer X

Indicate by check mark whether the registrants are shell companies (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, 2007: 406,831,878 shares.

As of June 30, 2007, 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.

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.

Florida Power & Light Company meets the conditions set forth under General Instruction H(1)(a) and (b) of Form 10-Q and is therefore filing this form with reduced disclosure format.

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FPL Group, Inc., Florida Power & Light Company, FPL Group Capital Inc and FPL Energy, LLC each have subsidiaries and affiliates with names that include FPL, FPL Energy, FPLE and similar references. For convenience and simplicity, in this report the terms FPL Group, FPL, FPL Group Capital and FPL Energy are sometimes used as abbreviated references to specific subsidiaries, affiliates or groups of subsidiaries or affiliates. The precise meaning depends on the context.

FORWARD-LOOKING STATEMENTS

This report includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. 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 have a significant impact on FPL Group, Inc.'s (FPL Group) and/or Florida Power & Light Company's (FPL) operations and financial results, and could cause FPL Group's and/or FPL's actual results to differ materially from those contained in forward-looking statements made by or on behalf of FPL Group and/or FPL in this combined Form 10-Q, in presentations, on their respective websites, in response to questions or otherwise.

- FPL Group and FPL are subject to complex laws and regulations and to changes in laws and regulations as well as changing governmental policies and regulatory actions, including initiatives regarding deregulation and restructuring of the energy industry and environmental matters. FPL holds franchise agreements with local municipalities and counties, and must renegotiate expiring agreements. These factors may have a negative impact on the business and results of operations of FPL Group and FPL.

- The operation and maintenance of power generation facilities, including nuclear facilities, involve significant risks that could adversely affect the results of operations and financial condition of FPL Group and FPL.

- 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 Group and FPL could be adversely affected.

- The use of derivative contracts by FPL Group and FPL in the normal course of business could result in financial losses that negatively impact the results of operations of FPL Group and FPL.

- FPL Group's competitive energy business is subject to risks, many of which are beyond the control of FPL Group, that may reduce the revenues and adversely impact the results of operations and financial condition of FPL Group.
- FPL Group's ability to successfully identify, complete and integrate acquisitions is subject to significant risks, including the effect of increased competition for acquisitions resulting from the consolidation of the power industry.
- Because FPL Group and FPL rely on access to capital markets, the inability to maintain current credit ratings and access capital markets on favorable terms may limit the ability of FPL Group and FPL to grow their businesses and would likely increase interest costs.
- Customer growth in FPL's service area affects FPL Group's and FPL's results of operations.
- Weather affects FPL Group's and FPL's results of operations.
- FPL Group and FPL are subject to costs and other effects of legal proceedings as well as changes in or additions to applicable tax laws, rates or policies, rates of inflation, accounting standards, securities laws and corporate governance requirements.
- Threats of terrorism and catastrophic events that could result from terrorism may impact the operations of FPL Group and FPL in unpredictable ways.
- The ability of FPL Group and FPL to obtain insurance and the terms of any available insurance coverage could be affected by national, state or local events and company-specific events.
- FPL Group and FPL are subject to employee workforce factors that could affect the businesses and financial condition of FPL Group and FPL.

These and other risk factors are included in Part I, Item 1A. Risk Factors of FPL Group's and FPL's Annual Report on Form 10-K for the year ended December 31, 2006 (2006 Form 10-K). 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, including unanticipated events, after the date on which such statement is made. 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.

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,	
	2007	2006	2007	2006
OPERATING REVENUES	$ 3,929	$ 3,809	$ 7,004	$ 7,393
OPERATING EXPENSES				
Fuel, purchased power and interchange	2,106	2,174	3,778	4,227
Other operations and maintenance	561	524	1,077	993
Disallowed storm costs	-	54	-	54
Storm cost amortization	19	37	42	70
Merger-related	-	6	-	11
Depreciation and amortization	308	294	604	581
Taxes other than income taxes	271	285	541	549
Total operating expenses	3,265	3,374	6,042	6,485
OPERATING INCOME	664	435	962	908
OTHER INCOME (DEDUCTIONS)				
Interest charges	(178)	(178)	(358)	(347)
Equity in earnings of equity method investees	22	30	31	41
Allowance for equity funds used during construction	5	5	13	9
Other – net	19	19	40	28
Total other deductions – net	(132)	(124)	(274)	(269)
INCOME BEFORE INCOME TAXES	532	311	688	639
INCOME TAXES	127	75	133	152
NET INCOME	$ 405	$ 236	$ 555	$ 487
Earnings per share of common stock:				
Basic	$ 1.02	$ 0.60	$ 1.40	$ 1.24
Assuming dilution	$ 1.01	$ 0.60	$ 1.39	$ 1.23
Dividends per share of common stock	$ 0.41	$ 0.375	$ 0.82	$ 0.75
Weighted-average number of common shares outstanding:				
Basic	397.6	394.3	397.2	391.8
Assuming dilution	400.4	396.7	400.0	394.9

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 2006 Form 10-K for FPL Group and FPL.

FPL GROUP, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(millions)
(unaudited)

	June 30, 2007	December 31, 2006
PROPERTY, PLANT AND EQUIPMENT		
Electric utility plant in service and other property	$ 35,145	$ 34,071
Nuclear fuel	755	688
Construction work in progress	1,905	1,393
Less accumulated depreciation and amortization	(11,980)	(11,653)
Total property, plant and equipment – net	25,825	24,499
CURRENT ASSETS		
Cash and cash equivalents	723	620
Customer receivables, net of allowances of $24 and $32, respectively	1,433	1,279
Other receivables, net of allowances of $8 and $8, respectively	446	377
Materials, supplies and fossil fuel inventory – at average cost	814	785
Regulatory assets:		
Deferred clause and franchise expenses	117	167
Securitized storm-recovery costs/storm reserve deficiency	56	106
Derivatives	412	921
Other	3	3
Derivatives	252	376
Other	445	365
Total current assets	4,701	4,999
OTHER ASSETS		
Special use funds	3,050	2,824
Pension plan assets – net	1,647	1,608
Other investments	430	533
Regulatory assets:		
Securitized storm-recovery costs/storm reserve deficiency	785	762
Unamortized loss on reacquired debt	37	39
Derivatives	46	1
Other	92	79
Other	730	647
Total other assets	6,817	6,493
TOTAL ASSETS	$ 37,343	$ 35,991
CAPITALIZATION		
Common stock	$ 4	$ 4
Additional paid-in capital	4,599	4,555
Retained earnings	5,497	5,256
Accumulated other comprehensive income	101	115
Total common shareholders' equity	10,201	9,930
Long-term debt	10,322	9,591
Total capitalization	20,523	19,521
CURRENT LIABILITIES		
Commercial paper	869	1,097
Current maturities of long-term debt	1,637	1,645
Accounts payable	1,247	1,060
Customer deposits	527	510
Accrued interest and taxes	421	302
Regulatory liabilities:		
Deferred clause and franchise revenues	38	37
Pension	9	17
Derivatives	585	1,144
Other	860	681
Total current liabilities	6,193	6,493
OTHER LIABILITIES AND DEFERRED CREDITS		
Asset retirement obligations	1,872	1,820
Accumulated deferred income taxes	3,645	3,432
Regulatory liabilities:		
Accrued asset removal costs	2,098	2,044
Asset retirement obligation regulatory expense difference	900	868
Pension	531	531
Other	232	209
Derivatives	297	107
Other	1,052	966
Total other liabilities and deferred credits	10,627	9,977
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$ 37,343	$ 35,991

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2006 Form 10-K for FPL Group and FPL.

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

	Six Months Ended June 30,	
	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 555	$ 487
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	604	560
Nuclear fuel amortization	66	64
Recoverable storm-related costs of FPL	(7)	(319)
Storm cost amortization	42	70
Unrealized (gains) losses on marked to market energy contracts	117	(26)
Deferred income taxes	302	269
Cost recovery clauses and franchise fees	50	362
Change in prepaid option premiums	87	30
Equity in earnings of equity method investees	(31)	(41)
Distribution of earnings from equity method investees	112	55
Changes in operating assets and liabilities:		
Customer receivables	(154)	(307)
Other receivables	1	66
Material, supplies and fossil fuel inventory	(29)	(197)
Other current assets	(68)	(52)
Other assets	(82)	(37)
Accounts payable	183	(159)
Customer deposits	17	24
Margin cash deposits	122	(378)
Income taxes	(188)	(153)
Interest and other taxes	115	156
Other current liabilities	(39)	-
Other liabilities	(19)	56
Other – net	94	(56)
Net cash provided by operating activities	1,850	474
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures of FPL	(878)	(933)
Independent power investments	(707)	(1,076)
Nuclear fuel purchases	(99)	(106)
Other capital expenditures	(20)	(16)
Proceeds from sale of securities in special use funds	1,289	1,866
Purchases of securities in special use funds	(1,462)	(1,904)
Proceeds from sale of other securities	38	36
Purchases of other securities	(26)	(46)
Other – net	26	8
Net cash used in investing activities	(1,839)	(2,171)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuances of long-term debt	2,067	1,541
Retirements of long-term debt	(1,434)	(759)
Proceeds from purchased Corporate Units	-	210
Payments to terminate Corporate Units	-	(258)
Net change in short-term debt	(228)	533
Issuances of common stock	27	303
Dividends	(326)	(296)
Other – net	(14)	27
Net cash provided by financing activities	92	1,301
Net increase (decrease) in cash and cash equivalents	103	(396)
Cash and cash equivalents at beginning of period	620	530
Cash and cash equivalents at end of period	$ 723	$ 134

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2006 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,	
	2007	2006	2007	2006
OPERATING REVENUES	$ 2,905	$ 2,999	$ 5,353	$ 5,583
OPERATING EXPENSES				
Fuel, purchased power and interchange	1,698	1,751	3,112	3,289
Other operations and maintenance	366	359	696	689
Disallowed storm costs	-	54	-	54
Storm cost amortization	19	37	42	70
Depreciation and amortization	194	197	382	392
Taxes other than income taxes	245	262	491	504
Total operating expenses	2,522	2,660	4,723	4,998
OPERATING INCOME	383	339	630	585
OTHER INCOME (DEDUCTIONS)				
Interest charges	(73)	(75)	(141)	(143)
Allowance for equity funds used during construction	5	5	13	9
Other – net	1	8	8	8
Total other deductions – net	(67)	(62)	(120)	(126)
INCOME BEFORE INCOME TAXES	316	277	510	459
INCOME TAXES	105	95	173	154
NET INCOME	$ 211	$ 182	$ 337	$ 305

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2006 Form 10-K for FPL Group and FPL.

FLORIDA POWER & LIGHT COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(millions)
(unaudited)

	June 30, 2007	December 31, 2006
ELECTRIC UTILITY PLANT		
Plant in service	$ 25,125	$ 24,150
Nuclear fuel	447	423
Construction work in progress	811	1,113
Less accumulated depreciation and amortization	(9,967)	(9,848)
Electric utility plant – net	16,416	15,838
CURRENT ASSETS		
Cash and cash equivalents	71	64
Customer receivables, net of allowances of $13 and $15, respectively	867	872
Other receivables, net of allowances of $1 and $1, respectively	122	221
Materials, supplies and fossil fuel inventory – at average cost	608	558
Regulatory assets:		
Deferred clause and franchise expenses	117	167
Securitized storm-recovery costs/storm reserve deficiency	56	106
Derivatives	412	921
Other	237	206
Total current assets	2,490	3,115
OTHER ASSETS		
Special use funds	2,462	2,264
Pension plan assets – net	895	857
Regulatory assets:		
Securitized storm-recovery costs/storm reserve deficiency	785	762
Unamortized loss on reacquired debt	37	39
Derivatives	46	1
Other	51	36
Other	178	161
Total other assets	4,454	4,120
TOTAL ASSETS	$ 23,360	$ 23,073
CAPITALIZATION		
Common stock	$ 1,373	$ 1,373
Additional paid-in capital	4,318	4,318
Retained earnings	1,085	1,848
Total common shareholder's equity	6,776	7,539
Long-term debt	4,688	4,214
Total capitalization	11,464	11,753
CURRENT LIABILITIES		
Commercial paper	869	630
Current maturities of long-term debt	224	-
Accounts payable	829	735
Customer deposits	517	500
Accrued interest and taxes	354	281
Regulatory liability – deferred clause and franchise revenues	38	37
Derivatives	338	780
Other	464	423
Total current liabilities	3,633	3,386
OTHER LIABILITIES AND DEFERRED CREDITS		
Asset retirement obligations	1,614	1,572
Accumulated deferred income taxes	2,413	2,561
Regulatory liabilities:		
Accrued asset removal costs	2,098	2,044
Asset retirement obligation regulatory expense difference	900	868
Other	233	209
Other	1,005	680
Total other liabilities and deferred credits	8,263	7,934
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$ 23,360	$ 23,073

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2006 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,	
	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 337	$ 305
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	382	371
Nuclear fuel amortization	42	43
Recoverable storm-related costs	(7)	(319)
Storm cost amortization	42	70
Deferred income taxes	130	175
Cost recovery clauses and franchise fees	50	362
Change in prepaid option premiums	67	32
Changes in operating assets and liabilities:		
Customer receivables	5	(272)
Other receivables	(22)	32
Material, supplies and fossil fuel inventory	(50)	(118)
Other current assets	(75)	(44)
Other assets	(46)	(39)
Accounts payable	100	(91)
Customer deposits	17	23
Margin cash deposits	79	(382)
Income taxes	82	120
Interest and other taxes	112	155
Other current liabilities	(1)	11
Other liabilities	(11)	18
Other – net	51	(43)
Net cash provided by operating activities	1,284	409
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(878)	(933)
Nuclear fuel purchases	(56)	(42)
Proceeds from sale of securities in special use funds	1,182	1,579
Purchases of securities in special use funds	(1,346)	(1,611)
Other – net	1	-
Net cash used in investing activities	(1,097)	(1,007)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuances of long-term debt	935	938
Retirements of long-term debt	(250)	(135)
Net change in short-term debt	239	(201)
Dividends	(1,100)	-
Other – net	(4)	-
Net cash provided by (used in) financing activities	(180)	602
Net increase in cash and cash equivalents	7	4
Cash and cash equivalents at beginning of period	64	56
Cash and cash equivalents at end of period	$ 71	$ 60

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2006 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 2006 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. Prior year's amounts included in the condensed consolidated financial statements and the Notes herein have been adjusted to reflect the retrospective application of a Financial Accounting Standards Board (FASB) Staff Position related to planned major maintenance activities adopted by FPL Group and FPL effective December 31, 2006. In addition, certain amounts included in the prior year's condensed consolidated financial statements have been reclassified to conform to the current year's presentation. The results of operations for an interim period generally will not give a true indication of results for the year.

1. Employee Retirement 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 supplemental executive retirement plan (SERP), which includes a non-qualified supplemental defined pension benefit component that provides benefits to a select group of management and highly compensated employees. The cost of this SERP component is included in the determination of net periodic benefit income for pension benefits in the following table and was not material to FPL Group's financial statements for the three and six months ended June 30, 2007 and 2006, respectively. In addition to pension benefits, FPL Group sponsors a 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 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 June 30,				Six Months Ended June 30,			
	2007	2006	2007	2006	2007	2006	2007	2006
	(millions)							
Service cost	$ 12	$ 13	$ 2	$ 1	$ 25	$ 25	$ 3	$ 3
Interest cost	23	22	6	6	47	44	12	12
Expected return on plan assets	(55)	(53)	(1)	(1)	(110)	(107)	(2)	(2)
Amortization of transition obligation	-	-	1	1	-	-	2	2
Amortization of prior service benefit	(1)	(1)	-	-	(2)	(2)	-	-
Amortization of gains	(4)	(4)	-	-	(9)	(7)	-	-
Other	-	-	-	-	-	-	-	2
Net periodic benefit (income) cost at FPL Group	$ (25)	$ (23)	$ 8	$ 7	$ (49)	$ (47)	$ 15	$ 17
Net periodic benefit (income) cost at FPL	$ (19)	$ (19)	$ 6	$ 6	$ (38)	$ (38)	$ 12	$ 15

2. Derivative Instruments

Derivative instruments, when required to be marked to market under Statement of Financial Accounting Standards No. (FAS) 133, "Accounting for Derivative Instruments and Hedging Activities," as amended, are recorded on FPL Group's and FPL's condensed consolidated balance sheets as either an asset or liability measured at fair value.

FPL Group's and FPL's mark-to-market derivative instrument assets (liabilities) are included in the condensed consolidated balance sheets as follows:

	FPL Group		FPL	
	June 30, 2007	December 31, 2006	June 30, 2007	December 31, 2006
	(millions)			
Current derivative assets	$ 252	$ 376	$ 3[a]	$ 4[a]
Other assets	49	78	-	-
Current derivative liabilities	(585)	(1,144)	(338)	(780)
Non-current derivative liabilities	(297)	(107)	(46)[b]	(1)[b]
Total mark-to-market derivative instrument assets (liabilities)	$ (581)	$ (797)	$ (381)	$ (777)

[a] Included in other current assets on FPL's condensed consolidated balance sheets.
[b] Included in other liabilities on FPL's condensed consolidated balance sheets.

FPL Group and FPL use derivative instruments (primarily swaps, options and forwards) to manage the commodity price risk inherent in the purchase and sale of fuel and electricity, as well as interest rate risk associated with long-term debt. In addition, FPL Group, through FPL Energy, LLC (FPL Energy), uses derivatives to optimize the value of power generation assets and engages in energy trading activities to take advantage of expected future favorable price movements, including providing full energy and capacity requirements services to distribution utilities in certain markets. At FPL, substantially all changes in fair value are deferred as a regulatory asset or liability until the contracts are settled, and upon settlement, any gains or losses are passed through the fuel and purchased power cost recovery clause (fuel clause) or 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 on a net basis in operating revenues; fuel purchases and sales are recognized on a net basis 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. While most of FPL Energy's derivative transactions are entered into for the purpose of managing commodity price risk, 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 been deemed not to have occurred for financial reporting purposes. Transactions for which physical delivery is deemed not to have occurred are presented on a net basis. 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 June 30, 2007, FPL Group had commodity cash flow hedges with expiration dates through December 2012 for energy contract derivative instruments, and interest rate cash flow hedges with expiration dates through January 2022. 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 (OCI) and is reclassified into earnings in the period(s) during which the transaction being hedged affects earnings. The ineffective portion of net unrealized gains (losses) on these hedges is reported in earnings in the current period and amounted to $3 million and $4 million for the three months ended June 30, 2007 and 2006, respectively, and ($4) million and $12 million for the six months ended June 30, 2007 and 2006, respectively. Settlement gains and losses are included within the line items in the statements of income to which they relate.

FPL Group's unrealized mark-to-market gains (losses) on derivative transactions reflected in the condensed consolidated statements of income for consolidated subsidiaries and equity method investees are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
	(millions)			
Consolidated subsidiaries	$ 70	$ (35)	$ (117)	$ 26
Equity method investees	$ -	$ (5)	$ (1)	$ (15)

3. Income Taxes

FPL Group's effective income tax rate for the three months ended June 30, 2007 and 2006 was approximately 23.9% and 24.1%, respectively. The reduction from the statutory rate mainly reflects the benefit of production tax credits (PTCs) of approximately $50 million and $38 million, respectively, related to FPL Energy's wind projects. The corresponding rates and amounts for the six months ended June 30, 2007 and 2006 were approximately 19.3% and 23.8%, respectively, and approximately $103 million and $81 million, respectively.

FPL Group recognizes PTCs as wind energy is generated and sold based on a per kilowatt-hour (kwh) rate prescribed in applicable federal and state statutes, which may differ significantly from amounts computed, on a quarterly basis, using an overall effective income tax rate anticipated for the full year. FPL Group utilizes this method of recognizing PTCs for specific reasons including that PTCs are an integral part of the financial viability of most wind projects and a fundamental component of such wind projects' results of operations.

On January 1, 2007, FPL Group and FPL adopted FASB Interpretation No. (FIN) 48, "Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109." The interpretation prescribes a more-likely-than-not recognition threshold and establishes new measurement requirements for financial statement reporting of an entity's income tax positions.

FPL Group and its subsidiaries file income tax returns in the U.S. federal jurisdiction and various states, the most significant of which is Florida. FPL Group and FPL are no longer subject to U.S. federal, state and local examinations by taxing authorities for years before 1988. FPL Group is disputing certain adjustments proposed by the Internal Revenue Service (IRS) to its U.S. income tax returns for 1988 through 2002. These IRS proposed adjustments primarily relate to FPL Group's and FPL's method for capitalizing indirect service costs and certain deductions for repairs. Additionally, income tax returns for 2003 through 2006 are still subject to examination.

The adoption of FIN 48 on January 1, 2007 did not have a significant cumulative effect on FPL Group's and FPL's beginning retained earnings or other components of common shareholders' equity. Upon adoption, FPL Group recognized, primarily by reclassification from accumulated deferred income taxes, approximately $316 million ($274 million for FPL) of liabilities for unrecognized tax benefits which are included in the condensed consolidated balance sheets as other liabilities. The majority of the liabilities for unrecognized tax benefits represent tax positions for which the ultimate deductibility is highly certain but for which there is uncertainty about the timing of such deductibility. A disallowance of the shorter deductibility period for these tax positions would not affect the annual effective income tax rate. As of June 30, 2007, approximately $289 million of tax carryforwards and deposits that are available to offset tax adjustments have been netted against the FPL Group FIN 48 liability. Prior to the reclassification, these amounts were reported as a component of accumulated deferred income taxes and other assets. Included in the liabilities for unrecognized tax benefits at January 1, 2007 is approximately $11 million at FPL Group ($8 million at FPL) that, if disallowed, could impact the annual effective income tax rate. It is expected that the amount of unrecognized tax benefits may change in the next twelve months; however, management does not expect the change to have a significant impact on FPL Group's or FPL's financial statements.

FPL Group recognizes interest income (expense) related to unrecognized tax benefits (liabilities) in interest income and interest charges, respectively, net of the amount deferred at FPL. At FPL, the offset to accrued interest receivable (payable) on income taxes is classified as a regulatory liability (regulatory asset) which will be amortized to income (expense) over a five-year period upon settlement in accordance with regulatory treatment as required by FAS 71, "Accounting for the Effects of Certain Types of Regulation." On January 1, 2007, FPL Group accrued approximately $36 million for net interest receivable ($17 million for FPL).

4. Comprehensive Income

FPL Group's comprehensive income is as follows:

	Three Months Ended June 30,	
	2007	2006
	(millions)	
Net income of FPL Group	$ 405	$ 236
Net unrealized gains (losses) on commodity cash flow hedges:		
Effective portion of net unrealized gains (net of $14 and $12 tax expense, respectively)	20	17
Reclassification from OCI to net income (net of $6 and $4 tax expense, respectively)	8	6
Net unrealized gains (losses) on interest rate cash flow hedges:		
Effective portion of net unrealized gains (net of $7 and $2 tax expense, respectively)	13	3
Reclassification from OCI to net income (net of $0.6 tax benefit and $0.4 tax expense, respectively)	(1)	1
Net unrealized gains (losses) on available for sale securities (net of $7 tax expense and $5 tax benefit, respectively)	12	(8)
Defined benefit pension and other benefits plans (net of $0.4 tax benefit in 2007)	(1)	-
Comprehensive income of FPL Group	$ 456	$ 255

	Six Months Ended June 30,	
	2007	2006
	(millions)	
Net income of FPL Group	$ 555	$ 487
Net unrealized gains (losses) on commodity cash flow hedges:		
Effective portion of net unrealized gains (losses) (net of $34 tax benefit and $38 tax expense, respectively)	(49)	55
Reclassification from OCI to net income (net of $13 and $13 tax expense, respectively)	19	20
Net unrealized gains (losses) on interest rate cash flow hedges:		
Effective portion of net unrealized gains (net of $4 and $4 tax expense, respectively)	7	8
Reclassification from OCI to net income (net of $1 tax benefit and $1 tax expense, respectively)	(3)	1
Net unrealized gains (losses) on available for sale securities (net of $8 tax expense and $2 tax benefit, respectively)	13	(3)
Supplemental retirement plan liability adjustment (net of $0.5 tax expense in 2006)	-	1
Defined benefit pension and other benefits plans (net of $0.9 tax benefit in 2007)	(1)	-
Comprehensive income of FPL Group	$ 541	$ 569

Approximately $26 million of losses included in FPL Group's accumulated other comprehensive income at June 30, 2007 will be reclassified into earnings within the next twelve 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. Accumulated other comprehensive income is shown as a separate line item on the condensed consolidated balance sheets of FPL Group.

5. 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,	
	2007	2006	2007	2006
	(millions, except per share amounts)			
Numerator – net income	$ 405	$ 236	$ 555	$ 487
Denominator:				
Weighted-average number of common shares outstanding – basic	397.6	394.3	397.2	391.8
Restricted stock, performance share awards, options, warrants and equity units [a]	2.8	2.4	2.8	3.1
Weighted-average number of common shares outstanding – assuming dilution	400.4	396.7	400.0	394.9
Earnings per share of common stock:				
Basic	$ 1.02	$ 0.60	$ 1.40	$ 1.24
Assuming dilution	$ 1.01	$ 0.60	$ 1.39	$ 1.23

[a] Performance share 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 were the end of the term of the award. Restricted stock, performance share awards, options, warrants and, for the six months ended June 30, 2006, 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 0.3 million for both the three and six months ended June 30, 2006 and none for the comparable 2007 periods.

6. Regulatory Matters

Securitization – FPL was affected by four hurricanes in 2005 and three hurricanes in 2004 which caused major damage in parts of FPL's service territory. Storm restoration costs incurred by FPL during 2005 and 2004 exceeded the amount in the storm and property insurance reserve, resulting in a storm reserve deficiency. In 2007, FPL formed a wholly-owned bankruptcy remote special purpose subsidiary for the purpose of issuing storm-recovery bonds, pursuant to the securitization provisions of Section 366.8260 of the Florida Statutes and a Florida Public Service Commission (FPSC) financing order. In May 2007, the FPL subsidiary issued $652 million aggregate principal amount of senior secured bonds (storm-recovery bonds) primarily for the after-tax equivalent of the total of FPL's unrecovered balance of the 2004 storm restoration costs, the 2005 storm restoration costs and approximately $200 million for a storm and property insurance reserve. The storm-recovery bonds were issued in four tranches with interest rates ranging from 5.0530% to 5.2555% and final maturity dates ranging from 2013 to 2021. Although principal on the storm-recovery bonds is due on the final maturity date (the date by which the principal must be repaid to prevent a default) for each tranche, it is expected to be paid semiannually and sequentially beginning February 1, 2008, when the first semiannual interest payment becomes due.

In connection with this financing, net proceeds, after estimated debt issuance costs, to the FPL subsidiary (approximately $642 million) were used to acquire the storm-recovery property, which includes the right to impose, collect and receive a storm-recovery charge from all customers receiving electric transmission or distribution service from FPL under rate schedules approved by the FPSC or under special contracts, certain other rights and interests that arise under the financing order issued by the FPSC and certain other collateral pledged by the FPL subsidiary that issued the bonds. The storm-recovery bonds are payable only from and secured by the storm-recovery property. FPL, as servicer, collects storm-recovery charges on behalf of the subsidiary and remits them to the trustee under the indenture pursuant to which the storm-recovery bonds were issued for payment of fees and expenses and payment of principal and interest on the storm-recovery bonds. The FPL subsidiary is consolidated for financial reporting purposes; however, the storm-recovery bonds do not constitute a debt, liability or other legal obligation of, or interest in, FPL or any of its affiliates other than the FPL subsidiary that issued the storm-recovery bonds. The assets of the FPL subsidiary that issued the storm-recovery bonds, including the storm-recovery property, are not available to pay creditors of FPL or any of its affiliates other than the subsidiary that issued the storm-recovery bonds.

In connection with this financing, the net proceeds to FPL from the sale of the storm-recovery property were used primarily to reimburse FPL for its estimated net of tax storm reserve deficiency as of May 31, 2007 (approximately $519 million) and provide for a storm and property insurance reserve fund (approximately $123 million net of tax and included in special use funds on FPL Group's and FPL's June 30, 2007 condensed consolidated balance sheets). Upon the issuance of the storm-recovery bonds, the storm reserve deficiency was reclassified to securitized storm-recovery costs on FPL Group's and FPL's condensed consolidated balance sheets. As storm-recovery charges are billed to customers, the securitized storm-recovery costs are amortized, the amount of which is included in storm cost amortization on FPL Group's and FPL's condensed consolidated statements of income.

The storm and property insurance reserve of approximately $200 million funded on an after-tax basis with proceeds from the issuance of the storm-recovery bonds is not reflected in FPL Group's and FPL's condensed consolidated balance sheets as of June 30, 2007 because the associated regulatory asset does not meet the specific recognition criteria under FAS 71. As a result, the storm and property insurance reserve will be recognized as a regulatory liability as the storm-recovery charges are billed to customers and charged to storm cost amortization on FPL Group's and FPL's condensed consolidated statements of income. Although FPL Group's and FPL's condensed consolidated balance sheets as of June 30, 2007 reflect a storm and property insurance reserve of approximately $1 million (included in regulatory liabilities – other on FPL Group's and FPL's condensed consolidated balance sheets), FPL has the capacity to absorb up to $200 million in future prudently incurred storm restoration costs without seeking recovery through a rate adjustment from the FPSC.

Other – In June 2007, the FPSC denied FPL's petition for need for two ultra super critical pulverized coal generating units in Glades County, Florida. In July 2007, FPL filed a petition with the FPSC requesting authorization to defer, until the next retail base rate proceeding, approximately $35 million of preconstruction costs associated with the coal units, with amortization over a five-year period beginning when new base rates are implemented. These costs are currently reflected in other assets on FPL Group's and FPL's condensed consolidated balance sheets. If the petition is not approved, the $35 million will be expensed. FPL is considering various options to meet its service territory's power needs in the future.

7. Debt

In January 2007, an indirect wholly-owned subsidiary of FPL Energy entered into an interest rate swap agreement to pay a fixed rate of 5.39% on approximately $547 million of its variable rate limited recourse debt in order to limit cash flow exposure.

In April 2007, FPL issued $300 million principal amount of 5.85% first mortgage bonds maturing in May 2037. The proceeds were used to repay a portion of FPL's short-term borrowings and for other corporate purposes.

Also, in April 2007, FPL and FPL Group Capital Inc (FPL Group Capital) each entered into a new five-year revolving credit and letter of credit facility aggregating $6.5 billion ($4.0 billion for FPL Group Capital and $2.5 billion for FPL) expiring in April 2012. These new facilities replaced the previously existing five-year credit facilities aggregating $4.5 billion.

Additionally, in April 2007, FPL Group Capital borrowed $50 million pursuant to a term loan facility, which increased the outstanding amount under the term loan facility from $150 million to $200 million, and extended the maturity date of the term loan facility from June 2008 to June 2009.

In May 2007, FPL made an early repayment on its $250 million revolving term loan facility. Also in May 2007, pursuant to the securitization provisions of Section 366.8260 of the Florida Statutes and an FPSC financing order, a wholly-owned subsidiary of FPL issued $652 million aggregate principal amount of storm-recovery bonds. See Note 6 – Securitization.

In June 2007, FPL Group Capital issued $400 million principal amount of Series C Junior Subordinated Debentures due 2067. The debentures initially bear interest at 6.65% per year and, beginning June 15, 2017, will bear interest at the three-month London InterBank Offered Rate (LIBOR) plus 212.5 basis points, reset quarterly. The proceeds from the debentures were added to FPL Group Capital's general funds, which FPL Group Capital used to repay a portion of commercial paper issued to fund investments by FPL Group Capital in independent power projects. FPL Group guarantees the payment of the debentures on a subordinated basis.

Also in June 2007, an indirect wholly-owned subsidiary of FPL Energy issued an aggregate of $575 million of limited-recourse senior secured notes in three separate series (i) $290 million of 6.31% Series A Notes due 2017, (ii) $35 million of 6.61% Series B Notes due 2027 and (iii) $250 million of 6.96% Series C Notes due 2037. These notes are secured by liens on FPL Energy's hydroelectric project assets and certain other assets of, and the ownership interest in, the indirect wholly-owned subsidiary. In addition, another indirect wholly-owned subsidiary of FPL Energy issued $125 million of 7.26% limited-recourse senior secured notes maturing in 2015. These notes are secured by certain assets of, and the ownership interest in, the indirect wholly-owned subsidiary. Substantially all of the proceeds from these note issuances were distributed to FPL Energy in return for a portion of the capital contributions that it made to certain of its direct and indirect subsidiaries for the investment by such subsidiaries in the acquisition of, and capital improvements made to, FPL Energy's hydroelectric power projects located primarily in Maine.

8. 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 include, among other things, 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 cost, including capitalized interest, for construction of wind projects and the procurement of nuclear fuel, as well as announced acquisitions. FPL FiberNet, LLC's (FPL FiberNet) capital expenditures primarily include costs to meet customer specific requirements and sustain its fiber-optic network. At June 30, 2007, planned capital expenditures for the remainder of 2007 through 2011 were estimated as follows:

	2007	2008	2009	2010	2011	Total
			(millions)			
FPL:						
Generation: [a]						
New [b]	$ 195	$ 700	$ 210	$ 10	$ -	$ 1,115
Existing	355	600	485	565	425	2,430
Transmission and distribution [c]	435	985	1,105	1,055	1,080	4,660
Nuclear fuel	20	130	140	170	110	570
General and other	85	160	170	205	210	830
Total	$ 1,090	$ 2,575	$ 2,110	$ 2,005	$ 1,825	$ 9,605
FPL Energy:						
Wind [d]	$ 1,050	$ 1,960	$ 10	$ 10	$ 5	$ 3,035
Nuclear [e]	1,050	155	120	165	115	1,605
Gas	50	50	65	70	25	260
Other	40	40	10	5	10	105
Total	$ 2,190	$ 2,205	$ 205	$ 250	$ 155	$ 5,005
FPL FiberNet	$ 6	$ 11	$ 11	$ 11	$ 11	$ 50

(a) Includes allowance for funds used during construction (AFUDC) of approximately $16 million, $52 million, $53 million and $6 million in 2007, 2008, 2009 and 2010, respectively.
(b) Includes land, generating structures, transmission interconnection and integration, licensing and AFUDC.
(c) Includes estimated capital costs associated with FPL's initiative to enhance its electrical grid as a result of heightened hurricane activity and in response to concerns expressed by the community, state leaders and regulators, as well as the FPSC's approved storm preparedness plan (collectively, Storm Secure® Plan). These capital costs are subject to change over time based on, among other things, productivity enhancements and prioritization.
(d) Capital expenditures for new wind projects are estimated through 2008, when eligibility for PTCs for new wind projects is scheduled to expire. FPL Energy expects to add approximately 1,500 megawatts (mw) to 2,000 mw of new wind generation per year from 2009 through 2012, subject to continued public policy support, the cost of which is estimated to be approximately $3 billion for 2009 and $3 billion to $4 billion in each of 2010 and 2011.
(e) Includes nuclear fuel for Seabrook Station (Seabrook) and Duane Arnold Energy Center (Duane Arnold) and, in 2007, the pending acquisition of Point Beach Nuclear Power Plant (Point Beach).

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, 2007, FPL Energy had approximately $4.2 billion in firm commitments, primarily for the purchase of wind turbines and towers, natural gas transportation, purchase and storage, firm transmission service, nuclear fuel for Seabrook and Duane Arnold and a portion of its projected capital expenditures, including the pending acquisition of Point Beach for approximately $1 billion which is subject to certain adjustments at closing. The Point Beach transaction is subject to, among other things, the receipt of approvals from various federal and state regulatory agencies. FPL Energy expects to close the transaction in the second half of 2007. In addition, 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, 2007, 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 11 years. The maximum potential amount of future payments that could be required under these guarantees at June 30, 2007 was approximately $16 million. At June 30, 2007, 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 June 30, 2007.

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 becoming liable for 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.

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 annually through mid-2015 and 375 mw annually thereafter through 2021, and one of the Southern subsidiaries' contracts is subject to minimum quantities. FPL also has various firm pay-for-performance contracts to purchase approximately 700 mw from certain cogenerators and small power producers (qualifying facilities) with expiration dates ranging from 2009 through 2026. The purchased power contracts provide for capacity and energy payments. Energy payments are based on the actual power taken under these contracts. Capacity payments for the pay-for-performance contracts are subject to the qualifying facilities meeting certain contract conditions. FPL has various agreements with several electricity suppliers to purchase an aggregate of up to approximately 935 mw of power with expiration dates ranging from 2009 through 2012. In general, the agreements require FPL to make capacity payments and supply the fuel consumed by the plants under the contracts. FPL has contracts with expiration dates through 2028 for the purchase of natural gas, coal and oil, transportation of natural gas and coal, and storage of natural gas.

FPL Energy has entered into several contracts for the purchase of wind turbines and towers in support of a portion of its planned new wind generation. In addition, FPL Energy has contracts primarily for the purchase, transportation and storage of natural gas and firm transmission service with expiration dates ranging from 2007 through 2036. FPL Energy also has several contracts for the supply, conversion, enrichment and fabrication of nuclear fuel with expiration dates ranging from 2007 to 2018.

The required capacity and minimum payments under these contracts as of June 30, 2007 were estimated as follows:

	2007	2008	2009	2010	2011	Thereafter
				(millions)		
FPL:						
Capacity payments: [a]						
JEA and Southern subsidiaries [b]	$ 100	$ 210	$ 220	$ 220	$ 210	$ 960
Qualifying facilities [b]	$ 160	$ 320	$ 320	$ 290	$ 260	$ 3,190
Other electricity suppliers [b]	$ 25	$ 55	$ 50	$ 10	$ 10	$ 5
Minimum payments, at projected prices:						
Southern subsidiaries – energy [b]	$ 40	$ 80	$ 90	$ 40	$ -	$ -
Natural gas, including transportation and storage [c]	$ 1,420	$ 1,280	$ 325	$ 260	$ 260	$ 2,155
Coal [c]	$ 35	$ 35	$ 20	$ 10	$ 10	$ -
Oil [c]	$ 490	$ -	$ -	$ -	$ -	$ -
FPL Energy	$ 720	$ 1,265	$ 120	$ 115	$ 80	$ 695

[a] Capacity payments under these contracts, the majority of which are recoverable through the capacity clause, totaled approximately $142 million and $155 million for the three months ended June 30, 2007 and 2006, respectively, and approximately $293 million and $300 million for the six months ended June 30, 2007 and 2006, respectively.

[b] Energy payments under these contracts, which are recoverable through the fuel clause, totaled approximately $103 million and $108 million for the three months ended June 30, 2007 and 2006, respectively, and approximately $202 million and $199 million for the six months ended June 30, 2007 and 2006, respectively.

[c] Recoverable through the fuel clause.

In addition, FPL has entered into several long-term agreements for storage capacity and transportation of natural gas from facilities that have not yet begun construction. These agreements range from 12 to 23 years in length and contain firm commitments totaling up to approximately $131 million annually or $2.4 billion over the terms of the agreements. These firm commitments are contingent upon the occurrence of certain events, including approval by the Federal Energy Regulatory Commission (FERC) and completion of construction of the facilities in 2008 and 2009.

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 $604 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 $90 million ($60 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, Duane Arnold and St. Lucie Unit No. 2, which approximates $12 million, $30 million and $15 million, plus any applicable taxes, per incident, respectively.

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 $141 million ($97 million for FPL), plus any applicable taxes, 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, Duane Arnold and St. Lucie Unit No. 2, which approximates $2 million, $5 million and $4 million, plus any applicable taxes, respectively.

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 and FPL Group has no insurance coverage for FPL FiberNet's fiber-optic cable located throughout Florida. Should FPL's future storm restoration costs exceed the reserve amount (see Note 6 – Securitization), FPL may recover prudently incurred storm restoration costs either through securitization pursuant to Section 366.8260 of the Florida Statutes or through surcharges approved by the FPSC.

In the event of a loss, the amount of insurance available might not be adequate to cover property damage and other expenses incurred. Uninsured losses and other expenses, to the extent not recovered from customers 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.

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 to allege, 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 thereafter for each violation. 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 and the EPA has not yet moved to reopen the case. In April 2007, the U.S. Supreme Court in a separate unrelated case rejected an argument that a "major modification" occurs at a plant only when there is a resulting increase in the hourly rate of air emissions. Georgia Power Company has made a similar argument in defense of its case, but has other factual and legal defenses that are unaffected by the Supreme Court's decision.

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. This matter arose from a 1993 FPL filing of a comprehensive restructuring of its then-existing tariff structure. All issues related to that filing were settled in September 2000 except for three issues reserved by FMPA: (i) FMPA's request for transmission credits related to the costs of its transmission facilities (the crediting issue), (ii) treatment of behind-the-meter generation and load ratio pricing for network integration transmission service (the behind-the-meter issue), and (iii) exclusions from FPL's transmission rates of the costs of FPL's facilities that fail to meet the same integration test that was applied to FMPA's facilities with respect to the crediting issue (the rate base issue). The FERC and the DC Circuit have rejected FMPA's claim for transmission credits, which would have reduced FMPA's payment obligation to FPL for network integration transmission service.

With regard to the behind-the-meter issue, the FERC rejected FMPA's argument that its obligation to pay for network integration transmission service should be reduced to the extent that FPL allegedly cannot provide transmission service because of "physical transmission limitations." In June 2005, the DC Circuit remanded the case to the FERC for further consideration. In December 2005, the FERC issued an order on remand finding that load ratio share pricing is appropriate notwithstanding constraints on a third-party's system. In January 2006, FMPA filed a rehearing request of this order with the FERC, which the FERC denied in July 2006. FMPA submitted a petition for review of the FERC's December 2005 and July 2006 orders at the DC Circuit. The parties have submitted briefs to the court, and the case is pending.

With regard to the rate base issue, 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 that filing, FPL's current network transmission rate would have been reduced by $0.02 per kilowatt (kw) per month. In June 2004, FMPA filed a protest to FPL's compliance filing, arguing that FPL's current network transmission rate should be reduced by approximately $0.41 per kw per month. In January 2005, the FERC issued an order on FPL's compliance filing. In the order, the 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. The FERC required FPL to make an additional compliance filing removing the cost of all radial transmission lines from transmission rates, 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 made this compliance filing in April 2005, under which FPL's current rate would be reduced by $0.04 per kw per month. In May 2005, FMPA protested FPL's compliance filing and argued that FPL's rates should be reduced by an additional $0.20 per kw per month, potentially resulting in a refund obligation to FMPA of approximately $23 million at June 30, 2007. Any reduction in FPL's network service rate also would apply effective January 1, 2004 to Seminole Electric Cooperative Inc. (Seminole), FPL's other network customer. The potential refund obligation to Seminole based on FMPA's position is approximately $11 million at June 30, 2007.

In December 2005, the FERC issued an order accepting FPL's April 2005 compliance filing in part, rejecting it in part, and directing the submission of a further compliance filing. The FERC concluded that it is not clear whether FPL failed to test its non-radial facilities in a manner comparable to the way it tested FMPA's facilities. FPL filed a rehearing request in January 2006, which the FERC denied in July 2006. FPL filed a request for rehearing of the FERC's July 2006 order. In September 2006, FPL made the required compliance filing, removing additional transmission facilities from rates, which resulted in a refund liability of approximately $4 million to FMPA and approximately $2 million to Seminole at June 30, 2007. FMPA has protested FPL's filing, claiming again that FPL's rates should be reduced by an additional $0.20 per kw per month.

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 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 has filed an answer to the complaint. FPL Group believes that the complaint is without merit 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. The case is in discovery and has been set for trial in July 2008.

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, as subsequently amended, 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. In January 2006, the court granted FPL's motion for final summary judgment and dismissed the case. On February 8, 2006, the plaintiffs filed a notice of appeal of the court's decision, which appeal is pending before the U.S. Court of Appeals for the Eleventh Circuit.

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, as subsequently amended, are virtually identical to those contained in the Finestone lawsuit described above. In January 2006, the court granted FPL's motion for final summary judgment and dismissed the case. On February 8, 2006, the plaintiffs filed a notice of appeal of the court's decision, which appeal is pending before the U.S. Court of Appeals for the Eleventh Circuit.

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 Eleventh 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 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 power plants in southeast Florida. 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 U.S. District Court remanded the action back to the state court. The drug manufacturing and distribution companies have moved to dismiss the action. Plaintiffs and FPL have agreed that FPL will not respond to the complaint until requested by the plaintiffs.

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 Eighteenth 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 Orlando Utilities Commission, 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 Roig lawsuit described above. FPL's motion to dismiss the complaint was denied. The U.S. District Court subsequently remanded the action back to the state court. The state court subsequently dismissed the drug manufacturing and distribution companies from the action. Plaintiffs' appeal of that order is pending before the Florida Fifth District Court of Appeal. Plaintiffs and FPL have agreed that FPL will not respond to the complaint until requested by the plaintiffs.

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. FPL Energy was added as a defendant in 2005. The petition alleged that the 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 asserted claims for breach of contract and declaratory judgment and sought damages of approximately $34 million. The FPL Energy Affiliates filed their answer and counterclaim in November 2004, denying the allegations. The counterclaim, as amended, asserted claims for conversion, breach of fiduciary duty, breach of warranty, conspiracy, breach of contract and fraud and sought termination of the contract and damages. Following a jury trial in June 2007, among other findings, both TXU and the FPL Energy Affiliates were found to have breached the contract. Based on these findings and prior rulings from the trial court, the contract is not terminated and neither party should recover any damages. Post trial motions have been filed to conform the verdict and rulings into a final judgment.

In September 2006, PT Pertamina, Indonesia's state-owned oil/energy company, filed an action against Karaha Bodas Company, LLC (KBC), an entity in which FPL Energy owns an equity interest, in the Grand Court of the Cayman Islands for fraud and for an injunction prohibiting KBC from disposing of, dealing with or diminishing the value of any of KBC's assets up to the value of PT Pertamina's funds KBC received as a result of a court judgment (approximately $320 million) pending resolution of the fraud claim. FPL Energy's portion of the damages being sought is approximately $145 million. KBC sought and in December 2006 received from the U.S. District Court for the Southern District of New York an anti-suit injunction against the plaintiff, prohibiting the plaintiff from pursuing the fraud action, or any similar action, and the request for injunctive relief in the Cayman court or any other court worldwide. The plaintiff's appeal of that order to the U.S. Court of Appeals for the Second Circuit is pending.

In addition to those legal proceedings discussed above, 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. Generating plants in which FPL Group or FPL have an ownership interest are also involved in legal proceedings and claims, the liabilities from which, if any, would be shared by FPL Group or FPL.

FPL Group and FPL believe that they, or their affiliates, have meritorious defenses to all the pending litigation and proceedings discussed above under the heading Litigation and are vigorously defending the lawsuits. While management is unable to predict with certainty the outcome of the legal proceedings and claims discussed or described herein, based on current knowledge it is not expected that their ultimate resolution, individually or collectively, will have a material adverse effect on the financial statements of FPL Group or FPL.

9. Segment Information

FPL Group's reportable segments include FPL, a rate-regulated utility, and FPL Energy, a competitive energy business. 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,							
	2007				2006			
	FPL	FPL Energy[a]	Corporate & Other	Total	FPL	FPL Energy[a]	Corporate & Other	Total
	(millions)							
Operating revenues	$ 2,905	$ 983	$ 41	$ 3,929	$ 2,999	$ 771	$ 39	$ 3,809
Operating expenses	$ 2,522	$ 703	$ 40	$ 3,265	$ 2,660	$ 664	$ 50	$ 3,374
Net income (loss) [b]	$ 211	$ 203	$ (9)	$ 405	$ 182	$ 90	$ (36)	$ 236

	Six Months Ended June 30,							
	2007				2006			
	FPL	FPL Energy[a]	Corporate & Other	Total	FPL	FPL Energy[a]	Corporate & Other	Total
	(millions)							
Operating revenues	$ 5,353	$ 1,567	$ 84	$ 7,004	$ 5,583	$ 1,723	$ 87	$ 7,393
Operating expenses	$ 4,723	$ 1,240	$ 79	$ 6,042	$ 4,998	$ 1,386	$ 101	$ 6,485
Net income (loss) [b]	$ 337	$ 248	$ (30)	$ 555	$ 305	$ 244	$ (62)	$ 487

	June 30, 2007				December 31, 2006			
	FPL	FPL Energy	Corporate & Other	Total	FPL	FPL Energy	Corporate & Other	Total
	(millions)							
Total assets	$ 23,360	$ 12,175	$ 1,808	$ 37,343	$ 23,073	$ 11,371	$ 1,547	$ 35,991

(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) See Note 3 for a discussion of FPL Energy's tax benefits related to PTCs recognized based on its tax sharing agreement with FPL Group.

10. 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, including its debentures, and payment guarantees 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,							
	2007				2006			
	FPL Group (Guarantor)	FPL Group Capital	Other[a]	FPL Group Consoli-dated	FPL Group (Guarantor)	FPL Group Capital	Other[a]	FPL Group Consoli-dated
	(millions)							
Operating revenues	$ -	$ 1,025	$ 2,904	$ 3,929	$ -	$ 812	$ 2,997	$ 3,809
Operating expenses	-	(744)	(2,521)	(3,265)	(6)	(710)	(2,658)	(3,374)
Interest charges	(5)	(104)	(69)	(178)	(5)	(103)	(70)	(178)
Other income (deductions) – net	404	38	(396)	46	253	43	(242)	54
Income (loss) before income taxes	399	215	(82)	532	242	42	27	311
Income tax expense (benefit)	(6)	28	105	127	6	(26)	95	75
Net income (loss)	$ 405	$ 187	$ (187)	$ 405	$ 236	$ 68	$ (68)	$ 236

	Six Months Ended June 30,							
	2007				2006			
	FPL Group (Guarantor)	FPL Group Capital	Other[a]	FPL Group Consoli-dated	FPL Group (Guarantor)	FPL Group Capital	Other[a]	FPL Group Consoli-dated
	(millions)							
Operating revenues	$ -	$ 1,854	$ 5,350	$ 7,004	$ -	$ 1,813	$ 5,580	$ 7,393
Operating expenses	-	(1,322)	(4,720)	(6,042)	(11)	(1,479)	(4,995)	(6,485)
Interest charges	(10)	(217)	(131)	(358)	(11)	(204)	(132)	(347)
Other income (deductions) – net	563	62	(541)	84	513	69	(504)	78
Income (loss) before income taxes	553	177	(42)	688	491	199	(51)	639
Income tax expense (benefit)	(2)	(38)	173	133	4	(5)	153	152
Net income (loss)	$ 555	$ 215	$ (215)	$ 555	$ 487	$ 204	$ (204)	$ 487

[a] Represents FPL and consolidating adjustments.

Condensed Consolidating Balance Sheets

	June 30, 2007				December 31, 2006			
	FPL Group (Guarantor)	FPL Group Capital	Other[a]	FPL Group Consoli-dated	FPL Group (Guarantor)	FPL Group Capital	Other[a]	FPL Group Consoli-dated
	(millions)							
PROPERTY, PLANT AND EQUIPMENT								
Electric utility plant in service and other property	$ -	$ 11,422	$ 26,383	$ 37,805	$ -	$ 10,466	$ 25,686	$ 36,152
Less accumulated depreciation and amortization	-	(2,013)	(9,967)	(11,980)	-	(1,805)	(9,848)	(11,653)
Total property, plant and equipment – net	-	9,409	16,416	25,825	-	8,661	15,838	24,499
CURRENT ASSETS								
Cash and cash equivalents	1	651	71	723	-	556	64	620
Receivables	826	881	172	1,879	170	683	803	1,656
Other	6	678	1,415	2,099	10	767	1,946	2,723
Total current assets	833	2,210	1,658	4,701	180	2,006	2,813	4,999
OTHER ASSETS								
Investment in subsidiaries	9,923	-	(9,923)	-	9,892	-	(9,892)	-
Other	1,308	1,673	3,836	6,817	1,166	1,747	3,580	6,493
Total other assets	11,231	1,673	(6,087)	6,817	11,058	1,747	(6,312)	6,493
TOTAL ASSETS	$ 12,064	$ 13,292	$ 11,987	$ 37,343	$ 11,238	$ 12,414	$ 12,339	$ 35,991
CAPITALIZATION								
Common shareholders' equity	$ 10,202	$ 3,147	$ (3,148)	$ 10,201	$ 9,930	$ 2,354	$ (2,354)	$ 9,930
Long-term debt	-	5,634	4,688	10,322	-	5,377	4,214	9,591
Total capitalization	10,202	8,781	1,540	20,523	9,930	7,731	1,860	19,521
CURRENT LIABILITIES								
Debt due within one year	-	1,412	1,094	2,506	-	2,112	630	2,742
Accounts payable	3	416	828	1,247	-	325	735	1,060
Other	744	817	879	2,440	222	749	1,720	2,691
Total current liabilities	747	2,645	2,801	6,193	222	3,186	3,085	6,493
OTHER LIABILITIES AND DEFERRED CREDITS								
Asset retirement obligations	-	257	1,615	1,872	-	248	1,572	1,820
Accumulated deferred income taxes	264	1,112	2,269	3,645	269	945	2,218	3,432
Regulatory liabilities	531	-	3,230	3,761	531	-	3,121	3,652
Other	320	497	532	1,349	286	304	483	1,073
Total other liabilities and deferred credits	1,115	1,866	7,646	10,627	1,086	1,497	7,394	9,977
COMMITMENTS AND CONTINGENCIES								
TOTAL CAPITALIZATION AND LIABILITIES	$ 12,064	$ 13,292	$ 11,987	$ 37,343	$ 11,238	$ 12,414	$ 12,339	$ 35,991

[a] Represents FPL and consolidating adjustments.

Condensed Consolidating Statements of Cash Flows

	Six Months Ended June 30,							
	2007				2006			
	FPL Group (Guarantor)	FPL Group Capital	Other[a]	FPL Group Consolidated	FPL Group (Guarantor)	FPL Group Capital	Other[a]	FPL Group Consolidated
	(millions)							
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 489	$ 457	$ 904	$ 1,850	$ 49	$ 197	$ 228	$ 474
CASH FLOWS FROM INVESTING ACTIVITIES								
Capital expenditures and independent power investments	(12)	(758)	(934)	(1,704)	-	(1,140)	(975)	(2,131)
Other – net	15	213	(363)	(135)	-	(14)	(42)	(40)
Net cash provided by (used in) investing activities	3	(545)	(1,297)	(1,839)	-	(1,154)	(1,017)	(2,171)
CASH FLOWS FROM FINANCING ACTIVITIES								
Issuances of long-term debt	-	1,133	934	2,067	-	604	937	1,541
Retirements of long-term debt	-	(1,184)	(250)	(1,434)	-	(624)	(135)	(759)
Net change in short-term debt	-	(467)	239	(228)	-	734	(201)	533
Proceeds from purchased Corporate Units	-	-	-	-	210	-	-	210
Payments to terminate Corporate Units	-	-	-	-	(258)	-	-	(258)
Issuances of common stock	27	-	-	27	303	-	-	303
Dividends on common stock	(326)	-	-	(326)	(296)	-	-	(296)
Other – net	(192)	701	(523)	(14)	(11)	(154)	192	27
Net cash provided by (used in) financing activities	(491)	183	400	92	(52)	560	793	1,301
Net increase (decrease) in cash and cash equivalents	1	95	7	103	(3)	(397)	4	(396)
Cash and cash equivalents at beginning of period	-	556	64	620	7	467	56	530
Cash and cash equivalents at end of period	$ 1	$ 651	$ 71	$ 723	$ 4	$ 70	$ 60	$ 134

(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 2006 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

Summary – Presented below is a summary of net income by reportable segment (see Note 9):

	Three Months Ended June 30,			Six Months Ended June 30,		
	2007	2006	Increase	2007	2006	Increase
	(millions)					
FPL	$ 211	$ 182	$ 29	$ 337	$ 305	$ 32
FPL Energy	203	90	113	248	244	4
Corporate and Other	(9)	(36)	27	(30)	(62)	32
FPL Group Consolidated	$ 405	$ 236	$ 169	$ 555	$ 487	$ 68

FPL's improved results for the three- and six-month periods reflect continued customer growth and a retail base rate increase for the placement of Turkey Point Unit No. 5 in service on May 1, 2007, partly offset by lower customer usage and higher depreciation expense recovered under base rates. In addition, disallowed storm costs, net of interest income recorded on 2005 storm restoration costs approved for recovery by the FPSC, reduced net income for the three and six months ended June 30, 2006 by approximately $28 million. Total depreciation for the three and six months ended June 30, 2007 was lower than the prior year as depreciation expense recovered through cost recovery clauses declined.

FPL Energy's net income for the three and six months ended June 30, 2006 has been adjusted to reflect the retrospective application of an FASB Staff Position related to planned major maintenance activities adopted by FPL Group effective December 31, 2006. FPL Energy's results for the three and six months ended June 30, 2007 reflect improved market conditions, additional earnings from new investments and the benefits of increased gains from its full energy and capacity requirements services. In addition, FPL Group's and FPL Energy's net income for the three months ended June 30, 2007 reflect net unrealized mark-to-market after-tax gains from non-qualifying hedges of approximately $58 million and for the six months ended June 30, 2007 reflect net unrealized mark-to-market after-tax losses from non-qualifying hedges of approximately $68 million. For the three months ended June 30, 2006, FPL Energy recorded net unrealized mark-to-market after-tax losses from non-qualifying hedges of approximately $20 million and for the six months ended June 30, 2006, FPL Energy recorded net unrealized mark-to-market after-tax gains from non-qualifying hedges of approximately $2 million. The change in unrealized mark-to-market activity is primarily attributable to changes in forward power and natural gas prices, as well as the reversal of previously recognized unrealized mark-to-market gains/losses as the underlying transactions are realized. As a general rule, a gain (loss) in the non-qualifying hedge category is offset by decreases (increases) in the fair value of related physical asset positions in the portfolio or contracts, which are not marked to market under generally accepted accounting principles.

Results for Corporate and Other for the three and six months ended June 30, 2007 reflect approximately $3 million and $6 million, respectively, of after-tax interest income accrued on unrecognized tax benefits in accordance with a new accounting pronouncement, lower interest expense and additional federal and state tax benefits. Results for the three and six months ended June 30, 2006 reflect approximately $4 million and $7 million, respectively, of after-tax merger-related costs associated with the proposed merger between FPL Group and Constellation Energy Group, Inc. (Constellation Energy), which was terminated in October 2006. See Note 3 for a discussion of FIN 48 and Note 9 for segment information.

FPL Group's effective income tax rates for the three and six months ended June 30, 2007 and 2006 reflect the benefit of PTCs for wind projects at FPL Energy. PTCs can significantly affect FPL Group's effective income tax rate depending on the amount of pretax income and wind generation. PTCs are recognized as wind energy is generated and sold based on a per kwh rate prescribed in applicable federal and state statutes, and amounted to approximately $50 million and $103 million for the three and six months ended June 30, 2007, respectively, and approximately $38 million and $81 million for the comparable periods in 2006. See Note 3.

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 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. FPL Group uses derivative instruments to reduce its commodity price and interest rate risk.

FPL Group's management uses earnings excluding certain items (adjusted earnings), which in 2007 and 2006 were the unrealized mark-to-market effect of non-qualifying hedges and, in 2006 also included merger-related costs, internally for financial planning, for analysis of performance, for reporting of results to the Board of Directors and as inputs in determining whether performance targets are met for performance-based compensation under FPL Group's employee incentive compensation plans. FPL Group also uses adjusted earnings when communicating its earnings outlook to 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, management believes that the amount and/or nature of such items make period to period comparisons of operations difficult and potentially confusing.

FPL – FPL's net income for the three months ended June 30, 2007 and 2006 was $211 million and $182 million, respectively; net income for the six months ended June 30, 2007 and 2006 was $337 million and $305 million, respectively. In 2007, FPL's net income benefited from continued customer growth and a retail base rate increase for the placement of Turkey Point Unit No. 5 in service on May 1, 2007, partly offset by lower customer usage and higher depreciation expense recovered under base rates. In addition, disallowed storm costs, net of interest income recorded on 2005 storm restoration costs approved for recovery by the FPSC, reduced net income for the three and six months ended June 30, 2006 by approximately $28 million. Total depreciation for the three and six months ended June 30, 2007 was lower than the prior year as depreciation expense recovered through cost recovery clauses declined.

FPL's operating revenues consisted of the following:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
	(millions)			
Retail base	$ 955	$ 956	$ 1,748	$ 1,733
Fuel cost recovery	1,561	1,618	2,848	3,040
Other cost recovery clauses and pass-through costs	350	391	679	735
Other, primarily transmission and wholesale sales and customer-related fees	39	34	78	75
Total	$ 2,905	$ 2,999	$ 5,353	$ 5,583

For the three months ended June 30, 2007, retail customer usage decreased 5.2% primarily due to mild weather, partly offset by economic conditions and other factors, which decreased retail base revenues by approximately $47 million. A 2.2% increase in the average number of retail customer accounts increased retail base revenues by approximately $21 million. In addition, a base rate increase resulting from the placement of Turkey Point Unit No. 5 in service on May 1, 2007 increased retail base revenues by approximately $25 million.

For the six months ended June 30, 2007, an increase in the average number of retail customers of 2.2% increased retail base revenues by approximately $38 million and a 2.5% decrease in usage per retail customer decreased retail base revenues by approximately $48 million. The decrease in retail usage was primarily due to weather and the elasticity effect on customer usage of higher electricity prices partly offset by economic conditions. In addition, the base rate increase resulting from the placement of Turkey Point Unit No. 5 in service on May 1, 2007 increased retail base revenues by approximately $25 million.

Revenues from fuel and other cost recovery clauses and pass-through costs, such as franchise fees, revenue taxes and storm-related surcharges, do not significantly affect net income; however, underrecovery or overrecovery of such costs can significantly affect FPL Group's and FPL's operating cash flows. Fluctuations in fuel cost recovery revenues are primarily driven by changes in fuel and energy charges which are included in fuel, purchased power and interchange expense, as well as by changes in energy sales. Fluctuations in revenues from other cost recovery clauses and pass-through costs are primarily driven by changes in capacity charges, franchise fee costs, the impact of changes in other operations and maintenance (O&M) and depreciation expenses on the underlying cost recovery clause, as well as changes in energy sales. Capacity charges and franchise fee costs are included in fuel, purchased power and interchange and taxes other than income taxes, respectively, in the condensed consolidated statements of income.

The decline in fuel cost recovery revenues reflects the January 2007 lowering of the retail fuel charge by approximately 7.2% and another 2.3% decline on May 1, 2007 when Turkey Point Unit No. 5 was placed in service. In January 2006, the retail fuel charge had been increased approximately 46% in response to significantly higher fuel prices.

In May 2007, a wholly-owned subsidiary of FPL issued $652 million aggregate principal amount of storm-recovery bonds primarily for the after-tax equivalent of the total of FPL's unrecovered balance of the 2004 storm restoration costs, the 2005 storm restoration costs and approximately $200 million for a storm and property insurance reserve. The storm-recovery bonds, including interest and bond issuance costs, are being repaid through a surcharge to retail customers. Prior to the issuance of these storm-recovery bonds, FPL had been recovering from retail customers the 2004 storm restoration costs through a storm damage surcharge. Both the revenues from the 2004 storm damage surcharge and the storm-recovery bonds surcharge are included in other cost recovery clauses and pass-through costs. See Note 6 – Securitization. For the three months ended June 30, 2007 and 2006, the amount billed to retail customers related to the 2004 unrecovered storm restoration costs and, for the 2007 period, storm-recovery bonds surcharge amounted to approximately $23 million and $37 million, respectively. The corresponding amounts for the six months ended June 30, 2007 and 2006 were $46 million and $70 million, respectively. Revenues from other cost recovery clauses and pass-through costs also declined in the three and six months ended June 30, 2007 due to the absence in 2007 of the recovery of a portion of litigation costs that FPL had been recovering since 2002 through the capacity clause. See further discussion below of depreciation and amortization expense.

The major components of FPL's fuel, purchased power and interchange expense are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
	(millions)			
Fuel and energy charges during the period	$ 1,647	$ 1,569	$ 2,799	$ 2,679
Recovery of costs incurred in a prior period	23	186	46	372
Net over (under) recovery of costs during the period	(96)	(129)	26	3
Other, primarily capacity charges net of any capacity deferral	124	125	241	235
Total	$ 1,698	$ 1,751	$ 3,112	$ 3,289

The increase in fuel and energy charges for the three months ended June 30, 2007 reflects approximately $129 million related to higher fuel and energy prices partly offset by approximately $51 million attributable to lower energy sales. The increase in fuel and energy charges for the six months ended June 30, 2007 reflects higher fuel and energy prices of approximately $140 million partly offset by approximately $20 million attributable to lower energy sales. The recovery of costs incurred in a prior period represents the collection of underrecovered fuel costs the FPSC permitted FPL to start collecting at the beginning of the respective year. The net overrecovery (underrecovery) of costs during the period represents fuel clause collections from customers which were higher (lower) than fuel and energy costs incurred. The decrease in deferred clause and franchise expenses and increase in deferred clause and franchise revenues (current and noncurrent, collectively) on FPL Group's and FPL's condensed consolidated balance sheets at June 30, 2007 totaling approximately $50 million positively affected FPL Group's and FPL's cash flows from operations for the six months ended June 30, 2007.

FPL's O&M expenses for each of the three and six months ended June 30, 2007 increased approximately $7 million reflecting higher nuclear costs of $20 million and $23 million, respectively, and higher customer service and employee benefit costs (collectively, approximately $3 million and $10 million, respectively). The increase in nuclear costs also reflects a partial reversal in the second quarter of 2006 of sleeving costs recorded in 2005 that FPL expected to spend, but did not, during the spring 2006 outage of the St. Lucie Unit No. 2 nuclear plant in order to comply with the Nuclear Regulatory Commission (NRC) regulations concerning tube plugging in the unit's two steam generators. These increases were offset by lower distribution costs of approximately $11 million and $24 million, respectively, reflecting timing of expenditures as well as the prior year periods reflecting additional fleet vehicle and storm restoration expenses. Other changes in O&M expenses were primarily driven by pass-through costs which did not significantly affect net income. Management expects O&M expenses in 2007 to continue trending upward, reflecting an expected increase of approximately $15 million in Storm Secure Plan costs for the year, higher fossil generation costs reflecting the placement of Turkey Point Unit No. 5 into service and higher nuclear, employee benefit and customer service costs.

In June 2007, the FPSC denied FPL's petition for need for two ultra super critical pulverized coal generating units in Glades County, Florida. In July 2007, FPL filed a petition with the FPSC requesting authorization to defer, until the next retail base rate proceeding, approximately $35 million of preconstruction costs associated with the coal units, with amortization over a five-year period beginning when new base rates are implemented. These costs are currently reflected in other assets on FPL Group's and FPL's condensed consolidated balance sheets. If the petition is not approved, the $35 million will be expensed. FPL is considering various options to meet its service territory's power needs in the future.

Depreciation and amortization expense for the three and six months ended June 30, 2007 decreased approximately $3 million and $10 million, respectively, reflecting the full recovery in 2006 through cost recovery clauses of $222.5 million of litigation costs that FPL had been recovering over a five-year period that began January 1, 2002. This was partially offset by higher depreciation on transmission and distribution facilities to support customer growth and demand and depreciation on Turkey Point Unit No. 5, a 1,144 mw natural gas-fired generating unit that was placed in service on May 1, 2007.

Interest charges for the three and six months ended June 30, 2007 reflect higher allowance for borrowed funds used during construction (AFUDC – debt) on two 1,220 mw natural gas-fired combined cycle units in western Palm Beach County, Florida, the steam generator replacement project at St. Lucie Unit No. 2 and the nuclear spent fuel storage projects, partly offset, for the three months ended June 30, 2007, by lower AFUDC – debt on Turkey Point Unit No. 5. The increase in allowance for equity funds used during construction for the six months ended June 30, 2007 is attributable to the projects discussed above for AFUDC – debt.

FPL Energy – FPL Energy's net income for the three months ended June 30, 2007 and 2006 was $203 million and $90 million, respectively, an increase of $113 million. FPL Energy's net income for the six months ended June 30, 2007 and 2006 was $248 million and $244 million, respectively, an increase of $4 million. The primary drivers, on an after-tax basis, of these increases were as follows:

	Increase (Decrease)	
	Three Months Ended June 30, 2007	Six Months Ended June 30, 2007
	(millions)	
New investments [a]	$ 18	$ 44
Existing assets [a]	30	30
Full energy and capacity requirements services and trading	5	32
Restructuring activities and asset sales	(1)	1
Interest expense and other	(17)	(33)
Change in unrealized mark-to-market non-qualifying hedge activity [b]	78	(70)
Net income increase	$ 113	$ 4

(a) Includes PTCs on wind projects but does not include allocation of interest expense or corporate general and administrative expenses. See Note 3 for a discussion of PTCs and Note 9 for a discussion of interest expense allocation. Results from new projects are included in new investments during the first twelve months of operation. A project's results are included in existing assets beginning with the thirteenth month of operation.

(b) For discussion of derivative instruments, see Note 2 and Summary.

The increase in FPL Energy's results from new investments reflects the addition of over 815 mw of wind and gas generation during or after the three months ended June 30, 2006 and over 1,325 mw of wind, nuclear and gas generation during or after the six months ended June 30, 2006. The existing asset portfolio for the three and six months ended June 30, 2007 benefited from improved market conditions in the New England Power Pool (NEPOOL) and Electric Reliability Council of Texas (ERCOT) regions partially offset by the impact of lower wind resource, plant outages at the Duane Arnold nuclear facility and the effect of the completion, in January 2007, of the amortization of deferred income under a power purchase agreement related to a combined-cycle plant in the NEPOOL region. Results in NEPOOL also benefited from a new FERC-approved forward capacity market that began in December 2006.

FPL Energy is currently planning to make alloy 600 pressurizer upgrades to its Seabrook nuclear plant in 2008, but the NRC may require the upgrades in 2007. Performing these upgrades in 2007 may reduce FPL Energy's 2007 results of operations primarily due to lost revenues during the period the plant is shutdown for such upgrades but it is not expected to significantly affect the estimated capital expenditures for the 2007 through 2011 period. See Note 8 – Commitments.

FPL Energy's financial results for the three and six months ended June 30, 2007 benefited from increased gains from its full energy and capacity requirements services and trading activities. Full energy and capacity requirements services included 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.

Interest expense and other for the three and six months ended June 30, 2007 reflects higher interest expense due to higher debt balances as a result of growth in the business. In addition, interest expense and other includes higher corporate general and administrative expenses to support the growth in the business.

For the three and six months ended June 30, 2007, FPL Energy's net unrealized mark-to-market non-qualifying hedge activity resulted in after-tax gains of approximately $58 million and after-tax losses of approximately $68 million, respectively. For the three and six months ended June 30, 2006, FPL Energy's net unrealized mark-to-market non-qualifying hedge activity resulted in after-tax losses of approximately $20 million and after-tax gains of approximately $2 million, respectively. The change in unrealized mark-to-market activity is primarily attributable to changes in forward power and natural gas prices, as well as the reversal of previously recognized unrealized mark-to-market gains/losses as the underlying transactions are realized.

FPL Energy's operating revenues for the three months ended June 30, 2007 increased $212 million reflecting $115 million of unrealized mark-to-market gains from non-qualifying hedges as compared to $13 million in the 2006 period. FPL Energy's operating revenues for the six months ended June 30, 2007 decreased $156 million reflecting $248 million of unrealized mark-to-market losses from non-qualifying hedges as compared to $252 million of gains on such hedges in the 2006 period. Excluding these mark-to-market changes, operating revenues for the three and six months ended June 30, 2007 increased primarily due to project additions and favorable market conditions in the NEPOOL and ERCOT regions, partially offset by lower wind resource and the impact of outages at Duane Arnold.

FPL Energy's operating expenses for the three months ended June 30, 2007 increased $39 million including $30 million of unrealized mark-to-market losses from non-qualifying hedges compared to $42 million of losses on such hedges in the 2006 period. FPL Energy's operating expenses for the six months ended June 30, 2007 decreased $146 million reflecting $135 million of unrealized mark-to-market gains from non-qualifying hedges compared to $229 million of losses on such hedges in the 2006 period. Excluding these mark-to-market changes, operating expenses increased primarily due to additional O&M and depreciation and amortization expenses associated with project additions and, also for the six months ended June 30, 2007, increased fuel costs as a result of market conditions. FPL Energy expects 2007 O&M expenses to be higher than 2006 O&M expenses, primarily due to costs associated with project additions and plant maintenance.

Equity in earnings of equity method investees decreased $8 million and $10 million for the three and six months ended June 30, 2007, respectively, primarily due to the effect of the completion, in January 2007, of the amortization of deferred income under a power purchase agreement related to a combined-cycle plant in the NEPOOL region and the receipt in the second quarter of 2006 of a partial settlement related to an Indonesian development project. In addition, equity in earnings of equity method investees for the three and six months ended June 30, 2007 included unrealized mark-to-market gains/losses from non-qualifying hedges of less than $1 million as compared to $5 million and $17 million of losses in the comparable periods in 2006.

PTCs from FPL Energy's wind projects are reflected in FPL Energy's earnings. PTCs are recognized as wind energy is generated and sold based on a per kwh rate prescribed in applicable federal and state statutes, and amounted to approximately $50 million and $103 million for the three and six months ended June 30, 2007, respectively, and approximately $38 million and $81 million for the comparable periods in 2006. See Note 3.

In December 2006, FPL Energy entered into an agreement to purchase Point Beach, a two-unit, 1,033 mw nuclear power plant located in Wisconsin from Wisconsin Electric Power Company (Wisconsin Electric). Under the agreement, FPL Energy will purchase the plant, including nuclear fuel, inventory and other items, for a total of approximately $1 billion, subject to certain adjustments at closing. Under the agreement, FPL Energy will sell the output of Point Beach to Wisconsin Electric under a long-term contract. The duration of the contract will be, at the option of Wisconsin Electric, either through the current license terms of 2030 for Unit 1 and 2033 for Unit 2 or for a term of 16 or 17 years from the closing date for Units 1 and 2, respectively. FPL Energy will be responsible for management and operation of the plant, as well as for the ultimate decommissioning of the facility, and expects to receive at least $360 million of decommissioning funds at closing. The transaction is subject to, among other things, the receipt of approvals from various federal and state regulatory agencies. FPL Energy expects to close the transaction in the second half of 2007.

FPL Energy expects its future portfolio capacity growth to come primarily from wind development and from asset acquisitions. FPL Energy plans to add a total of at least 2,000 mw of new wind generation over the 2007 and 2008 period, of which over 1,000 mw are currently under construction and are expected to reach commercial operation by the end of 2007. In addition, FPL Energy expects to add approximately 1,500 mw to 2,000 mw of new wind generation per year from 2009 through 2012, subject to continued public policy support.

Corporate and Other – Corporate and Other is primarily comprised of interest expense, the operating results of FPL FiberNet and other business activities, as well as corporate interest income and expenses. 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. Each subsidiary's income taxes are calculated based on the "separate return method," except that tax benefits that could not be utilized on a separate return basis, but are utilized on the consolidated tax return, are recorded by the subsidiary. Any remaining consolidated income tax benefits or detriments are recorded at Corporate and Other. The major components of Corporate and Other results, on an after-tax basis, are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
	(millions)			
Interest expense	$ (20)	$ (24)	$ (44)	$ (47)
Interest accrued on unrecognized tax benefits	3	-	6	-
Merger-related costs	-	(4)	-	(7)
Federal and state tax benefits (detriments)	9	(8)	6	(9)
Other	(1)	-	2	1
Net loss	$ (9)	$ (36)	$ (30)	$ (62)

The interest accrued on unrecognized tax benefits represents the net interest recorded on unrecognized tax benefits in accordance with the provisions of FIN 48. See Note 3. The merger-related costs represent costs associated with the proposed merger between FPL Group and Constellation Energy, which was terminated in October 2006. The federal and state tax benefits in 2007 are primarily due to FPL Energy's growth throughout the United States. The federal and state tax detriments in 2006 primarily represent deferred tax expense resulting from a modification of a Texas franchise tax enacted in 2006.

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 and investments in or acquisitions of assets and businesses, to pay maturing debt obligations and, from time to time, to redeem outstanding debt 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 respective financing strategies.

Cash Flow – The changes in cash and cash equivalents are summarized as follows:

	FPL Group		FPL	
	Six Months Ended June 30,			
	2007	2006	2007	2006
	(millions)			
Net cash provided by operating activities	$ 1,850	$ 474	$ 1,284	$ 409
Net cash used in investing activities	(1,839)	(2,171)	(1,097)	(1,007)
Net cash provided by (used in) financing activities	92	1,301	(180)	602
Net increase (decrease) in cash and cash equivalents	$ 103	$ (396)	$ 7	$ 4

The net increase in FPL Group's cash and cash equivalents for the six months ended June 30, 2007 reflects the receipt of cash from the issuance of long-term debt, the return to FPL of margin cash deposits from its counterparties, margin cash deposits from FPL Energy's counterparties and a distribution from KBC. These inflows were partially offset by the retirements of long-term debt, the payment of common stock dividends, capital expenditures by FPL and capital investments by FPL Energy.

FPL Group's cash flows from operating activities for the six months ended June 30, 2007 reflect the return of margin cash deposits posted in prior periods with FPL counterparties and the receipt of margin cash deposits from FPL Energy's counterparties due to changing energy prices, and the receipt of distributions from equity method investees, including a distribution from KBC as a result of a court judgment.

FPL Group's cash flows from investing activities for the six months ended June 30, 2007 reflect capital investments of approximately $878 million by FPL to meet customer demand and costs associated with its Storm Secure Plan and independent power investments at FPL Energy of approximately $707 million. FPL Group's cash flows from investing activities also include amounts related to the purchase and sale of restricted securities held in the special use funds, including the reinvestment of fund earnings and new contributions, as well as other investment activity.

During the six months ended June 30, 2007, FPL Group generated proceeds of approximately $2.1 billion from financing activities, including the issuance of $300 million in FPL first mortgage bonds, the issuance of $652 million in storm-recovery bonds, the issuance of $400 million in junior subordinated debentures by FPL Group Capital, the issuance of $700 million in limited-recourse senior secured notes by indirect wholly-owned subsidiaries of FPL Energy and the borrowing of $50 million by FPL Group Capital under a term loan facility. During the six months ended June 30, 2007, FPL Group paid out approximately $2.0 billion for financing activities, including $1.075 billion for maturing FPL Group Capital debentures, $250 million for the early repayment of an FPL revolving term loan facility, $109 million of principal payments on FPL Energy subsidiary debt, $326 million for the payment of dividends on FPL Group's common stock and a net decrease in short-term debt of approximately $228 million (including a $239 million increase at FPL). In January 2007, an indirect wholly-owned subsidiary of FPL Energy entered into an interest rate swap agreement to pay a fixed rate of 5.39% on approximately $547 million of its variable rate limited recourse debt in order to limit cash flow exposure. During the second quarter of 2007, FPL paid dividends to FPL Group of approximately $1.1 billion.

FPL Group's cash flows for the six months ended June 30, 2006 benefited from net issuances of debt and the recovery from customers of previously incurred fuel costs at FPL. In addition, FPL Group's cash flows benefited from the issuance of common stock, primarily related to its 8% Corporate Units. These funds were used to fund capital expenditures at FPL and additional investments at FPL Energy, the return of margin cash deposits to FPL counterparties and the payment of storm-related costs at FPL.

The following provides various metrics regarding FPL Group's (including FPL's) and FPL's outstanding debt:

	FPL Group		FPL	
	June 30, 2007	December 31, 2006	June 30, 2007	December 31, 2006
Weighted-average annual interest rate [a]	6.2%	6.1%	5.4%	5.4%
Weighted-average life (years)	16.0	13.1	16.9	17.9
Average of floating rate debt to total debt [a]	23%	31%	28%	33%

[a] Calculations include interest rate swaps.

Guarantees and Letters of Credit – FPL Group and FPL obtain letters of credit and issue guarantees to facilitate commercial transactions with third parties and financings. At June 30, 2007, FPL Group had standby letters of credit of approximately $642 million ($16 million for FPL) and approximately $7,964 million notional amount of guarantees ($356 million for FPL), of which approximately $6,196 million ($342 million for FPL) have expirations within the next five years. An aggregate of approximately $286 million of the standby letters of credit at June 30, 2007 were issued under FPL's and FPL Group Capital's credit facilities. See Available Liquidity below. These letters of credit and guarantees support the buying and selling of wholesale energy commodities, debt-related reserves, nuclear activities and other contractual agreements. FPL Group and FPL believe it is unlikely that they would incur any liabilities associated with these letters of credit and guarantees. At June 30, 2007, FPL Group and FPL did not have any liabilities recorded for these letters of credit and guarantees. In addition, FPL Group has guaranteed certain payment obligations of FPL Group Capital, including most of its debt, including all of its debentures and commercial paper issuances, as well as most of its payment guarantees, and FPL Group Capital has guaranteed certain debt and other obligations of FPL Energy and its subsidiaries. See Note 8 – 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 becoming liable for 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.

Available Liquidity – At June 30, 2007, FPL Group's total available net liquidity was approximately $7.2 billion and FPL's was approximately $2.8 billion. The components of each company's net available liquidity at June 30, 2007 were as follows:

	FPL	FPL Group Capital	FPL Group	FPL Group Consolidated	Maturity Date: FPL	Maturity Date: FPL Group Capital
	(millions)					
Bank revolving lines of credit [a]	$ 2,500[b]	$ 4,000	$ -	$ 6,500[b]	April 2012	April 2012
Less letters of credit	1	285	-	286		
	2,499	3,715	-	6,214		
Revolving term loan facility	250	-	-	250	May 2011	
Less borrowings	-	-	-	-		
	250	-	-	250		
Cash and cash equivalents	71	651	1	723		
Net available liquidity	$ 2,820	$ 4,366	$ 1	$ 7,187		

[a] Provides for the issuance of letters of credit up to $6.5 billion and are available to support the companies' commercial paper programs and to provide additional liquidity in the event of a loss to the companies' or their subsidiaries' operating facilities (including, in the case of FPL, a transmission and distribution property loss), as well as for general corporate purposes.

[b] Excludes $300 million in senior secured revolving credit facilities of a variable interest entity consolidated by FPL (the VIE) that leases nuclear fuel to FPL, which credit facilities are available only to the VIE.

FPL Group (which guarantees the payment of FPL Group Capital's credit facilities pursuant to a 1998 guarantee agreement) is required to maintain a minimum ratio of funded debt to total capitalization under the terms of FPL Group Capital's credit facility. FPL is required to maintain a minimum ratio of funded debt to total capitalization under the terms of FPL's credit facility and revolving term loan facility. At June 30, 2007, each of FPL Group and FPL was in compliance with its respective ratio.

In addition to the amounts in the table above, 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, 2007, there were no amounts outstanding for either FPL Group Capital or FPL under the uncommitted credit facilities.

In addition to the bank lines of credit discussed above, the consolidated VIE that leases nuclear fuel to FPL has established a $100 million senior secured revolving credit facility, which expires in June 2009, and a $200 million senior secured revolving credit facility, which expires August 31, 2007. Both credit facilities provide backup support for the VIE's commercial paper program. FPL has provided an unconditional guarantee of the payment obligations of the VIE under the credit facilities, which is included in the guarantee discussion under Guarantees and Letters of Credit above. At June 30, 2007, the VIE had no outstanding borrowings under the revolving credit facilities and had approximately $228 million of commercial paper outstanding. In July 2007, FPL began providing a direct guarantee of the VIE's commercial paper program in anticipation of terminating the VIE's revolving credit facilities during the third quarter of 2007.

In addition, FPL has restricted funds set aside (included in special use funds on FPL Group's and FPL's condensed consolidated balance sheets) that provide FPL the capacity to absorb up to $200 million in future prudently incurred storm restoration costs without seeking recovery through a rate adjustment from the FPSC. See Note 6 – Securitization. Also, an indirect wholly-owned subsidiary of FPL Energy has established a $100 million letter of credit facility which expires in 2017 and serves as security for certain obligations under commodity hedge agreements entered into by the subsidiary.

Shelf Registration – In September 2006, FPL Group, FPL Group Capital, FPL and certain affiliated trusts filed a shelf registration statement with the U.S. Securities and Exchange Commission (SEC) for an unspecified amount of securities. The amount of securities issuable by the companies is established from time to time by their respective board of directors. As of August 2, 2007, securities that may be issued under the registration statement, as subsequently amended, which became effective upon filing, include, depending on the registrant, senior debt securities, subordinated debt securities, first mortgage bonds, preferred trust securities, common stock, stock purchase contracts, stock purchase units, preferred stock and guarantees related to certain of those securities. As of August 2, 2007, FPL Group and FPL Group Capital had $1.6 billion (issuable by either or both of them up to such aggregate amount) of board-authorized available capacity, and FPL had $700 million of board-authorized available capacity.

Covenant – In June 2007, FPL Group and FPL Group Capital executed a Replacement Capital Covenant (RCC) in connection with FPL Group Capital's offering of $400 million principal amount of its Series C Junior Subordinated Debentures due 2067 (junior subordinated debentures). The RCC is for the benefit of persons that buy, hold or sell a specified series of long-term indebtedness (covered debt) of FPL Group Capital (other than the junior subordinated debentures) or, in certain cases, of FPL Group. FPL Group Capital Trust I's 5 7/8% Preferred Trust Securities have been initially designated as the covered debt under the RCC. The RCC provides that FPL Group Capital may redeem or purchase, or satisfy, discharge or defease (collectively, defease), and FPL Group and any majority-owned subsidiary of FPL Group or FPL Group Capital may purchase, any junior subordinated debentures on or before June 15, 2037, only to the extent that the principal amount defeased or the applicable redemption or purchase price does not exceed a specified amount raised from the issuance, during the 180 days prior to the date of that redemption, purchase or defeasance, of qualifying securities that have equity-like characteristics that are the same as, or more equity-like than, the applicable characteristics of the junior subordinated debentures at the time of redemption, purchase or defeasance, subject to certain limitations described in the RCC.

Accumulated Other Comprehensive Income (Loss)

FPL Group's total other comprehensive income (loss) activity is as follows:

	Accumulated Other Comprehensive Income (Loss) Six Months Ended June 30,						
	2007				2006		
	Net Unrealized Gains (Losses) On Cash Flow Hedges	Pension and Other Benefits	Other	Total	Net Unrealized Gains (Losses) On Cash Flow Hedges	Other	Total
				(millions)			
Balances at December 31 of prior year	$ (25)	$ 98	$ 42	$ 115	$ (215)	$ 22	$ (193)
Net unrealized gains (losses) on commodity cash flow hedges:							
Effective portion of net unrealized gains (losses) (net of $34 tax benefit and $38 tax expense, respectively)	(49)	-	-	(49)	55	-	55
Reclassification from OCI to net income (net of $13 and $13 tax expense, respectively)	19	-	-	19	20	-	20
Net unrealized gains (losses) on interest rate cash flow hedges:							
Effective portion of net unrealized gains (net of $4 and $4 tax expense, respectively)	7	-	-	7	8	-	8
Reclassification from OCI to net income (net of $1 tax benefit and $1 tax expense, respectively)	(3)	-	-	(3)	1	-	1
Net unrealized gains (losses) on available for sale securities (net of $8 tax expense and $2 tax benefit, respectively)	-	-	13	13	-	(3)	(3)
Supplemental retirement plan liability adjustment (net of $0.5 tax expense in 2006)	-	-	-	-	-	1	1
Defined benefit pension and other benefits plans (net of $0.9 tax benefit in 2007)	-	(1)	-	(1)	-	-	-
Balances at June 30	$ (51)	$ 97	$ 55	$ 101	$ (131)	$ 20	$ (111)

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 swaps, options and forwards) to manage the commodity price risk inherent in the purchase and sale of fuel and electricity, as well as to optimize the value of power generation assets. FPL Energy provides full energy and capacity requirements services to distribution utilities in certain markets and engages in 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 condensed consolidated balance sheets as either an asset or liability 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 or 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 on a net basis 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. See Note 2.

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, 2007 were as follows:

		Hedges on Owned Assets			
	Trading	Non-Qualifying	OCI	FPL Cost Recovery Clauses	FPL Group Total
			(millions)		
Three months ended June 30, 2007					
Fair value of contracts outstanding at March 31, 2007	$ 5	$ (179)	$ (154)	$ (381)	$ (709)
Reclassification to realized at settlement of contracts	(3)	18	14	176	205
Effective portion of changes in fair value recorded in OCI	-	-	34	-	34
Ineffective portion of changes in fair value recorded in earnings	-	3	-	-	3
Changes in fair value excluding reclassification to realized	(11)	62	-	(254)	(203)
Fair value of contracts outstanding at June 30, 2007	(9)	(96)	(106)	(459)	(670)
Net option premium payments (receipts)	-	(7)	-	78	71
Total mark-to-market energy contract net assets (liabilities) at June 30, 2007	$ (9)	$ (103)	$ (106)	$ (381)	$ (599)

	Trading	Hedges on Owned Assets: Non-Qualifying	Hedges on Owned Assets: OCI	Hedges on Owned Assets: FPL Cost Recovery Clauses	FPL Group Total
			(millions)		
Six months ended June 30, 2007					
Fair value of contracts outstanding at December 31, 2006	$ 5	$ 8	$ (56)	$ (921)	$ (964)
Reclassification to realized at settlement of contracts	(5)	(63)	33	450	415
Value of contracts purchased/previously not consolidated	-	23	-	-	23
Effective portion of changes in fair value recorded in OCI	-	-	(83)	-	(83)
Ineffective portion of changes in fair value recorded in earnings	-	(4)	-	-	(4)
Changes in fair value excluding reclassification to realized	(9)	(60)	-	12	(57)
Fair value of contracts outstanding at June 30, 2007	(9)	(96)	(106)	(459)	(670)
Net option premium payments (receipts)	-	(7)	-	78	71
Total mark-to-market energy contract net assets (liabilities) at June 30, 2007	$ (9)	$ (103)	$ (106)	$ (381)	$ (599)

FPL Group's total mark-to-market energy contract net assets (liabilities) at June 30, 2007 shown above are included in the condensed consolidated balance sheet as follows:

	June 30, 2007
	(millions)
Current derivative assets	$ 247
Other assets	40
Current derivative liabilities	(585)
Non-current derivative liabilities	(301)
FPL Group's total mark-to-market energy contract net assets (liabilities)	$ (599)

The sources of fair value estimates and maturity of energy contract derivative instruments at June 30, 2007 were as follows:

	Maturity: 2007	2008	2009	2010	2011	Thereafter	Total
				(millions)			
Trading:							
Actively quoted (i.e., exchange traded) prices	$ (25)	$ (2)	$ 6	$ (5)	$ -	$ 1	$ (25)
Prices provided by other external sources	(11)	(3)	4	5	-	-	(5)
Modeled	38	4	(15)	(6)	-	-	21
Total	2	(1)	(5)	(6)	-	1	(9)
Owned Assets – Non-Qualifying:							
Actively quoted (i.e., exchange traded) prices	(67)	(3)	5	(23)	(24)	(19)	(131)
Prices provided by other external sources	59	-	(18)	(5)	1	(45)	(8)
Modeled	37	20	-	(2)	(2)	(10)	43
Total	29	17	(13)	(30)	(25)	(74)	(96)
Owned Assets – OCI:							
Actively quoted (i.e., exchange traded) prices	(19)	(33)	(24)	(15)	(7)	-	(98)
Prices provided by other external sources	(3)	(5)	-	-	-	-	(8)
Modeled	-	-	-	-	-	-	-
Total	(22)	(38)	(24)	(15)	(7)	-	(106)
Owned Assets – FPL Cost Recovery Clauses:							
Actively quoted (i.e., exchange traded) prices	(330)	(104)	-	-	-	-	(434)
Prices provided by other external sources	(26)	4	-	-	-	-	(22)
Modeled	1	(3)	(1)	-	-	-	(3)
Total	(355)	(103)	(1)	-	-	-	(459)
Total sources of fair value	$ (346)	$ (125)	$ (43)	$ (51)	$ (32)	$ (73)	$ (670)

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, 2006 were as follows:

	Trading	Hedges on Owned Assets: Non-Qualifying	Hedges on Owned Assets: OCI	Hedges on Owned Assets: FPL Cost Recovery Clauses	FPL Group Total
			(millions)		
Three months ended June 30, 2006					
Fair value of contracts outstanding at March 31, 2006	$ 8	$ (125)	$ (285)	$ (5)	$ (407)
Reclassification to realized at settlement of contracts	1	22	11	80	114
Effective portion of changes in fair value recorded in OCI	-	-	29	-	29
Ineffective portion of changes in fair value recorded in earnings	-	4	-	-	4
Changes in fair value excluding reclassification to realized	(5)	(58)	-	(323)	(386)
Fair value of contracts outstanding at June 30, 2006	4	(157)	(245)	(248)	(646)
Net option premium payments (receipts)	(1)	12	-	40	51
Total mark-to-market energy contract net assets (liabilities) at June 30, 2006	$ 3	$ (145)	$ (245)	$ (208)	$ (595)

	Trading	Hedges on Owned Assets: Non-Qualifying	Hedges on Owned Assets: OCI	Hedges on Owned Assets: FPL Cost Recovery Clauses	FPL Group Total
			(millions)		
Six months ended June 30, 2006					
Fair value of contracts outstanding at December 31, 2005	$ 2	$ (176)	$ (373)	$ 757	$ 210
Reclassification to realized at settlement of contracts	15	35	34	(146)	(62)
Effective portion of changes in fair value recorded in OCI	-	-	94	-	94
Ineffective portion of changes in fair value recorded in earnings	-	11	-	-	11
Changes in fair value excluding reclassification to realized	(13)	(27)	-	(859)	(899)
Fair value of contracts outstanding at June 30, 2006	4	(157)	(245)	(248)	(646)
Net option premium payments (receipts)	(1)	12	-	40	51
Total mark-to-market energy contract net assets (liabilities) at June 30, 2006	$ 3	$ (145)	$ (245)	$ (208)	$ (595)

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. With respect to commodities, 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 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, 2007 and December 31, 2006, the VaR figures were as follows:

	Trading: FPL	Trading: FPL Energy	Trading: FPL Group	Non-Qualifying Hedges and Hedges in OCI and FPL Cost Recovery Clauses [a]: FPL	Non-Qualifying Hedges and Hedges in OCI and FPL Cost Recovery Clauses [a]: FPL Energy	Non-Qualifying Hedges and Hedges in OCI and FPL Cost Recovery Clauses [a]: FPL Group	Total: FPL	Total: FPL Energy	Total: FPL Group
					(millions)				
December 31, 2006	$ -	$ 2	$ 2	$ 89	$ 57	$ 54	$ 89	$ 60	$ 56
June 30, 2007	$ -	$ 2	$ 2	$ 58	$ 33	$ 39	$ 58	$ 26	$ 41
Average for the six months ended June 30, 2007	$ -	$ 2	$ 2	$ 77	$ 48	$ 48	$ 77	$ 44	$ 49

[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 and FPL cost recovery clauses 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 respective issuances of debt, investments in special use funds and interest rate swaps. FPL Group and FPL manage their respective interest rate exposure by monitoring current interest rates, entering into interest rate swaps 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, 2007		December 31, 2006	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
	(millions)			
FPL Group:				
Long-term debt, including current maturities	$ 11,959	$ 11,783[a]	$ 11,236	$ 11,314[a]
Fixed income securities:				
Special use funds	$ 1,557	$ 1,557[b]	$ 1,430	$ 1,430[b]
Other investments	$ 105	$ 105[b]	$ 93	$ 93[b]
Interest rate swaps – net unrealized gain (loss)	$ 17	$ 17[c]	$ 6	$ 6[c]
FPL:				
Long-term debt, including current maturities	$ 4,912	$ 4,771[a]	$ 4,214	$ 4,208[a]
Fixed income securities:				
Special use funds	$ 1,370	$ 1,370[b]	$ 1,235	$ 1,235[b]

(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 and FPL consist of 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. At FPL, adjustments to market value result in a corresponding adjustment to the related liability accounts based on current regulatory treatment. The market value adjustments of FPL Group's non-rate regulated operations result in a corresponding adjustment to OCI, except for impairments deemed to be other-than-temporary which are reported in current period earnings. 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 2014 (2032 at FPL).

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, 2007, 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)
Cash flow hedges – FPL Energy:					
$ 85	August 2002	December 2007	4.410%	variable[a]	$ 1
$ 169	August 2003	November 2007	3.557%	variable[a]	1
$ 4	February 2005	June 2008	4.255%	variable[a]	1
$ 74	December 2003	December 2017	4.245%	variable[a]	3
$ 25	April 2004	December 2017	3.845%	variable[a]	1
$ 217	December 2005	November 2019	4.905%	variable[a]	6
$ 547	January 2007	January 2022	5.390%	variable[b]	4
Total interest rate hedges					$ 17

(a) Three-month LIBOR
(b) Six-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 $508 million ($238 million for FPL) at June 30, 2007.

Equity price risk – Included in the nuclear decommissioning reserve funds of FPL Group are marketable equity securities carried at their market value of approximately $1,493 million and $1,395 million ($1,091 million and $1,029 million for FPL) at June 30, 2007 and December 31, 2006, respectively. A hypothetical 10% decrease in the prices quoted by stock exchanges, which is a reasonable near-term market change, would result in a $149 million ($109 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, 2007.

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, 2007, approximately 96% of FPL Group's and 100% of FPL's energy marketing and trading counterparty credit risk exposure is associated with companies that have 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, 2007, each of 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 their respective disclosure controls and procedures will be met.

(b) Changes in Internal Control over Financial Reporting

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 2006 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 quarterly period ended March 31, 2007 for FPL Group and FPL.

With regard to the behind-the-meter issue in the FMPA proceedings, the parties have submitted briefs to the court, and the case is pending.

Following a jury trial in the TXU case in June 2007, among other findings, both TXU and the FPL Energy Affiliates were found to have breached the contract. Based on these findings and prior rulings from the trial court, the contract is not terminated and

neither party should recover any damages. Post trial motions have been filed to conform the verdict and rulings into a final judgment.

Item 1A. Risk Factors

There were no material changes from the risk factors disclosed in FPL Group's and FPL's 2006 Form 10-K. The factors discussed in Part I, Item 1A. Risk Factors in FPL Group's and FPL's 2006 Form 10-K, as well as other information set forth in this report, which could materially affect FPL Group's and FPL's businesses, financial condition and/or future operating results should be carefully considered. The risks described in FPL Group's and FPL's 2006 Form 10-K are not the only risks facing FPL Group and FPL. Additional risks and uncertainties not currently known to FPL Group or FPL, or that are currently deemed to be immaterial, also may materially adversely affect FPL Group's or FPL's business, financial condition and/or future operating results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table presents information regarding purchases made by FPL Group of its common stock:

Period	Total Number of Shares Purchased [a]	Average Price Paid Per Share [a]	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]
4/1/07 – 4/30/07	2,920	$ 61.26	-	20,000,000
5/1/07 – 5/31/07	222	$ 64.43	-	20,000,000
6/1/07 – 6/30/07	2,497	$ 63.34	-	20,000,000
Total	5,639		-	

[a] Shares of common stock purchased from employees to pay certain withholding taxes upon the vesting of stock awards granted to such employees under the FPL Group, Inc. Amended and Restated Long Term Incentive Plan.

[b] In February 2005, FPL Group's Board of Directors authorized a common stock repurchase plan of up to 20 million shares of common stock over an unspecified period, which authorization was ratified and confirmed by the Board of Directors in December 2005.

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

The Annual Meeting of FPL Group's shareholders was held on May 25, 2007. Of the 406,412,200 shares of common stock outstanding on the record date of March 26, 2007, a total of 354,295,340 shares (or 87.2% of the outstanding shares) were represented in person or by proxy.

The following directors were elected effective May 25, 2007:

	For	Withheld
Sherry S. Barrat	349,558,813	4,736,527
Robert M. Beall, II	348,348,834	5,946,506
J. Hyatt Brown	282,352,868	71,942,472
James L. Camaren	349,632,108	4,663,232
J. Brian Ferguson	345,296,144	8,999,196
Lewis Hay, III	347,563,277	6,732,063
Toni Jennings	349,411,986	4,883,354
Oliver D. Kingsley, Jr.	348,696,469	5,598,871
Rudy E. Schupp	349,673,150	4,622,190
Michael H. Thaman	349,566,746	4,728,594
Hansel E. Tookes, II	348,990,557	5,304,783
Paul R. Tregurtha	347,431,008	6,864,332

The vote ratifying the appointment of Deloitte & Touche LLP as FPL Group's independent registered public accounting firm was 347,550,995 for, 3,852,239 against and 2,892,106 abstaining.

The vote to approve the 2007 Non-Employee Directors Stock Plan was 259,113,497 for, 18,282,425 against and 4,786,313 abstaining. There were also 72,113,105 broker non-votes.

Item 5. Other Information

(a) None

(b) None

(c) Other Events

(i) Reference is made to Item 1. Business – FPL Group – Environmental and Item 1. Business – FPL Operations – Environmental in the 2006 Form 10-K for FPL Group and FPL.

In July 2007, the Governor of Florida issued three executive orders regarding the reduction of Florida's greenhouse gases and improving Florida's energy efficiency. The orders state, among other things, that Florida utilities will be required to reduce emissions to 2000 levels by 2017; to 1990 levels by 2025; and to 80 percent of 1990 levels by 2050, and that the FPSC is to begin the process of adopting a renewable portfolio standard that would require utilities to produce at least 20 percent of their generation from renewable sources by 2020, with an emphasis on wind and solar energy. The executive orders are expected to be implemented through rulemaking or legislation, the final requirements of which, and their impact on FPL Group and FPL, cannot be determined at this time.

(ii) Reference is made to Item 1. Business – FPL Operations – Electric and Magnetic Fields in the 2006 Form 10-K for FPL Group and FPL.

In June 2007, a World Health Organization report found that electric and magnetic fields (EMF) have not been established as a cause of any disease or illness. The report concluded that the scientific research is inadequate to show any relationship between EMF and almost all potential health effects. The report found that while some statistical studies provide limited evidence of an association between EMF and childhood leukemia, controlled laboratory studies do not provide any support for that association. The report concluded that at most the scientific evidence shows a possible but not a cause-and-effect relationship between EMF and childhood leukemia. The report also recommended that regulators consider whether to implement very low cost precautionary measures, such as reducing exposures for new facilities and supporting additional EMF research.

(iii) Reference is made to Item 1. Business – FPL Energy Operations – Regulation in the 2006 Form 10-K for FPL Group.

On May 31, 2007, Lone Star Transmission, LLC (Lone Star Transmission), a wholly-owned subsidiary of FPL Energy, filed an application with the Public Utility Commission of Texas (PUCT) to establish a new regulated utility business unit to construct, own and operate transmission facilities in Texas.

Contingent upon the receipt of all applicable PUCT approvals, Lone Star Transmission intends to build, own and operate a 180 to 200 mile, high voltage, direct current, open access transmission line located between west Texas and the Dallas/Fort Worth area with a capacity of 2,000 mw. The proposed transmission line would help serve the growing energy needs in the Dallas/Fort Worth area, as well as lessen the existing transmission congestion between the regions. The cost of the transmission line is expected to range from $635 million to $655 million.

Item 6. Exhibits

Exhibit Number	Description	FPL Group	FPL
*2	Termination and Release Agreement dated as of October 24, 2006, among FPL Group, Constellation Energy Group, Inc. and CF Merger Corporation (filed as Exhibit 2.1 to Form 8-K dated October 24, 2006, File No. 1-8841)	x	x
*3(i)a	Restated Articles of Incorporation of FPL Group dated December 31, 1984, as amended through March 10, 2005 (filed as Exhibit 3(i) to Form S-4, File No. 333-124438)	x	
*3(i)b	Amendment to FPL Group's Restated Articles of Incorporation dated July 3, 2006 (filed as Exhibit 3(i) to Form 8-K dated June 30, 2006, File No. 1-8841)	x	
*3(i)c	Restated Articles of Incorporation of FPL dated March 23, 1992 (filed as Exhibit 3(i)a to Form 10-K for the year ended December 31, 1993, File No. 1-3545)		x

Exhibit Number	Description	FPL Group	FPL
*3(i)d	Amendment to FPL's Restated Articles of Incorporation dated March 23, 1992 (filed as Exhibit 3(i)b to Form 10-K for the year ended December 31, 1993, File No. 1-3545)		x
*3(i)e	Amendment to FPL's Restated Articles of Incorporation dated May 11, 1992 (filed as Exhibit 3(i)c to Form 10-K for the year ended December 31, 1993, File No. 1-3545)		x
*3(i)f	Amendment to FPL's Restated Articles of Incorporation dated March 12, 1993 (filed as Exhibit 3(i)d to Form 10-K for the year ended December 31, 1993, File No. 1-3545)		x
*3(i)g	Amendment to FPL's Restated Articles of Incorporation dated June 16, 1993 (filed as Exhibit 3(i)e to Form 10-K for the year ended December 31, 1993, File No. 1-3545)		x
*3(i)h	Amendment to FPL's Restated Articles of Incorporation dated August 31, 1993 (filed as Exhibit 3(i)f to Form 10-K for the year ended December 31, 1993, File No. 1-3545)		x
*3(i)i	Amendment to FPL's Restated Articles of Incorporation dated November 30, 1993 (filed as Exhibit 3(i)g to Form 10-K for the year ended December 31, 1993, File No. 1-3545)		x
*3(i)j	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
*3(i)k	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
*3(i)l	Amendment to FPL's Restated Articles of Incorporation dated February 11, 2005 (filed as Exhibit 3(i)m to Form 10-K for the year ended December 31, 2004, File No. 2-27612)		x
*3(ii)a	Amended and Restated Bylaws of FPL Group, as amended through May 26, 2006 (filed as Exhibit 3(ii)a to Form 10-Q for the quarter ended June 30, 2006, 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

Exhibit Number	Description	FPL Group	FPL
*4(a)	Mortgage and Deed of Trust dated as of January 1, 1944, and One hundred and eleven 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; Exhibit 4(m) to Post-Effective Amendment No. 3 to Form S-3, File No. 333-102172; Exhibit 4(a) to Form 10-Q for the quarter ended September 30, 2004, File No. 2-27612; Exhibit 4(f) to Amendment No. 1 to Form S-3, File No. 333-125275; Exhibit 4(y) to Post-Effective Amendment No. 2 to Form S-3, File Nos. 333-116300, 333-116300-01 and 333-116300-02; Exhibit 4(z) to Post-Effective Amendment No. 3 to Form S-3, File Nos. 333-116300, 333-116300-01 and 333-116300-02; Exhibit 4(b) to Form 10-Q for the quarter ended March 31, 2006, File No. 2-27612; and Exhibit 4(a) to Form 8-K dated April 17, 2007, File No. 2-27612)	x	x
*4(b)	Indenture (For Unsecured Subordinated Debt Securities) dated as of September 1, 2006, among FPL Group Capital, FPL Group (as Guarantor) and The Bank of New York (as Trustee) (filed as Exhibit 4(a) to Form 8-K dated September 19, 2006, File No. 1-8841)	x	
*4(c)	Officer's Certificate of FPL Group Capital and FPL Group dated June 12, 2007, creating the Series C Junior Subordinated Debentures due 2067 (filed as Exhibit 4(a) to Form 8-K dated June 12, 2007, File No. 1-8841)	x	
*4(d)	Replacement Capital Covenant, dated June 12, 2007, by FPL Group Capital and FPL Group (filed as Exhibit 4(b) to Form 8-K dated June 12, 2007, File No. 1-8841)	x	
*4(e)	Indenture (for Securing Senior Secured Bonds, Series A), dated May 22, 2007, among FPL Recovery Funding LLC (as Issuer) and The Bank of New York (as Trustee and Securities Intermediary) (filed as Exhibit 4.1 to Form 8-K dated May 22, 2007 and filed June 1, 2007, File No. 333-141357)		x

Exhibit Number	Description	FPL Group	FPL
*10(a)	FPL Group 2007 Non-Employee Directors Stock Plan (filed as Exhibit 99 to Form S-8 dated June 14, 2007, File No. 333-143739)	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.

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, 2007

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 Number	Description	FPL Group	FPL
*10(a)	FPL Group 2007 Non-Employee Directors Stock Plan (filed as Exhibit 99 to Form S-8 dated June 14, 2007, File No. 333-143739)	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.

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, 2007

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(b)

FLORIDA POWER & LIGHT COMPANY 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, 2007 (millions of dollars)
Earnings, as defined:	
Net income	$ 337
Income taxes	173
Fixed charges, as below	152
Total earnings, as defined	$ 662
Fixed charges, as defined:	
Interest charges	$ 141
Rental interest factor	3
Capitalized interest	8
Total fixed charges, as defined	$ 152
Ratio of earnings to fixed charges and ratio of earnings to combined fixed charges and preferred stock dividends [a]	4.36

[a] Florida Power & Light Company 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 31(a)

Rule 13a-14(a)/15d-14(a) Certification

I, Lewis Hay, III, certify that:

1. I have reviewed this Form 10-Q for the quarterly period ended June 30, 2007 of FPL Group, Inc. (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: August 2, 2007

LEWIS HAY, III

Lewis Hay, III
Chairman of the Board
and Chief Executive Officer
of FPL Group, Inc.

Exhibit 31(b)

Rule 13a-14(a)/15d-14(a) Certification

I, Moray P. Dewhurst, certify that:

1. I have reviewed this Form 10-Q for the quarterly period ended June 30, 2007 of FPL Group, Inc. (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: August 2, 2007

MORAY P. DEWHURST
Moray P. Dewhurst
Vice President, Finance
and Chief Financial Officer
of FPL Group, Inc.

Exhibit 31(c)

Rule 13a-14(a)/15d-14(a) Certification

I, Lewis Hay, III, certify that:

1. I have reviewed this Form 10-Q for the quarterly period ended June 30, 2007 of Florida Power & Light Company (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: August 2, 2007

LEWIS HAY, III
Lewis Hay, III
Chairman of the Board
and Chief Executive Officer
of Florida Power & Light Company

Exhibit 31(d)

Rule 13a-14(a)/15d-14(a) Certification

I, Moray P. Dewhurst, certify that:

1. I have reviewed this Form 10-Q for the quarterly period ended June 30, 2007 of Florida Power & Light Company (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: August 2, 2007

MORAY P. DEWHURST
Moray P. Dewhurst
Senior Vice President, Finance
and Chief Financial Officer
of Florida Power & Light Company

Exhibit 32(a)

Section 1350 Certification

We, Lewis Hay, III and Moray P. Dewhurst, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Quarterly Report on Form 10-Q of FPL Group, Inc. (FPL Group) for the quarterly period ended June 30, 2007 (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, 2007

LEWIS HAY, III
Lewis Hay, III
Chairman of the Board
and Chief Executive Officer of FPL Group, Inc.

MORAY P. DEWHURST
Moray P. Dewhurst
Vice President, Finance
and Chief Financial Officer of FPL Group, Inc.

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 and Moray P. Dewhurst, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Quarterly Report on Form 10-Q of Florida Power & Light Company (FPL) for the quarterly period ended June 30, 2007 (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, 2007

LEWIS HAY, III
Lewis Hay, III
Chairman of the Board
and Chief Executive Officer of
Florida Power & Light Company

MORAY P. DEWHURST
Moray P. Dewhurst
Senior Vice President, Finance
and Chief Financial Officer of
Florida Power & Light Company

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).

Exhibit (c)-1F





UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended **September 30, 2007**

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.
FPL Group, Inc. Yes _X_ No _____ Florida Power & Light Company Yes_X_ No _____

Indicate by check mark whether the registrants are a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "large accelerated filer" and "accelerated filer" in Rule 12b-2 of the Securities Exchange Act of 1934.
FPL Group, Inc. Large Accelerated Filer _X_ Accelerated Filer _____ Non-Accelerated Filer _____
Florida Power & Light Company Large Accelerated Filer _____ Accelerated Filer _____ Non-Accelerated Filer_X_

Indicate by check mark whether the registrants are shell companies (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Yes _____ No _X_

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, 2007: 407,077,691 shares.

As of September 30, 2007, 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.

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.

Florida Power & Light Company meets the conditions set forth under General Instruction H(1)(a) and (b) of Form 10-Q and is therefore filing this form with reduced disclosure format.

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FPL Group, Inc., Florida Power & Light Company, FPL Group Capital Inc and FPL Energy, LLC each have subsidiaries and affiliates with names that include FPL, FPL Energy, FPLE and similar references. For convenience and simplicity, in this report the terms FPL Group, FPL, FPL Group Capital and FPL Energy are sometimes used as abbreviated references to specific subsidiaries, affiliates or groups of subsidiaries or affiliates. The precise meaning depends on the context.

FORWARD-LOOKING STATEMENTS

This report includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. 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 have a significant impact on FPL Group, Inc.'s (FPL Group) and/or Florida Power & Light Company's (FPL) operations and financial results, and could cause FPL Group's and/or FPL's actual results to differ materially from those contained in forward-looking statements made by or on behalf of FPL Group and/or FPL in this combined Form 10-Q, in presentations, on their respective websites, in response to questions or otherwise.

- FPL Group and FPL are subject to complex laws and regulations and to changes in laws and regulations as well as changing governmental policies and regulatory actions, including initiatives regarding deregulation and restructuring of the energy industry and environmental matters, including, but not limited to, matters relating to the effects of climate change. FPL holds franchise agreements with local municipalities and counties, and must renegotiate expiring agreements. These factors may have a negative impact on the business and results of operations of FPL Group and FPL.
- The operation and maintenance of power generation facilities, including nuclear facilities, involve significant risks that could adversely affect the results of operations and financial condition of FPL Group and FPL.
- 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 Group and FPL could be adversely affected.
- The use of derivative contracts by FPL Group and FPL in the normal course of business could result in financial losses that negatively impact the results of operations of FPL Group and FPL.

- FPL Group's competitive energy business is subject to risks, many of which are beyond the control of FPL Group, that may reduce the revenues and adversely impact the results of operations and financial condition of FPL Group.
- FPL Group's ability to successfully identify, complete and integrate acquisitions is subject to significant risks, including the effect of increased competition for acquisitions resulting from the consolidation of the power industry.
- Because FPL Group and FPL rely on access to capital markets, the inability to maintain current credit ratings and access capital markets on favorable terms may limit the ability of FPL Group and FPL to grow their businesses and would likely increase interest costs.
- Customer growth in FPL's service area affects FPL Group's and FPL's results of operations.
- Weather affects FPL Group's and FPL's results of operations.
- FPL Group and FPL are subject to costs and other effects of legal proceedings as well as changes in or additions to applicable tax laws, rates or policies, rates of inflation, accounting standards, securities laws and corporate governance requirements.
- Threats of terrorism and catastrophic events that could result from terrorism may impact the operations of FPL Group and FPL in unpredictable ways.
- The ability of FPL Group and FPL to obtain insurance and the terms of any available insurance coverage could be affected by national, state or local events and company-specific events.
- FPL Group and FPL are subject to employee workforce factors that could affect the businesses and financial condition of FPL Group and FPL.

These and other risk factors are included in Part I, Item 1A. Risk Factors of FPL Group's and FPL's Annual Report on Form 10-K for the year ended December 31, 2006 (2006 Form 10-K). 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, including unanticipated events, after the date on which such statement is made. 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.

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,	
	2007	2006	2007	2006
OPERATING REVENUES	$ 4,575	$ 4,694	$ 11,579	$ 12,087
OPERATING EXPENSES				
Fuel, purchased power and interchange	2,443	2,656	6,221	6,883
Other operations and maintenance	582	501	1,659	1,494
Disallowed storm costs	-	-	-	54
Storm cost amortization	19	44	60	114
Merger-related	-	11	-	21
Depreciation and amortization	310	297	914	878
Taxes other than income taxes	321	313	863	863
Total operating expenses	3,675	3,822	9,717	10,307
OPERATING INCOME	900	872	1,862	1,780
OTHER INCOME (DEDUCTIONS)				
Interest charges	(194)	(179)	(552)	(526)
Equity in earnings of equity method investees	36	42	67	83
Allowance for equity funds used during construction	4	6	17	15
Other – net	14	17	54	44
Total other deductions – net	(140)	(114)	(414)	(384)
INCOME BEFORE INCOME TAXES	760	758	1,448	1,396
INCOME TAXES	227	231	360	383
NET INCOME	$ 533	$ 527	$ 1,088	$ 1,013
Earnings per share of common stock:				
Basic	$ 1.34	$ 1.33	$ 2.74	$ 2.58
Assuming dilution	$ 1.33	$ 1.32	$ 2.72	$ 2.56
Dividends per share of common stock	$ 0.41	$ 0.375	$ 1.23	$ 1.125
Weighted-average number of common shares outstanding:				
Basic	398.1	394.9	397.5	392.8
Assuming dilution	400.9	397.6	400.3	395.8

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 2006 Form 10-K for FPL Group and FPL.

FPL GROUP, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(millions)
(unaudited)

	September 30, 2007	December 31, 2006
PROPERTY, PLANT AND EQUIPMENT		
Electric utility plant in service and other property	$ 37,188	$ 34,071
Nuclear fuel	1,018	688
Construction work in progress	1,699	1,393
Less accumulated depreciation and amortization	(12,191)	(11,653)
Total property, plant and equipment – net	27,714	24,499
CURRENT ASSETS		
Cash and cash equivalents	350	620
Customer receivables, net of allowances of $29 and $32, respectively	1,711	1,279
Other receivables, net of allowances of $8 and $8, respectively	150	377
Materials, supplies and fossil fuel inventory – at average cost	868	785
Regulatory assets:		
Deferred clause and franchise expenses	108	167
Securitized storm-recovery costs/storm reserve deficiency	85	106
Derivatives	346	921
Other	4	3
Derivatives	238	376
Other	524	365
Total current assets	4,384	4,999
OTHER ASSETS		
Special use funds	3,500	2,824
Pension plan assets – net	1,666	1,608
Other investments	466	533
Regulatory assets:		
Securitized storm-recovery costs/storm reserve deficiency	740	762
Unamortized loss on reacquired debt	36	39
Derivatives	26	1
Deferred clause expenses	143	-
Other	94	79
Other	802	647
Total other assets	7,473	6,493
TOTAL ASSETS	$ 39,571	$ 35,991
CAPITALIZATION		
Common stock	$ 4	$ 4
Additional paid-in capital	4,630	4,555
Retained earnings	5,866	5,256
Accumulated other comprehensive income	115	115
Total common shareholders' equity	10,615	9,930
Long-term debt	10,844	9,591
Total capitalization	21,459	19,521
CURRENT LIABILITIES		
Commercial paper	1,317	1,097
Current maturities of long-term debt	1,651	1,645
Accounts payable	1,279	1,060
Customer deposits	534	510
Accrued interest and taxes	584	302
Regulatory liabilities:		
Deferred clause and franchise revenues	28	37
Pension	17	17
Derivatives	547	1,144
Other	915	681
Total current liabilities	6,872	6,493
OTHER LIABILITIES AND DEFERRED CREDITS		
Asset retirement obligations	2,123	1,820
Accumulated deferred income taxes	3,627	3,432
Regulatory liabilities:		
Accrued asset removal costs	2,113	2,044
Asset retirement obligation regulatory expense difference	922	868
Pension	518	531
Other	236	209
Derivatives	215	107
Other	1,486	966
Total other liabilities and deferred credits	11,240	9,977
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$ 39,571	$ 35,991

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2006 Form 10-K for FPL Group and FPL.

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

	Nine Months Ended September 30,	
	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 1,088	$ 1,013
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	914	846
Nuclear fuel amortization	103	100
Recoverable storm-related costs of FPL	(14)	(326)
Storm cost amortization	60	114
Unrealized (gains) losses on marked to market energy contracts	51	(142)
Deferred income taxes	249	335
Cost recovery clauses and franchise fees	(94)	592
Change in prepaid option premiums	132	(93)
Equity in earnings of equity method investees	(67)	(83)
Distribution of earnings from equity method investees	128	57
Changes in operating assets and liabilities:		
Customer receivables	(431)	(474)
Other receivables	4	67
Material, supplies and fossil fuel inventory	(26)	(192)
Other current assets	(59)	(7)
Other assets	(86)	(104)
Accounts payable	203	(151)
Customer deposits	24	44
Margin cash deposits	99	(411)
Income taxes	98	11
Interest and other taxes	246	257
Other current liabilities	2	(27)
Other liabilities	-	42
Other – net	122	(48)
Net cash provided by operating activities	2,746	1,420
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures of FPL	(1,285)	(1,303)
Independent power investments	(2,162)	(1,375)
Nuclear fuel purchases	(223)	(141)
Other capital expenditures	(26)	(20)
Proceeds from sale of securities in special use funds	1,810	2,563
Purchases of securities in special use funds	(2,010)	(2,621)
Proceeds from sale of other securities	117	56
Purchases of other securities	(131)	(74)
Other – net	28	9
Net cash used in investing activities	(3,882)	(2,906)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuances of long-term debt	2,656	2,822
Retirements of long-term debt	(1,498)	(1,379)
Proceeds from purchased Corporate Units	-	210
Payments to terminate Corporate Units	-	(258)
Net change in short-term debt	220	(180)
Issuances of common stock	36	312
Dividends	(490)	(445)
Other – net	(58)	33
Net cash provided by financing activities	866	1,115
Net decrease in cash and cash equivalents	(270)	(371)
Cash and cash equivalents at beginning of period	620	530
Cash and cash equivalents at end of period	$ 350	$ 159
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Assumption of debt for purchase of independent power project	$ 55	$ -

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2006 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,	
	2007	2006	2007	2006
OPERATING REVENUES	$ 3,445	$ 3,513	$ 8,798	$ 9,096
OPERATING EXPENSES				
Fuel, purchased power and interchange	1,969	2,080	5,081	5,369
Other operations and maintenance	378	335	1,074	1,024
Disallowed storm costs	-	-	-	54
Storm cost amortization	19	44	60	114
Depreciation and amortization	194	197	576	589
Taxes other than income taxes	294	292	786	796
Total operating expenses	2,854	2,948	7,577	7,946
OPERATING INCOME	591	565	1,221	1,150
OTHER INCOME (DEDUCTIONS)				
Interest charges	(83)	(69)	(224)	(212)
Allowance for equity funds used during construction	4	6	17	15
Other – net	(1)	5	7	12
Total other deductions – net	(80)	(58)	(200)	(185)
INCOME BEFORE INCOME TAXES	511	507	1,021	965
INCOME TAXES	185	179	358	333
NET INCOME	$ 326	$ 328	$ 663	$ 632

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2006 Form 10-K for FPL Group and FPL.

FLORIDA POWER & LIGHT COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(millions)
(unaudited)

	September 30, 2007	December 31, 2006
ELECTRIC UTILITY PLANT		
Plant in service	$ 25,297	$ 24,150
Nuclear fuel	560	423
Construction work in progress	931	1,113
Less accumulated depreciation and amortization	(10,056)	(9,848)
Electric utility plant – net	16,732	15,838
CURRENT ASSETS		
Cash and cash equivalents	56	64
Customer receivables, net of allowances of $18 and $15, respectively	1,098	872
Other receivables, net of allowances of $1 and $1, respectively	118	221
Materials, supplies and fossil fuel inventory – at average cost	584	558
Regulatory assets:		
Deferred clause and franchise expenses	108	167
Securitized storm-recovery costs/storm reserve deficiency	85	106
Derivatives	346	921
Other	303	206
Total current assets	2,698	3,115
OTHER ASSETS		
Special use funds	2,510	2,264
Pension plan assets – net	914	857
Regulatory assets:		
Securitized storm-recovery costs/storm reserve deficiency	740	762
Unamortized loss on reacquired debt	36	39
Derivatives	26	1
Deferred clause expenses	143	-
Other	54	36
Other	248	161
Total other assets	4,671	4,120
TOTAL ASSETS	$ 24,101	$ 23,073
CAPITALIZATION		
Common stock	$ 1,373	$ 1,373
Additional paid-in capital	4,319	4,318
Retained earnings	1,411	1,848
Total common shareholder's equity	7,103	7,539
Long-term debt	4,671	4,214
Total capitalization	11,774	11,753
CURRENT LIABILITIES		
Commercial paper	810	630
Current maturities of long-term debt	241	-
Accounts payable	831	735
Customer deposits	525	500
Accrued interest and taxes	722	281
Regulatory liability – deferred clause and franchise revenues	28	37
Derivatives	336	780
Other	471	423
Total current liabilities	3,964	3,386
OTHER LIABILITIES AND DEFERRED CREDITS		
Asset retirement obligations	1,636	1,572
Accumulated deferred income taxes	2,503	2,561
Regulatory liabilities:		
Accrued asset removal costs	2,113	2,044
Asset retirement obligation regulatory expense difference	922	868
Other	236	209
Other	953	680
Total other liabilities and deferred credits	8,363	7,934
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$ 24,101	$ 23,073

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2006 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,	
	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 663	$ 632
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	576	557
Nuclear fuel amortization	64	68
Recoverable storm-related costs	(14)	(326)
Storm cost amortization	60	114
Deferred income taxes	111	36
Cost recovery clauses and franchise fees	(94)	592
Change in prepaid option premiums	117	(87)
Changes in operating assets and liabilities:		
Customer receivables	(226)	(425)
Other receivables	(18)	20
Material, supplies and fossil fuel inventory	(26)	(106)
Other current assets	(53)	(15)
Other assets	(51)	(68)
Accounts payable	108	(81)
Customer deposits	25	44
Margin cash deposits	79	(430)
Income taxes	293	447
Interest and other taxes	219	234
Other current liabilities	4	(19)
Other liabilities	10	13
Other – net	45	(8)
Net cash provided by operating activities	1,892	1,192
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(1,285)	(1,303)
Nuclear fuel purchases	(169)	(54)
Proceeds from sale of securities in special use funds	1,636	2,203
Purchases of securities in special use funds	(1,823)	(2,251)
Other – net	2	-
Net cash used in investing activities	(1,639)	(1,405)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuances of long-term debt	934	938
Retirements of long-term debt	(250)	(135)
Net change in short-term debt	179	(581)
Dividends	(1,100)	-
Other – net	(24)	(1)
Net cash provided by (used in) financing activities	(261)	221
Net increase (decrease) in cash and cash equivalents	(8)	8
Cash and cash equivalents at beginning of period	64	56
Cash and cash equivalents at end of period	$ 56	$ 64

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2006 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 2006 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. Prior year's amounts included in the condensed consolidated financial statements and the Notes herein have been adjusted to reflect the retrospective application of a Financial Accounting Standards Board (FASB) Staff Position related to planned major maintenance activities adopted by FPL Group and FPL effective December 31, 2006. In addition, certain amounts included in the prior year's condensed consolidated financial statements have been reclassified to conform to the current year's presentation. The results of operations for an interim period generally will not give a true indication of results for the year.

1. Employee Retirement 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 supplemental executive retirement plan (SERP), which includes a non-qualified supplemental defined pension benefit component that provides benefits to a select group of management and highly compensated employees. The cost of this SERP component is included in the determination of net periodic benefit income for pension benefits in the following table and was not material to FPL Group's financial statements for the three and nine months ended September 30, 2007 and 2006, respectively. In addition to pension benefits, FPL Group sponsors a 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 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,				Nine Months Ended September 30,			
	2007	2006	2007	2006	2007	2006	2007	2006
	(millions)							
Service cost	$ 13	$ 13	$ 1	$ 1	$ 38	$ 38	$ 4	$ 4
Interest cost	23	22	6	6	70	66	18	18
Expected return on plan assets	(55)	(53)	-	(1)	(165)	(160)	(2)	(3)
Amortization of transition obligation	-	-	1	1	-	-	3	3
Amortization of prior service benefit	(1)	(1)	-	-	(3)	(3)	-	-
Amortization of gains	(5)	(4)	-	-	(14)	(11)	-	-
Other	-	-	-	-	-	-	-	2
Net periodic benefit (income) cost at FPL Group	$ (25)	$ (23)	$ 8	$ 7	$ (74)	$ (70)	$ 23	$ 24
Net periodic benefit (income) cost at FPL	$ (19)	$ (19)	$ 6	$ 7	$ (57)	$ (57)	$ 19	$ 22

2. Derivative Instruments

Derivative instruments, when required to be marked to market under Statement of Financial Accounting Standards No. (FAS) 133, "Accounting for Derivative Instruments and Hedging Activities," as amended, are recorded on FPL Group's and FPL's condensed consolidated balance sheets as either an asset or liability measured at fair value.

FPL Group's and FPL's mark-to-market derivative instrument assets (liabilities) are included in the condensed consolidated balance sheets as follows:

	FPL Group		FPL	
	September 30, 2007	December 31, 2006	September 30, 2007	December 31, 2006
	(millions)			
Current derivative assets	$ 238	$ 376	$ 17[a]	$ 4[a]
Other assets	66	78	2	-
Current derivative liabilities	(547)	(1,144)	(336)	(780)
Non-current derivative liabilities	(215)	(107)	(27)[b]	(1)[b]
Total mark-to-market derivative instrument assets (liabilities)	$ (458)	$ (797)	$ (344)	$ (777)

[a] Included in other current assets on FPL's condensed consolidated balance sheets.
[b] Included in other liabilities on FPL's condensed consolidated balance sheets.

FPL Group and FPL use derivative instruments (primarily swaps, options and forwards) to manage the commodity price risk inherent in the purchase and sale of fuel and electricity, as well as interest rate risk associated with long-term debt. In addition, FPL Group, through FPL Energy, LLC (FPL Energy), uses derivatives to optimize the value of power generation assets. FPL Energy provides full energy and capacity requirements services primarily to distribution utilities, which include load-following services and various ancillary services, in certain markets and engages in energy trading activities to take advantage of expected future favorable price movements. At FPL, substantially all changes in fair value are deferred as a regulatory asset or liability until the contracts are settled, and upon settlement, any gains or losses are passed through the fuel and purchased power cost recovery clause (fuel clause) or 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 on a net basis in operating revenues; fuel purchases and sales are recognized on a net basis 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. While most of FPL Energy's derivative transactions are entered into for the purpose of managing commodity price risk, 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 been deemed not to have occurred for financial reporting purposes. Transactions for which physical delivery is deemed not to have occurred are presented on a net basis. 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 September 30, 2007, FPL Group had commodity cash flow hedges with expiration dates through December 2012 for energy contract derivative instruments, and interest rate cash flow hedges with expiration dates through January 2022. 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 (OCI) and is reclassified into earnings in the period(s) during which the transaction being hedged affects earnings. The ineffective portion of net unrealized gains (losses) on these hedges is reported in earnings in the current period and amounted to $5 million and $12 million for the three months ended September 30, 2007 and 2006, respectively, and $1 million and $23 million for the nine months ended September 30, 2007 and 2006, respectively. Settlement gains and losses are included within the line items in the statements of income to which they relate.

FPL Group's unrealized mark-to-market gains (losses) on derivative transactions reflected in the condensed consolidated statements of income for consolidated subsidiaries and equity method investees are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
	(millions)			
Consolidated subsidiaries	$ 66	$ 116	$ (51)	$ 142
Equity method investees	$ 1	$ (5)	$ 1	$ (20)

Accounting for Offsetting of Amounts Related to Certain Contracts – In April 2007, the FASB issued FASB Staff Position (FSP) FIN 39-1, "Amendment of FASB Interpretation No. 39," which amends certain provisions of FASB Interpretation No. (FIN) 39, "Offsetting of Amounts Related to Certain Contracts." This FSP requires a reporting entity to offset fair value amounts recognized for the right to reclaim cash collateral or the obligation to return cash collateral against fair value amounts recognized for derivative instruments executed with the same counterparty under the same master netting arrangement when the entity chooses to present such offsetting derivative positions on a net basis. This FSP is effective for fiscal years beginning after November 15, 2007, with early application permitted. Entities are required to recognize the effects of applying the FSP as a change in accounting principle through retrospective application for all financial statements presented unless it is impracticable to do so. FPL Group and FPL are currently evaluating the effect of FSP FIN 39-1 on their financial statements.

3. Income Taxes

FPL Group's effective income tax rate for the three months ended September 30, 2007 and 2006 was approximately 29.9% and 30.5%, respectively. The reduction from the statutory rate mainly reflects the benefit of production tax credits (PTCs) of approximately $43 million and $35 million, respectively, related to FPL Energy's wind projects. The corresponding rates and amounts for the nine months ended September 30, 2007 and 2006 were approximately 24.9% and 27.4%, respectively, and approximately $146 million and $115 million, respectively.

FPL Group recognizes PTCs as wind energy is generated and sold based on a per kilowatt-hour (kwh) rate prescribed in applicable federal and state statutes, which may differ significantly from amounts computed, on a quarterly basis, using an overall effective income tax rate anticipated for the full year. FPL Group utilizes this method of recognizing PTCs for specific reasons including that PTCs are an integral part of the financial viability of most wind projects and a fundamental component of such wind projects' results of operations.

On January 1, 2007, FPL Group and FPL adopted FIN 48, "Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109." The interpretation prescribes a more-likely-than-not recognition threshold and establishes new measurement requirements for financial statement reporting of an entity's income tax positions.

FPL Group and its subsidiaries file income tax returns in the U.S. federal jurisdiction and various states, the most significant of which is Florida. FPL Group and FPL are no longer subject to U.S. federal, state and local examinations by taxing authorities for years before 1988. FPL Group is disputing certain adjustments proposed by the Internal Revenue Service (IRS) to its U.S. income tax returns for 1988 through 2002. These IRS proposed adjustments primarily relate to FPL Group's and FPL's method for capitalizing indirect service costs and certain deductions for repairs. Additionally, income tax returns for 2003 through 2006 are still subject to examination.

The adoption of FIN 48 on January 1, 2007 did not have a significant cumulative effect on FPL Group's and FPL's beginning retained earnings or other components of common shareholders' equity. Upon adoption, FPL Group recognized, primarily by reclassification from accumulated deferred income taxes, approximately $316 million ($274 million for FPL) of liabilities for unrecognized tax benefits which are included in the condensed consolidated balance sheets as other liabilities. The majority of the liabilities for unrecognized tax benefits represent tax positions for which the ultimate deductibility is highly certain but for which there is uncertainty about the timing of such deductibility. A disallowance of the shorter deductibility period for these tax positions would not affect the annual effective income tax rate. As of September 30, 2007, approximately $251 million of tax carryforwards and deposits that are available to offset tax adjustments have been netted against the FPL Group FIN 48 liability. Prior to the reclassification, these amounts were reported as a component of accumulated deferred income taxes and other assets. Included in the liabilities for unrecognized tax benefits at January 1, 2007 is approximately $11 million at FPL Group ($8 million at FPL) that, if disallowed, could impact the annual effective income tax rate. It is expected that the amount of unrecognized tax benefits may change in the next twelve months; however, management does not expect the change to have a significant impact on FPL Group's or FPL's financial statements.

FPL Group recognizes interest income (expense) related to unrecognized tax benefits (liabilities) in interest income and interest charges, respectively, net of the amount deferred at FPL. At FPL, the offset to accrued interest receivable (payable) on income taxes is classified as a regulatory liability (regulatory asset) which will be amortized to income (expense) over a five-year period upon settlement in accordance with regulatory treatment as required by FAS 71, "Accounting for the Effects of Certain Types of Regulation." On January 1, 2007, FPL Group accrued approximately $36 million for net interest receivable ($17 million for FPL). The related amounts at September 30, 2007 were approximately $53 million for FPL Group and approximately $28 million for FPL.

4. Comprehensive Income

FPL Group's comprehensive income is as follows:

	Three Months Ended September 30,	
	2007	2006
	(millions)	
Net income of FPL Group	$ 533	$ 527
Net unrealized gains (losses) on commodity cash flow hedges:		
Effective portion of net unrealized gains (net of $16 and $60 tax expense, respectively)	23	87
Reclassification from OCI to net income (net of $0.5 and $5 tax expense, respectively)	1	8
Net unrealized gains (losses) on interest rate cash flow hedges:		
Effective portion of net unrealized losses (net of $7 and $5 tax benefit, respectively)	(12)	(8)
Reclassification from OCI to net income (net of $0.6 tax benefit and $0.5 tax expense, respectively)	(1)	1
Net unrealized gains on available for sale securities (net of $3 and $8 tax expense, respectively)	4	13
Defined benefit pension and other benefits plans (net of $0.4 tax benefit in 2007)	(1)	-
Comprehensive income of FPL Group	$ 547	$ 628

	Nine Months Ended September 30,	
	2007	2006
	(millions)	
Net income of FPL Group	$ 1,088	$ 1,013
Net unrealized gains (losses) on commodity cash flow hedges:		
Effective portion of net unrealized gains (losses) (net of $18 tax benefit and $98 tax expense, respectively)	(26)	143
Reclassification from OCI to net income (net of $14 and $19 tax expense, respectively)	20	28
Net unrealized gains (losses) on interest rate cash flow hedges:		
Effective portion of net unrealized losses (net of $4 and $0.6 tax benefit, respectively)	(5)	(1)
Reclassification from OCI to net income (net of $2 tax benefit and $1 tax expense, respectively)	(4)	2
Net unrealized gains on available for sale securities (net of $11 and $6 tax expense, respectively)	17	10
Supplemental retirement plan liability adjustment (net of $0.5 tax expense in 2006)	-	1
Defined benefit pension and other benefits plans (net of $1 tax benefit in 2007)	(2)	-
Comprehensive income of FPL Group	$ 1,088	$ 1,196

Approximately $17 million of after-tax losses included in FPL Group's accumulated other comprehensive income at September 30, 2007 will be reclassified into earnings within the next twelve 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. Accumulated other comprehensive income is shown as a separate line item on the condensed consolidated balance sheets of FPL Group.

5. Point Beach Nuclear Power Plant

On September 28, 2007, FPL Energy completed the purchase of Point Beach Nuclear Power Plant (Point Beach), a two-unit, 1,023 megawatt (mw) nuclear facility located in Wisconsin. The purchase of Point Beach supports FPL Energy's business strategy to build its portfolio in part through asset acquisitions and provides additional diversity to FPL Group's generating fleet. The transaction was financed using general funds of FPL Group Capital Inc (FPL Group Capital). Since September 28, 2007, Point Beach's results have been included in FPL Group's condensed consolidated financial statements. The following table summarizes the estimated fair value of the assets acquired and liabilities assumed at the date of acquisition (millions). The initial purchase price allocations are preliminary and subject to revision.

Property, plant and equipment	$ 980
Nuclear fuel	139
Current assets	47
Special use funds	390
Other non-current assets	43
Total assets acquired	1,599
Current liabilities	22
Asset retirement obligation	226
Other non-current liabilities	416
Total liabilities assumed	664
Net assets acquired	$ 935

6. 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,	
	2007	2006	2007	2006
	(millions, except per share amounts)			
Numerator – net income	$ 533	$ 527	$ 1,088	$ 1,013
Denominator:				
Weighted-average number of common shares outstanding – basic	398.1	394.9	397.5	392.8
Restricted stock, performance share awards, options, warrants and equity units [a]	2.8	2.7	2.8	3.0
Weighted-average number of common shares outstanding – assuming dilution	400.9	397.6	400.3	395.8
Earnings per share of common stock:				
Basic	$ 1.34	$ 1.33	$ 2.74	$ 2.58
Assuming dilution	$ 1.33	$ 1.32	$ 2.72	$ 2.56

[a] Performance share 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 were the end of the term of the award. Restricted stock, performance share awards, options, warrants and, for the nine months ended September 30, 2006, 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 0.1 million and 0.3 million for the three months ended September 30, 2007 and 2006, respectively, and none and 0.3 million for the nine months ended September 30, 2007 and 2006, respectively.

7. Regulatory Matters

Securitization – FPL was affected by four hurricanes in 2005 and three hurricanes in 2004 which caused major damage in parts of FPL's service territory. Storm restoration costs incurred by FPL during 2005 and 2004 exceeded the amount in the storm and property insurance reserve, resulting in a storm reserve deficiency. In 2007, FPL formed a wholly-owned bankruptcy remote special purpose subsidiary for the purpose of issuing storm-recovery bonds, pursuant to the securitization provisions of Section 366.8260 of the Florida Statutes and a Florida Public Service Commission (FPSC) financing order. In May 2007, the FPL subsidiary issued $652 million aggregate principal amount of senior secured bonds (storm-recovery bonds) primarily for the after-tax equivalent of the total of FPL's unrecovered balance of the 2004 storm restoration costs, the 2005 storm restoration costs and approximately $200 million to reestablish a storm and property insurance reserve. The storm-recovery bonds were issued in four tranches with interest rates ranging from 5.0530% to 5.2555% and final maturity dates ranging from 2013 to 2021. Although principal on the storm-recovery bonds is due on the final maturity date (the date by which the principal must be repaid to prevent a default) for each tranche, it is expected to be paid semiannually and sequentially beginning February 1, 2008, when the first semiannual interest payment becomes due.

In connection with this financing, net proceeds, after debt issuance costs, to the FPL subsidiary (approximately $644 million) were used to acquire the storm-recovery property, which includes the right to impose, collect and receive a storm-recovery charge from all customers receiving electric transmission or distribution service from FPL under rate schedules approved by the FPSC or under special contracts, certain other rights and interests that arise under the financing order issued by the FPSC and certain other collateral pledged by the FPL subsidiary that issued the bonds. The storm-recovery bonds are payable only from and secured by the storm-recovery property. FPL, as servicer, collects storm-recovery charges on behalf of the subsidiary and remits them to the trustee under the indenture pursuant to which the storm-recovery bonds were issued for payment of fees and expenses and payment of principal and interest on the storm-recovery bonds. The FPL subsidiary is consolidated for financial reporting purposes; however, the storm-recovery bonds do not constitute a debt, liability or other legal obligation of, or interest in, FPL or any of its affiliates other than the FPL subsidiary that issued the storm-recovery bonds. The assets of the FPL subsidiary that issued the storm-recovery bonds, including the storm-recovery property, are not available to pay creditors of FPL or any of its affiliates other than the subsidiary that issued the storm-recovery bonds.

In connection with this financing, the net proceeds to FPL from the sale of the storm-recovery property were used primarily to reimburse FPL for its estimated net of tax storm reserve deficiency as of May 31, 2007 (approximately $520 million) and provide for a storm and property insurance reserve fund of approximately $124 million net of tax. The storm and property insurance reserve fund is included in special use funds on FPL Group's and FPL's condensed consolidated balance sheets. Upon the issuance of the storm-recovery bonds, the storm reserve deficiency was reclassified to securitized storm-recovery costs on FPL Group's and FPL's condensed consolidated balance sheets. As storm-recovery charges are billed to customers, the securitized storm-recovery costs are amortized, the amount of which is included in storm cost amortization on FPL Group's and FPL's condensed consolidated statements of income.

The storm and property insurance reserve of approximately $200 million that was reestablished in the FPSC financing order is not reflected in FPL Group's and FPL's condensed consolidated balance sheets as of September 30, 2007 because the associated regulatory asset does not meet the specific recognition criteria under FAS 71. As a result, the storm and property insurance reserve will be recognized as a regulatory liability as the storm-recovery charges are billed to customers and charged to storm cost amortization on FPL Group's and FPL's condensed consolidated statements of income. Although FPL Group's and FPL's condensed consolidated balance sheets as of September 30, 2007 reflect a storm and property insurance reserve of approximately $5 million (included in regulatory liabilities – other on FPL Group's and FPL's condensed consolidated balance sheets), FPL has the capacity to absorb up to approximately $200 million in future prudently incurred storm restoration costs without seeking recovery through a rate adjustment from the FPSC.

Other – In June 2007, the FPSC denied FPL's petition for need for two ultra super critical pulverized coal generating units in Glades County, Florida. In July 2007, FPL filed a petition with the FPSC requesting authorization to defer, until the next retail base rate proceeding, approximately $35 million of preconstruction costs associated with the coal units, with amortization over a five-year period beginning when new base rates are implemented. These costs are currently reflected in other assets on FPL Group's and FPL's condensed consolidated balance sheets. If the petition is not approved, the $35 million will be expensed. A decision is expected in late November 2007. FPL is considering various options to meet its service territory's power needs in the future.

8. Debt

In January 2007, an indirect wholly-owned subsidiary of FPL Energy entered into an interest rate swap agreement to pay a fixed rate of 5.39% on approximately $547 million of its variable rate limited recourse debt in order to limit cash flow exposure.

In April 2007, FPL issued $300 million principal amount of 5.85% first mortgage bonds maturing in May 2037. The proceeds were used to repay a portion of FPL's short-term borrowings and for other corporate purposes.

Also, in April 2007, FPL and FPL Group Capital each entered into a new five-year revolving credit and letter of credit facility aggregating $6.5 billion ($4.0 billion for FPL Group Capital and $2.5 billion for FPL) expiring in April 2012. These new facilities replaced the previously existing five-year credit facilities aggregating $4.5 billion.

Additionally, in April 2007, FPL Group Capital borrowed $50 million pursuant to a term loan facility, which increased the outstanding amount under the term loan facility from $150 million to $200 million, and extended the maturity date of the term loan facility from June 2008 to June 2009.

In May 2007, FPL made an early repayment on its $250 million revolving term loan facility. Also in May 2007, pursuant to the securitization provisions of Section 366.8260 of the Florida Statutes and an FPSC financing order, a wholly-owned subsidiary of FPL issued $652 million aggregate principal amount of storm-recovery bonds. See Note 7 – Securitization.

In June 2007, an indirect wholly-owned subsidiary of FPL Energy issued an aggregate of $575 million of limited-recourse senior secured notes in three separate series (i) $290 million of 6.31% Series A Notes due 2017, (ii) $35 million of 6.61% Series B Notes due 2027 and (iii) $250 million of 6.96% Series C Notes due 2037. These notes are secured by liens on FPL Energy's hydroelectric project assets and certain other assets of, and the ownership interest in, the indirect wholly-owned subsidiary. In addition, another indirect wholly-owned subsidiary of FPL Energy issued $125 million of 7.26% limited-recourse senior secured notes maturing in 2015. These notes are secured by certain assets of, and the ownership interest in, the indirect wholly-owned subsidiary. Substantially all of the proceeds from these note issuances were distributed to FPL Energy in return for a portion of the capital contributions that it made to certain of its direct and indirect subsidiaries for the investment by such subsidiaries in the acquisition of, and capital improvements made to, FPL Energy's hydroelectric power projects located primarily in Maine.

Also, in June 2007, FPL Group Capital issued $400 million principal amount of Series C Junior Subordinated Debentures due 2067. The debentures initially bear interest at 6.65% per year and, beginning June 15, 2017, will bear interest at the three-month London InterBank Offered Rate (LIBOR) plus 212.5 basis points, reset quarterly. The proceeds from the debentures were added to FPL Group Capital's general funds, which FPL Group Capital used to repay a portion of commercial paper issued to fund investments by FPL Group Capital in independent power projects. FPL Group guarantees the payment of the debentures on a subordinated basis.

In September 2007, FPL Group Capital issued $250 million principal amount of Series D Junior Subordinated Debentures (Series D Debentures) due 2067 and $350 million principal amount of Series E Junior Subordinated Debentures (Series E Debentures) due 2067. The Series D Debentures initially bear interest at 7.30% per year and, beginning September 1, 2017, will bear interest at the three-month LIBOR plus 334.75 basis points, reset quarterly. The Series E Debentures bear interest at 7.45% per year. The proceeds from both series of debentures were added to FPL Group Capital's general funds, which FPL Group Capital used to repay a portion of commercial paper issued to fund investments by FPL Group Capital in independent power projects. FPL Group guarantees the payment of both series of debentures on a subordinated basis.

In October 2007, FPL issued $300 million principal amount of 5.55% first mortgage bonds maturing in November 2017. The proceeds were used to repay a portion of FPL's short-term borrowings and for other corporate purposes.

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 include, among other things, 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 cost, including capitalized interest, for construction of wind projects and the procurement of nuclear fuel. 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, 2007, planned capital expenditures for the remainder of 2007 through 2011 were estimated as follows:

	2007	2008	2009	2010	2011	Total
			(millions)			
FPL:						
Generation: [a]						
New [b]	$ 120	$ 700	$ 210	$ 10	$ -	$ 1,040
Existing	235	600	485	565	425	2,310
Transmission and distribution [c]	230	985	1,105	1,055	1,080	4,455
Nuclear fuel	10	130	140	170	110	560
General and other	70	160	170	205	210	815
Total	$ 665	$ 2,575	$ 2,110	$ 2,005	$ 1,825	$ 9,180
FPL Energy:						
Wind [d]	$ 560	$ 2,130	$ 20	$ 20	$ 15	$ 2,745
Nuclear [e]	185	320	305	305	245	1,360
Gas	20	65	100	100	35	320
Other	35	35	35	25	15	145
Total	$ 800	$ 2,550	$ 460	$ 450	$ 310	$ 4,570
FPL FiberNet	$ 4	$ 23	$ 25	$ 25	$ 25	$ 102

(a) Includes allowance for funds used during construction (AFUDC) of approximately $10 million, $52 million, $53 million and $6 million in 2007, 2008, 2009 and 2010, respectively.
(b) Includes land, generating structures, transmission interconnection and integration, licensing and AFUDC.
(c) Includes estimated capital costs associated with FPL's initiative to enhance its electrical grid as a result of heightened hurricane activity and in response to concerns expressed by the community, state leaders and regulators, as well as the FPSC's approved storm preparedness plan (collectively, Storm Secure® Plan). These capital costs are subject to change over time based on, among other things, productivity enhancements and prioritization.
(d) Capital expenditures for new wind projects are estimated through 2008, when eligibility for PTCs for new wind projects is scheduled to expire. FPL Energy expects to add approximately 1,500 mw to 2,000 mw of new wind generation per year from 2009 through 2012, subject to continued public policy support, the cost of which is estimated to be approximately $3 billion for 2009 and $4 billion to $5 billion in each of 2010 and 2011.
(e) Includes nuclear fuel.

In addition to the 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, 2007, FPL Energy had approximately $2.9 billion in firm commitments, primarily for the purchase of wind turbines and towers, natural gas transportation, purchase and storage, firm transmission service, nuclear fuel and a portion of its projected capital expenditures. In addition, FPL Group has guaranteed certain payment obligations of FPL Group Capital, including most payment obligations under FPL Group Capital's debt.

Additionally, FPL Group plans to invest up to $1.5 billion in new solar thermal generating facilities in Florida and California from 2008 to 2014, including plans by FPL to build approximately 300 mw in Florida. FPL is evaluating new solar thermal technology, and intends to initially construct a 10 mw facility, with expansion of the project to a 300 mw facility subject to the receipt of regulatory and other approvals as well as the technology meeting agreed-upon cost and technical specifications. FPL also plans to invest up to $500 million from 2008 to 2013 to create a smart network that will provide enhanced energy management capabilities to FPL customers and enable FPL to develop better energy management programs. If the smart network technology is proven successful in small geographic areas, it is expected to be broadened to cover FPL's service territory. In 2008, FPL Energy plans to launch a renewable energy program, with the revenue generated from this program to be used to develop renewable energy sources. Because these projected investments are subject to, among other things, various regulatory and other approvals as well as meeting certain performance standards on a smaller scale, the costs associated with these projected investments are not included in the capital expenditures table above.

Also, FPL Energy through its wholly-owned subsidiary, Lone Star Transmission, LLC, intends to build, own and operate a 180 to 200 mile, high voltage, direct current, open access transmission line located between west Texas and the Dallas/Fort Worth area with a capacity of 2,000 mw. The construction of the transmission line is contingent upon, among other things, receipt of all applicable regulatory approvals. The estimated cost of the transmission line is expected to range from $635 million to $655 million. Due to the contingencies discussed above (including their impact on the timing of construction), these estimated costs are not included in the capital expenditures table above.

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, 2007, subsidiaries of FPL Group, other than FPL, have guaranteed debt service payments relating to agreements that existed at December 31, 2002. The terms of the guarantees are equal to the terms of the related debt, with remaining terms ranging from 1 year to 11 years. The maximum potential amount of future payments that could be required under these guarantees at September 30, 2007 was approximately $16 million. At September 30, 2007, 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 September 30, 2007.

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 becoming liable for liquidated damages. Based on past performance of these and similar projects and current forward prices, management believes that the exposure associated with these liquidated damages provisions is not material.

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 annually through mid-2015 and 375 mw annually thereafter through 2021, and one of the Southern subsidiaries' contracts is subject to minimum quantities. FPL also has various firm pay-for-performance contracts to purchase approximately 700 mw from certain cogenerators and small power producers (qualifying facilities) with expiration dates ranging from 2009 through 2026. The purchased power contracts provide for capacity and energy payments. Energy payments are based on the actual power taken under these contracts. Capacity payments for the pay-for-performance contracts are subject to the qualifying facilities meeting certain contract conditions. FPL has various agreements with several electricity suppliers to purchase an aggregate of up to approximately 880 mw of power with expiration dates ranging from 2009 through 2012. In general, the agreements require FPL to make capacity payments and supply the fuel consumed by the plants under the contracts. FPL has contracts with expiration dates through 2028 for the purchase of natural gas, coal and oil, transportation of natural gas and coal, and storage of natural gas.

FPL Energy has entered into several contracts for the purchase of wind turbines and towers in support of a portion of its planned new wind generation. In addition, FPL Energy has contracts primarily for the purchase, transportation and storage of natural gas and firm transmission service with expiration dates ranging from 2007 through 2036. FPL Energy also has several contracts for the supply, conversion, enrichment and fabrication of nuclear fuel with expiration dates ranging from 2007 to 2018.

The required capacity and minimum payments under these contracts as of September 30, 2007 were estimated as follows:

	2007	2008	2009	2010	2011	Thereafter
			(millions)			
FPL:						
Capacity payments: [a]						
JEA and Southern subsidiaries [b]	$ 50	$ 210	$ 220	$ 220	$ 210	$ 960
Qualifying facilities [b]	$ 80	$ 320	$ 320	$ 290	$ 260	$ 3,190
Other electricity suppliers [b]	$ 10	$ 55	$ 50	$ 10	$ 10	$ 5
Minimum payments, at projected prices:						
Southern subsidiaries – energy [b]	$ 20	$ 80	$ 90	$ 40	$ -	$ -
Natural gas, including transportation and storage [c]	$ 560	$ 1,355	$ 450	$ 260	$ 260	$ 2,155
Coal [c]	$ 20	$ 35	$ 20	$ 10	$ 10	$ -
Oil [c]	$ 80	$ -	$ -	$ -	$ -	$ -
FPL Energy	$ 405	$ 1,245	$ 120	$ 115	$ 80	$ 705

(a) Capacity payments under these contracts, the majority of which are recoverable through the capacity clause, totaled approximately $143 million and $166 million for the three months ended September 30, 2007 and 2006, respectively, and approximately $436 million and $466 million for the nine months ended September 30, 2007 and 2006, respectively.

(b) Energy payments under these contracts, which are recoverable through the fuel clause, totaled approximately $134 million and $123 million for the three months ended September 30, 2007 and 2006, respectively, and approximately $336 million and $322 million for the nine months ended September 30, 2007 and 2006, respectively.

(c) Recoverable through the fuel clause.

In addition, FPL has entered into several long-term agreements for storage capacity and transportation of natural gas from facilities that have not yet begun, or if begun have not yet completed, construction. These agreements range from 12 to 23 years in length and contain firm commitments totaling up to approximately $131 million annually or $2.4 billion over the terms of the agreements. These firm commitments are contingent upon the occurrence of certain events, including approval by the Federal Energy Regulatory Commission (FERC) and completion of construction of the facilities in 2008 and 2009.

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 $805 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 $120 million ($60 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 Station (Seabrook), Duane Arnold Energy Center (Duane Arnold) and St. Lucie Unit No. 2, which approximates $12 million, $30 million and $15 million, plus any applicable taxes, per incident, respectively.

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 $169 million ($97 million for FPL), plus any applicable taxes, 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, Duane Arnold and St. Lucie Unit No. 2, which approximates $2 million, $5 million and $4 million, plus any applicable taxes, respectively.

Due to the high cost and limited coverage available from third-party insurers, FPL does not have insurance coverage for a substantial portion of its transmission and distribution property and FPL Group has no insurance coverage for FPL FiberNet's fiber-optic cable located throughout Florida. Should FPL's future storm restoration costs exceed the reserve amount (see Note 7 – Securitization), FPL may recover prudently incurred storm restoration costs either through securitization pursuant to Section 366.8260 of the Florida Statutes or through surcharges approved by the FPSC.

In the event of a loss, the amount of insurance available might not be adequate to cover property damage and other expenses incurred. Uninsured losses and other expenses, to the extent not recovered from customers 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.

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 to allege, 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 thereafter for each violation. 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 and the EPA has not yet moved to reopen the case. In April 2007, the U.S. Supreme Court in a separate unrelated case rejected an argument that a "major modification" occurs at a plant only when there is a resulting increase in the hourly rate of air emissions. Georgia Power Company has made a similar argument in defense of its case, but has other factual and legal defenses that are unaffected by the Supreme Court's decision.

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. This matter arose from a 1993 FPL filing of a comprehensive restructuring of its then-existing tariff structure. All issues related to that filing were settled in September 2000 except for three issues reserved by FMPA: (i) FMPA's request for transmission credits related to the costs of its transmission facilities (the crediting issue), (ii) treatment of behind-the-meter generation and load ratio pricing for network integration transmission service (the behind-the-meter issue), and (iii) exclusions from FPL's transmission rates of the costs of FPL's facilities that fail to meet the same integration test that was applied to FMPA's facilities with respect to the crediting issue (the rate base issue). The FERC and the DC Circuit have rejected FMPA's claim for transmission credits, which would have reduced FMPA's payment obligation to FPL for network integration transmission service.

With regard to the behind-the-meter issue, the FERC rejected FMPA's argument that its obligation to pay for network integration transmission service should be reduced to the extent that FPL allegedly cannot provide transmission service because of "physical transmission limitations." In June 2005, the DC Circuit remanded the case to the FERC for further consideration. In December 2005, the FERC issued an order on remand finding that load ratio share pricing is appropriate notwithstanding constraints on a third-party's system. In January 2006, FMPA filed a rehearing request of this order with the FERC, which the FERC denied in July 2006. FMPA submitted a petition for review of the FERC's December 2005 and July 2006 orders at the DC Circuit. The parties have submitted briefs to the court, and the case is pending.

With regard to the rate base issue, 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 that filing, FPL's current network transmission rate would have been reduced by $0.02 per kilowatt (kw) per month. In June 2004, FMPA filed a protest to FPL's compliance filing, arguing that FPL's current network transmission rate should be reduced by approximately $0.41 per kw per month. In January 2005, the FERC issued an order on FPL's compliance filing. In the order, the 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. The FERC required FPL to make an additional compliance filing removing the cost of all radial transmission lines from transmission rates, 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 made this compliance filing in April 2005, under which FPL's current rate would be reduced by $0.04 per kw per month. In May 2005, FMPA protested FPL's compliance filing and argued that FPL's rates should be reduced by an additional $0.20 per kw per month, potentially resulting in a refund obligation to FMPA of approximately $25 million at September 30, 2007. Any reduction in FPL's network service rate also would apply effective January 1, 2004 to Seminole Electric Cooperative Inc. (Seminole), FPL's other network customer. The potential refund obligation to Seminole based on FMPA's position is approximately $12 million at September 30, 2007.

In December 2005, the FERC issued an order accepting FPL's April 2005 compliance filing in part, rejecting it in part, and directing the submission of a further compliance filing. The FERC concluded that it is not clear whether FPL failed to test its non-radial facilities in a manner comparable to the way it tested FMPA's facilities. FPL filed a rehearing request in January 2006, which the FERC denied in July 2006. FPL filed a request for rehearing of the FERC's July 2006 order. In September 2006, FPL made the required compliance filing, removing additional transmission facilities from rates, which resulted in a refund liability of approximately $4 million to FMPA and approximately $2 million to Seminole at September 30, 2007. FMPA has protested FPL's filing with the FERC, claiming again that FPL's rates should be reduced by an additional $0.20 per kw per month. In September 2007, FMPA filed a motion requesting that the FERC promptly issue a decision. The FERC has yet to act.

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 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 has filed an answer to the complaint. FPL Group believes that the complaint is without merit 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. The case is in discovery and has been scheduled for trial in January 2009.

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, as subsequently amended, 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. In January 2006, the court granted FPL's motion for final summary judgment and dismissed the case. On February 8, 2006, the plaintiffs filed a notice of appeal of the court's decision, which appeal is pending before the U.S. Court of Appeals for the Eleventh Circuit. Oral argument is scheduled for November 28, 2007.

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, as subsequently amended, are virtually identical to those contained in the Finestone lawsuit described above. In January 2006, the court granted FPL's motion for final summary judgment and dismissed the case. On February 8, 2006, the plaintiffs filed a notice of appeal of the court's decision, which appeal is pending before the U.S. Court of Appeals for the Eleventh Circuit. Oral argument is scheduled for November 28, 2007.

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 Eleventh 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 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 power plants in southeast Florida. 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 U.S. District Court remanded the action back to the state court. The drug manufacturing and distribution companies have moved to dismiss the action. Plaintiffs and FPL have agreed that FPL will not respond to the complaint until requested by the plaintiffs.

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 Eighteenth 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 Orlando Utilities Commission, 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 Roig lawsuit described above. FPL's motion to dismiss the complaint was denied. The U.S. District Court subsequently remanded the action back to the state court. The state court subsequently dismissed the drug manufacturing and distribution companies from the action. Plaintiffs' appeal of that order is pending before the Florida Fifth District Court of Appeal. Plaintiffs and FPL have agreed that FPL will not respond to the complaint until requested by the plaintiffs.

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. FPL Energy was added as a defendant in 2005. The petition alleged that the 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 asserted claims for breach of contract and declaratory judgment and sought damages of approximately $34 million. The FPL Energy Affiliates filed their answer and counterclaim in November 2004, denying the allegations. The counterclaim, as amended, asserted claims for conversion, breach of fiduciary duty, breach of warranty, conspiracy, breach of contract and fraud and sought termination of the contract and damages. Following a jury trial in June 2007, among other findings, both TXU and the FPL Energy Affiliates were found to have breached the contract. Based on these findings and prior rulings from the trial court, the contract is not terminated and the FPL Energy Affiliates believe neither party should recover any damages. A hearing on post-trial motions has been conducted to conform the verdict and rulings into a final judgment.

In September 2006, PT Pertamina, Indonesia's state-owned oil/energy company, filed an action against Karaha Bodas Company, LLC (KBC), an entity in which FPL Energy owns an equity interest, in the Grand Court of the Cayman Islands for fraud and for an injunction prohibiting KBC from disposing of, dealing with or diminishing the value of any of KBC's assets up to the value of PT Pertamina's funds KBC received as a result of a court judgment (approximately $320 million) pending resolution of the fraud claim. FPL Energy's portion of the damages being sought is approximately $145 million. KBC sought and in December 2006 received from the U.S. District Court for the Southern District of New York an anti-suit injunction against the plaintiff, prohibiting the plaintiff from pursuing the fraud action, or any similar action, and the request for injunctive relief in the Cayman court or any other court worldwide. The plaintiff appealed that order to the U.S. Court of Appeals for the Second Circuit and, in September 2007, the court of appeals affirmed the anti-suit injunction against PT Pertamina, which precludes it from commencing any similar fraud action against KBC anywhere in the world. In accordance with the terms of the anti-suit injunction, the Cayman Islands action was dismissed by the Grand Court of the Cayman Islands in October 2007.

In addition to those legal proceedings discussed above, 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. Generating plants in which FPL Group or FPL have an ownership interest are also involved in legal proceedings and claims, the liabilities from which, if any, would be shared by FPL Group or FPL.

FPL Group and FPL believe that they, or their affiliates, have meritorious defenses to all the pending litigation and proceedings discussed above under the heading Litigation and are vigorously defending the lawsuits. While management is unable to predict with certainty the outcome of the legal proceedings and claims discussed or described herein, based on current knowledge it is not expected that their ultimate resolution, individually or collectively, will have a material adverse effect on the financial statements of FPL Group or FPL.

10. Segment Information

FPL Group's reportable segments include FPL, a rate-regulated utility, and FPL Energy, a competitive energy business. 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,							
	2007				2006			
	FPL	FPL Energy[a]	Corporate & Other	Total	FPL	FPL Energy[a]	Corporate & Other	Total
	(millions)							
Operating revenues	$ 3,445	$ 1,090	$ 40	$ 4,575	$ 3,513	$ 1,143	$ 38	$ 4,694
Operating expenses	$ 2,854	$ 781	$ 40	$ 3,675	$ 2,948	$ 825	$ 49	$ 3,822
Net income (loss) [b]	$ 326	$ 220	$ (13)	$ 533	$ 328	$ 218	$ (19)	$ 527

	Nine Months Ended September 30,							
	2007				2006			
	FPL	FPL Energy[a]	Corporate & Other	Total	FPL	FPL Energy[a]	Corporate & Other	Total
	(millions)							
Operating revenues	$ 8,798	$ 2,658	$ 123	$ 11,579	$ 9,096	$ 2,866	$ 125	$ 12,087
Operating expenses	$ 7,577	$ 2,022	$ 118	$ 9,717	$ 7,946	$ 2,212	$ 149	$ 10,307
Net income (loss) [b]	$ 663	$ 468	$ (43)	$ 1,088	$ 632	$ 462	$ (81)	$ 1,013

	September 30, 2007				December 31, 2006			
	FPL	FPL Energy	Corporate & Other	Total	FPL	FPL Energy	Corporate & Other	Total
	(millions)							
Total assets	$ 24,101	$ 14,284	$ 1,186	$ 39,571	$ 23,073	$ 11,371	$ 1,547	$ 35,991

(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) See Note 3 for a discussion of FPL Energy's tax benefits related to PTCs recognized based on its tax sharing agreement with FPL Group.

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, including its debentures, and payment guarantees 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,							
	2007				2006			
	FPL Group (Guarantor)	FPL Group Capital	Other[a]	FPL Group Consolidated	FPL Group (Guarantor)	FPL Group Capital	Other[a]	FPL Group Consolidated
	(millions)							
Operating revenues	$ -	$ 1,131	$ 3,444	$ 4,575	$ -	$ 1,182	$ 3,512	$ 4,694
Operating expenses	-	(822)	(2,853)	(3,675)	(11)	(864)	(2,947)	(3,822)
Interest charges	(5)	(112)	(77)	(194)	(5)	(111)	(63)	(179)
Other income (deductions) – net	528	59	(533)	54	527	59	(521)	65
Income (loss) before income taxes	523	256	(19)	760	511	266	(19)	758
Income tax expense (benefit)	(10)	52	185	227	(16)	68	179	231
Net income (loss)	$ 533	$ 204	$ (204)	$ 533	$ 527	$ 198	$ (198)	$ 527

	Nine Months Ended September 30,							
	2007				2006			
	FPL Group (Guarantor)	FPL Group Capital	Other[a]	FPL Group Consolidated	FPL Group (Guarantor)	FPL Group Capital	Other[a]	FPL Group Consolidated
	(millions)							
Operating revenues	$ -	$ 2,786	$ 8,793	$ 11,579	$ -	$ 2,995	$ 9,092	$ 12,087
Operating expenses	-	(2,144)	(7,573)	(9,717)	(21)	(2,343)	(7,943)	(10,307)
Interest charges	(14)	(328)	(210)	(552)	(16)	(314)	(196)	(526)
Other income (deductions) – net	1,090	120	(1,072)	138	1,037	127	(1,022)	142
Income (loss) before income taxes	1,076	434	(62)	1,448	1,000	465	(69)	1,396
Income tax expense (benefit)	(12)	14	358	360	(13)	63	333	383
Net income (loss)	$ 1,088	$ 420	$ (420)	$ 1,088	$ 1,013	$ 402	$ (402)	$ 1,013

(a) Represents FPL and consolidating adjustments.

FPL GROUP, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(unaudited)

Condensed Consolidating Balance Sheets

	September 30, 2007				December 31, 2006			
	FPL Group (Guarantor)	FPL Group Capital	Other[a]	FPL Group Consolidated	FPL Group (Guarantor)	FPL Group Capital	Other[a]	FPL Group Consolidated
	(millions)							
PROPERTY, PLANT AND EQUIPMENT								
Electric utility plant in service and other property	$ -	$ 13,116	$ 26,789	$ 39,905	$ -	$ 10,466	$ 25,686	$ 36,152
Less accumulated depreciation and amortization	-	(2,135)	(10,056)	(12,191)	-	(1,805)	(9,848)	(11,653)
Total property, plant and equipment – net	-	10,981	16,733	27,714	-	8,661	15,838	24,499
CURRENT ASSETS								
Cash and cash equivalents	11	282	57	350	-	556	64	620
Receivables	1,186	846	(171)	1,861	170	683	803	1,656
Other	10	743	1,420	2,173	10	767	1,946	2,723
Total current assets	1,207	1,871	1,306	4,384	180	2,006	2,813	4,999
OTHER ASSETS								
Investment in subsidiaries	10,303	-	(10,303)	-	9,892	-	(9,892)	-
Other	1,285	2,179	4,009	7,473	1,166	1,747	3,580	6,493
Total other assets	11,588	2,179	(6,294)	7,473	11,058	1,747	(6,312)	6,493
TOTAL ASSETS	$ 12,795	$ 15,031	$ 11,745	$ 39,571	$ 11,238	$ 12,414	$ 12,339	$ 35,991
CAPITALIZATION								
Common shareholders' equity	$ 10,615	$ 3,201	$ (3,201)	$ 10,615	$ 9,930	$ 2,354	$ (2,354)	$ 9,930
Long-term debt	-	6,172	4,672	10,844	-	5,377	4,214	9,591
Total capitalization	10,615	9,373	1,471	21,459	9,930	7,731	1,860	19,521
CURRENT LIABILITIES								
Debt due within one year	-	1,918	1,050	2,968	-	2,112	630	2,742
Accounts payable	3	445	831	1,279	-	325	735	1,060
Other	1,092	842	691	2,625	222	749	1,720	2,691
Total current liabilities	1,095	3,205	2,572	6,872	222	3,186	3,085	6,493
OTHER LIABILITIES AND DEFERRED CREDITS								
Asset retirement obligations	-	487	1,636	2,123	-	248	1,572	1,820
Accumulated deferred income taxes	253	1,099	2,275	3,627	269	945	2,218	3,432
Regulatory liabilities	518	-	3,271	3,789	531	-	3,121	3,652
Other	314	867	520	1,701	286	304	483	1,073
Total other liabilities and deferred credits	1,085	2,453	7,702	11,240	1,086	1,497	7,394	9,977
COMMITMENTS AND CONTINGENCIES								
TOTAL CAPITALIZATION AND LIABILITIES	$ 12,795	$ 15,031	$ 11,745	$ 39,571	$ 11,238	$ 12,414	$ 12,339	$ 35,991

(a) Represents FPL and consolidating adjustments.

Condensed Consolidating Statements of Cash Flows

	Nine Months Ended September 30,							
	2007				2006			
	FPL Group (Guarantor)	FPL Group Capital	Other[a]	FPL Group Consolidated	FPL Group (Guarantor)	FPL Group Capital	Other[a]	FPL Group Consolidated
	(millions)							
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 956	$ 999	$ 791	$ 2,746	$ 186	$ 378	$ 856	$ 1,420
CASH FLOWS FROM INVESTING ACTIVITIES								
Capital expenditures, independent power investments and nuclear fuel purchases	(12)	(2,231)	(1,453)	(3,696)	-	(1,483)	(1,356)	(2,839)
Other – net	(470)	1	283	(186)	-	(6)	(61)	(67)
Net cash used in investing activities	(482)	(2,230)	(1,170)	(3,882)	-	(1,489)	(1,417)	(2,906)
CASH FLOWS FROM FINANCING ACTIVITIES								
Issuances of long-term debt	-	1,722	934	2,656	-	1,884	938	2,822
Retirements of long-term debt	-	(1,248)	(250)	(1,498)	-	(1,244)	(135)	(1,379)
Net change in short-term debt	-	41	179	220	-	401	(581)	(180)
Proceeds from purchased Corporate Units	-	-	-	-	210	-	-	210
Payments to terminate Corporate Units	-	-	-	-	(258)	-	-	(258)
Issuances of common stock	36	-	-	36	312	-	-	312
Dividends on common stock	(490)	-	-	(490)	(445)	-	-	(445)
Other – net	(9)	442	(491)	(58)	(12)	(303)	348	33
Net cash provided by (used in) financing activities	(463)	957	372	866	(193)	738	570	1,115
Net increase (decrease) in cash and cash equivalents	11	(274)	(7)	(270)	(7)	(373)	9	(371)
Cash and cash equivalents at beginning of period	-	556	64	620	7	467	56	530
Cash and cash equivalents at end of period	$ 11	$ 282	$ 57	$ 350	$ -	$ 94	$ 65	$ 159

(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 2006 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

Summary – Presented below is a summary of net income (loss) by reportable segment (see Note 10):

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2007	2006	Increase (Decrease)	2007	2006	Increase
			(millions)			
FPL	$ 326	$ 328	$ (2)	$ 663	$ 632	$ 31
FPL Energy	220	218	2	468	462	6
Corporate and Other	(13)	(19)	6	(43)	(81)	38
FPL Group Consolidated	$ 533	$ 527	$ 6	$ 1,088	$ 1,013	$ 75

FPL's net income for the three months ended September 30, 2007 declined reflecting higher other operations and maintenance (O&M) and interest expenses, as well as higher depreciation and amortization expenses recovered through base rates. Results in the prior-year period also included interest income on the unrecovered balance of the storm reserve deficiency, which FPL ceased recording once the storm-recovery bonds were issued. See Note 7 – Securitization. These factors were partly offset by a retail base rate increase associated with Turkey Point Unit No. 5 commencing commercial operation on May 1, 2007, continued retail customer growth and higher retail customer usage. Results for the nine months ended September 30, 2007 were affected by lower retail customer usage, plus the other factors discussed above that affected the three-month period. In addition, disallowed storm costs, net of interest income recorded on 2005 storm restoration costs approved for recovery by the FPSC, reduced net income for the nine months ended September 30, 2006 by approximately $28 million.

FPL Energy's net income for the three and nine months ended September 30, 2006 has been adjusted to reflect the retrospective application of an FASB Staff Position related to planned major maintenance activities adopted by FPL Group effective December 31, 2006. FPL Energy's results for the three and nine months ended September 30, 2007 reflect improved market conditions, additional earnings from new investments and the benefits of increased gains from its full energy and capacity requirements services. In addition, FPL Group's and FPL Energy's net income for the three months ended September 30, 2007 reflect net unrealized mark-to-market after-tax gains from non-qualifying hedges of approximately $40 million and for the nine months ended September 30, 2007 reflect net unrealized mark-to-market after-tax losses from non-qualifying hedges of approximately $28 million. For the three and nine months ended September 30, 2006, FPL Group and FPL Energy recorded net unrealized mark-to-market after-tax gains from non-qualifying hedges of approximately $74 million and $77 million, respectively. The change in unrealized mark-to-market activity is primarily attributable to changes in forward power and natural gas prices, as well as the reversal of previously recognized unrealized mark-to-market gains/losses as the underlying transactions are realized. As a general rule, a gain (loss) in the non-qualifying hedge category is offset by decreases (increases) in the fair value of related physical asset positions in the portfolio or contracts, which are not marked to market under generally accepted accounting principles.

Results for Corporate and Other for the three and nine months ended September 30, 2007 reflect lower interest expense and higher interest income partly offset for the three-month period by lower federal and state tax benefits. Results for the three and nine months ended September 30, 2006 reflect approximately $7 million and $13 million, respectively, of after-tax merger-related costs associated with the proposed merger between FPL Group and Constellation Energy Group, Inc. (Constellation Energy), which was terminated in October 2006. See Note 3 for a discussion of FIN 48 and Note 10 for segment information.

FPL Group's effective income tax rates for the three and nine months ended September 30, 2007 and 2006 reflect the benefit of PTCs for wind projects at FPL Energy. PTCs can significantly affect FPL Group's effective income tax rate depending on the amount of pretax income and wind generation. PTCs are recognized as wind energy is generated and sold based on a per kwh rate prescribed in applicable federal and state statutes, and amounted to approximately $43 million and $146 million for the three and nine months ended September 30, 2007, respectively, and approximately $35 million and $115 million for the comparable periods in 2006. See Note 3.

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 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. FPL Group uses derivative instruments to manage its commodity price and interest rate risk.

FPL Group's management uses earnings excluding certain items (adjusted earnings), which in 2007 and 2006 were the unrealized mark-to-market effect of non-qualifying hedges and, in 2006 also included merger-related costs, internally for financial planning, for analysis of performance, for reporting of results to the Board of Directors and as inputs in determining whether performance targets are met for performance-based compensation under FPL Group's employee incentive compensation plans. FPL Group also uses adjusted earnings when communicating its earnings outlook to 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, management believes that the amount and/or nature of such items make period to period comparisons of operations difficult and potentially confusing.

FPL – FPL's net income for the three months ended September 30, 2007 and 2006 was $326 million and $328 million, respectively, a decrease of $2 million. FPL's net income for the nine months ended September 30, 2007 and 2006 was $663 million and $632 million, respectively, an increase of $31 million. The decline in results for the three months ended September 30, 2007 reflects higher O&M and interest expenses, as well as higher depreciation and amortization expenses recovered through base rates. Results in the prior-year period also included interest income on the unrecovered balance of the storm reserve deficiency, which FPL ceased recording once the storm-recovery bonds were issued. See Note 7 – Securitization. These factors were partly offset by a retail base rate increase associated with Turkey Point Unit No. 5 commencing commercial operation on May 1, 2007, continued retail customer growth and higher retail customer usage. Results for the nine months ended September 30, 2007 were affected by lower retail customer usage, plus the other factors discussed above that affected the three-month period. In addition, disallowed storm costs, net of interest income recorded on 2005 storm restoration costs approved for recovery by the FPSC, reduced net income for the nine months ended September 30, 2006 by approximately $28 million.

FPL's operating revenues consisted of the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
	(millions)			
Retail base	$ 1,149	$ 1,076	$ 2,897	$ 2,809
Fuel cost recovery	1,808	1,924	4,656	4,963
Other cost recovery clauses and pass-through costs	439	461	1,118	1,197
Other, primarily transmission and wholesale sales and customer-related fees	49	52	127	127
Total	$ 3,445	$ 3,513	$ 8,798	$ 9,096

For the three months ended September 30, 2007, a 2.0% increase in the average number of retail customer accounts increased retail base revenues by approximately $22 million. Retail customer usage increased 1.5% primarily due to economic conditions and other factors, which increased retail base revenues by approximately $15 million. In addition, a base rate increase resulting from Turkey Point Unit No. 5 commencing commercial operation on May 1, 2007 increased retail base revenues by approximately $36 million.

For the nine months ended September 30, 2007, an increase in the average number of retail customers of 2.1% increased retail base revenues by approximately $60 million and a 1.0% decrease in usage per retail customer decreased retail base revenues by approximately $33 million. The decrease in retail usage was primarily due to weather partly offset by economic conditions. In addition, the base rate increase resulting from Turkey Point Unit No. 5 commencing commercial operation on May 1, 2007 increased retail base revenues by approximately $61 million.

Revenues from fuel and other cost recovery clauses and pass-through costs, such as franchise fees, revenue taxes and storm-related surcharges, do not significantly affect net income; however, underrecovery or overrecovery of such costs can significantly affect FPL Group's and FPL's operating cash flows. Fluctuations in fuel cost recovery revenues are primarily driven by changes in fuel and energy charges which are included in fuel, purchased power and interchange expense, as well as by changes in energy sales. Fluctuations in revenues from other cost recovery clauses and pass-through costs are primarily driven by changes in storm-related surcharges, capacity charges, franchise fee costs, the impact of changes in O&M and depreciation expenses on the underlying cost recovery clause, as well as changes in energy sales. Capacity charges and franchise fee costs are included in fuel, purchased power and interchange and taxes other than income taxes, respectively, in the condensed consolidated statements of income.

The decline in fuel cost recovery revenues reflects the January 2007 lowering of the retail fuel charge by approximately 7.2% and another 2.3% decline on May 1, 2007 when Turkey Point Unit No. 5 was placed in service. In January 2006, the retail fuel charge had been increased approximately 46% in response to significantly higher fuel prices.

In May 2007, a wholly-owned subsidiary of FPL issued $652 million aggregate principal amount of storm-recovery bonds primarily for the after-tax equivalent of the total of FPL's unrecovered balance of the 2004 storm restoration costs, the 2005 storm restoration costs and approximately $200 million to reestablish a storm and property insurance reserve. The storm-recovery bonds, including interest and bond issuance costs, are being repaid through a surcharge to retail customers. Prior to the issuance of these storm-recovery bonds, FPL had been recovering from retail customers the 2004 storm restoration costs through a storm damage surcharge. Both the revenues from the 2004 storm damage surcharge and the storm-recovery bonds surcharge are included in other cost recovery clauses and pass-through costs. See Note 7 – Securitization. For the three months ended September 30, 2006, the amount billed to retail customers related to the 2004 unrecovered storm restoration costs and, for the three months ended September 30, 2007, the amount billed to retail customers related to the storm-recovery bonds surcharge amounted to approximately $27 million and $44 million, respectively. The corresponding amounts for the nine months ended September 30, 2007 (which also included amounts related to the 2004 unrecovered storm restoration costs) and 2006 were $73 million and $114 million, respectively. Revenues from other cost recovery clauses and pass-through costs also declined in the three and nine months ended September 30, 2007 due to the absence in 2007 of the recovery of a portion of litigation costs that FPL had been recovering since 2002 through the capacity clause. See further discussion below of depreciation and amortization expense.

The major components of FPL's fuel, purchased power and interchange expense are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
	(millions)			
Fuel and energy charges during the period	$ 1,971	$ 1,704	$ 4,771	$ 4,383
Recovery of costs incurred in a prior period	23	186	68	557
Net over (under) recovery of costs during the period	(176)	39	(151)	42
Other, primarily capacity charges net of any capacity deferral	151	151	393	387
Total	$ 1,969	$ 2,080	$ 5,081	$ 5,369

The increase in fuel and energy charges for the three months ended September 30, 2007 reflects approximately $210 million related to higher fuel and energy prices and approximately $57 million attributable to higher energy sales. The increase in fuel and energy charges for the nine months ended September 30, 2007 reflects higher fuel and energy prices of approximately $355 million and approximately $33 million attributable to higher energy sales. The recovery of costs incurred in a prior period represents the collection of underrecovered fuel costs the FPSC permitted FPL to start collecting at the beginning of the respective year. The net overrecovery (underrecovery) of costs during the period represents fuel clause collections from customers which were higher (lower) than fuel and energy costs incurred. The increase in deferred clause and franchise expenses and decrease in deferred clause and franchise revenues (current and noncurrent, collectively) on FPL Group's and FPL's condensed consolidated balance sheets at September 30, 2007 totaling approximately $94 million negatively affected FPL Group's and FPL's cash flows from operations for the nine months ended September 30, 2007.

FPL's O&M expenses for the three and nine months ended September 30, 2007 increased $43 million and $50 million, respectively, reflecting higher nuclear costs of approximately $8 million and $30 million, respectively, and higher fossil generation, customer service and employee benefit costs (collectively, approximately $18 million and $24 million, respectively). The increase in nuclear costs for the nine-month period also reflects a partial reversal in the second quarter of 2006 of anticipated sleeving costs recorded in 2005 in order to comply with the Nuclear Regulatory Commission (NRC) regulations concerning steam generator tube plugging. FPL did not spend these anticipated costs during the spring 2006 outage of the St. Lucie Unit No. 2 nuclear plant due to better than expected inspection results. In addition, distribution costs for the three months ended September 30, 2007 increased approximately $17 million reflecting increased Storm Secure Plan, restoration and support costs. Distribution costs for the nine-month period declined approximately $7 million reflecting fewer new service accounts and the prior-year period reflecting additional fleet and 2005 storm carryover expenses, partly offset by higher Storm Secure Plan costs. Other changes in O&M expenses were primarily driven by pass-through costs which did not significantly affect net income.

In June 2007, the FPSC denied FPL's petition for need for two ultra super critical pulverized coal generating units in Glades County, Florida. In July 2007, FPL filed a petition with the FPSC requesting authorization to defer, until the next retail base rate proceeding, approximately $35 million of preconstruction costs associated with the coal units, with amortization over a five-year period beginning when new base rates are implemented. These costs are currently reflected in other assets on FPL Group's and FPL's condensed consolidated balance sheets. If the petition is not approved, the $35 million will be expensed. A decision is expected in late November 2007. In September 2007, FPL filed a need petition with the FPSC for the addition of approximately 400 mw of baseload capacity at FPL's existing nuclear units at St. Lucie and Turkey Point, which is projected to be in service by the end of 2012. An FPSC decision is expected in late January 2008. Additionally, in October 2007, FPL filed a need petition with the FPSC for two additional nuclear units totaling between 2,200 mw and 3,000 mw of baseload capacity at its Turkey Point site, which are projected to be in service by 2020. The estimated costs of the nuclear uprates and the new nuclear units are not included in the capital expenditures table in Note 9 – Commitments.

Depreciation and amortization expense for the three and nine months ended September 30, 2007 decreased $3 million and $13 million, respectively. Depreciation and amortization for the three and nine months ended September 30, 2006 included approximately $11 million and $33 million, respectively, of amortization of litigation costs that FPL had been recovering through cost recovery clauses over a five-year period that began January 1, 2002. The remaining change in depreciation and amortization expense reflects higher depreciation on transmission and distribution facilities to support customer growth and demand, and depreciation on Turkey Point Unit No. 5, a 1,144 mw natural gas-fired generating unit that commenced commercial operation on May 1, 2007.

Interest charges for the three and nine months ended September 30, 2007 reflect approximately $9 million and $13 million, respectively, of interest on the storm-recovery bonds (see Note 7 – Securitization), which is being collected from customers through a separate surcharge, as well as additional interest on other borrowings.

FPL Energy – FPL Energy's net income for the three months ended September 30, 2007 and 2006 was $220 million and $218 million, respectively, an increase of $2 million. FPL Energy's net income for the nine months ended September 30, 2007 and 2006 was $468 million and $462 million, respectively, an increase of $6 million. The primary drivers, on an after-tax basis, of these increases were as follows:

	Increase (Decrease)	
	Three Months Ended September 30, 2007	Nine Months Ended September 30, 2007
	(millions)	
New investments [a]	$ 8	$ 52
Existing assets [a]	22	52
Full energy and capacity requirements services and trading	11	44
Restructuring activities and asset sales	-	1
Interest expense and other	(5)	(38)
Change in unrealized mark-to-market non-qualifying hedge activity [b]	(34)	(105)
Net income increase	$ 2	$ 6

(a) Includes PTCs on wind projects but does not include allocation of interest expense or corporate general and administrative expenses. See Note 3 for a discussion of PTCs and Note 10 for a discussion of interest expense allocation. Results from new projects are included in new investments during the first twelve months of operation. A project's results are included in existing assets beginning with the thirteenth month of operation.

(b) For discussion of derivative instruments, see Note 2 and Summary.

The increase in FPL Energy's results from new investments reflects the addition of over 2,100 mw of primarily wind and nuclear generation during or after the three months ended September 30, 2006 and over 3,000 mw of primarily wind and nuclear generation during or after the nine months ended September 30, 2006. The mw increases include 1,023 mw for Point Beach which was acquired on September 28, 2007 and did not significantly affect reported results from new investments for the three and nine months ended September 30, 2007. The existing asset portfolio for the three and nine months ended September 30, 2007 benefited from improved market conditions in the New England Power Pool (NEPOOL) and Electric Reliability Council of Texas (ERCOT) regions partially offset by the effect of the completion, in January 2007, of the amortization of deferred income under a power purchase agreement related to a combined-cycle plant in the NEPOOL region and lower wind results. Results in the NEPOOL and the PJM regions also benefited from new FERC-approved forward capacity markets that began in those regions in December 2006 and June 2007, respectively. In August 2007, the NRC accepted an industry analysis conducted to address alloy 600 concerns and the NRC will not require Seabrook to accelerate its outage into 2007. FPL Energy will upgrade Seabrook's pressurizer penetrations with alloy 600 weld materials during its spring 2008 scheduled refueling outage.

FPL Energy's financial results for the three and nine months ended September 30, 2007 benefited from increased gains from its full energy and capacity requirements services and trading activities. Full energy and capacity requirements services included 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.

Interest expense and other for the three and nine months ended September 30, 2007 reflects higher interest expense due to higher debt balances as a result of growth in the business. In addition, interest expense and other includes higher corporate general and administrative expenses to support the growth in the business.

For the three and nine months ended September 30, 2007, FPL Energy's net unrealized mark-to-market non-qualifying hedge activity resulted in after-tax gains of approximately $40 million and after-tax losses of approximately $28 million, respectively. For the three and nine months ended September 30, 2006, FPL Energy's net unrealized mark-to-market non-qualifying hedge activity resulted in after-tax gains of approximately $74 million and 77 million, respectively. The change in unrealized mark-to-market activity is primarily attributable to changes in forward power and natural gas prices, as well as the reversal of previously recognized unrealized mark-to-market gains/losses as the underlying transactions are realized.

FPL Energy's operating revenues for the three months ended September 30, 2007 decreased $53 million reflecting $42 million of unrealized mark-to-market gains from non-qualifying hedges as compared to $196 million of such gains in the 2006 period. FPL Energy's operating revenues for the nine months ended September 30, 2007 decreased $208 million reflecting $206 million of unrealized mark-to-market losses from non-qualifying hedges as compared to $448 million of gains on such hedges in the 2006 period. Excluding these mark-to-market changes, operating revenues for the three and nine months ended September 30, 2007 increased primarily due to project additions, favorable market conditions in the NEPOOL and ERCOT regions, higher capacity revenues associated with the new forward capacity markets and increased gains from full energy and capacity requirements services.

FPL Energy's operating expenses for the three months ended September 30, 2007 decreased $44 million reflecting $20 million of unrealized mark-to-market gains from non-qualifying hedges compared to $74 million of losses on such hedges in the 2006 period. FPL Energy's operating expenses for the nine months ended September 30, 2007 decreased $190 million reflecting $155 million of unrealized mark-to-market gains from non-qualifying hedges compared to $303 million of losses on such hedges in the 2006 period. Excluding these mark-to-market changes which are reflected in fuel, purchased power and interchange expense in FPL Group's condensed consolidated statements of income, operating expenses increased primarily due to additional O&M and depreciation and amortization expenses associated with project additions, higher plant maintenance expenses and higher corporate general and administrative expenses to support the growth in the business and, also for the nine months ended September 30, 2007, increased fuel costs as a result of market conditions.

Equity in earnings of equity method investees decreased $6 million and $16 million for the three and nine months ended September 30, 2007, respectively, primarily due to the effect of the completion, in January 2007, of the amortization of deferred income under a power purchase agreement related to a combined-cycle plant in the NEPOOL region and the receipt in the second quarter of 2006 of a partial settlement related to an Indonesian development project. These factors were partially offset by unrealized mark-to-market gains from non-qualifying hedges of $1 million for each of the three and nine months ended September 30, 2007 as compared to $6 million and $22 million of losses on such hedges in the comparable periods in 2006.

PTCs from FPL Energy's wind projects are reflected in FPL Energy's earnings. PTCs are recognized as wind energy is generated and sold based on a per kwh rate prescribed in applicable federal and state statutes, and amounted to approximately $43 million and $146 million for the three and nine months ended September 30, 2007, respectively, and approximately $35 million and $115 million for the comparable periods in 2006. See Note 3.

In September 2007, FPL Energy completed the acquisition of Point Beach, a two-unit, 1,023 mw nuclear power plant located in Wisconsin from Wisconsin Electric Power Company (We Energies). FPL Energy purchased the plant, including nuclear fuel, inventory and other items, for a total of approximately $935 million. All of the power from Point Beach is being sold under a long-term power purchase contract to We Energies through the current NRC license terms of 2030 for Unit 1 and 2033 for Unit 2. FPL Energy is responsible for management and operation of the plant, as well as for the ultimate decommissioning of the facility, and received $390 million of decommissioning funds at closing. See Note 5.

FPL Energy expects its future portfolio capacity growth to come primarily from wind development and from asset acquisitions. FPL Energy plans to add a total of at least 2,000 mw of new wind generation over the 2007 and 2008 period, of which over 550 mw are in service and a total of more than 1,000 mw is expected to be in service by year end 2007.

Corporate and Other – Corporate and Other is primarily comprised of interest expense, the operating results of FPL FiberNet and other business activities, as well as corporate interest income and expenses. 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. Each subsidiary's income taxes are calculated based on the "separate return method," except that tax benefits that could not be utilized on a separate return basis, but are utilized on the consolidated tax return, are recorded by the subsidiary. Any remaining consolidated income tax adjustments are recorded at Corporate and Other. The major components of Corporate and Other results, on an after-tax basis, are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
	(millions)			
Interest expense	$ (22)	$ (25)	$ (66)	$ (72)
Interest income	5	1	15	4
Merger-related costs	-	(7)	-	(13)
Federal and state tax benefits	3	11	3	1
Other	1	1	5	(1)
Net loss	$ (13)	$ (19)	$ (43)	$ (81)

Interest expense reflects lower average debt balances and interest income reflects earnings on temporary investments which had been accumulated to purchase Point Beach. For the nine-month period, interest income also reflects the net interest recorded on unrecognized tax benefits in accordance with the provisions of FIN 48. See Note 3. The merger-related costs represent costs associated with the proposed merger between FPL Group and Constellation Energy, which was terminated in October 2006. The federal and state tax benefits reflect FPL Energy's growth throughout the United States and other consolidating tax adjustments. The federal and state tax benefits for the nine months ended September 30, 2006 were partially offset by a $7 million deferred income tax expense resulting from Texas franchise tax legislation enacted in 2006.

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 and investments in or acquisitions of assets and businesses, to pay maturing debt obligations and, from time to time, to redeem outstanding debt 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 respective financing strategies.

Cash Flow – The changes in cash and cash equivalents are summarized as follows:

	FPL Group		FPL	
	Nine Months Ended September 30,			
	2007	2006	2007	2006
	(millions)			
Net cash provided by operating activities	$ 2,746	$ 1,420	$ 1,892	$ 1,192
Net cash used in investing activities	(3,882)	(2,906)	(1,639)	(1,405)
Net cash provided by (used in) financing activities	866	1,115	(261)	221
Net increase (decrease) in cash and cash equivalents	$ (270)	$ (371)	$ (8)	$ 8

FPL Group's cash and cash equivalents decreased for the nine months ended September 30, 2007 reflecting capital investments by FPL and FPL Energy, the payment of common stock dividends to FPL Group shareholders and an increase in customer receivables. These outflows were partially offset by cash generated by net income, net issuances of both long- and short-term debt, the return to FPL and FPL Energy of margin cash deposits from their counterparties and a distribution from KBC.

FPL Group's cash flows from operating activities for the nine months ended September 30, 2007 reflect cash generated by net income, the return of margin cash deposits posted in prior periods with FPL and FPL Energy counterparties due to changing energy prices, and the receipt of distributions from equity method investees, including a distribution from KBC as a result of a court judgment, partially offset by increases in customer receivables at both FPL and FPL Energy.

FPL Group's cash flows from investing activities for the nine months ended September 30, 2007 reflect capital investments of approximately $1.3 billion by FPL to meet customer demand and costs associated with its Storm Secure Plan and independent power investments at FPL Energy of approximately $2.2 billion, including the purchase of Point Beach. See Note 5. FPL Group's cash flows from investing activities also include amounts related to the purchase and sale of restricted securities held in the special use funds, including the reinvestment of fund earnings and new contributions, as well as other investment activity.

During the nine months ended September 30, 2007, FPL Group generated proceeds of approximately $2.9 billion from financing activities, including the issuance of $300 million in FPL first mortgage bonds, the issuance of $652 million in storm-recovery bonds by an FPL subsidiary, the issuance of $1.0 billion in junior subordinated debentures by FPL Group Capital, the issuance of $700 million in limited-recourse senior secured notes by indirect wholly-owned subsidiaries of FPL Energy, the borrowing of $50 million by FPL Group Capital under a term loan facility and a net increase in short-term debt of approximately $220 million (including a $179 million increase at FPL). During the nine months ended September 30, 2007, FPL Group paid out approximately $2.0 billion for financing activities, including $1.075 billion for maturing FPL Group Capital debentures, $250 million for the early repayment of an FPL revolving term loan facility, $173 million of principal payments on FPL Energy subsidiary debt and $490 million for the payment of dividends on FPL Group's common stock. In January 2007, an indirect wholly-owned subsidiary of FPL Energy entered into an interest rate swap agreement to pay a fixed rate of 5.39% on approximately $547 million of its variable rate limited recourse debt in order to limit cash flow exposure. For the nine months ended September 30, 2007, FPL paid dividends to FPL Group of approximately $1.1 billion.

FPL Group's cash flows for the nine months ended September 30, 2006 benefited from net issuances of debt, the issuance of common stock and the recovery from customers of previously incurred fuel and storm costs at FPL, which were offset by an increase in FPL's customer receivables and the return of cash collateral (margin cash deposits) primarily to FPL counterparties. The funds generated were used to pay for capital expenditures at FPL, additional investments at FPL Energy, common stock dividends, storm-related costs at FPL and to carry an increase in fossil fuel inventory.

Guarantees and Letters of Credit – FPL Group and FPL obtain letters of credit and issue guarantees to facilitate commercial transactions with third parties and financings. At September 30, 2007, FPL Group had standby letters of credit of approximately $599 million ($58 million for FPL) and approximately $7,794 million notional amount of guarantees ($630 million for FPL), of which approximately $5,109 million ($58 million for FPL) have expirations within the next five years. An aggregate of approximately $306 million of the standby letters of credit at September 30, 2007 were issued under FPL's and FPL Group Capital's credit facilities. See Available Liquidity below. These letters of credit and guarantees support the buying and selling of wholesale energy commodities, debt-related reserves, nuclear activities, the commercial paper program of FPL's consolidated variable interest entity from which it leases nuclear fuel and other contractual agreements. Each of FPL Group and FPL believe it is unlikely that it would incur any liabilities associated with these letters of credit and guarantees. At September 30, 2007, FPL Group and FPL did not have any liabilities recorded for these letters of credit and guarantees. In addition, FPL Group has guaranteed certain payment obligations of FPL Group Capital, including most of its debt and all of its debentures and commercial paper issuances, as well as most of its payment guarantees, and FPL Group Capital has guaranteed certain debt and other obligations of FPL Energy and its subsidiaries. See Note 9 – Commitments.

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 becoming liable for liquidated damages. Based on past performance of these and similar projects and current forward prices, management believes that the exposure associated with these liquidated damages provisions is not material.

Available Liquidity – At September 30, 2007, FPL Group's total available net liquidity was approximately $6.8 billion, of which FPL's was approximately $2.8 billion. The components of each company's net available liquidity at September 30, 2007 were as follows:

	FPL	FPL Group Capital	FPL Group	FPL Group Consolidated	Maturity Date: FPL	Maturity Date: FPL Group Capital
	(millions)					
Bank revolving lines of credit [a]	$ 2,500	$ 4,000	$ -	$ 6,500	April 2012	April 2012
Less letters of credit	43	263	-	306		
	2,457	3,737	-	6,194		
Revolving term loan facility	250	-	-	250	May 2011	
Less borrowings	-	-	-	-		
	250	-	-	250		
Cash and cash equivalents	56	282	12	350		
Net available liquidity	$ 2,763	$ 4,019	$ 12	$ 6,794		

[a] Provides for the issuance of letters of credit up to $6.5 billion and are available to support the companies' commercial paper programs and to provide additional liquidity in the event of a loss to the companies' or their subsidiaries' operating facilities (including, in the case of FPL, a transmission and distribution property loss), as well as for general corporate purposes.

FPL Group (which guarantees the payment of FPL Group Capital's credit facilities pursuant to a 1998 guarantee agreement) is required to maintain a minimum ratio of funded debt to total capitalization under the terms of FPL Group Capital's credit facility. FPL is required to maintain a minimum ratio of funded debt to total capitalization under the terms of FPL's credit facility and revolving term loan facility. At September 30, 2007, each of FPL Group and FPL was in compliance with its respective ratio.

In addition to the amounts in the table above, 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, 2007, there were no amounts outstanding for either FPL Group Capital or FPL under the uncommitted credit facilities.

In addition, FPL has restricted funds set aside (included in special use funds on FPL Group's and FPL's condensed consolidated balance sheets) that provide FPL the capacity to absorb up to approximately $200 million in future prudently incurred storm restoration costs without seeking recovery through a rate adjustment from the FPSC. See Note 7 – Securitization. Also, an indirect wholly-owned subsidiary of FPL Energy has established a $100 million letter of credit facility which expires in 2017 and serves as security for certain obligations under commodity hedge agreements entered into by the subsidiary.

Shelf Registration – In September 2006, FPL Group, FPL Group Capital, FPL and certain affiliated trusts filed a shelf registration statement with the U.S. Securities and Exchange Commission (SEC) for an unspecified amount of securities. The amount of securities issuable by the companies is established from time to time by their respective board of directors. As of November 1, 2007, securities that may be issued under the registration statement, as subsequently amended, which became effective upon filing, include, depending on the registrant, senior debt securities, subordinated debt securities, first mortgage bonds, preferred trust securities, common stock, stock purchase contracts, stock purchase units, preferred stock and guarantees related to certain of those securities. As of November 1, 2007, FPL Group and FPL Group Capital had $1.0 billion (issuable by either or both of them up to such aggregate amount) of board-authorized available capacity, and FPL had $400 million of board-authorized available capacity.

Covenants – 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, among other things, dividends paid to it by its subsidiaries. FPL pays dividends to FPL Group in a manner consistent with FPL's long-term targeted capital structure. The mortgage and deed of trust securing FPL's first mortgage bonds (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.

Under the mortgage, in some cases, the amount of retained earnings that FPL can use to pay cash dividends on its common stock is restricted. 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 September 30, 2007, 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 September 30, 2007, coverage for the 12 months ended September 30, 2007 would have been approximately seven times the annual interest requirements and approximately four 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 property 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 September 30, 2007, FPL could have issued in excess of $6.0 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 September 30, 2007, no cash was deposited with the mortgage trustee for these purposes.

In June 2007, FPL Group and FPL Group Capital executed a Replacement Capital Covenant (June 2007 RCC) in connection with FPL Group Capital's offering of $400 million principal amount of its Series C Junior Subordinated Debentures due 2067 (Series C junior subordinated debentures). The June 2007 RCC is for the benefit of persons that buy, hold or sell a specified series of long-term indebtedness (covered debt) of FPL Group Capital (other than the Series C junior subordinated debentures) or, in certain cases, of FPL Group. FPL Group Capital Trust I's 5 7/8% Preferred Trust Securities have been initially designated as the covered debt under the June 2007 RCC. The June 2007 RCC provides that FPL Group Capital may redeem or purchase, or satisfy, discharge or defease (collectively, defease), and FPL Group and any majority-owned subsidiary of FPL Group or FPL Group Capital may purchase, any Series C junior subordinated debentures on or before June 15, 2037, only to the extent that the principal amount defeased or the applicable redemption or purchase price does not exceed a specified amount raised from the issuance, during the 180 days prior to the date of that redemption, purchase or defeasance, of qualifying securities that have equity-like characteristics that are the same as, or more equity-like than, the applicable characteristics of the Series C junior subordinated debentures at the time of redemption, purchase or defeasance, subject to certain limitations described in the June 2007 RCC.

In September 2007, FPL Group and FPL Group Capital executed a Replacement Capital Covenant (September 2007 RCC) in connection with FPL Group Capital's offering of $250 million principal amount of its Series D Junior Subordinated Debentures due 2067 and $350 million principal amount of Series E Junior Subordinated Debentures due 2067 (collectively, Series D and Series E junior subordinated debentures). The September 2007 RCC is for the benefit of persons that buy, hold or sell a specified series of covered debt of FPL Group Capital (other than the Series D and Series E junior subordinated debentures) or, in certain cases, of FPL Group. FPL Group Capital Trust I's 5 7/8% Preferred Trust Securities have been initially designated as the covered debt under the September 2007 RCC. The September 2007 RCC provides that FPL Group Capital may redeem, purchase, or defease, and FPL Group and any majority-owned subsidiary of FPL Group or FPL Group Capital may purchase, any Series D and Series E junior subordinated debentures on or before September 1, 2037, only to the extent that the principal amount defeased or the applicable redemption or purchase price does not exceed a specified amount raised from the issuance, during the 180 days prior to the date of that redemption, purchase or defeasance, of qualifying securities that have equity-like characteristics that are the same as, or more equity-like than, the applicable characteristics of the Series D and Series E junior subordinated debentures at the time of redemption, purchase or defeasance, subject to certain limitations described in the September 2007 RCC.

Accumulated Other Comprehensive Income (Loss)

FPL Group's total other comprehensive income (loss) activity is as follows:

	Accumulated Other Comprehensive Income (Loss)						
	Nine Months Ended September 30,						
	2007				2006		
	Net Unrealized Gains (Losses) On Cash Flow Hedges	Pension and Other Benefits	Other	Total	Net Unrealized Gains (Losses) On Cash Flow Hedges	Other	Total
				(millions)			
Balances at December 31 of prior year	$ (25)	$ 98	$ 42	$ 115	$ (215)	$ 22	$ (193)
Net unrealized gains (losses) on commodity cash flow hedges:							
Effective portion of net unrealized gains (losses) (net of $18 tax benefit and $98 tax expense, respectively)	(26)	-	-	(26)	143	-	143
Reclassification from OCI to net income (net of $14 and $19 tax expense, respectively)	20	-	-	20	28	-	28
Net unrealized gains (losses) on interest rate cash flow hedges:							
Effective portion of net unrealized losses (net of $4 and $0.6 tax benefit, respectively)	(5)	-	-	(5)	(1)	-	(1)
Reclassification from OCI to net income (net of $2 tax benefit and $1 tax expense, respectively)	(4)	-	-	(4)	2	-	2
Net unrealized gains on available for sale securities (net of $11 and $6 tax expense, respectively)	-	-	17	17	-	10	10
Supplemental retirement plan liability adjustment (net of $0.5 tax expense in 2006)	-	-	-	-	-	1	1
Defined benefit pension and other benefits plans (net of $1 tax benefit in 2007)	-	(2)	-	(2)	-	-	-
Balances at September 30	$ (40)	$ 96	$ 59	$ 115	$ (43)	$ 33	$ (10)

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 swaps, options and forwards) to manage the commodity price risk inherent in the purchase and sale of fuel and electricity, as well as to optimize the value of power generation assets. FPL Energy provides full energy and capacity requirements services primarily to distribution utilities, which include load-following services and various ancillary services, in certain markets and engages in 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 condensed consolidated balance sheets as either an asset or liability 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 or 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 on a net basis 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. See Note 2.

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, 2007 were as follows:

	Trading	Hedges on Owned Assets: Non-Qualifying	Hedges on Owned Assets: OCI	Hedges on Owned Assets: FPL Cost Recovery Clauses	FPL Group Total
			(millions)		
Three months ended September 30, 2007					
Fair value of contracts outstanding at June 30, 2007	$ (9)	$ (96)	$ (106)	$ (459)	$ (670)
Reclassification to realized at settlement of contracts	(1)	4	1	227	231
Effective portion of changes in fair value recorded in OCI	-	-	39	-	39
Ineffective portion of changes in fair value recorded in earnings	-	5	-	-	5
Changes in fair value excluding reclassification to realized	4	51	-	(140)	(85)
Fair value of contracts outstanding at September 30, 2007	(6)	(36)	(66)	(372)	(480)
Net option premium payments (receipts)	-	(1)	-	28	27
Total mark-to-market energy contract net assets (liabilities) at September 30, 2007	$ (6)	$ (37)	$ (66)	$ (344)	$ (453)

	Trading	Hedges on Owned Assets: Non-Qualifying	Hedges on Owned Assets: OCI	Hedges on Owned Assets: FPL Cost Recovery Clauses	FPL Group Total
			(millions)		
Nine months ended September 30, 2007					
Fair value of contracts outstanding at December 31, 2006	$ 5	$ 8	$ (56)	$ (921)	$ (964)
Reclassification to realized at settlement of contracts	(6)	(59)	34	676	645
Value of contracts purchased/previously not consolidated	-	23	-	-	23
Effective portion of changes in fair value recorded in OCI	-	-	(44)	-	(44)
Ineffective portion of changes in fair value recorded in earnings	-	1	-	-	1
Changes in fair value excluding reclassification to realized	(5)	(9)	-	(127)	(141)
Fair value of contracts outstanding at September 30, 2007	(6)	(36)	(66)	(372)	(480)
Net option premium payments (receipts)	-	(1)	-	28	27
Total mark-to-market energy contract net assets (liabilities) at September 30, 2007	$ (6)	$ (37)	$ (66)	$ (344)	$ (453)

FPL Group's total mark-to-market energy contract net assets (liabilities) at September 30, 2007 shown above are included in the condensed consolidated balance sheet as follows:

	September 30, 2007
	(millions)
Current derivative assets	$ 236
Other assets	70
Current derivative liabilities	(544)
Non-current derivative liabilities	(215)
FPL Group's total mark-to-market energy contract net assets (liabilities)	$ (453)

The sources of fair value estimates and maturity of energy contract derivative instruments at September 30, 2007 were as follows:

	Maturity: 2007	2008	2009	2010	2011	Thereafter	Total
				(millions)			
Trading:							
Actively quoted (i.e., exchange traded) prices	$ (15)	$ 3	$ 8	$ (5)	$ -	$ -	$ (9)
Prices provided by other external sources	(4)	(10)	2	-	1	1	(10)
Modeled	19	9	(13)	(2)	-	-	13
Total	-	2	(3)	(7)	1	1	(6)
Owned Assets – Non-Qualifying:							
Actively quoted (i.e., exchange traded) prices	(34)	(33)	(3)	(20)	(21)	(17)	(128)
Prices provided by other external sources	44	27	9	-	-	(36)	44
Modeled	27	37	(4)	(6)	(1)	(5)	48
Total	37	31	2	(26)	(22)	(58)	(36)
Owned Assets – OCI:							
Actively quoted (i.e., exchange traded) prices	(3)	(21)	(20)	(11)	(4)	-	(59)
Prices provided by other external sources	-	-	-	-	-	-	-
Modeled	(1)	(6)	-	-	-	-	(7)
Total	(4)	(27)	(20)	(11)	(4)	-	(66)
Owned Assets – FPL Cost Recovery Clauses:							
Actively quoted (i.e., exchange traded) prices	(194)	(217)	-	-	-	-	(411)
Prices provided by other external sources	-	40	-	-	-	-	40
Modeled	4	(2)	(3)	-	-	-	(1)
Total	(190)	(179)	(3)	-	-	-	(372)
Total sources of fair value	$ (157)	$ (173)	$ (24)	$ (44)	$ (25)	$ (57)	$ (480)

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, 2006 were as follows:

	Trading	Hedges on Owned Assets: Non-Qualifying	Hedges on Owned Assets: OCI	Hedges on Owned Assets: FPL Cost Recovery Clauses	FPL Group Total
			(millions)		
Three months ended September 30, 2006					
Fair value of contracts outstanding at June 30, 2006	$ 4	$ (157)	$ (245)	$ (248)	$ (646)
Reclassification to realized at settlement of contracts	3	44	13	210	270
Effective portion of changes in fair value recorded in OCI	-	-	147	-	147
Ineffective portion of changes in fair value recorded in earnings	-	12	-	-	12
Changes in fair value excluding reclassification to realized	(6)	62	-	(839)	(783)
Fair value of contracts outstanding at September 30, 2006	1	(39)	(85)	(877)	(1,000)
Net option premium payments (receipts)	(1)	16	-	159	174
Total mark-to-market energy contract net assets (liabilities) at September 30, 2006	$ -	$ (23)	$ (85)	$ (718)	$ (826)

	Trading	Hedges on Owned Assets: Non-Qualifying	Hedges on Owned Assets: OCI	Hedges on Owned Assets: FPL Cost Recovery Clauses	FPL Group Total
			(millions)		
Nine months ended September 30, 2006					
Fair value of contracts outstanding at December 31, 2005	$ 2	$ (176)	$ (373)	$ 757	$ 210
Reclassification to realized at settlement of contracts	18	80	46	64	208
Effective portion of changes in fair value recorded in OCI	-	-	242	-	242
Ineffective portion of changes in fair value recorded in earnings	-	23	-	-	23
Changes in fair value excluding reclassification to realized	(19)	34	-	(1,698)	(1,683)
Fair value of contracts outstanding at September 30, 2006	1	(39)	(85)	(877)	(1,000)
Net option premium payments (receipts)	(1)	16	-	159	174
Total mark-to-market energy contract net assets (liabilities) at September 30, 2006	$ -	$ (23)	$ (85)	$ (718)	$ (826)

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. With respect to commodities, 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 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, 2007 and December 31, 2006, the VaR figures were as follows:

	Trading: FPL	Trading: FPL Energy	Trading: FPL Group	Non-Qualifying Hedges and Hedges in OCI and FPL Cost Recovery Clauses [a]: FPL	Non-Qualifying Hedges and Hedges in OCI and FPL Cost Recovery Clauses [a]: FPL Energy	Non-Qualifying Hedges and Hedges in OCI and FPL Cost Recovery Clauses [a]: FPL Group	Total: FPL	Total: FPL Energy	Total: FPL Group
					(millions)				
December 31, 2006	$ -	$ 2	$ 2	$ 89	$ 57	$ 54	$ 89	$ 60	$ 56
September 30, 2007	$ -	$ 3	$ 3	$ 79	$ 35	$ 51	$ 79	$ 33	$ 53
Average for the nine months ended September 30, 2007	$ -	$ 2	$ 2	$ 74	$ 37	$ 48	$ 74	$ 36	$ 49

[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 and FPL cost recovery clauses 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 respective issuances of debt, investments in special use funds and interest rate swaps. FPL Group and FPL manage their respective interest rate exposure by monitoring current interest rates, entering into interest rate swaps 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, 2007		December 31, 2006	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
	(millions)			
FPL Group:				
Long-term debt, including current maturities	$ 12,495	$ 12,333[a]	$ 11,236	$ 11,314[a]
Fixed income securities:				
Special use funds	$ 1,983	$ 1,983[b]	$ 1,430	$ 1,430[b]
Other investments	$ 108	$ 108[b]	$ 93	$ 93[b]
Interest rate swaps – net unrealized gain (loss)	$ (5)	$ (5)[c]	$ 6	$ 6[c]
FPL:				
Long-term debt, including current maturities	$ 4,912	$ 4,784[a]	$ 4,214	$ 4,208[a]
Fixed income securities:				
Special use funds	$ 1,403	$ 1,403[b]	$ 1,235	$ 1,235[b]

(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 and FPL consist of 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. At FPL, adjustments to market value result in a corresponding adjustment to the related liability accounts based on current regulatory treatment. The market value adjustments of FPL Group's non-rate regulated operations result in a corresponding adjustment to OCI, except for impairments deemed to be other-than-temporary which are reported in current period earnings. 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 2014 (2032 at FPL).

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, 2007, 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)
Cash flow hedges – FPL Energy:					
$ 85	August 2002	December 2007	4.410%	variable[a]	$ -
$ 169	August 2003	November 2007	3.557%	variable[a]	-
$ 4	February 2005	June 2008	4.255%	variable[a]	-
$ 70	December 2003	December 2017	4.245%	variable[a]	2
$ 23	April 2004	December 2017	3.845%	variable[a]	1
$ 217	December 2005	November 2019	4.905%	variable[a]	1
$ 527	January 2007	January 2022	5.390%	variable[b]	(9)
Total interest rate hedges					$ (5)

(a) Three-month LIBOR
(b) Six-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 $564 million ($219 million for FPL) at September 30, 2007.

Equity price risk – Included in the nuclear decommissioning reserve funds of FPL Group are marketable equity securities carried at their market value of approximately $1,516 million and $1,395 million ($1,107 million and $1,029 million for FPL) at September 30, 2007 and December 31, 2006, respectively. A hypothetical 10% decrease in the prices quoted by stock exchanges, which is a reasonable near-term market change, would result in a $152 million ($111 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, 2007.

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, 2007, approximately 97% of FPL Group's and 100% of FPL's energy marketing and trading counterparty credit risk exposure is associated with companies that have 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, 2007, each of 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 their respective disclosure controls and procedures will be met.

(b) Changes in Internal Control over Financial Reporting

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 2006 Form 10-K for FPL Group and FPL and Part II, Item 1. Legal Proceedings in the Quarterly Report on Form 10-Q for each of the quarterly periods ended March 31, 2007 and June 30, 2007 for FPL Group and FPL.

In the FMPA case, with regard to FMPA's protest of FPL's compliance filing with respect to the rate base issue, in September 2007, FMPA filed a motion requesting that the FERC promptly issue a decision. The FERC has yet to act.

In the Adelphia lawsuit, the trial has been rescheduled for January 2009.

In the Finestone and Blake/Lowe lawsuits, oral argument before the U.S. Court of Appeals for the Eleventh Circuit is scheduled for November 28, 2007.

In the TXU case, a hearing on post-trial motions has been conducted to conform the jury verdict and trial court rulings into a final judgment.

In the PT Pertamina lawsuit, in September 2007, the U.S. Court of Appeals for the Second Circuit affirmed the anti-suit injunction against PT Pertamina, which precludes it from commencing any similar fraud action against KBC anywhere in the world. In accordance with the terms of the anti-suit injunction, the Cayman Islands action was dismissed by the Grand Court of the Cayman Islands in October 2007.

Item 1A. Risk Factors

There were no material changes from the risk factors disclosed in FPL Group's and FPL's 2006 Form 10-K. The factors discussed in Part I, Item 1A. Risk Factors in FPL Group's and FPL's 2006 Form 10-K, as well as other information set forth in this report, which could materially affect FPL Group's and FPL's businesses, financial condition and/or future operating results should be carefully considered. The risks described in FPL Group's and FPL's 2006 Form 10-K are not the only risks facing FPL Group and FPL. Additional risks and uncertainties not currently known to FPL Group or FPL, or that are currently deemed to be immaterial, also may materially adversely affect FPL Group's or FPL's business, financial condition and/or future operating results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table presents information regarding purchases made by FPL Group of its common stock:

Period	Total Number of Shares Purchased [a]	Average Price Paid per Share [a]	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]
7/1/07 – 7/31/07	1,926	$ 56.70	-	20,000,000
8/1/07 – 8/31/07	2,153	$ 60.20	-	20,000,000
9/1/07 – 9/30/07	-	$ -	-	20,000,000
Total	4,079		-	

[a] Shares of common stock purchased from employees to pay certain withholding taxes upon the vesting of stock awards granted to such employees under the FPL Group, Inc. Amended and Restated Long Term Incentive Plan.

[b] In February 2005, FPL Group's Board of Directors authorized a common stock repurchase plan of up to 20 million shares of common stock over an unspecified period, which authorization was ratified and confirmed by the Board of Directors in December 2005.

Item 5. Other Information

(a) None

(b) None

(c) Other Events

Reference is made to Item 1. Business – FPL Group – Environmental, FPL Operations – Environmental and FPL Energy Operations – Environmental in the 2006 Form 10-K for FPL Group and FPL.

As a result of a January 2007 ruling by the U.S. Court of Appeals for the Second Circuit, the EPA has suspended its rule under Section 316(b) of the Clean Water Act. During the period the rule is suspended, the EPA has directed its permitting agencies to address Section 316(b) compliance based on best professional judgment when issuing permits.

Item 6. Exhibits

Exhibit Number	Description	FPL Group	FPL
*3(i)a	Restated Articles of Incorporation of FPL Group dated December 31, 1984, as amended through March 10, 2005 (filed as Exhibit 3(i) to Form S-4, File No. 333-124438)	x	
*3(i)b	Amendment to FPL Group's Restated Articles of Incorporation dated July 3, 2006 (filed as Exhibit 3(i) to Form 8-K dated June 30, 2006, File No. 1-8841)	x	
*3(i)c	Restated Articles of Incorporation of FPL dated March 23, 1992 (filed as Exhibit 3(i)a to Form 10-K for the year ended December 31, 1993, File No. 1-3545)		x
*3(i)d	Amendment to FPL's Restated Articles of Incorporation dated March 23, 1992 (filed as Exhibit 3(i)b to Form 10-K for the year ended December 31, 1993, File No. 1-3545)		x
*3(i)e	Amendment to FPL's Restated Articles of Incorporation dated May 11, 1992 (filed as Exhibit 3(i)c to Form 10-K for the year ended December 31, 1993, File No. 1-3545)		x
*3(i)f	Amendment to FPL's Restated Articles of Incorporation dated March 12, 1993 (filed as Exhibit 3(i)d to Form 10-K for the year ended December 31, 1993, File No. 1-3545)		x
*3(i)g	Amendment to FPL's Restated Articles of Incorporation dated June 16, 1993 (filed as Exhibit 3(i)e to Form 10-K for the year ended December 31, 1993, File No. 1-3545)		x
*3(i)h	Amendment to FPL's Restated Articles of Incorporation dated August 31, 1993 (filed as Exhibit 3(i)f to Form 10-K for the year ended December 31, 1993, File No. 1-3545)		x
*3(i)i	Amendment to FPL's Restated Articles of Incorporation dated November 30, 1993 (filed as Exhibit 3(i)g to Form 10-K for the year ended December 31, 1993, File No. 1-3545)		x
*3(i)j	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
*3(i)k	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
*3(i)l	Amendment to FPL's Restated Articles of Incorporation dated February 11, 2005 (filed as Exhibit 3(i)m to Form 10-K for the year ended December 31, 2004, File No. 2-27612)		x
*3(ii)a	Amended and Restated Bylaws of FPL Group, as amended through May 26, 2006 (filed as Exhibit 3(ii)a to Form 10-Q for the quarter ended June 30, 2006, 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)	Indenture (For Unsecured Subordinated Debt Securities) dated as of September 1, 2006, among FPL Group Capital, FPL Group (as Guarantor) and The Bank of New York (as Trustee) (filed as Exhibit 4(a) to Form 8-K dated September 19, 2006, File No. 1-8841)	x	
*4(b)	Officer's Certificate of FPL Group Capital and FPL Group dated September 17, 2007, creating the Series D Junior Subordinated Debentures due 2067 (filed as Exhibit 4(a) to Form 8-K dated September 17, 2007, File No. 1-8841)	x	

Exhibit Number	Description	FPL Group	FPL
*4(c)	Officer's Certificate of FPL Group Capital and FPL Group dated September 18, 2007, creating the Series E Junior Subordinated Debentures due 2067 (filed as Exhibit 4(b) to Form 8-K dated September 17, 2007, File No. 1-8841)	x	
*4(d)	Replacement Capital Covenant, dated September 18, 2007, by FPL Group Capital and FPL Group (filed as Exhibit 4(c) to Form 8-K dated September 17, 2007, File No. 1-8841)	x	
*4(e)	Mortgage and Deed of Trust dated as of January 1, 1944, and One hundred and twelve 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(l) 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; Exhibit 4(m) to Post-Effective Amendment No. 3 to Form S-3, File No. 333-102172; Exhibit 4(a) to Form 10-Q for the quarter ended September 30, 2004, File No. 2-27612; Exhibit 4(f) to Amendment No. 1 to Form S-3, File No. 333-125275; Exhibit 4(y) to Post-Effective Amendment No. 2 to Form S-3, File Nos. 333-116300, 333-116300-01 and 333-116300-02; Exhibit 4(z) to Post-Effective Amendment No. 3 to Form S-3, File Nos. 333-116300, 333-116300-01 and 333-116300-02; Exhibit 4(b) to Form 10-Q for the quarter ended March 31, 2006, File No. 2-27612; Exhibit 4(a) to Form 8-K dated April 17, 2007, File No. 2-27612; and Exhibit 4 to Form 8-K dated October 10, 2007, File No. 2-27612)	x	x
*10(a)	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(b)	Amendment One to the FPL Group, Inc. Deferred Compensation Plan effective January 1, 2007	x	x
10(c)	Non-Employee Director Compensation Summary effective January 1, 2008	x	
12(a)	Computation of Ratios	x	
12(b)	Computation of Ratios		x

Exhibit Number	Description	FPL Group	FPL
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.

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 1, 2007

K. MICHAEL DAVIS
K. Michael Davis
Controller and Chief Accounting Officer of FPL Group, Inc.
Vice President, Accounting 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, 2007	Years Ended December 31, 2006	2005	2004	2003	2002
			(millions of dollars)			
Earnings, as defined:						
Income before cumulative effect of changes in accounting principles	$ 1,088	$ 1,281	$ 901	$ 896	$ 906	$ 701
Preferred stock dividends of a consolidated subsidiary	-	-	-[b]	-[b]	13	15
Income taxes	360	397	282	272	376	247
Fixed charges included in the determination of net income, as below	579	732	622	516	401	328
Amortization of capitalized interest	9	11	11	8	4	2
Distributed income of equity method investees	128	104	86	83	68	96
Less: Equity in earnings of equity method investees	67	181	124	96	89	76
Total earnings, as defined	$ 2,097	$ 2,344	$ 1,778	$ 1,679	$ 1,679	$ 1,313
Fixed charges, as defined:						
Interest charges	$ 552	$ 706	$ 593	$ 489	$ 379	$ 311
Rental interest factor	17	15	16	16	17	14
Fixed charges included in nuclear fuel cost	-	-	-	-	1	3
Allowance for borrowed funds used during construction	10	11	13	11	4	-
Fixed charges included in the determination of net income	579	732	622	516	401	328
Capitalized interest	31	18	8	43	84	91
Dividend requirements on preferred stock of a Consolidated subsidiary before income taxes	-	-	-[b]	-[b]	20	23
Total fixed charges, as defined	$ 610	$ 750	$ 630	$ 559	$ 505	$ 442
Ratio of earnings to fixed charges and ratio of earnings to combined fixed charges and preferred stock dividends [a]	3.44	3.13	2.82	3.00	3.32	2.97

[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 was owned by FPL Group, Inc. and was eliminated in consolidation. Accordingly, those dividends are not included herein.

Exhibit 12(b)

FLORIDA POWER & LIGHT COMPANY 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, 2007 (millions of dollars)
Earnings, as defined:	
Net income	$ 663
Income taxes	358
Fixed charges, as below	239
Total earnings, as defined	$ 1,260
Fixed charges, as defined:	
Interest charges	$ 224
Rental interest factor	5
Allowance for borrowed funds used during construction	10
Total fixed charges, as defined	$ 239
Ratio of earnings to fixed charges and ratio of earnings to combined fixed charges and preferred stock dividends [a]	5.27

[a] Florida Power & Light Company 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 31(a)

Rule 13a-14(a)/15d-14(a) Certification

I, Lewis Hay, III, certify that:

1. I have reviewed this Form 10-Q for the quarterly period ended September 30, 2007 of FPL Group, Inc. (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: November 1, 2007

LEWIS HAY, III
Lewis Hay, III
Chairman of the Board
and Chief Executive Officer
of FPL Group, Inc.

Exhibit 31(b)

Rule 13a-14(a)/15d-14(a) Certification

I, Moray P. Dewhurst, certify that:

1. I have reviewed this Form 10-Q for the quarterly period ended September 30, 2007 of FPL Group, Inc. (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: November 1, 2007

MORAY P. DEWHURST
Moray P. Dewhurst
Vice President, Finance
and Chief Financial Officer
of FPL Group, Inc.

Exhibit 31(c)

Rule 13a-14(a)/15d-14(a) Certification

I, Lewis Hay, III, certify that:

1. I have reviewed this Form 10-Q for the quarterly period ended September 30, 2007 of Florida Power & Light Company (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: November 1, 2007

LEWIS HAY, III

Lewis Hay, III
Chairman of the Board
and Chief Executive Officer
of Florida Power & Light Company

Exhibit 31(d)

Rule 13a-14(a)/15d-14(a) Certification

I, Moray P. Dewhurst, certify that:

1. I have reviewed this Form 10-Q for the quarterly period ended September 30, 2007 of Florida Power & Light Company (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: November 1, 2007

MORAY P. DEWHURST
Moray P. Dewhurst
Senior Vice President, Finance
and Chief Financial Officer
of Florida Power & Light Company

Exhibit 32(a)

Section 1350 Certification

We, Lewis Hay, III and Moray P. Dewhurst, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Quarterly Report on Form 10-Q of FPL Group, Inc. (FPL Group) for the quarterly period ended September 30, 2007 (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 1, 2007

LEWIS HAY, III
Lewis Hay, III
Chairman of the Board
and Chief Executive Officer of FPL Group, Inc.

MORAY P. DEWHURST
Moray P. Dewhurst
Vice President, Finance
and Chief Financial Officer of FPL Group, Inc.

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 and Moray P. Dewhurst, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Quarterly Report on Form 10-Q of Florida Power & Light Company (FPL) for the quarterly period ended September 30, 2007 (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 1, 2007

LEWIS HAY, III
Lewis Hay, III
Chairman of the Board
and Chief Executive Officer of
Florida Power & Light Company

MORAY P. DEWHURST
Moray P. Dewhurst
Senior Vice President, Finance
and Chief Financial Officer of
Florida Power & Light Company

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).

Exhibit (c)-1G





UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended **December 31, 2007**

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

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

Indicate by check mark if the registrants are well-known seasoned issuers, as defined in Rule 405 of the Securities Act of 1933.
FPL Group, Inc. Yes __X__ No ____ Florida Power & Light Company Yes __X__ No ____

Indicate by check mark if the registrants are not required to file reports pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934.
FPL Group, Inc. Yes ____ No __X__ Florida Power & Light Company Yes ____ No __X__

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.
FPL Group, Inc. Yes __X__ No ____ Florida Power & Light Company Yes __X__ No ____

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

Indicate by check mark whether the registrants are a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Securities Exchange Act of 1934.
FPL Group, Inc. Large Accelerated Filer __X__ Accelerated Filer ____ Non-Accelerated Filer ____ Smaller Reporting Company ____
Florida Power & Light Company Large Accelerated Filer ____ Accelerated Filer ____ Non-Accelerated Filer __X__ Smaller Reporting Company ____
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrants are shell companies (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Yes ____ No __X__

Aggregate market value of the voting and non-voting common equity of FPL Group, Inc. held by non-affiliates as of June 30, 2007 (based on the closing market price on the Composite Tape on June 30, 2007) was $23,019,093,277.

There was no voting or non-voting common equity of Florida Power & Light Company held by non-affiliates as of June 30, 2007.

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, 2008: 407,370,071 shares.

As of January 31, 2008, 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 2008 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.

DEFINITIONS

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

Term	Meaning
AFUDC	allowance for funds used during construction
BART	Best Available Retrofit Technology
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
CO_2	carbon dioxide
DOE	U.S. Department of Energy
Duane Arnold	Duane Arnold Energy Center
EMF	electric and magnetic field(s)
EMT	Energy Marketing & Trading
2005 Energy Act	Energy Policy Act of 2005
environmental clause	environmental compliance cost recovery clause, as established by the FPSC
EPA	U.S. Environmental Protection Agency
ERCOT	Electric Reliability Council of Texas
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
Gulfstream	Gulfstream Natural Gas System, L.L.C.
Holding Company Act	Public Utility Holding Company Act of 2005
IRS	Internal Revenue Service
kv	kilovolt(s)
kwh	kilowatt-hour(s)
LIBOR	London InterBank Offered Rate
LTIP	FPL Group, Inc. Amended and Restated Long Term Incentive Plan
Management's Discussion	Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations
mortgage	mortgage and deed of trust dated as of January 1, 1944, from FPL to Deutsche Bank Trust Company Americas, as supplemented and amended
mw	megawatt(s)
NEPOOL	New England Power Pool
Note ___	note ___ to consolidated financial statements
NOx	nitrogen oxide
NRC	U.S. Nuclear Regulatory Commission
Nuclear Waste Policy Act	Nuclear Waste Policy Act of 1982
O&M expenses	other operations and maintenance expenses in the consolidated statements of income
PJM	PJM Interconnection, L.L.C.
PMI	FPL Energy Power Marketing, Inc.
Point Beach	Point Beach Nuclear Power Plant
PTCs	production tax credits
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
RFP	request for proposal
ROE	return on common equity
Seabrook	Seabrook Station
SEC	U.S. Securities and Exchange Commission
SEGS	Solar Electric Generating System
SO_2	sulfur dioxide
VIE	variable interest entity

FPL Group, FPL, FPL Group Capital and FPL Energy each have subsidiaries and affiliates with names that include FPL, FPL Energy, FPLE and similar references. For convenience and simplicity, in this report the terms FPL Group, FPL, FPL Group Capital and FPL Energy are sometimes used as abbreviated references to specific subsidiaries, affiliates or groups of subsidiaries or affiliates. The precise meaning depends on the context.

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FORWARD-LOOKING STATEMENTS

This report includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions, future events or performance, climate change strategy or growth strategies (often, but not always, through the use of words or phrases such as will likely result, are expected to, will continue, is anticipated, aim, believe, could, estimated, may, plan, potential, projection, target, outlook, predict, intend) 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 important factors included in Part I, Item 1A. Risk Factors (in addition to any assumptions and other factors referred to specifically in connection with such forward-looking statements) that could have a significant impact on FPL Group's and/or FPL's operations and financial results, and could cause FPL Group's and/or FPL's actual results to differ materially from those contained in forward-looking statements made by or on behalf of FPL Group and/or FPL in this combined Form 10-K, in presentations, on their respective websites, in response to questions or otherwise.

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, including unanticipated events, after the date on which such statement is made. 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.

PART I

Item 1. Business

FPL GROUP

FPL Group has two principal operating subsidiaries, FPL and FPL Energy. FPL is a rate-regulated utility engaged primarily in the generation, transmission, distribution and sale of electric energy. FPL Energy is FPL Group's competitive energy subsidiary which produces the majority of its electricity from clean and renewable fuels. FPL Group Capital, a wholly-owned subsidiary of FPL Group, holds the capital stock of, or has equity interests in, FPL Group's operating subsidiaries, other than FPL, and provides funding for those subsidiaries, including FPL Energy. FPL Group was incorporated in 1984 under the laws of Florida. At December 31, 2007, FPL Group and its subsidiaries employed approximately 14,600 people. For financial information regarding FPL Group's business segments, see Note 17.

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. Environmental laws and regulations are subject to change. The following is a discussion of emerging federal and state initiatives and rules that could potentially affect FPL Group. See FPL Operations – Environmental and FPL Energy Operations – Environmental for a discussion of potential impacts specific to those entities.

Climate Change – The U.S. Congress and certain states and regions are considering several legislative and regulatory proposals that would establish new 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 in the U.S. measured by its rate of emissions to generation in pounds per megawatt-hour. However, these legislative and regulatory proposals have differing methods of implementation and the impact on FPL's and FPL Energy'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 or specific implementation rules adopted.

In anticipation of the potential imposition of greenhouse gas emission limits on the electric industry in the future, FPL Group is involved in several climate change initiatives, including, but not limited to, the following:

- participation in various groups including working with the Governor of Florida on the Governor's Action Team on Energy and Climate Change, the FDEP and the FPSC in addressing executive orders issued in 2007 by the Governor of Florida (see FPL Operations – Environmental for additional information);
- voluntary reporting of its greenhouse gas emissions to the DOE under the Energy Policy Act of 1992;
- voluntary reporting of its greenhouse gas emissions and climate change strategy through the Carbon Disclosure Project (an investor-led initiative to identify climate change impacts on publicly-traded companies);
- participation in the U.S. Climate Action Partnership (an alliance made up of a diverse group of U.S.-based businesses and environmental organizations, which in early 2007 issued a set of principles and recommendations to address global climate change and the reduction of greenhouse gas emissions);
- participation in the Clinton Global Initiative (an organization which seeks to foster shared commitment by individuals, businesses and governments to confront major world issues and achieve real change); and
- participation in the EPA's Climate Leaders Program to reduce greenhouse gas intensity in the United States by 18% by 2012, including reporting of emissions data annually. FPL Group has committed to a 2008 target emissions rate reduction of 18% below a 2001 baseline emission rate measured in pounds per megawatt-hour, which it expects to achieve by the end of 2008.

At the September 2007 Clinton Global Initiative session, FPL Group announced three initiatives aimed at increasing U.S. solar energy output and reducing greenhouse gas emissions that contribute to global warming: (i) plans to invest up to $1.5 billion in new solar generating facilities in Florida and California from 2008 to 2014, (ii) plans by FPL to provide enhanced energy management capabilities to its customers and (iii) the launch by FPL Energy of a new renewable energy program. See FPL Operations – Environmental and FPL Energy Operations – Environmental for additional information regarding these initiatives.

Clean Air Act Mercury/Nickel Rule – During 2005, the EPA determined that new data indicated that nickel emissions from oil-fired units and mercury emissions from coal-fired units should not be regulated under Section 112 of the Clean Air Act, which set Maximum Achievable Control Technology standards (MACT), and as a result the EPA published a final rule delisting nickel and mercury from the requirements of regulation under Section 112. In lieu of regulation under Section 112, the EPA issued a final rule (Clean Air Mercury Rule) to regulate mercury emissions from coal-fired electric utility steam generating units under Section 111 of the Clean Air Act. The mercury and nickel delisting rule, as well as the Clean Air Mercury Rule, were challenged by various states and environmental groups. In February 2008, the U.S. Court of Appeals for the District of Columbia vacated both the EPA's mercury and nickel delisting rule and the Clean Air Mercury Rule. The EPA may appeal the decision to the U.S. Supreme Court, proceed with the MACT regulation or pursue a delisting of mercury and nickel under Section 112.

Clean Air Interstate Rule (CAIR) – In 2005, the EPA published a final rule that requires SO_2 and NOx emissions reductions from electric generating units in 28 states, where the emissions from electric generating units are deemed to be transported to downwind states, allegedly resulting in fine particulate (PM 2.5) and ozone non-attainment. The final rule requires phased reductions in SO_2 emissions by 2010 and by 2015, and reductions in NOx emissions by 2009 and by 2015, eventually reaching a nationwide reduction of 65% below a 2002 baseline emission rate for each. In the final rule, through the use of modeling data, the states in which FPL facilities are located were determined to be contributors of PM 2.5 and/or ozone production in downwind states. However, FPL Group believes that the emissions from most of its Florida generating facilities are not affecting the non-attainment status of downwind areas. In 2005, FPL Group filed a petition for reconsideration with the EPA and a lawsuit in the U.S. Court of Appeals for the District of Columbia challenging the inclusion of all Florida plants in the ozone compliance provisions of the rule and South Florida plants in the fine particulate compliance requirements of the rule; and challenging the SO_2 and NOx allowance allocation provisions in CAIR. In a separate lawsuit, FPL joined other Florida electric generating companies as the Florida Association of Electric Utilities to challenge the inclusion of all Florida plants in the ozone compliance provisions of the rule and South Florida plants in the fine particulate compliance requirements of the rule. In 2006, the EPA denied FPL Group's and other petitioners' requests to revise the final rule. Oral argument is scheduled for March 25, 2008 with a final decision by the appeals court expected later in 2008.

Clean Air Visibility Rule – In 2005, the EPA issued the Clean Air Visibility Rule to address regional haze in areas which include certain national park and wilderness areas through the installation of BART for electric generating units. BART eligible units include those built between 1962 and 1977 that have the potential to emit more than 250 tons of visibility-impairing pollution per year. The rule requires states to complete BART determinations by 2008 and allows for a five-year period to implement pollution controls.

Clean Water Act Section 316(b) – In 2004, the EPA issued a rule under Section 316(b) of the Clean Water Act to address location, design, construction and capacity of intake structures at existing power plants with once-through cooling water systems. The rule would have required FPL Group to demonstrate that it had met or would meet new impingement mortality (the loss of organisms against screens and other exclusion devices) and/or entrainment (the loss of organisms by passing through the cooling water system) reductions by complying with one of several alternatives, including the use of technology and/or operational measures. FPL Group has been conducting the necessary studies/analyses and planned to submit solutions for regulatory approval in early 2008. However, in 2007, the U.S. Court of Appeals for the Second Circuit ruled on a challenge to the rule by a number of environmental groups and six northeastern states. In its ruling, the court eliminated several of the compliance alternatives, including the use of restoration measures, from consideration and remanded the rule to the EPA for further rulemaking. As a result of the 2007 court decision, the EPA has suspended its rule under Section 316(b) of the Clean Water Act. During the period the rule is suspended, the EPA has directed its permitting agencies to address Section 316(b) compliance based on best professional judgment when issuing permits. The EPA is expected to initiate new Section 316(b) rulemaking in 2008 to rewrite the rule consistent with the court's decision.

Website Access to SEC Filings. FPL Group and FPL make their SEC filings, including the 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 FPL Group's internet website, www.fplgroup.com, as soon as reasonably practicable after they are electronically filed with or furnished to the SEC. Information contained on FPL Group's website (or any of its subsidiaries' websites) is not incorporated by reference in this annual report on Form 10-K.

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 8.7 million throughout most of the east and lower west coasts of Florida. During 2007, FPL served approximately 4.5 million customer accounts. The percentage of FPL's operating revenues by customer class was as follows:

	Years Ended December 31,		
	2007	2006	2005
Residential	54%	54%	55%
Commercial	39	39	37
Industrial	3	3	3
Other, including deferred or recovered clause revenues, the net change in unbilled revenues, gas, transmission and wholesale sales and customer-related fees	4	4	5
	100%	100%	100%

Regulation. FPL's retail operations provided approximately 99% of FPL's 2007 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 with respect to certain aspects of its operations, including, but not limited to, the acquisition and disposition of facilities, interchange and transmission services and wholesale purchases and sales of electric energy. In addition, 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.

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.

In general, 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). At the time base rates are determined, the allowed rate of return on rate base approximates FPL's estimated weighted-average cost of capital, which includes its costs for outstanding debt and, typically, an allowed ROE. The FPSC monitors FPL's actual regulatory 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, the State of Florida Office of Public Counsel or a substantially affected party.

In 2005, the FPSC approved a stipulation and settlement agreement regarding FPL's retail base rates (2005 rate agreement), signed by FPL and all of the interveners in its 2005 base rate proceeding. FPL expects the 2005 rate agreement to be in effect through December 31, 2009; thereafter, it shall remain in effect until terminated on the date new retail base rates become effective pursuant to an FPSC order. The 2005 rate agreement replaced a rate agreement that was effective April 15, 2002 through December 31, 2005 (2002 rate agreement).

The 2005 rate agreement provides that retail base rates will not increase during the term of the agreement except to allow recovery of the revenue requirements of any power plant approved pursuant to the Florida Power Plant Siting Act (Siting Act) that achieves commercial operation during the term of the 2005 rate agreement. Retail base rates increased on May 1, 2007 when a 1,144 mw natural gas-fired plant at FPL's Turkey Point site (Turkey Point Unit No. 5) was placed in service. The 2005 rate agreement also continues the revenue sharing mechanism in FPL's 2002 rate agreement, whereby revenues from retail base operations in excess of certain thresholds will be shared with customers on the basis of two-thirds refunded to customers and one-third retained by FPL. Revenues from retail base operations in excess of a second, higher threshold (cap) will be refunded 100% to customers. The revenue sharing threshold and cap are established by increasing the prior year's threshold and cap by the sum of the following: (i) the average annual growth rate in retail kwh sales for the ten-year period ending December 31 of the preceding year multiplied by the prior year's retail base rate revenue sharing threshold and cap and (ii) the amount of any incremental base rate increases for power plants approved pursuant to the Siting Act that achieve commercial operation during the term of the 2005 rate agreement. The revenue sharing threshold and cap for 2008 are estimated to be $4,349 million and $4,524 million, respectively. For the year ended December 31, 2007, revenues from retail base operations did not exceed the 2007 thresholds.

Under the terms of the 2005 rate agreement: (i) FPL's electric property depreciation rates are based upon the comprehensive depreciation studies it filed with the FPSC in March 2005; however, FPL may reduce depreciation by up to $125 million annually which was also permitted under the 2002 rate agreement, (ii) FPL suspended contributions of approximately $79 million per year to its nuclear decommissioning fund beginning in September 2005, (iii) FPL suspended contributions of $20.3 million per year to its storm and property insurance reserve beginning in 2006 and has the ability to recover prudently incurred storm restoration costs, either through securitization provisions pursuant to the Florida Statutes or through surcharges, and (iv) FPL will be allowed to recover through a cost recovery clause prudently incurred incremental costs associated with complying with an FPSC or FERC order regarding a regional transmission organization.

FPL does not have an authorized regulatory ROE under the 2005 rate agreement for the purpose of addressing earnings levels. For all other regulatory purposes, FPL has an ROE of 11.75%. Under the 2005 rate agreement, the revenue sharing mechanism described above is the appropriate and exclusive mechanism to address earnings levels. However, if FPL's regulatory ROE, as reported to the FPSC in FPL's monthly earnings surveillance report, falls below 10% during the term of the 2005 rate agreement, FPL may petition the FPSC to amend its base rates.

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 2007, approximately $6.0 billion of costs were recovered through the fuel clause. FPL utilizes a risk management fuel procurement program which was approved by the FPSC at the program's inception. The FPSC reviews the program activities and results for prudence on an annual basis as part of its annual review of fuel costs. The program is intended to reduce the risk of unexpected fuel price volatility by locking in fuel prices for a portion of FPL's fuel requirements. See Energy Marketing and Trading, Management's Discussion – Results of Operations, Note 1 – Regulation and Note 4.

Capacity payments to other utilities and generating companies for purchased power are recovered from customers through the capacity clause and base rates. In 2007, approximately $526 million of costs were recovered through the capacity clause. Costs associated with implementing energy conservation programs totaled approximately $206 million in 2007 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 $24 million in 2007 and were recovered through the environmental clause to the extent not included in base rates.

In 2007, the FPSC approved a nuclear cost recovery rule that provides for the recovery of prudently incurred pre-construction costs and carrying charges (equal to the pretax AFUDC rate) on construction costs for new nuclear capacity through levelized charges under the capacity clause and for the recovery of construction costs, once the new capacity goes into service, through a base rate increase. As part of the FPSC's approval of the addition of approximately 400 mw of baseload capacity to FPL's existing nuclear units, FPL received approval to recover costs associated with the project through the nuclear cost recovery rule. See Nuclear Operations below.

FPL maintains a funded storm and property insurance reserve. FPL was affected by four hurricanes in 2005 and three hurricanes in 2004 which caused major damage in parts of FPL's service territory. Storm restoration costs incurred by FPL during 2005 and 2004 exceeded the amount in the storm and property insurance reserve, resulting in a storm reserve deficiency. In 2007, FPL formed a wholly-owned bankruptcy remote special purpose subsidiary for the purpose of issuing storm-recovery bonds, pursuant to the securitization provisions of the Florida Statutes and an FPSC financing order. In May 2007, the FPL subsidiary issued $652 million aggregate principal amount of senior secured bonds (storm-recovery bonds) primarily for the after-tax equivalent of the total of FPL's unrecovered balance of the 2004 storm restoration costs, the 2005 storm restoration costs and approximately $200 million to reestablish FPL's storm and property insurance reserve. The storm-recovery bonds, including interest and bond issuance costs, are being repaid through a surcharge to retail customers. Prior to the issuance of these storm-recovery bonds, FPL had been recovering the 2004 storm restoration costs from retail customers through a storm damage surcharge. See Management's Discussion – Results of Operations – FPL and Note 1 – Securitization.

During 2006, FPL introduced an initiative to enhance its electrical grid as a result of heightened hurricane activity and in response to concerns expressed by the community, state leaders and regulators. The estimated capital expenditures associated with this initiative, as well as the FPSC's approved storm preparedness plan (collectively, Storm Secure®) for 2008 through 2012 are included in FPL's projected capital expenditures. See Capital Expenditures below and Note 16 – Commitments. The estimated costs associated with Storm Secure, both capital expenditures and O&M expenses, are subject to change over time based on, among other things, productivity enhancements and prioritization.

In June 2007, the FPSC denied FPL's need petition for two ultra super critical pulverized coal generating units in Glades County, Florida. In July 2007, FPL filed a petition with the FPSC requesting authorization to defer, until the next retail base rate proceeding, approximately $35 million of preconstruction costs associated with the coal units, with amortization over a five-year period beginning when new base rates are implemented. These costs are currently reflected in other assets on FPL Group's and FPL's consolidated balance sheets. Any portion of these costs not approved for recovery would be expensed. A decision is expected in April 2008.

The FPSC has the authority to disallow recovery of costs that it considers excessive or imprudently incurred. Such costs may include, among others, fuel and 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 holds 176 franchise agreements to provide electric service in various municipalities and counties in Florida with varying expiration dates through 2037. Of the 176 franchise agreements, five expire in 2008, eight expire in 2009 and 163 expire during the period 2010 through 2037. Negotiations are ongoing to renew franchises with upcoming expirations. FPL considers its franchises to be adequate for the conduct of its business.

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. The FERC has jurisdiction over potential changes that could affect competition in wholesale transactions. In 2007, 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. Management believes it is unlikely there will be any state actions to restructure the retail electric industry in Florida in the near future. If the basis of regulation for some or all of FPL's business changes from cost-based regulation, existing regulatory assets and liabilities would be written off unless regulators specify an alternative means of recovery or refund. Further, other aspects of the business, such as generation assets and long-term power purchase commitments, would need to be reviewed to assess their recoverability in a changed regulatory environment. See Management's Discussion – Critical Accounting Policies and Estimates – Regulatory Accounting.

The FPSC promotes cost competitiveness in the building of 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 new 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 approve the terms of the power purchase agreement and, if appropriate, provide the required authorization for the construction of the bidder's generation capacity. See Fossil Operations below regarding an RFP for additional power resources. Effective February 2007, the FPSC eliminated the requirement for utilities to issue an RFP for new nuclear power plants sited after June 2006. See Nuclear Operations below regarding a need petition FPL filed with the FPSC for two additional nuclear units.

Environmental. FPL is subject to environmental laws and regulations and is affected by emerging issues included in the discussion of FPL Group's business (see FPL Group – Environmental). Below is a discussion of the potential impact of these issues on FPL's business.

- *Clean Air Act Mercury/Nickel Rule* – Depending on the EPA's response to the U.S. Court of Appeals for the District of Columbia's February 2008 decision, it is possible that certain FPL oil-fired units, Scherer Unit No. 4, St. Johns River Power Park (SJRPP) Units Nos. 1 and 2 and certain coal-fired units from which FPL purchases power will be required to add additional pollution control equipment. FPL cannot predict what the EPA's response to the court ruling may be, or the outcome of future pending regulation that may result from this court ruling.

- *CAIR* – While the final CAIR requirements are uncertain, it is possible that the FPL generating facilities in Florida and Georgia may be required to add additional SO_2 and/or NOx controls or purchase emissions allowances to meet the compliance requirements of the final rule.

- *Clean Air Visibility Rule* – Based on FPL's initial BART evaluation, Turkey Point Fossil Units Nos. 1 and 2 would be affected, and, while the impact of the final BART requirements of the Clean Air Visibility Rule are uncertain, these units may be required to add additional emissions controls or switch fuels to meet the BART compliance requirements. In 2007, the FDEP began the process to expand the population of units covered under the "Reasonable Further Progress" provision of the Clear Air Visibility Rule in an effort to reduce emissions of SO_2 in areas which include certain national park and wilderness areas. The provision requires that control measures be in place by 2017. Six of FPL's generating facilities are affected under the Reasonable Further Progress provision (Manatee Units Nos. 1 and 2, Port Everglades Units Nos. 3 and 4 and Turkey Point Fossil Units Nos. 1 and 2). While the final requirements of the Reasonable Further Progress provision are uncertain, it is possible that these units may be required to add additional emission controls or switch fuels to meet the provision's emissions requirements.

- *Clean Water Act Section 316(b)* – As a result of a decision by the U.S. Court of Appeals for the Second Circuit eliminating several compliance alternatives contained in the EPA rule under Section 316(b) of the Clean Water Act, additional rulemaking by the EPA could impact eight of FPL's generating facilities (Cape Canaveral, Cutler, Fort Myers, Lauderdale, Port Everglades, Sanford, Riviera and St. Lucie).

FPL expects to seek recovery through the environmental clause for compliance costs associated with any new environmental laws and regulations.

In July 2007, the Governor of Florida issued three executive orders aimed at reducing Florida greenhouse gas emissions and improving Florida's energy efficiency. The orders state, among other things, that Florida utilities will be required to reduce emissions to 2000 levels by 2017; to 1990 levels by 2025; and to 20 percent of 1990 levels by 2050, and that the FPSC should begin the process of adopting a renewable portfolio standard that would require utilities to produce at least 20 percent of their generation from renewable sources, with an emphasis on wind and solar energy. The executive orders are expected to be implemented through rulemaking and/or legislation. The final requirements and their impact on FPL and FPL Group cannot be determined at this time.

In an effort to increase solar energy output and reduce greenhouse gas emissions in Florida, FPL has announced plans to build approximately 300 mw of solar generating facilities in Florida. FPL is evaluating a new solar technology, and intends to initially construct a 10 mw facility, with expansion of the project to a 300 mw facility subject to the receipt of regulatory and other approvals as well as the technology meeting agreed-upon cost and technical specifications. FPL has also announced plans to invest up to $500 million from 2008 to 2013 for an advanced metering initiative that will provide enhanced energy management capabilities to its customers and enable it to develop better energy management programs. If the advanced metering initiative is proven successful in small geographic areas, it is expected to be broadened to cover FPL's service territory.

During 2007, FPL spent approximately $80 million on capital additions to comply with existing environmental laws and regulations. FPL's capital expenditures to comply with existing environmental laws and regulations are estimated to be $619 million for 2008 through 2010, including approximately $189 million in 2008, and are included in estimated capital expenditures set forth in Capital Expenditures below.

System Capability and Load. At December 31, 2007, FPL's resources for serving load consisted of 25,100 mw, of which 22,135 mw were from FPL-owned facilities (see Item 2 – Generating Facilities) and 2,965 mw were available through purchased power contracts (see Note 16 – Contracts). FPL's projected reserve margin for the summer of 2008 is approximately 20.5%. This reserve margin is expected to 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 capable of reducing demand by 1,668 mw at December 31, 2007. 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. The highest peak FPL has served to date was 22,361 mw, which occurred on August 17, 2005. FPL had adequate resources available at the time of this peak to meet customer demand.

See Fossil Operations and Nuclear Operations below regarding additional capacity currently under construction.

Fuel Mix. FPL's generating plants use a variety of fuels. The diverse fuel options, along with purchased power, enable FPL to shift between sources of generation to achieve a more economical fuel mix. See Fossil Operations, Nuclear Operations and Item 2 – Generating Facilities.

FPL's 2007 fuel mix based on kwh produced was as follows:

Fuel Source	Percentage of kwh Produced
Natural gas	52%
Nuclear	19%
Purchased power	15%
Oil	8%
Coal	6%

Fossil Operations. FPL owns and operates 83 units that utilize fossil fuels such as natural gas and/or oil, and has a joint-ownership interest in three coal units. FPL's fossil units are out of service from time to time for routine maintenance or on standby during periods of mild weather. FPL is currently constructing two natural gas-fired combined-cycle units of approximately 1,220 mw each at its West County Energy Center in western Palm Beach County, Florida, which are expected to be in service by mid-2009 and 2010 at an estimated total cost of approximately $1.3 billion (including AFUDC). The costs of the two new units yet to be incurred as of December 31, 2007 are included in estimated capital expenditures set forth in Capital Expenditures below. See Note 16 – Commitments. In December 2007, FPL issued an RFP for additional power resources beginning in 2011. FPL's self-build approach calls for adding a third natural gas-fired combined-cycle generating unit of approximately 1,220 mw to its West County Energy Center that would be operational in 2011. Responses to the RFP are being evaluated against FPL's self-build approach. By mid-March 2008, FPL will select the alternative determined to be the best and most cost-effective way to meet customers' needs.

Since June 2006, FPL has experienced different types of compressor blade failures in three combustion turbine compressors (CTCs) at two of its fossil generating plants, resulting in significant damage to the combustion turbines. FPL has 32 of this type of CTCs in its generating fleet, which were all made by the same manufacturer. Other companies in the electric industry have reported similar failures. The manufacturer of the CTCs has determined the root cause of the first failure experienced by FPL involving a rotating blade and a remedy is expected to be available by 2009. In the interim, FPL is conducting inspections of all rotating compressor blades in its generating fleet and replacing any blade sets found to have cracks. FPL Group is currently working with the manufacturer of the CTCs to determine the root cause of the other two failures in the stationary section of the compressor and how to remediate the issue. In the interim, FPL proactively replaced a portion of the stationary compressor blades it considers to be at higher risk of failure. Repairs to all three CTCs affected have been completed and the CTCs returned to service.

FPL has four firm transportation contracts in place with FGT and one firm transportation contract with Gulfstream that together are expected to satisfy substantially all of the anticipated needs for natural gas transportation at its existing units. The four existing FGT contracts expire between 2015 and 2022, while the Gulfstream contract expires in 2028. The two 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 is purchased under other contracts and in the spot market. FPL has a long-term agreement for the storage of natural gas that expires in 2013. In addition, FPL has entered into several long-term agreements for storage capacity and transportation of natural gas from facilities that have not yet begun, or if begun have not yet completed, construction. These agreements range from 12 to 25 years in length and contain firm commitments by FPL totaling up to approximately $289 million annually or $6.3 billion over the terms of the agreements. These firm commitments are contingent upon the occurrence of certain events, including approval by the FERC and completion of construction of the facilities in mid-2008 and 2011. See Note 16 – Contracts. FPL's oil requirements are obtained under short-term contracts and in the spot market.

FPL has, through its joint ownership interest in SJRPP Units Nos. 1 and 2, a coal supply and transportation contract for all of the 2008 fuel needs and a portion of the 2009 and 2010 fuel needs for those units. All of the transportation requirements and a portion of the coal 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. See Note 16 – Contracts.

Nuclear Operations. FPL owns, or has undivided interests in, and operates four nuclear units, two at Turkey Point and two at St. Lucie, with a total net generating capability of 2,939 mw. 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. The following table summarizes the extended operating license expiration dates and next scheduled refueling outage dates for FPL's nuclear units:

Facility	Unit	Net Capability (mw)	Extended Operating License Expiration Dates	Next Scheduled Refueling Outage
St. Lucie	1	839	2036	October 2008
St. Lucie	2	714	2043	April 2009
Turkey Point	3	693	2032	March 2009
Turkey Point	4	693	2033	March 2008

FPL is in the process of adding approximately 400 mw of baseload capacity at its existing nuclear units at St. Lucie and Turkey Point, which additional capacity is projected to be in service by the end of 2012 at an estimated total cost of approximately $1.8 billion. The construction costs of the 400 mw of baseload capacity yet to be incurred as of December 31, 2007 are included in estimated capital expenditures set forth in Capital Expenditures below. See Note 16 – Commitments. In October 2007, FPL filed a need petition with the FPSC for two additional nuclear units totaling between 2,200 mw and 3,040 mw of baseload capacity at its Turkey Point site, with projected in-service dates between 2018 and 2020. An FPSC decision is expected in March 2008. Additional approvals from other regulatory agencies will be required later in the process. In 2004, FPL joined NuStart Energy Development LLC (NuStart), a consortium of ten energy companies that was formed for the purpose of developing a construction and operating license to build a new nuclear facility under the DOE's Nuclear Power 2010 initiative. As of December 31, 2007, FPL's investment in NuStart was not significant.

During 2003, nuclear utilities other than FPL identified pressurizer heater sleeves made with a particular material (alloy 600) that were experiencing penetration cracks and leaks as a result of primary water stress corrosion cracking. As a result, in 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. Due to the amount of time and cost associated with correcting potential leaks, FPL replaced St. Lucie Unit No. 1's pressurizer during its fall 2005 outage. FPL will begin the modification of St. Lucie Unit No. 1's non-pressurizer penetrations that have alloy 600 weld materials during its fall 2008 outage and expects to complete the modifications by 2010. The St. Lucie Unit No. 2 pressurizer has 30 heater sleeves as compared to 120 heater sleeves in the St. Lucie Unit No. 1 pressurizer. Accordingly, FPL has decided to modify rather than replace St. Lucie Unit No. 2's alloy 600 pressurizer heater sleeves during its spring 2009 outage. During St. Lucie Unit No. 2's scheduled refueling outage in the fall of 2007, FPL inspected the pressurizer heater sleeves and began modifications of other pressurizer and non-pressurizer penetrations that have alloy 600 weld materials. The modifications to St. Lucie Unit No. 2's other penetrations are scheduled to be completed by 2010. The estimated cost of modifications for the St. Lucie units is included in FPL's estimated capital expenditures below. See Note 16 – Commitments. All pressurizer penetrations and welds at Turkey Point Units Nos. 3 and 4 utilize a different material.

FPL leases nuclear fuel for all four of its nuclear units. See Note 1 – Nuclear Fuel. FPL Group and FPL consolidate the lessor entity in accordance with FIN 46, "Consolidation of Variable Interest Entities," as revised (FIN 46(R)). See Note 9 – FPL. The contracts for the supply, conversion, enrichment and fabrication of FPL's nuclear fuel have expiration dates ranging from 2008 through 2016. Under the Nuclear Waste Policy Act of 1982 (NWPA), the DOE is responsible for the development of a repository for the disposal of spent nuclear fuel and high-level radioactive waste. As required by the NWPA, FPL is a party to contracts with the DOE to provide for disposal of spent nuclear fuel from its Turkey Point and St. Lucie nuclear units. 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 2007, FPL has paid approximately $584 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 NWPA. In 1997, a federal 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 October 2006, a federal court ruled in another utility's case that the 1997 court decision regarding DOE's unavoidable delay defense was not binding on this federal court. An appeal is pending in that case. The DOE has indicated it is planning to file a license application for a permanent disposal facility for spent nuclear fuel with the NRC by mid-2008. However, it is uncertain when a permanent disposal facility will be constructed and when it would be ready to begin receiving spent nuclear fuel shipments.

FPL currently stores all spent nuclear fuel generated by its nuclear generating facilities in on site storage pools. These spent nuclear fuel storage pools do not have sufficient storage capacity for the life of the respective units. FPL plans to begin using dry storage casks before loss of full core reserve at each of its nuclear units to store spent nuclear fuel, which would extend their capability to store spent fuel indefinitely. The following table summarizes the current status of FPL's on site spent fuel storage:

Facility	Unit	Date for Loss of Full Core Reserve [a]	Date Dry Storage Casks are Expected to be in Use [b]
St. Lucie	1	2008	2008
St. Lucie	2	2010	2009
Turkey Point	3	2010[c]	2011
Turkey Point	4	2012[c]	2011

(a) Represents when the on site storage pool will no longer have sufficient space to receive a full complement of fuel from the reactor core.
(b) Cost for the dry storage casks is included in FPL's estimated capital expenditures set forth in Capital Expenditures below.
(c) Degradation in a material used in the spent fuel pools could result in implementation of alternative spent fuel storage options sooner than projected. FPL expects to extend the storage capacity of Turkey Point Unit No. 3 to early 2012 by recovering storage cells in the spent fuel pools that are currently damaged or otherwise unusable.

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 extended operating licenses, provide for prompt dismantlement of Turkey Point Units Nos. 3 and 4 with decommissioning activities commencing in 2032 and 2033, respectively. Current plans provide for St. Lucie Unit No. 1 to be mothballed beginning in 2036 with decommissioning activities to be integrated with the prompt dismantlement of St. Lucie Unit No. 2 at the end of its useful life in 2043. See estimated decommissioning cost data in Note 1 – Decommissioning of Nuclear Plants, Dismantlement of Plants and Other Accrued Asset Removal Costs – FPL.

Energy Marketing and Trading. EMT, a division of FPL, buys and sells wholesale energy commodities, such as natural gas, oil and electricity. EMT procures natural gas and oil for FPL's use in power generation and sells excess gas, oil and electricity. EMT also uses derivative instruments, such as swaps, options 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 – Results of Operations – FPL and Energy Marketing and Trading and Market Risk Sensitivity and Note 4.

Capital Expenditures. Capital expenditures at FPL include, among other things, 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 $1.9 billion in 2007 (including AFUDC of approximately $36 million), $1.7 billion in 2006 (including AFUDC of approximately $32 million) and $1.8 billion in 2005 (including AFUDC of approximately $41 million). At December 31, 2007, planned capital expenditures for 2008 through 2012 were estimated as follows:

	2008	2009	2010	2011	2012	Total
			(millions)			
Generation: [a]						
New [b] [c]	$ 865	$ 340	$ 5	$ -	$ -	$ 1,210
Existing	780	1,015	1,115	895	710	4,515
Transmission and distribution [d]	915	1,080	1,120	1,160	1,130	5,405
Nuclear fuel	125	165	200	175	195	860
General and other	150	150	175	165	165	805
Total	$ 2,835	$ 2,750	$ 2,615	$ 2,395	$ 2,200	$ 12,795

(a) Includes AFUDC of approximately $54 million and $55 million in 2008 and 2009, respectively.
(b) Includes land, generating structures, transmission interconnection and integration, licensing and AFUDC.
(c) Excludes essentially all estimated capital costs associated with FPL's announced plan to invest in solar generating facilities (see FPL Operations – Environmental). Also excludes capital expenditures for two proposed nuclear units at FPL's Turkey Point site (see FPL Operations – Nuclear Operations). These costs are not included in the table above because they are subject to, among other things, various regulatory and other approvals, as well as the solar generating facilities meeting certain performance standards on a smaller scale.
(d) Includes estimated capital costs associated with Storm Secure. These capital costs are subject to change over time based on, among other things, productivity enhancements and prioritization.

These estimates are subject to continuing review and adjustment and actual capital expenditures may vary from these estimates. See Management's Discussion – Liquidity and Capital Resources – Contractual Obligations and Planned Capital Expenditures and Note 16 – Commitments.

Electric and Magnetic Fields. EMF are present around electrical facilities, including, but not limited to, appliances, power lines and building wiring. Since the 1970s, there has been public, scientific and regulatory attention given to the question of whether EMF causes or contributes to adverse health effects. U.S. and international scientific organizations have evaluated the EMF research. Their reviews have generally concluded that while some epidemiology studies report an association with childhood leukemia, controlled laboratory studies do not support that association and the scientific studies overall have not demonstrated that EMF cause or contribute to any type of cancer or other disease.

The FDEP established EMF standards for electricity facilities in 1989. The FDEP regularly reviews the EMF science and has not made any changes in the state's EMF standards. FPL facilities comply with the FDEP standards. Future changes in the FDEP regulations could require additional capital expenditures by FPL for such things as increasing the width of right of ways 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 10,500 employees at December 31, 2007. Approximately 32% of the employees are represented by the International Brotherhood of Electrical Workers (IBEW) under a collective bargaining agreement with FPL that expires October 31, 2008.

FPL ENERGY OPERATIONS

General. FPL Energy, a wholly-owned subsidiary of FPL Group Capital, was formed in 1998 to aggregate FPL Group's existing competitive energy business. It is a limited liability company organized under the laws of Delaware. Through its subsidiaries, FPL Energy currently owns, develops, constructs, manages and operates domestic electric-generating facilities in wholesale energy markets. FPL Energy also provides full energy and capacity requirements services primarily to distribution utilities in certain markets and owns a retail electric provider based in Texas.

FPL Energy manages or participates in the management of approximately 95% of its projects, which represent approximately 99% of the net generating capacity in which FPL Energy has an ownership interest. At December 31, 2007, FPL Energy had ownership interests in operating independent power projects with a net generating capability totaling 15,543 mw (see Item 2 – Generating Facilities). Generation capacity spans various regions and is produced utilizing a variety of fuel sources, thereby reducing overall volatility related to varying market conditions and seasonality on a portfolio basis. At December 31, 2007, the percentage of capacity by geographic region was:

Geographic Region	Percentage of Generation Capacity
Central	47%
Northeast	19%
Mid-Atlantic	18%
West	16%

Fuel sources for these projects were as follows:

Fuel Source	Percentage of Generation Capacity
Natural Gas	42%
Wind	33%
Nuclear	16%
Oil	5%
Hydro	2%
Other	2%

FPL Energy seeks to expand its portfolio through project development and acquisitions where economic prospects are attractive. FPL Energy expects its future portfolio capacity growth to come primarily from wind and solar development and from asset acquisitions. FPL Energy plans to add a total of 8,000 mw – 10,000 mw of new wind generation over the 2007 – 2012 period, of which 1,064 mw were added in 2007. FPL Energy expects to add at least 1,100 mw in 2008, of which approximately 700 mw are under construction. In addition, FPL Energy intends to pursue opportunities for new solar generating facilities. The wind and solar expansions are subject to, among other things, continued public policy support.

FPL Energy's capital expenditures and investments totaled approximately $3.1 billion, $1.8 billion and $0.9 billion in 2007, 2006 and 2005, respectively. At December 31, 2007, planned capital expenditures for 2008 through 2012 were estimated as follows:

	2008	2009	2010	2011	2012	Total
			(millions)			
Wind [a]	$ 2,085	$ 5	$ 5	$ 5	$ 5	$ 2,105
Nuclear [b]	280	345	375	305	250	1,555
Gas	80	95	115	35	25	350
Other	45	40	25	20	20	150
Total	$ 2,490	$ 485	$ 520	$ 365	$ 300	$ 4,160

(a) Capital expenditures for new wind projects are estimated through 2008, when eligibility for PTCs for new wind projects is scheduled to expire. FPL Energy expects to add approximately 1,500 to 2,000 mw of new wind generation per year from 2009 to 2012, subject to, among other things, continued public policy support, the cost of which is estimated to be approximately $3 billion for 2009 and $4 billion to $5 billion in each of 2010, 2011 and 2012.

(b) Includes nuclear fuel.

These estimates are subject to continuing review and adjustment and actual capital expenditures may vary from these estimates. See Management's Discussion – Liquidity and Capital Resources – Contractual Obligations and Planned Capital Expenditures and Note 16 – Commitments.

Additionally, FPL Energy through its wholly-owned subsidiary, Lone Star Transmission, LLC, has proposed to build, own and operate a 180 to 200 mile, high voltage, direct current, open access transmission line located between west Texas and the Dallas/Fort Worth area with a capacity of 2,000 mw. The construction of the transmission line is contingent upon, among other things, receipt of all applicable regulatory approvals. The estimated cost of the transmission line is expected to range from $635 million to $655 million. Due to the contingencies discussed above (including their impact on the timing of construction), these estimated costs are not included in the capital expenditures table above.

During 2006, other companies in the electric industry, including FPL, experienced different types of compressor blade failures in certain CTCs made by a single manufacturer. FPL Energy has 19 of these CTCs in its generating fleet. FPL Energy is conducting inspections of its rotating compressor blades in its generating fleet and replacing any blade sets found to have cracks. FPL Energy proactively replaced a portion of the stationary compressor blades it considered to be at higher risk of failure. See the discussion at FPL Operations – Fossil Operations.

Regulation. At December 31, 2007, FPL Energy had ownership interests in operating independent power projects that have received exempt wholesale generator status as defined under the Holding Company Act, which represent approximately 96% 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. In addition, approximately 4% 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 or waste-product combustion. Qualifying facility status exempts the projects from, among other things, many of the provisions of the Federal Power Act, as well as state laws and regulations relating to rates and financial or organizational regulation of electric utilities. 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, but not limited to, those regarding siting, construction, operation, licensing, pollution abatement and other environmental laws.

Each of the markets in which FPL Energy operates is subject to regulation and specific rules. FPL Energy continues to evaluate regional market redesigns of existing operating rules for the purchase and sale of energy commodities. During 2006, revised market rules for capacity were approved in the NEPOOL and PJM regions. California is scheduled to implement a locational marginal price (LMP) market design in mid- to late 2008. ERCOT is also implementing an LMP market design currently scheduled to be implemented in December 2008. In the California and ERCOT 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 the anticipated revised market designs.

Competition. Competitive wholesale markets in the United States continue to evolve and vary by geographic region. Revenues from electricity sales in these markets 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, solar 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 and for the construction and operation of efficient plants that can sell power in competitive markets. 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 future sale of a significant amount of the electricity output of its plants. The major markets in which FPL Energy operates have shown signs of continued improvement since 2004, such as improved spark spreads and energy prices in the ERCOT and NEPOOL regions. The combination of new wind projects, expected increase in contribution from merchant assets and asset acquisitions are expected to be the key drivers supporting FPL Energy's growth over the next few years.

Environmental. FPL Energy is subject to environmental laws and regulations and is affected by emerging issues included in the discussion of FPL Group's business (see FPL Group – Environmental). Below is a discussion of the potential impact of these issues on FPL Energy's business.

- *Clean Air Act Mercury/Nickel Rule* – Depending on the EPA's response to the U.S. Court of Appeals for the District of Columbia's February 2008 decision, it is possible that three of FPL Energy's oil-fired units in Maine will be required to add additional pollution control equipment.

- *Clean Air Visibility Rule* – While the impact of final BART requirements of the Clean Air Visibility Rule are uncertain, it is possible that one of FPL Energy's BART eligible units located in Maine may be required to add additional emissions controls or switch fuels to meet the BART compliance requirements.

- *Clean Water Act Section 316(b)* – As a result of a decision by the U.S. Court of Appeals for the Second Circuit eliminating several compliance alternatives contained in the EPA rule under Section 316(b) of the Clean Water Act, additional rulemaking by the EPA could impact three FPL Energy plants (Seabrook, Point Beach and an oil-fired plant in Maine).

FPL Energy's plants operate in many states and regions that are in the process of developing legislation to reduce greenhouse gas emissions, including, but not limited to, the following:

- The Regional Greenhouse Gas Initiative (RGGI) is a greenhouse gas reduction initiative whereby ten Northeast and Mid-Atlantic member states have established a cap-and-trade program (a system by which affected generators buy and trade allowances under a set cap) for covered electric generating units in Connecticut, Delaware, Maine, New Hampshire, New Jersey, New York, Vermont, Maryland, Massachusetts and Rhode Island. RGGI members have agreed to stabilize power plant CO_2 emissions at 2005 levels by 2015 and to further reduce the sector's emissions another 10% by 2019. The RGGI greenhouse gas reduction requirements will affect 12 FPL Energy fossil electric generating units, requiring those electric generating units to reduce emissions or to acquire CO_2 allowances for emissions of CO_2 beginning in 2009. Though most states in RGGI have not completed enacting their legislation or rulemaking, it is anticipated that FPL Energy will need to participate in CO_2 emissions allowance auctions beginning in mid-2008.

- The Western Climate Initiative is a greenhouse gas reduction initiative with a goal of reducing CO_2 emissions by 15% below 2005 levels by 2020 for participants (Arizona, California, Oregon, New Mexico, Washington and Utah, as well as British Colombia and Manitoba, Canada).

- The Midwestern Greenhouse Gas Reduction Accord (MGGRA) is an initiative to reduce greenhouse gas emissions through the establishment of targets for greenhouse gas reductions and the development of a cap-and-trade system. Participants in MGGRA are Illinois, Iowa, Kansas, Michigan, Minnesota, Wisconsin and Manitoba.

- California Greenhouse Gas Regulation – California has enacted legislation to reduce greenhouse gas emissions in the state to 1990 emissions levels by 2020. Pursuant to the legislation, the California Air Resources Board must implement multi-sector greenhouse gas reduction measures by January 1, 2012.

The final requirements to be enacted in connection with these initiatives are uncertain and the financial and operational impacts cannot be determined at this time. However, FPL Energy's portfolio in these regions is heavily weighted toward non-CO_2 emitting and low CO_2 emitting generation sources (wind, hydro, solar, nuclear and natural gas).

To support the U.S. effort to increase solar energy output and reduce CO_2 emissions, FPL Energy plans to invest in new solar generating facilities. In addition, FPL Energy has announced plans to launch a new renewable energy program in 2008 including a new consumer education program and new products that could increase renewable resources. The revenue generated from this program will be used to develop renewable energy sources.

During 2007, FPL Energy spent approximately $8 million on capital additions to comply with existing environmental laws and regulations. FPL Energy's capital additions to comply with existing environmental laws and regulations are estimated to be $7 million for 2008 through 2010, including approximately $5 million in 2008, and are included in estimated capital expenditures set forth in General above.

Portfolio by Category. FPL Energy's assets can be categorized into the following three groups: wind, non-wind contracted and merchant.

Wind Assets – At December 31, 2007, FPL Energy had ownership interests in wind plants with a combined capacity of approximately 5,077 mw (net ownership), of which approximately 74% have long-term contracts with utilities and power marketers predominantly under fixed-price agreements with expiration dates ranging from 2011 to 2032. The expected output of the remaining 26% is substantially hedged against changes in commodity prices for at least five years. FPL Energy operates substantially all of these wind facilities. Approximately 93% 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 16 states. FPL Energy expects to add at least 1,100 mw of new wind generation in 2008, of which approximately 700 mw are under construction.

Contracted Assets – At December 31, 2007, FPL Energy had 3,542 mw of non-wind contracted assets. The contracted category includes all projects, other than wind, with 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 2008 to 2033 and have firm fuel and transportation agreements with expiration dates ranging from 2008 to 2017. Approximately 1,825 mw of this capacity is gas-fired generation. The remaining 1,717 mw uses a variety of fuels and technologies such as nuclear, waste-to-energy, oil, solar, coal and petroleum coke. As of December 31, 2007, approximately 92% of FPL Energy's contracted generating capacity is from power plants that have received exempt wholesale generator status under the Holding Company Act, while the remaining 8% has qualifying facility status under PURPA.

Merchant Assets – At December 31, 2007, FPL Energy's portfolio of merchant assets includes 6,924 mw of owned nuclear, natural gas, oil and hydro generation, of which 2,700 mw is located in the ERCOT region, 2,752 mw in the NEPOOL region and 1,472 mw in other regions. The merchant assets include 965 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 62% (based on net mw capability) of the natural gas fueled merchant assets have gas supply agreements or a combination of gas supply and transportation agreements to provide for on-peak gas requirements. Derivative instruments (primarily swaps, options and forwards) are used to lock in pricing and manage the commodity price risk inherent in power sales and fuel purchases. Managing market risk through these instruments introduces other types of risk, primarily counterparty and operational risks. See Energy Marketing and Trading below.

Nuclear Operations. FPL Energy wholly owns, or has undivided interests in, three nuclear power plants with a total net generating capability of 2,545 mw. FPL Energy is responsible for all plant operations and the ultimate decommissioning of the plants, the cost of which is 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. The nuclear units are periodically removed from service to accommodate normal refueling and maintenance outages, repairs and certain other modifications. The following table summarizes information related to FPL Energy's nuclear units.

Facility	Location	Net Capability (mw)	Portfolio Category	Current Operating License Expiration Dates	Next Scheduled Refueling Outage
Seabrook	New Hampshire	1,098	Merchant	2030[a]	April 2008
Duane Arnold	Iowa	424	Contracted [b]	2014[c]	January 2009
Point Beach Unit 1	Wisconsin	509	Contracted [d]	2030	October 2008
Point Beach Unit 2	Wisconsin	514	Contracted [d]	2033	April 2008

(a) FPL Energy intends to seek approval from the NRC to renew Seabrook's operating license for an additional 20 years.

(b) FPL Energy sells substantially all of its share of the output of Duane Arnold under a long-term contract expiring in 2014.

(c) In 2009, FPL Energy intends to seek approval from the NRC to renew Duane Arnold's operating license for an additional 20 years.

(d) FPL Energy sells 100% of the output of Point Beach Unit 1 and Unit 2 under a long-term contract through the current license terms.

In 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. This issue impacts some pressurizer and reactor vessel penetrations at Seabrook. In order to meet industry requirements, FPL Energy is planning to modify Seabrook's pressurizer penetrations that have alloy 600 weld materials during its April 2008 outage and begin inspections of the reactor vessel alloy 600 penetrations during the fall 2009 outage. The estimated cost of modifications is included in FPL Energy's estimated capital expenditures set forth in General above. All pressurizer penetrations at Point Beach Units 1 and 2 utilize a different material except for the Point Beach Unit 2 steam generator nozzles, which have already been modified to address the degradation concern. Additionally, Duane Arnold is not affected by this issue as it is a boiling water reactor.

FPL Energy's nuclear facilities have several contracts for the supply, conversion, enrichment and fabrication of nuclear fuel with expiration dates ranging from 2008 to 2018. See Note 16 – Contracts. Under the NWPA, the DOE is responsible for the development of a repository for the disposal of spent nuclear fuel and high-level radioactive waste. As required by the NWPA, subsidiaries of FPL Energy are parties to contracts with the DOE to provide for disposal of spent nuclear fuel from its Seabrook, Duane Arnold and Point Beach nuclear units. 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, Duane Arnold and Point Beach, including amounts paid by all joint owners, since the start of the plants' operations through December 2007, is approximately $468 million, of which FPL Energy has paid approximately $46 million since the date of the plants' acquisition. FPL Energy, through its ownership interest in Seabrook, Duane Arnold and Point Beach, is involved in litigation against the DOE seeking damages caused by the DOE's failure to dispose of spent nuclear fuel from the Seabrook, Duane Arnold and Point Beach facilities. The matter is pending. The DOE has indicated it is planning to file a license application for a permanent disposal facility for spent nuclear fuel with the NRC by mid-2008. However, it is uncertain when a permanent disposal facility will be constructed and when it would be ready to begin receiving spent nuclear fuel shipments. Based on current projections, FPL Energy will lose its ability to store spent fuel as early as 2009 at Seabrook, 2014 at Duane Arnold and 2024 at Point Beach. FPL Energy is proceeding with a dry cask storage system at Seabrook which will be placed into commercial operation in 2008, the cost of which is included in FPL Energy's estimated capital expenditures set forth in General above. This would allow for all of Seabrook's spent fuel to be stored on site, including spent fuel storage through its license extension period of 2050, if granted. Duane Arnold currently is using both a spent fuel pool and a dry cask storage system and is making plans for additional dry cask storage modules to increase on site storage capability beginning in 2009, the estimated cost of which is included in FPL Energy's estimated capital expenditures set forth in General above. Point Beach currently is using both a spent fuel pool and a dry cask storage system.

Energy Marketing and Trading. PMI, a subsidiary of FPL Energy, buys and sells wholesale energy commodities, such as natural gas, oil and electricity. Its primary role is to manage the commodity risk of FPL Energy's portfolio and to sell the output from FPL Energy's plants that has not been sold under long-term contracts. PMI procures natural gas and oil for FPL Energy's use in power generation, as well as substantially all of the electricity needs for FPL Energy's retail operations conducted primarily in Texas, which at December 31, 2007 served approximately 1,000 mw of peak load to approximately 158,600 customers. PMI uses derivative instruments such as swaps, options and forwards to manage the risk associated with fluctuating commodity prices and to optimize the value of FPL Energy's power generation assets. PMI also provides full energy and capacity requirements services primarily to distribution utilities in certain markets and engages in energy trading activities to take advantage of expected future favorable price movements. Full energy and capacity requirements 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. At December 31, 2007, PMI provided full energy and capacity requirements services totaling approximately 3,500 mw of peak load in the NEPOOL, PJM and ERCOT markets. The results of PMI's activities are included in FPL Energy's operating results. See Management's Discussion – Energy Marketing and Trading and Market Risk Sensitivity, Note 1 – Energy Trading and Note 4.

Employees. FPL Energy had approximately 3,860 employees at December 31, 2007. Subsidiaries of FPL Energy have collective bargaining agreements with various unions which are summarized in the table below.

Union	Location	Contract Expiration Date	% of FPL Energy Employees Covered
IBEW	Wisconsin	June 2009 – August 2010 [a]	12%
Utility Workers Union of America	New Hampshire	December 2008	6
IBEW	Iowa	May 2011	4
IBEW	Maine	February 2013	2
Security Police and Fire Professionals of America	Iowa	May 2012	2
Total			26%

[a] Various employees at Point Beach are represented by the IBEW under four separate contracts with different expiration dates.

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, a wholly-owned subsidiary of FPL Group Capital, 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. FPL FiberNet's primary business focus is the Florida metropolitan (metro) market. Metro networks cover Miami, Fort 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, 2007, FPL FiberNet's network consisted of approximately 2,660 route miles, which interconnect major cities throughout Florida.

In 2006, as a result of significant changes in the business climate, FPL FiberNet performed an impairment analysis and concluded that an impairment charge related to its metro market assets was necessary. The business climate changes included customer consolidations, migration to a more efficient form of networking technology and lack of future benefits to be achieved through competitive pricing, all of which had a negative impact on the value of FPL FiberNet's metro market assets. While the metro market business was expected to continue to generate positive cash flows, management's expectation of the rate of future growth in cash flows was reduced as a result of these business climate changes. Accordingly, FPL FiberNet recorded an impairment charge of approximately $98 million ($60 million after-tax) in 2006. See Note 5 – Corporate and Other.

At December 31, 2007, FPL Group's remaining investment in FPL FiberNet totaled approximately $121 million. FPL FiberNet invested approximately $17 million during 2007 and plans to invest a total of $101 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
Christopher A. Bennett	49	Vice President & Chief Strategy, Policy and Business Process Improvement Officer	February 15, 2008
Paul I. Cutler	48	Treasurer of FPL Group	February 19, 2003
		Assistant Secretary of FPL Group	December 10, 1997
		Treasurer of FPL	February 18, 2003
		Assistant Secretary of FPL	December 10, 1997
F. Mitchell Davidson	45	President of FPL Energy	December 15, 2006
K. Michael Davis	61	Controller and Chief Accounting Officer of FPL Group	May 13, 1991
		Vice President, Accounting and Chief Accounting Officer of FPL	July 1, 1991
Moray P. Dewhurst [b]	52	Vice President and Chief Financial Officer of FPL Group	July 17, 2001
		Senior Vice President and Chief Financial Officer of FPL	July 19, 2001
Robert H. Escoto	54	Vice President, Human Resources of FPL Group	January 25, 2005
		Assistant Secretary of FPL Group	November 9, 2004
		Senior Vice President, Human Resources of FPL	February 21, 2005
		Assistant Secretary of FPL	January 25, 2005
Lewis Hay, III	52	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	54	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	58	President of FPL	June 24, 2003
Armando Pimentel, Jr. [b]	45	Vice President, Finance of FPL Group	February 15, 2008
		Senior Vice President, Finance of FPL	February 15, 2008
James L. Robo	45	President and Chief Operating Officer of FPL Group	December 15, 2006
Antonio Rodriguez	65	Vice President, Power Generation Division of FPL Group	January 1, 2007
		Senior Vice President, Power Generation Division of FPL	July 1, 1999
John A. Stall	53	Vice President, Nuclear Division of FPL Group	January 1, 2007
		Senior Vice President, Nuclear Division of FPL	June 4, 2001
Edward F. Tancer	46	Vice President & General Counsel of FPL Group	February 21, 2005
		Assistant Secretary of FPL Group	January 1, 1997
		Senior Vice President & General Counsel of FPL	February 21, 2005
		Assistant Secretary of FPL	January 1, 1997

[a] Information is as of February 27, 2008. 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. Mr. Bennett was vice president, business strategy & policy of FPL Group from July 2007 to February 15, 2008. Prior to that, Mr. Bennett was vice president of Dean & Company, a management consulting and investment firm. Mr. Davidson was senior vice president of business management of FPL Energy from March 2005 to December 2006. He was vice president of business management of FPL Energy from June 2004 to March 2005. From March 2001 to September 2003, Mr. Davidson was senior vice president, energy management of Duke Energy North America (Duke) where his primary responsibility was for the overall direction, profitability, growth and risk mitigation for Duke's trading business. Mr. Davis was also controller of FPL from July 1991 to September 2007. Mr. Dewhurst was also vice president, finance of FPL Group and senior vice president, finance of FPL from July 2001 to February 15, 2008. Mr. Escoto was vice president, human resources of FPL from March 2004 to February 2005. Mr. Escoto was vice president, human resources of FPL Energy from April 2002 to November 2006. Mr. Hay was president of FPL Group from June 2001 to December 2006. Mr. McGrath was senior vice president, engineering and construction of FPL from November 2002 to February 2005. Mr. Olivera was senior vice president, power systems of FPL from July 1999 to June 2003. Mr. Pimentel was a partner of Deloitte & Touche LLP, an independent registered public accounting firm, from June 1998 to February 9, 2008. Mr. Robo was president of FPL Energy from July 2002 to December 2006. He was also vice president, corporate development and strategy of FPL Group from March 2002 to December 2006. Mr. Tancer was associate general counsel of FPL Group from April 2003 to February 2005. He was also vice president and general counsel of FPL Energy from February 2001 to February 2005.

[b] Mr. Dewhurst will relinquish, and Mr. Pimentel will assume, the title of chief financial officer of FPL Group and FPL on the day after the date on which FPL Group and FPL file their Quarterly Report on Form 10-Q for the quarter ended March 31, 2008.

Item 1A. Risk Factors

Risks Relating to FPL Group's and FPL's Business

FPL Group and FPL are subject to complex laws and regulations and to changes in laws and regulations as well as changing governmental policies and regulatory actions, including, but not limited to, initiatives regarding deregulation and restructuring of the energy industry and environmental matters, including, but not limited to, matters related to the effects of climate change. FPL holds franchise agreements with local municipalities and counties, and must renegotiate expiring agreements. These factors may have a negative impact on the business and results of operations of FPL Group and FPL.

- FPL Group and FPL are subject to complex laws and regulations, and to changes in laws or regulations, including, but not limited to, the PURPA, the Holding Company Act, the Federal Power Act, the Atomic Energy Act of 1954, as amended, the 2005 Energy Act and certain sections of the Florida statutes relating to public utilities, changing governmental policies and regulatory actions, including, but not limited to, those of the FERC, the FPSC and the legislatures and 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, construction and operation of plant facilities, construction and operation of transmission and distribution facilities, acquisition, disposal, depreciation and amortization of assets and facilities, recovery of fuel and purchased power costs, decommissioning costs, ROE 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 any and all 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, as well as the effect of changes in or additions to applicable statutes, rules and regulations relating to air quality, water quality, climate change, waste management, marine and 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, but not limited to, deregulation or restructuring of the production and sale of electricity, as well as increased focus on renewable energy sources. 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 and maintenance of transmission, distribution and power generation facilities, including nuclear facilities, involve significant risks that could adversely affect the results of operations and financial condition of FPL Group and FPL.

- The operation and maintenance of transmission, distribution and power generation facilities involve many risks, including, but not limited to, start up risks, breakdown or failure of equipment, transmission and distribution lines or pipelines, the inability to properly manage or mitigate known equipment defects throughout FPL Group's and FPL's generation fleets and transmission and distribution systems unless and until such defects are remediated, use of new technology, the dependence on a specific fuel source, including the supply and transportation of fuel, or the impact of unusual or adverse weather conditions (including, but not limited to, natural disasters such as hurricanes and droughts), 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, including, but not limited to, the requirement to purchase power in the market at potentially higher prices to meet contractual obligations. Insurance, warranties or performance guarantees may not cover any or all of the lost revenues or increased expenses, including, but not limited to, 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, but not limited to, the ability to store and/or dispose of spent nuclear fuel and the potential payment of significant retrospective insurance premiums, 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 operating facility of FPL Energy 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.

The construction of, and capital improvements to, power generation facilities, including nuclear facilities, involve substantial risks. Should construction or capital improvement efforts be unsuccessful, the results of operations and financial condition of FPL Group and FPL could be adversely affected.

- 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 within established budgets is contingent upon many variables, including, but not limited to, transmission interconnection issues and escalating costs for materials, labor and environmental compliance, 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.

The use of derivative contracts by FPL Group and FPL in the normal course of business could result in financial losses that negatively impact the results of operations of FPL Group and FPL.

- FPL Group and FPL use derivative instruments, such as swaps, options and forwards to manage their commodity and financial market risks. FPL Group provides full energy and capacity requirements services primarily to distribution utilities and engages in energy trading activities. FPL Group could recognize financial losses as a result of volatility in the market values of these derivative instruments, 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 derivative instruments. 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.

FPL Group's competitive energy business is subject to risks, many of which are beyond the control of FPL Group, that may reduce the revenues and adversely impact the results of operations and financial condition of FPL Group.

- There are other risks associated with FPL Group's competitive energy business. In addition to risks discussed elsewhere, risk factors specifically affecting FPL Energy's success in competitive wholesale markets include, but are not limited to, 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 (including transportation), 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's ability to successfully identify, complete and integrate acquisitions is subject to significant risks, including, but not limited to, the effect of increased competition for acquisitions resulting from the consolidation of the power industry.

- 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 general, as well as the passage of the 2005 Energy Act. In addition, FPL Group may be unable to identify attractive acquisition opportunities at favorable prices and to complete and integrate them successfully and in a timely manner.

Because FPL Group and FPL rely on access to capital markets, the inability to maintain current credit ratings and to access capital markets on favorable terms may limit the ability of FPL Group and FPL to grow their businesses and would likely increase interest costs.

- 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, as well as significant volatility in the financial markets, could affect their ability to raise capital on favorable terms, which, in turn, could impact FPL Group's and FPL's ability to grow their businesses and would likely increase their interest costs.

Customer growth in FPL's service area affects FPL Group's and FPL's results of operations.

- FPL Group's and FPL's results of operations are affected by the growth in customer accounts in FPL's service area. Customer growth can be affected by population growth as well as economic factors in Florida, including, but not limited, to job and income growth, housing starts and new home prices. Customer growth directly influences the demand for electricity and the need for additional power generation and power delivery facilities at FPL.

Weather affects FPL Group's and FPL's results of operations.

- 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, affect the price of energy commodities, and can affect the production of electricity at power generating facilities, including, but not limited to, wind, solar and hydro-powered facilities. FPL Group's and FPL's results of operations can be affected by the impact of severe weather which can be destructive, causing outages and/or property damage, may affect fuel supply, and could require additional costs to be incurred. At FPL, recovery of these costs is subject to FPSC approval.

FPL Group and FPL are subject to costs and other effects of legal proceedings as well as changes in or additions to applicable tax laws, rates or policies, rates of inflation, accounting standards, securities laws and corporate governance requirements.

- 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 and corporate governance requirements.

Threats of terrorism and catastrophic events that could result from terrorism, cyber attacks, or individuals and/or groups attempting to disrupt FPL Group's and FPL's business may impact the operations of FPL Group and FPL in unpredictable ways.

- FPL Group and FPL are subject to direct and indirect effects of terrorist threats and activities, as well as cyber attacks and disruptive activities of individuals and/or groups. Infrastructure facilities and systems, including, but not limited to, generation, transmission and distribution facilities, physical assets and information systems, in general, have been identified as potential targets. The effects of these threats and activities include, but are not limited to, the inability to generate, purchase or transmit power, the delay in development and construction of new generating facilities, 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 Group and FPL to obtain insurance and the terms of any available insurance coverage could be affected by national, state or local events and company-specific events.

- 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 that could affect the businesses and financial condition of FPL Group and FPL.

- FPL Group and FPL are subject to employee workforce factors, including, but not limited to, loss or retirement of key executives, availability of qualified personnel, inflationary pressures on payroll and benefits costs, collective bargaining agreements with union employees and work stoppage that could affect the businesses and financial condition of FPL Group and FPL.

The risks described herein are not the only risks facing FPL Group and FPL. Additional risks and uncertainties not currently known to FPL Group or FPL, or that are currently deemed to be immaterial, also may materially adversely affect FPL Group's or FPL's business, financial condition and/or future operating results.

Item 1B. Unresolved Staff Comments

None

Item 2. Properties

FPL Group and its subsidiaries maintain properties which are adequate for their operations. At December 31, 2007, the electric generating, transmission, distribution and general facilities of FPL represented approximately 45%, 12%, 38% and 5%, respectively, of FPL's gross investment in electric utility plant in service.

Generating Facilities. At December 31, 2007, 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	792
Cutler	Miami, FL	2	Gas	204
Manatee	Parrish, FL	2	Oil/Gas	1,638
Martin	Indiantown, FL	2	Oil/Gas	1,678
Port Everglades	Port Everglades, FL	4	Oil/Gas	1,219
Riviera	Riviera Beach, FL	2	Oil/Gas	565
St. Johns River Power Park	Jacksonville, FL	2	Coal/Petroleum Coke	250[c]
Sanford	Lake Monroe, FL	1	Oil/Gas	138
Scherer	Monroe County, GA	1	Coal	646[d]
Turkey Point	Florida City, FL	2	Oil/Gas	788
Combined-cycle				
Fort Myers	Fort Myers, FL	1	Gas	1,440
Lauderdale	Dania, FL	2	Gas/Oil	872
Manatee	Parrish, FL	1	Gas	1,104
Martin	Indiantown, FL	1	Gas/Oil	1,104
Martin	Indiantown, FL	2	Gas	956
Putnam	Palatka, FL	2	Gas/Oil	498
Sanford	Lake Monroe, FL	2	Gas	1,916
Turkey Point	Florida City, FL	1	Gas/Oil	1,144
Simple-cycle combustion turbines				
Fort Myers	Fort Myers, FL	1	Gas/Oil	324
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				22,135[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 SJRPP 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 Energy Facilities	Location	No. of Units	Fuel	Net Capability (mw) [a]
Wind				
Cabazon	Riverside County, CA	53	Wind	40
Callahan Divide [b]	Taylor County, TX	76	Wind	114
Capricorn Ridge	Sterling & Coke Counties, TX	208	Wind	364
Cerro Gordo [b]	Cerro Gordo County, IA	55	Wind	41
Delaware Mountain	Culberson County, TX	38	Wind	28
Diablo Wind	Alameda County, CA	31	Wind	21
Endeavor Wind	Osceola County, IA	10	Wind	25
Gray County	Gray County, KS	170	Wind	112
Green Mountain	Somerset County, PA	8	Wind	10
Green Power	Riverside County, CA	22	Wind	17
Green Ridge Power	Alameda & Contra Costa Counties, CA	1,463	Wind	159
Hancock County [b]	Hancock County, IA	148	Wind	98
High Winds [b]	Solano County, CA	90	Wind	162
Horse Hollow Wind [b]	Taylor County, TX	142	Wind	213
Horse Hollow Wind II [b]	Taylor & Nolan Counties, TX	130	Wind	299
Horse Hollow Wind III [b]	Nolan County, TX	149	Wind	224
Indian Mesa	Upton County, TX	125	Wind	83
King Mountain	Upton County, TX	214	Wind	278
Lake Benton II [b]	Pipestone County, MN	138	Wind	104
Langdon Wind	Cavalier County, ND	79	Wind	118
Logan Wind [c]	Logan County, CO	134	Wind	201
Meyersdale [b]	Somerset County, PA	20	Wind	30
Mill Run	Fayette County, PA	10	Wind	15
Montfort [b]	Iowa County, WI	20	Wind	30
Mountaineer [b]	Preston & Tucker Counties, WV	44	Wind	66
Mower County Wind [c]	Mower County, MN	43	Wind	99
New Mexico Wind [b]	Quay & Debaca Counties, NM	136	Wind	204
North Dakota Wind [b]	LaMoure County, ND	41	Wind	62
Oklahoma / Sooner Wind [b]	Harper & Woodward Counties, OK	68	Wind	102
Oliver County Wind I [c]	Oliver County, ND	22	Wind	51
Oliver County Wind II [c]	Oliver County, ND	32	Wind	48
Peetz Table Wind [c]	Logan County, CO	133	Wind	199
Red Canyon Wind Energy [b]	Borden, Garza & Scurry Counties, TX	56	Wind	84
Sky River	Kern County, CA	342	Wind	77
Somerset Wind Power	Somerset County, PA	6	Wind	9
South Dakota Wind [b]	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 [b]	Wayne County, PA	43	Wind	65
Weatherford Wind [b]	Custer & Washita Counties, OK	98	Wind	147
Wilton Wind [b]	Burleigh County, ND	33	Wind	49
Windpower Partners 1991–92	Alameda & Contra Costa Counties, CA	279	Wind	28
Windpower Partners 1992	Alameda & Contra Costa Counties, CA	300	Wind	30
Windpower Partners 1993	Riverside County, CA	115	Wind	41
Windpower Partners 1993	Lincoln County, MN	73	Wind	26
Windpower Partners 1994	Culberson County, TX	109	Wind	39
Woodward Mountain	Upton & Pecos Counties, TX	242	Wind	160
Wyoming Wind [b]	Uinta County, WY	80	Wind	144
Investments in joint ventures	Various	969	[d]	98
Total Wind				5,077
Contracted				
Bayswater [b]	Far Rockaway, NY	2	Gas	56
Calhoun [b]	Eastaboga, AL	4	Gas	668
Cherokee [b]	Gaffney, SC	2	Gas/Oil	98
Doswell [b]	Ashland, VA	6	Gas/Oil	708
Duane Arnold	Palo, IA	1	Nuclear	424 [e]
Jamaica Bay [b]	Far Rockaway, NY	2	Oil/Gas	54
Point Beach	Two Rivers, WI	2	Nuclear	1,023
Port of Stockton	Stockton, CA	1	Coal/Petroleum Coke	44
Investments in joint ventures:				
SEGS III–IX	Kramer Junction and Harper Lake, CA	7	Solar	148
Other	Various	9	[f]	319
Total Contracted				3,542

FPL Energy Facilities	Location	No. of Units	Fuel	Net Capability (mw) [a]
Merchant				
Blythe Energy	Blythe, CA	3	Gas	507
Doswell – Expansion [b]	Ashland, VA	1	Gas/Oil	171
Forney	Forney, TX	8	Gas	1,700
Lamar Power Partners	Paris, TX	6	Gas	1,000
Maine – Cape, Wyman	Various – ME	6	Oil	743[g]
Maine [b]	Various – ME	83	Hydro	361
Marcus Hook 50	Marcus Hook, PA	1	Gas	50
Marcus Hook 750 [b]	Marcus Hook, PA	4	Gas	744
RISEP	Johnston, RI	3	Gas	550
Seabrook	Seabrook, NH	1	Nuclear	1,098[h]
Total Merchant				6,924
TOTAL				15,543

[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] FPL Energy owns these wind facilities together with third party investors with differential membership interests. See Note 11 – Sale of Differential Membership Interests.
[d] Represents plants with no more than 50% ownership using wind technology.
[e] Excludes Central Iowa Power Cooperative and Combelt Power Cooperative's combined share of 30%.
[f] Represents plants with no more than 50% ownership using fuels and technologies such as gas, waste-to-energy and coal.
[g] Excludes seven other energy-related partners' combined share of 24%.
[h] 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. At December 31, 2007, FPL owned and operated the following electric transmission and distribution lines:

Nominal Voltage	Overhead Lines Pole Miles	Trench and Submarine Cables Miles
500kv	1,106[a]	-
230kv	2,943	25
138kv	1,609	50
115kv	730	-
69kv	164	14
Less than 69 kv	41,690	25,053
Total	48,242	25,142

[a] Includes approximately 75 miles owned jointly with JEA.

In addition, at December 31, 2007, FPL owned and operated 573 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. The majority of FPL Energy's generating facilities are held in fee and a number of those facilities are encumbered by liens against their assets securing various financings. Additionally, some of FPL Energy's wind turbines are located on land leased from owners of private property. See Generating Facilities and Note 1 – Electric Plant, Depreciation and Amortization.

Item 3. Legal Proceedings

FPL Group and FPL are parties to various lawsuits in the ordinary course of their respective businesses. For information regarding material lawsuits, see Note 16 – Litigation. Such descriptions are incorporated herein by reference.

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

None

PART II

Item 5. Market for 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 under the symbol "FPL." 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:

	2007		2006	
Quarter	High	Low	High	Low
First	$ 63.07	$ 53.72	$ 43.42	$ 38.85
Second	$ 66.52	$ 56.18	$ 41.97	$ 37.81
Third	$ 64.20	$ 54.61	$ 45.87	$ 40.59
Fourth	$ 72.77	$ 60.26	$ 55.57	$ 44.97

Approximate Number of Shareholders. As of the close of business on January 31, 2008, there were 29,765 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	2007	2006
First	$ 0.41	$ 0.375
Second	$ 0.41	$ 0.375
Third	$ 0.41	$ 0.375
Fourth	$ 0.41	$ 0.375

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 (generally 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, among other things, dividends paid to it by its subsidiaries. There are no restrictions in effect that currently limit FPL's ability to pay dividends to FPL Group. In February 2008, FPL Group announced that it would increase its quarterly dividend on its common stock from $0.41 to $0.445 per share. See Management's Discussion – Liquidity and Capital Resources – Covenants with respect to dividend restrictions and Note 12 – Common Stock Dividend Restrictions regarding dividends paid by FPL to FPL Group.

Issuer Purchases of Equity Securities. The following table presents information regarding purchases made by FPL Group of its common stock:

Period	Total Number of Shares Purchased [a]	Average Price Paid Per Share [a]	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]
10/1/07 – 10/31/07	782	$ 62.03	-	20,000,000
11/1/07 – 11/30/07	1,316	$ 68.73	-	20,000,000
12/1/07 – 12/31/07	-	$ -	-	20,000,000
Total	2,098		-	

(a) Shares of common stock purchased from employees to pay certain withholding taxes upon the vesting of stock awards granted to such employees under the LTIP.

(b) In February 2005, FPL Group's Board of Directors authorized a common stock repurchase plan of up to 20 million shares of common stock over an unspecified period, which authorization was ratified and confirmed by FPL Group's Board of Directors in December 2005.

Item 6. Selected Financial Data

	Years Ended December 31,				
	2007	2006	2005	2004	2003
SELECTED DATA OF FPL GROUP (millions, except per share amounts):					
Operating revenues	$ 15,263	$ 15,710	$ 11,846	$ 10,522	$ 9,630
Income before cumulative effect of changes in accounting principles	$ 1,312[a]	$ 1,281[b]	$ 901[a]	$ 896[c]	$ 906[a]
Cumulative effect of adopting FIN 46, net of income taxes of $2	$ -	$ -	$ -	$ -	$ (3)
Net income	$ 1,312[a]	$ 1,281[b]	$ 901[a]	$ 896[c]	$ 903[d]
Earnings per share of common stock – basic:					
Earnings per share before cumulative effect of changes in accounting principles	$ 3.30[a]	$ 3.25[b]	$ 2.37[a]	$ 2.50[c]	$ 2.55[a]
Cumulative effect of changes in accounting principles	$ -	$ -	$ -	$ -	$ (0.01)
Earnings per share	$ 3.30[a]	$ 3.25[b]	$ 2.37	$ 2.50[c]	$ 2.54[d]
Earnings per share of common stock – assuming dilution:					
Earnings per share before cumulative effect of changes in accounting principles	$ 3.27[a]	$ 3.23[b]	$ 2.34[a]	$ 2.48[c]	$ 2.54[a]
Cumulative effect of changes in accounting principles	$ -	$ -	$ -	$ -	$ (0.01)
Earnings per share	$ 3.27[a]	$ 3.23[b]	$ 2.34[a]	$ 2.48[c]	$ 2.53[d]
Dividends paid per share of common stock	$ 1.64	$ 1.50	$ 1.42	$ 1.30	$ 1.20
Total assets	$ 40,123	$ 35,822[e]	$ 32,599[e]	$ 28,324	$ 26,955
Long-term debt, excluding current maturities	$ 11,280	$ 9,591	$ 8,039	$ 8,027	$ 8,723
SELECTED DATA OF FPL (millions):					
Operating revenues	$ 11,622	$ 11,988	$ 9,528	$ 8,734	$ 8,293
Net income available to FPL Group	$ 836	$ 802	$ 748	$ 749	$ 733
Total assets	$ 24,044	$ 22,970[e]	$ 22,347[e]	$ 19,114	$ 17,817
Long-term debt, excluding current maturities	$ 4,976	$ 4,214	$ 3,271	$ 2,813	$ 3,074
Energy sales (kwh)	108,636	107,513	105,648	103,635	103,202
Energy sales:					
Residential	50.8%	50.8%	51.4%	50.7%	51.8%
Commercial	42.3	41.4	41.1	40.6	40.1
Industrial	3.5	3.8	3.7	3.8	3.9
Interchange power sales	1.8	2.1	2.0	2.9	2.3
Other [f]	1.6	1.9	1.8	2.0	1.9
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Approximate 60-minute peak load (mw): [g]					
Summer season	21,962	21,819	22,361	20,545	19,668
Winter season	18,055	17,260	19,683	18,108	15,989
Average number of customer accounts (thousands):					
Residential	3,981	3,906	3,828	3,745	3,653
Commercial	493	479	470	458	445
Industrial	19	21	20	19	17
Other	4	4	4	3	2
Total	4,497	4,410	4,322	4,225	4,117
Average price billed to customers (cents per kwh)	10.63	11.14	8.88	8.36	7.95

(a) Includes net unrealized mark-to-market gains or losses associated with non-qualifying hedges.
(b) Includes expenses related to a terminated merger, net unrealized mark-to-market gains associated with non-qualifying hedges, impairment charges and an Indonesian project gain.
(c) Includes impairment and restructuring charges and net unrealized mark-to-market losses associated with non-qualifying hedges.
(d) Includes the cumulative effect of an accounting change and net unrealized mark-to-market gains associated with non-qualifying hedges.
(e) Amounts have been adjusted to reflect the retrospective application of FASB Staff Position (FSP) FIN 39-1, "Amendment of FASB Interpretation No. 39." See Note 4.
(f) Includes the net change in unbilled sales.
(g) Winter season includes November and December of the current year and January to March of the following year (for 2007, through February 27, 2008).

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. It has two principal operating subsidiaries, FPL and FPL Energy. FPL serves more than 8.7 million people throughout most of the east and lower west coasts of Florida. FPL Energy, FPL Group's competitive energy subsidiary, produces electricity primarily utilizing natural gas, wind and nuclear resources. Together, FPL's and FPL Energy's generating assets represented approximately 37,700 mw of capacity at December 31, 2007. 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. FPL expects the 2005 rate agreement to be in effect through December 31, 2009. See Note 1 – Revenues and Rates. Over the last ten years, FPL's average annual customer growth has been 2.2% while usage growth per customer has been 0.6%. FPL has observed a decline in non-weather related usage per customer and, in the latter part of 2007, began to experience a slowdown in customer growth in its service territory. FPL suspects that weakness in the housing markets in both Florida and the rest of the United States has contributed to a slowdown in customer growth and, to a lesser extent, may have also contributed to the decline in non-weather related usage per customer. FPL's business strategy is to continue meeting the increased demands of customers in a safe, reliable, cost-effective manner while focusing on operating performance.

FPL Energy is in the competitive energy business with the majority of its operating revenues derived from wholesale electricity sales. Its business strategy is to maximize the value of its current portfolio, expand its U.S. market-leading wind position and build its portfolio through asset acquisitions. FPL Energy plans to add a total of 8,000 mw to 10,000 mw of new wind generation over the 2007 – 2012 period, of which 1,064 mw were added in 2007 and at least 1,100 mw are expected to be added in 2008. In addition, FPL Energy intends to pursue opportunities for new solar generating facilities. The wind and solar expansions are subject to, among other things, continued public policy support.

FPL Energy's market is diversified by region as well as by fuel source. FPL Energy sells a large percentage of its expected output to hedge against price volatility. Therefore, if FPL Energy's plants do not perform as expected, FPL Energy could be required to purchase power at potentially higher market prices to meet its contractual obligations. FPL Energy's energy marketing and trading business is focused on managing commodity price risk and extracting maximum value from its assets.

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 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. FPL Group uses derivative instruments to manage its commodity price and interest rate risk.

FPL Group's management uses earnings excluding certain items (adjusted earnings), which in 2007, 2006 and 2005 were the unrealized mark-to-market effect of non-qualifying hedges and, in 2006 also included merger-related costs, internally for financial planning, for analysis of performance, for reporting of results to the Board of Directors and as inputs in determining whether performance targets are met for performance-based compensation under FPL Group's employee incentive compensation plans. FPL Group also uses adjusted earnings when communicating its earnings outlook to 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, management believes that the amount and/or nature of such items make period to period comparisons of operations difficult and potentially confusing.

FPL Group and FPL adopted FSP FIN 39-1 effective December 31, 2007, which amended certain provisions of FIN 39, "Offsetting of Amounts Related to Certain Contracts," and required the offsetting of amounts recognized for the right to reclaim and obligation to return cash collateral against amounts recognized for derivative instruments executed with the same counterparty under the same master netting arrangement when such offsetting derivative positions are presented on a net basis. FSP FIN 39-1 required retrospective application and, accordingly, all prior period consolidated balance sheets of FPL Group and FPL have been adjusted to reflect this change. See Note 4.

Results of Operations

Summary – Presented below is a summary of net income (loss) by reportable segment (see Note 17):

	Years Ended December 31,		
	2007	2006	2005
		(millions)	
FPL	$ 836	$ 802	$ 748
FPL Energy	540	610	203
Corporate and Other	(64)	(131)	(50)
FPL Group Consolidated	$ 1,312	$ 1,281	$ 901

FPL's 2007 improved results benefited from a retail base rate increase associated with Turkey Point Unit No. 5 and continued retail customer growth, partly offset by higher O&M and depreciation and amortization expenses recovered through base rates, a slight decline in retail customer usage and lower interest income on underrecovered fuel and storm costs. In addition, disallowed storm costs, net of certain interest, reduced 2006 net income by approximately $27 million. FPL's 2006 improved results reflect lower depreciation and amortization expense and customer growth partly offset by the expensing of disallowed 2005 storm costs, higher O&M expenses and a slight decline in usage per retail customer.

FPL Energy's 2007 results reflect additional earnings from the existing portfolio, from new investments and from full energy and capacity requirements services and trading. These benefits were partially offset by higher interest, general and administrative expenses to support the growth in the business. FPL Energy's 2006 results reflect an approximately $97 million gain ($63 million after-tax) resulting from a court judgment relating to an Indonesian project that was suspended in 1998, additional earnings from new investments and improved results from the existing portfolio. In addition, FPL Group's and FPL Energy's net income for 2007 and 2005 reflect net unrealized after-tax losses from non-qualifying hedges of $86 million and $112 million, respectively, while 2006 net income reflects net unrealized after-tax gains from such hedges of $92 million. The change in unrealized mark-to-market activity is primarily attributable to changes in forward power and natural gas prices, as well as the reversal of previously recognized unrealized mark-to-market gains/losses as the underlying transactions are realized. As a general rule, a gain (loss) in the non-qualifying hedge category is offset by decreases (increases) in the fair value of related physical asset positions in the portfolio or contracts, which are not marked to market under generally accepted accounting principles.

Results for Corporate and Other in 2007 reflect lower interest costs and higher interest income, partly offset by lower federal and state tax benefits. In addition, results for Corporate and Other in 2006 reflect a $98 million ($60 million after-tax) impairment charge related to FPL FiberNet's metro market assets as a result of significant changes in the business climate in which FPL FiberNet operates. In addition, Corporate and Other's 2006 results reflect approximately $14 million of after-tax merger costs associated with the proposed merger between FPL Group and Constellation Energy Group, Inc. (Constellation Energy), which was terminated in October 2006. See Note 5 – Corporate and Other for FPL FiberNet impairment charges and Note 17 for segment information.

FPL Group's effective tax rate for all periods presented reflects PTCs for wind projects at FPL Energy. PTCs can significantly affect FPL Group's effective tax rate depending on the amount of pretax income and wind generation. See Note 1 – Income Taxes, Note 6 and Note 11 – Sale of Differential Membership Interests.

FPL – FPL's net income for 2007, 2006 and 2005 was $836 million, $802 million and $748 million, respectively, an increase in 2007 of $34 million and an increase in 2006 of $54 million. FPL's 2007 results benefited from a retail base rate increase associated with Turkey Point Unit No. 5 commencing commercial operation on May 1, 2007 and continued retail customer growth. These factors were partly offset by higher O&M and depreciation and amortization expenses recovered through base rates, a slight decline in usage per retail customer and lower interest income on underrecovered fuel and storm costs. In addition, disallowed storm costs, net of interest income recorded on 2005 storm restoration costs approved for recovery by the FPSC, reduced FPL's 2006 net income by approximately $27 million. In 2006, when considering FPL's petition to recover 2005 storm costs, the FPSC applied a different standard for recovery of 2005 costs than was used for recovery of the 2004 storm costs. This resulted in certain adjustments and disallowances of storm costs that FPL sought to recover. FPL's 2006 net income benefited from lower depreciation and amortization expense, continued customer growth and certain federal income tax deductions and credits. These factors were partially offset by higher O&M and property tax expenses, the storm cost disallowance and a slight decline in usage per retail customer.

FPL's current retail base rates were approved by the FPSC in 2005 and are effective through December 31, 2009. The 2005 rate agreement replaced the 2002 rate agreement which was in effect from April 15, 2002 through December 31, 2005. The 2005 rate agreement provides that retail base rates will not increase during the term of the agreement except to allow recovery of the revenue requirements of any power plant approved pursuant to the Siting Act that achieves commercial operation during the term of the 2005 rate agreement. Retail base rates increased in 2007 when Turkey Point Unit No. 5 commenced commercial operation on May 1, 2007. The 2005 rate agreement also continues the revenue sharing mechanism in the 2002 rate agreement, whereby revenues from retail base operations in excess of certain thresholds will be shared with customers on the basis of two-thirds refunded to customers and one-third retained by FPL. Revenues from retail base operations in excess of a second, higher threshold (cap) will be refunded 100% to customers. The revenue sharing threshold and cap are adjusted each year. For the years ended December 31, 2007, 2006 and 2005, revenues from retail base operations did not exceed the thresholds for those years and FPL does not expect 2008 revenues to exceed the thresholds. See Note 1 – Revenues and Rates for information on the calculation of the threshold and cap and for information on FPL's regulatory ROE.

The 2005 rate agreement, among other things, requires FPL to use electric property depreciation rates based upon comprehensive depreciation studies filed with the FPSC in March 2005 and permits FPL to continue to reduce annual depreciation by up to $125 million, which FPL has been doing since 2002. The 2005 rate agreement suspended contributions of approximately $79 million per year to the nuclear decommissioning fund beginning in September 2005. The 2005 rate agreement also suspended, beginning in 2006, contributions of $20.3 million per year to the storm and property insurance reserve but allows FPL to recover prudently incurred storm restoration costs, either through securitization provisions pursuant to a state financing statute or surcharges. See Note 1 – Securitization.

FPL's operating revenues consisted of the following:

	Years Ended December 31,		
	2007	2006	2005
		(millions)	
Retail base	$ 3,796	$ 3,657	$ 3,658
Fuel cost recovery	6,162	6,573	4,283
Other cost recovery clauses and pass-through costs	1,490	1,588	1,368
Other, primarily gas, transmission and wholesale sales and customer-related fees	174	170	219
Total	$ 11,622	$ 11,988	$ 9,528

For the year ended December 31, 2007, an increase in the average number of customers of 2.0% increased retail base revenues by approximately $71 million. During this period, usage per retail customer decreased 0.4%. This usage decrease, as well as other factors, decreased retail base revenues by approximately $18 million. In addition, a base rate increase resulting from Turkey Point Unit No. 5 commencing commercial operation on May 1, 2007 increased retail base revenues by approximately $86 million. Although the 2007 increase in the average number of customers was the same as the 2006 increase, the pattern of growth was considerably different. Much of the 2007 growth occurred early in the year and there was very little customer growth in the latter part of 2007. FPL suspects the weakness in the housing markets in both Florida and the rest of the United States has contributed to this slowdown in FPL's customer growth and, to a lesser extent, may have also contributed to a decline in non-weather related usage per customer.

For the year ended December 31, 2006, an increase in the average number of customers of 2.0% increased retail base revenues by approximately $74 million. During this period, usage per retail customer decreased 0.4% primarily due to warmer weather experienced in 2005 and the elasticity effect on customers of higher electricity prices in 2006 reflecting the increase in FPL's retail fuel clause recovery factor as discussed below. This decrease in usage per retail customer was partly offset by the absence of hurricane activity in 2006 compared to the 2005 activity that caused customer service interruptions throughout FPL's service territory. This usage decrease, as well as other factors, decreased retail base revenues by approximately $23 million. In addition, under the 2005 rate agreement, FPL was authorized by the FPSC to collect, through a separate charge on a customer bill, the portion (approximately 1.5%) of gross receipts taxes that was previously embedded in base rates. This resulted in an approximately $52 million reduction in retail base revenues with a corresponding increase in revenues from other cost recovery clauses and pass-through costs.

Revenues from fuel and other cost recovery clauses and pass-through costs, such as franchise fees, revenue taxes and storm-related surcharges, do not significantly affect net income; however, underrecovery or overrecovery of such costs can significantly affect FPL Group's and FPL's operating cash flows. Fluctuations in fuel cost recovery revenues are primarily driven by changes in fuel and energy charges which are included in fuel, purchased power and interchange expense, as well as by changes in energy sales. Fluctuations in revenues from other cost recovery clauses and pass-through costs are primarily driven by changes in storm-related surcharges, capacity charges, franchise fee costs, the impact of changes in O&M and depreciation expenses on the underlying cost recovery clause, as well as changes in energy sales. Capacity charges and franchise fee costs are included in fuel, purchased power and interchange and taxes other than income taxes, respectively, in the consolidated statements of income.

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. FPL utilizes a risk management fuel procurement program which was approved by the FPSC at the program's inception. The FPSC reviews the program activities and results for prudence on an annual basis as part of its annual review of fuel costs. The program is intended to reduce the risk of unexpected fuel price volatility by locking in fuel prices for a portion of FPL's fuel requirements. In response to higher fuel prices, as well as the recovery of a portion of underrecovered fuel costs from 2005, in January 2006 the retail fuel clause recovery factor was increased approximately 46%, which was the primary contributor to the increase in fuel cost recovery revenues in 2006. The retail fuel clause recovery factor for 2007 was reduced approximately 7.2% in January 2007 primarily in response to expected fuel price changes. This factor declined again by another 2.3% during the second quarter of 2007 when Turkey Point Unit No. 5 was placed in service, although a typical 1,000 kwh residential bill remained the same because the previously discussed base rate increase for this unit offset the fuel clause recovery factor decline.

In May 2007, a wholly-owned subsidiary of FPL issued $652 million aggregate principal amount of storm-recovery bonds primarily for the after-tax equivalent of the total of FPL's unrecovered balance of the 2004 storm restoration costs, the 2005 storm restoration costs and approximately $200 million to reestablish FPL's storm and property insurance reserve. The storm-recovery bonds, including interest and bond issuance costs, are being repaid through a surcharge to retail customers. Prior to the issuance of these storm-recovery bonds, FPL had been recovering from retail customers since February 2005, the 2004 storm restoration costs through a storm damage surcharge. Both the revenues from the 2004 storm damage surcharge and the storm-recovery bonds surcharge are included in other cost recovery clauses and pass-through costs and amounted to approximately $94 million, $151 million and $155 million for the years ended December 31, 2007, 2006 and 2005, respectively. Revenues from other cost recovery clauses and pass-through costs also declined in 2007 due to the absence in 2007 of the recovery of a portion of litigation costs that FPL had been recovering since 2002 through the capacity clause. See further discussion, see Note 1 – Securitization and see discussion below of depreciation and amortization expense.

The decrease in other revenues in 2006 is primarily due to the transfer, effective January 1, 2006, of FPL's retail gas contracts to a subsidiary of FPL Group Capital, which also reduced FPL's fuel expense by approximately $64 million for the year ended December 31, 2006.

The major components of FPL's fuel, purchased power and interchange expense are as follows:

	Years Ended December 31,		
	2007	2006	2005
		(millions)	
Fuel and energy charges during the period	$ 6,259	$ 5,662	$ 5,213
Recovery of costs incurred in a prior period	91	743	140
Net over (under) recovery of costs during the period	(142)	194	(1,027)
Other, primarily capacity charges net of any capacity deferral	518	517	584
Total	$ 6,726	$ 7,116	$ 4,910

The increase in fuel and energy charges in 2007 reflects higher fuel and energy prices of approximately $532 million and approximately $65 million attributable to higher energy sales. The increase in fuel and energy charges in 2006 reflects higher fuel and energy prices of approximately $415 million and approximately $98 million attributable to higher energy sales, partly offset by approximately $64 million related to the transfer of FPL's retail gas contracts. The recovery of costs incurred in a prior period represents the collection of underrecovered fuel costs the FPSC permitted FPL to start collecting at the beginning of the respective year. The net overrecovery (underrecovery) of costs during the period represents fuel clause collections from customers which were higher (lower) than fuel and energy costs incurred.

FPL's O&M expenses increased $80 million in 2007 reflecting higher nuclear, fossil generation, distribution, customer service and employee benefits costs of approximately $23 million, $11 million, $11 million, $7 million and $17 million, respectively. The increase in nuclear costs reflects plant improvement initiatives at Turkey Point Unit Nos. 3 and 4 while the fossil generation increase reflects costs associated with placing Turkey Point Unit No. 5 in service as well as costs associated with plant repair and a performance payment made to an owner of a jointly-owned plant. The distribution increase reflects higher Storm Secure costs partly offset by lower new service account costs reflecting a decline in housing starts in FPL's territory. The customer service increase reflects staffing increases related to customer growth and higher uncollectible accounts. Other changes in O&M expenses were primarily driven by pass-through costs which did not significantly affect net income. Management expects O&M expenses in 2008 to continue trending upward reflecting higher nuclear, fossil generation, customer service and employee benefit costs.

FPL's O&M expenses increased $67 million in 2006 primarily due to higher transmission and distribution costs and costs associated with Storm Secure totaling approximately $39 million, higher employee benefit costs, primarily medical, of approximately $10 million and higher customer service costs of approximately $19 million reflecting additional staffing needs and higher uncollectible accounts as a result of higher customer bills. These factors were partially offset by the suspension in 2006 of approximately $20 million of contributions to the storm and property insurance reserve in accordance with the 2005 rate agreement. Other changes in O&M expenses were primarily driven by pass-through costs which did not significantly affect net income.

Depreciation and amortization expense for the year ended December 31, 2007 decreased $14 million. Depreciation and amortization expense in 2006 included approximately $45 million of amortization of litigation costs that FPL had been recovering through cost recovery clauses over a five-year period that began January 1, 2002 and ended December 31, 2006. Depreciation and amortization expense in 2007 reflects higher depreciation on transmission and distribution facilities (approximately $25 million) to support customer growth and demand and depreciation on Turkey Point Unit No. 5 (approximately $18 million). The remaining change in depreciation and amortization expense is primarily due to lower depreciation on software that has been fully depreciated. Depreciation and amortization expense for the year ended December 31, 2006 decreased $164 million primarily benefiting from lower depreciation rates and the elimination of the decommissioning accrual approved as part of the 2005 rate agreement (a collective benefit of approximately $242 million). This reduction in depreciation rates applied to substantially all power plant assets including Turkey Point Units Nos. 3 and 4 and St. Lucie Units Nos. 1 and 2, which have received 20-year license extensions. This was partially offset by FPL's continued investment in transmission and distribution facilities to support customer growth and demand (approximately $31 million), depreciation from the addition of two new generating units at FPL's existing Martin and Manatee power plant sites which became operational on June 30, 2005 (approximately $23 million) and increased nuclear depreciation related to plant additions (approximately $24 million).

Taxes other than income taxes decreased $13 million in 2007 but increased $187 million in 2006 primarily due to changes in franchise fees and revenue taxes, which are pass-through costs. Franchise fees and revenue taxes vary as a result of fluctuations in fuel and other cost recovery clause revenues, which is discussed above under the operating revenue table. In addition, taxes other than income taxes in 2007 reflect lower property taxes primarily due to a property tax reduction enacted by the Florida legislature partly offset by higher property taxes due to growth in plant in service balances. In 2006, taxes other than income taxes include higher property taxes reflecting growth in plant in service balances.

Interest charges for 2007 reflect additional borrowings, including the $652 million of storm-recovery bonds issued in May 2007. Interest charges for 2006 increased primarily due to higher average debt balances used to fund increased investment in generation, transmission and distribution expansion, and to pay for unrecovered fuel and storm restoration costs. Average interest rates in 2007 were approximately the same as the prior year while 2006 rates increased approximately 20 basis points. The increase in AFUDC in 2007 is primarily attributable to additional AFUDC on two natural gas-fired combined-cycle units of approximately 1,220 mw each at FPL's West County Energy Center in western Palm Beach County, Florida, the steam generator replacement project at St. Lucie Unit No. 2 and nuclear spent fuel storage projects, partially offset by lower AFUDC on Turkey Point Unit No. 5, which was placed in service in 2007. The decline in AFUDC in 2006 is primarily attributable to the placement of the additional Martin and Manatee units in service on June 30, 2005, partially offset by increased AFUDC on Turkey Point Unit No. 5. Interest income in 2007 declined reflecting the cessation of interest on FPL's unrecovered balance of the storm reserve deficiency, which was collected with the issuance of the storm-recovery bonds in May 2007. Interest income increased in 2006 reflecting higher interest accrued on the unrecovered balance of the storm reserve deficiency.

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. The FERC has jurisdiction over potential changes that could affect competition in wholesale transactions. In 2007, 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. Management believes it is unlikely there will be any state actions to restructure the retail electric industry in Florida in the near future. If 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 Critical Accounting Policies and Estimates – Regulatory Accounting.

In 2007, the FPSC denied FPL's need petition for two ultra super critical pulverized coal generating units in Glades County, Florida. FPL subsequently filed a petition with the FPSC requesting authorization to defer, until the next retail base rate proceeding, approximately $35 million of preconstruction costs associated with the coal units, with amortization over a five-year period beginning when new base rates are implemented. These costs are currently reflected in other assets on FPL Group's and FPL's consolidated balance sheets. Any portion of these costs not approved for recovery would be expensed. A decision is expected in April 2008. FPL is currently constructing two natural gas-fired combined-cycle units of approximately 1,220 mw each at its West County Energy Center which are expected to be in service by mid-2009 and 2010. FPL is proposing to build a third natural gas-fired combined-cycle unit of approximately 1,220 mw at the same site that would be operational in 2011. FPL is in the process of adding approximately 400 mw of baseload capacity at its existing nuclear units at St. Lucie and Turkey Point, which is projected to be in service by the end of 2012. In addition, FPL is seeking FPSC approval for two additional nuclear units totaling between 2,200 mw and 3,040 mw of baseload capacity at its Turkey Point site with projected in-service dates between 2018 and 2020; an FPSC decision is expected in March 2008. Additional approvals from other regulatory agencies will also be required later in the process. In 2007, the FPSC approved a nuclear cost recovery rule that provides for the recovery of prudently incurred pre-construction costs and carrying charges (equal to the pretax AFUDC rate) on construction costs for new nuclear capacity through levelized charges under the capacity clause and for the recovery of construction costs, once the new capacity goes into service, through a base rate increase. As part of the FPSC's approval of the addition of approximately 400 mw of baseload capacity to FPL's existing nuclear units, FPL received approval to recover costs associated with the project through the nuclear cost recovery rule. The estimated costs of the new nuclear units are not included in the capital expenditures table in Note 16 – Commitments because the new units are subject to, among other things, various regulatory and other approvals.

FPL Energy – FPL Energy's net income for 2007, 2006 and 2005 was $540 million, $610 million and $203 million, respectively, a decrease in 2007 of $70 million and an increase in 2006 of $407 million. The primary drivers, on an after-tax basis, of these changes were as follows:

	Years Ended December 31,	
	2007	2006
	(millions)	
New investments [a]	$ 78	$ 112
Existing assets [a]	112	54
Full energy and capacity requirements services and trading	56	26
Restructuring activities and asset sales	(14)	(20)
Indonesian project gain	(63)	63
Interest expense and other	(61)	(32)
Change in unrealized mark-to-market non-qualifying hedge activity [b]	(178)	204
Net income increase (decrease)	$ (70)	$ 407

(a) Includes PTCs on wind projects but does not include allocation of interest expense or corporate general and administrative expenses. See Note 1 – Income Taxes. Results from new projects are included in new investments during the first twelve months of operation. A project's results are included in existing assets beginning with the thirteenth month of operation.

(b) For discussion of derivative instruments, see Note 4 and Overview.

The increase in FPL Energy's 2007 results from new investment reflects the addition of over 3,400 mw of wind and nuclear generation during or after 2006. The 2006 increase reflects over 1,800 mw of wind, nuclear and solar generation during or after 2005.

In 2007, FPL Energy's existing asset portfolio benefited from improved market conditions in the NEPOOL and ERCOT regions and the absence of a refueling outage at the Seabrook nuclear facility. This was partially offset by lower wind resource, by the effect of the completion, in January 2007, of the amortization of deferred income under a power purchase agreement related to a combined-cycle plant in the NEPOOL region and by the reduction in the contracted capacity price at a combined- cycle plant in the PJM region. Results in the NEPOOL and PJM regions also benefited from new FERC-approved forward capacity markets that began in December 2006 and June 2007, respectively. In 2006, the existing portfolio benefited from improved market conditions in the NEPOOL, ERCOT and PJM regions and a higher wind resource. This was partially offset by the unfavorable impact of a longer refueling outage in 2006 as compared to 2005 at the Seabrook nuclear facility. In addition, included in the existing assets line item was a $4 million after-tax ($8 million pretax) impairment charge recorded by FPL Energy in 2006 related to a California coal plant as well as the favorable effect of prior contract restructurings. See Note 5 – FPL Energy.

FPL Energy's 2007 and 2006 financial results benefited from increased gains from its full energy and capacity requirements services and trading activities. Full energy and capacity requirements 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 decrease in 2007 of restructuring activities and asset sales is primarily due to the absence of a $12 million after-tax gain recorded in 2006 on the sale of wind development rights. The 2006 amounts were lower than 2005 reflecting the absence of gains recorded in 2005 from asset sales and from a contract restructuring, partly offset by the 2006 gain on the sale of wind development rights. The Indonesian project gain reflects a $63 million after-tax gain ($97 million pretax) recorded by FPL Energy in 2006 as the result of a court judgment.

In both 2007 and 2006, interest expense and other reflects higher interest expense primarily due to higher debt balances as a result of growth in the business as well as an increase in average interest rates of approximately 9 basis points and 38 basis points for 2007 and 2006, respectively. In addition, interest and other in both 2007 and 2006 includes higher corporate general and administrative expenses to support the growth in the business.

In 2007 and 2005, FPL Energy recorded after-tax net unrealized mark-to-market losses on non-qualifying hedges of approximately $86 million and $112 million, respectively. During 2006, FPL Energy recorded after-tax net unrealized mark-to-market gains of approximately $92 million. The change in unrealized mark-to-market activity for 2007 compared to 2006 is primarily attributable to increased forward power and natural gas prices, as well as the reversal of previously recognized unrealized mark-to-market gains as the underlying transactions were realized during 2007. The change in unrealized mark-to-market activity for 2006 compared to 2005 is primarily attributable to decreased forward power and natural gas prices, as well as the reversal of previously recognized unrealized mark-to-market losses as the underlying transactions were realized during 2006.

FPL Energy's operating revenues for the year ended December 31, 2007 decreased $84 million reflecting $342 million of unrealized mark-to-market losses from non-qualifying hedges compared to $496 million of gains on such hedges in the 2006 period. Excluding this mark-to-market activity, revenues benefited from project additions, favorable market conditions in the NEPOOL and ERCOT regions, the absence of a refueling outage at the Seabrook nuclear facility and increased gains from its full energy and capacity requirements services, partially offset by unfavorable wind resource. Operating revenues for the year ended December 31, 2006 increased $1,337 million primarily due to gains of $496 million on unrealized mark-to-market non-qualifying hedge activity in 2006 compared to losses on such hedges of $249 million in the 2005 period. Excluding this mark-to-market activity, revenues benefited from project additions, favorable market conditions in the NEPOOL, ERCOT and PJM regions, and a higher wind resource, partially offset by the impact of the longer refueling outage in 2006 as compared to 2005 for the Seabrook nuclear facility. Also, operating revenues in 2006 include approximately $12 million related to the settlement of certain operational performance issues with wind turbine equipment suppliers.

FPL Energy's operating expenses for the year ended December 31, 2007 decreased $50 million reflecting $198 million of unrealized mark-to-market gains from non-qualifying hedges compared to $318 million of losses on such hedges in the 2006 period. Excluding these mark-to-market changes which are reflected in fuel, purchased power and interchange expense in FPL Group's consolidated statements of income, operating expenses increased primarily due to project additions, higher fuel costs and higher corporate general and administrative expenses to support the growth in the business. FPL Energy's operating expenses for the year ended December 31, 2006 increased $736 million reflecting $318 million of unrealized mark-to-market losses from non-qualifying hedges compared to $63 million of gains on such hedges in the 2005 period. Excluding these mark-to-market changes, operating expenses increased primarily due to project additions and increased fuel costs as a result of market conditions.

Equity in earnings of equity method investees decreased $113 million for the year ended December 31, 2007 primarily due to the absence of the $97 million Indonesian project gain discussed above and due to the effect of the completion, in January 2007, of the amortization of deferred income under a power purchase agreement related to a combined-cycle plant in the NEPOOL region, partially offset by unrealized mark-to-market losses on non-qualifying hedges of $26 million in 2006. In 2006, equity in earnings of equity method investees increased $57 million primarily due to the $97 million Indonesian project gain discussed above and the favorable effect on operating results from a prior contract restructuring. These factors were partially offset by unrealized mark-to-market losses of approximately $26 million from non-qualifying hedge activity in 2006 compared to an approximately $2 million gain on such hedges in 2005 and the absence of an approximately $13 million pretax gain on a contract restructuring recorded in 2005.

FPL Energy's interest expense for the year ended December 31, 2007 and 2006 increased $43 million and $46 million, respectively, reflecting higher average debt balances to support growth in the business and an increase in average interest rates. Gains (losses) on disposal of assets in FPL Group's consolidated statements of income for 2006 reflect an approximately $20 million pretax gain for the sale of wind development rights. In 2005, this line item included approximately $44 million of pretax gains on the sale of FPL Energy joint venture projects.

PTCs from FPL Energy's wind projects are reflected in FPL Energy's earnings. PTCs are recognized as wind energy is generated and sold based on a per kwh rate prescribed in applicable federal and state statutes, and amounted to approximately $219 million, $167 million and $129 million for the years ended December 31, 2007, 2006 and 2005, respectively.

In September 2007, FPL Energy completed the acquisition of Point Beach, a two-unit, 1,023 mw nuclear power plant located in Wisconsin from Wisconsin Electric Power Company (We Energies). FPL Energy purchased the plant, including nuclear fuel, inventory and other items, for a total of approximately $933 million. All of the power from Point Beach is being sold under a long-term power purchase contract to We Energies through the current NRC license terms of 2030 for Unit 1 and 2033 for Unit 2. FPL Energy is responsible for management and operation of the plant, as well as for the ultimate decommissioning of the facility, and received $390 million of decommissioning funds at closing. See Note 2.

FPL Energy expects its future portfolio capacity growth to come primarily from wind and solar development and from asset acquisitions. FPL Energy plans to add a total of 8,000 mw – 10,000 mw of new wind generation over the 2007 – 2012 period, of which 1,064 mw were added in 2007. FPL Energy expects to add at least 1,100 mw in 2008, of which approximately 700 mw are under construction. In addition, FPL Energy intends to pursue opportunities for new solar generating facilities. The wind and solar expansions are subject to, among other things, continued public policy support.

Competitive wholesale markets in the United States continue to evolve and vary by geographic region. Revenues from electricity sales in these markets 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, solar 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 and for the construction and operation of efficient plants that can sell power in competitive markets. 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 future sale of a significant amount of the electricity output of its plants. The major markets in which FPL Energy operates have shown signs of continued improvement since 2004, such as improved spark spreads and energy prices in the ERCOT and NEPOOL regions. The combination of new wind projects, expected increase in contribution from merchant assets and asset acquisitions are expected to be the key drivers supporting FPL Energy's growth over the next few years.

FPL Energy's 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 2008 and 2009. Therefore, if FPL Energy's plants do not perform as expected, FPL Energy could be required to purchase power at potentially higher market prices to meet its contractual obligations.

FPL Energy's results are affected by fluctuations in weather. In addition to the effect of temperature, which is reflected in commodity prices and demand, changes in weather affect production levels of 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 2008 contracted revenues are with investment grade counterparties.

Corporate and Other – Corporate and Other is primarily comprised of interest expense, the operating results of FPL FiberNet and other business activities as well as corporate interest income and expenses. 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. Each subsidiary's income taxes are calculated based on the "separate return method," except that tax benefits that could not be utilized on a separate return basis, but are utilized on the consolidated tax return, are recorded by the subsidiary that generated the tax benefits. Any remaining consolidated income tax benefits or detriments are recorded at Corporate and Other. The major components of Corporate and Other results, on an after-tax basis, are as follows:

	Years Ended December 31,		
	2007	2006	2005
		(millions)	
Interest expense	$ (90)	$ (97)	$ (90)
Interest income	22	6	18
FPL FiberNet impairment charges	(2)	(60)	-
Merger costs	-	(14)	-
Federal and state tax benefits	3	30	23
Gains on sale and termination of leveraged lease agreements	-	-	6
Other	3	4	(7)
Net loss	$ (64)	$ (131)	$ (50)

Interest expense decreased in 2007 reflecting lower average debt balances but increased in 2006 due to higher average debt balances and slightly higher rates. In 2007, interest income reflects earnings on temporary investments which had been accumulated to purchase Point Beach as well as net interest recorded on unrecognized tax benefits in accordance with FIN 48, "Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109." The decline in interest income in 2006 reflects the repayment of a loan by a third party in the fourth quarter of 2005. For discussion of FPL FiberNet's impairment charges, see Note 5 – Corporate and Other. The 2006 merger costs represent costs associated with the proposed merger between FPL Group and Constellation Energy, which was terminated in October 2006. The federal and state tax benefits are primarily due to FPL Energy's growth throughout the United States and other consolidating tax adjustments. The 2005 gains on sale and termination of leveraged lease agreements ($10 million on a pretax basis) are included in gains on disposal of assets in FPL Group's consolidated statements of income. Other includes all other corporate income and expenses as well as other business activities.

Corporate and Other's operating revenues increased in 2006 primarily due to the transfer, effective January 1, 2006, of FPL's retail gas contracts to a subsidiary of FPL Group Capital. The increase in operating expenses in 2006 is primarily due to the $98 million pretax impairment charge at FPL FiberNet as well as the transfer of FPL's retail gas contracts.

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 and investments in or acquisitions of assets and businesses, to pay maturing debt obligations and, from time to time, to redeem outstanding debt 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 and significant volatility in the financial markets 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 respective financing strategies.

Cash Flow – The changes in cash and cash equivalents are summarized as follows:

	FPL Group			FPL		
	Years Ended December 31,			Years Ended December 31,		
	2007	2006	2005	2007	2006	2005
	(millions)					
Net cash provided by operating activities	$ 3,593	$ 2,498	$ 1,547	$ 2,163	$ 1,668	$ 1,238
Net cash used in investing activities	(4,578)	(3,807)	(2,165)	(2,214)	(1,933)	(1,816)
Net cash provided by financing activities	655	1,399	923	50	273	569
Net increase (decrease) in cash and cash equivalents	$ (330)	$ 90	$ 305	$ (1)	$ 8	$ (9)

FPL Group's cash and cash equivalents decreased for the year ended December 31, 2007 reflecting capital investments by FPL and FPL Energy, the payment of common stock dividends to FPL Group shareholders and an increase in customer receivables. These outflows were partially offset by cash generated by net income, net issuances of both long- and short-term debt, the sale of independent power investments, the return of margin cash collateral from counterparties and a distribution from Karaha Bodas Company, LLC (KBC).

FPL Group's cash flows from operating activities for the year ended December 31, 2007 reflect cash generated by net income, the receipt of distributions from equity method investees, including a distribution from KBC as a result of a court judgment and the return of margin cash collateral from counterparties, partially offset by an increase in customer receivables at FPL Energy. Fluctuations in recoveries under FPL's cost recovery clauses, which do not significantly affect net income, can have a significant effect on cash flow from operations and make year-to-year comparisons difficult.

FPL Group's cash flows from investing activities for the year ended December 31, 2007 reflect capital investments of approximately $1.8 billion by FPL to expand and enhance its electric system and generating facilities to ensure continued reliable service to meet the power needs of present and future customers and independent power investments at FPL Energy of approximately $2.9 billion, including the purchase of Point Beach. See Note 2. FPL Group's cash flows from investing activities also includes approximately $700 million of cash generated from the sale of differential membership interests (see Note 11 – Sale of Differential Membership Interests) and amounts related to the purchase and sale of restricted securities held in the special use funds, including the reinvestment of fund earnings and new contributions, as well as other investment activity.

During the year ended December 31, 2007, FPL Group generated proceeds from financing activities, net of related issuance costs, of approximately $3.3 billion, including the following debt issuances:

Company	Debt Issued	Interest Rate(s)	Principal Amount (millions)	Maturity Date(s)
FPL	first mortgage bonds	5.55% and 5.85%	$ 600	2017 and 2037
FPL subsidiary	storm-recovery bonds	5.0440% – 5.2555%	652	2013 – 2021 [a]
FPL Group Capital	term loan facility	variable	50	2009
FPL Group Capital	junior subordinated debentures (Series C–E)	6.65% – 7.45%	1,000	2067
FPL Energy subsidiaries	limited-recourse senior secured notes	6.31% – 7.26%	700	2015 – 2037
FPL Energy subsidiaries	term loan	variable	250	2012
			$ 3,252	

[a] Although principal on the storm-recovery bonds is due on the final maturity date (the date by which the principal must be repaid to prevent a default) for each tranche, it is expected to be paid semiannually and sequentially beginning February 1, 2008, when the first semiannual interest payment became due.

During the year ended December 31, 2007, FPL Group paid out approximately $2.6 billion for financing activities, including $1.075 billion for maturing FPL Group Capital debentures, $250 million for the early repayment of an FPL revolving term loan facility, $541 million for debt maturities and principal repayment of FPL Energy subsidiary debt, a net decrease in short-term debt of $80 million (net of a $212 million increase at FPL) and $654 million for the payment of dividends on FPL Group's common stock. In January 2008, FPL issued $600 million principal amount of 5.95% first mortgage bonds maturing in 2038. Also, in January 2008, an indirect wholly-owned subsidiary of FPL Energy entered into an interest rate swap agreement to pay a fixed rate of 3.2050% on $195 million of its variable rate limited recourse debt in order to limit cash flow exposure.

FPL Group's cash flows for the year ended December 31, 2006 benefited from net issuances of debt, the issuance of common stock and the recovery from customers of previously incurred fuel and storm costs at FPL, which were offset by an increase in FPL's customer receivables and the return of margin cash collateral and payment of margin cash collateral to counterparties. The funds generated were used to pay for capital expenditures at FPL, additional investments at FPL Energy, common stock dividends, storm-related costs at FPL and to carry an increase in fossil fuel inventory.

FPL Group's cash flows for the year ended December 31, 2005 reflect the benefit of net issuances of debt, the issuance of common stock, the receipt of payment of a secured third party loan, the receipt of margin cash collateral primarily from FPL's counterparties related to energy contracts and the recovery from customers of a portion of the 2004 storm restoration costs at FPL. The funds generated were used to pay for common stock dividends, capital expenditures at FPL, additional investments at FPL Energy, FPL storm restoration costs and to fund underrecovered fuel costs at FPL caused primarily by higher than anticipated fuel prices.

The following provides various metrics regarding FPL Group's (including FPL's) and FPL's outstanding debt:

	FPL Group December 31,		FPL December 31,	
	2007	2006	2007	2006
Weighted-average annual interest rate [a]	6.2%	6.1%	5.4%	5.4%
Weighted-average life (years)	17.4	13.1	16.2	17.9
Annual average of floating rate debt to total debt [a]	20%	31%	25%	33%

[a] Calculations include interest rate swaps.

Contractual Obligations and Planned Capital Expenditures – FPL Group's and FPL's commitments at December 31, 2007 were as follows:

	2008	2009	2010	2011	2012	Thereafter	Total
				(millions)			
Long-term debt, including interest: [a]							
FPL	$ 521	$ 521	$ 291	$ 292	$ 293	$ 8,773	$ 10,691
FPL Energy	870	431	414	392	417	2,768	5,292
Corporate and Other	736	1,021	168	768	134	8,898	11,725
Purchase obligations:							
FPL [b]	6,395	5,095	3,480	3,145	2,945	5,565	26,625
FPL Energy [c]	1,572	107	94	57	57	730	2,617
Asset retirement activities: [d]							
FPL [e]	-	-	-	-	-	11,610	11,610
FPL Energy [f]	1	-	-	-	2	7,168	7,171
Other Commitments:							
FPL Energy [g]	-	-	-	-	-	351	351
Total	$ 10,095	$ 7,175	$ 4,447	$ 4,654	$ 3,848	$ 45,863	$ 76,082

[a] Includes principal, interest and interest rate swaps. Variable rate interest was computed using December 31, 2007 rates.

[b] Represents required capacity and minimum payments under long-term purchased power and fuel contracts, the majority of which are recoverable through various cost recovery clauses (see Note 16 – Contracts), and projected capital expenditures through 2012 to meet, among other things, increased electricity usage and customer growth, capital improvements to and maintenance of existing facilities and estimated capital costs associated with Storm Secure. Estimated capital costs associated with Storm Secure are subject to change over time based on, among other things, productivity enhancements and prioritization. See Note 16 – Commitments.

[c] Represents firm commitments primarily in connection with the purchase of wind turbines and towers, natural gas transportation, purchase and storage, firm transmission service, nuclear fuel and a portion of its projected 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, 2007, FPL had approximately $2,371 million in restricted trust funds for the payment of future expenditures to decommission FPL's nuclear units, which are included in FPL Group's and FPL's special use funds.

[f] At December 31, 2007, FPL Energy's 88.23% portion of Seabrook's and 70% portion of Duane Arnold's and its Point Beach's restricted trust funds for the payment of future expenditures to decommission its nuclear units totaled approximately $982 million and are included in FPL Group's special use funds.

[g] Represents estimated cash distributions related to certain membership interests. See Note 11 – Sale of Differential Membership Interests.

In February 2008, a wholly-owned subsidiary of FPL Group Capital committed to lend to a third party up to $500 million under a construction and term loan. The loan provides for a single $500 million draw, which is expected to occur in late 2009. The loan will initially bear interest at a variable rate and will be converted to a 20-year, fixed rate term loan upon completion of construction.

Guarantees and Letters of Credit – FPL Group and FPL obtain letters of credit and issue guarantees to facilitate commercial transactions with third parties and financings. At December 31, 2007, FPL Group had standby letters of credit of approximately $733 million ($63 million for FPL) and approximately $7,947 million notional amount of guarantees ($648 million for FPL), of which approximately $5,511 million ($63 million for FPL) have expirations within the next five years. An aggregate of approximately $404 million of the standby letters of credit at December 31, 2007 were issued under FPL's and FPL Group Capital's credit facilities. See Available Liquidity below. These letters of credit and guarantees support the buying and selling of wholesale energy commodities, debt-related reserves, nuclear activities, the commercial paper program of FPL's consolidated VIE from which it leases nuclear fuel and other contractual agreements. Each of FPL Group and FPL believe it is unlikely that it would incur any liabilities associated with these letters of credit and guarantees. At December 31, 2007, FPL Group and FPL did not have any liabilities recorded for these letters of credit and guarantees. In addition, FPL Group has guaranteed certain payment obligations of FPL Group Capital, including most of its debt and all of its debentures and commercial paper issuances, as well as most of its payment guarantees, and FPL Group Capital has guaranteed certain debt and other obligations of FPL Energy and its subsidiaries. See Note 16 – Commitments.

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 becoming liable for liquidated damages. Based on past performance of these and similar projects and current forward prices, management believes that the exposure associated with these liquidated damages provisions is not material.

Available Liquidity – At December 31, 2007, FPL Group's total available net liquidity was approximately $6.6 billion, of which FPL's was approximately $2.8 billion. The components of each company's net available liquidity at December 31, 2007 were as follows:

	FPL	FPL Group Capital	FPL Group Consolidated	Maturity Date	
		(millions)		FPL	FPL Group Capital
Bank revolving lines of credit [a]	$ 2,500	$ 4,000	$ 6,500	2012	2012
Less letters of credit	46	358	404		
	2,454	3,642	6,096		
Revolving term loan facility	250	-	250	2011	
Less borrowings	-	-	-		
	250	-	250		
Cash and cash equivalents	63	227	290		
Net available liquidity	$ 2,767	$ 3,869	$ 6,636		

[a] Provide for the issuance of letters of credit up to $6.5 billion and are available to support the companies' commercial paper programs and to provide additional liquidity in the event of a loss to the companies' or their subsidiaries' operating facilities (including, in the case of FPL, a transmission and distribution property loss), as well as for general corporate purposes.

FPL Group (which guarantees the payment of FPL Group Capital's credit facilities pursuant to a 1998 guarantee agreement) is required to maintain a minimum ratio of funded debt to total capitalization under the terms of FPL Group Capital's credit facility. FPL is required to maintain a minimum ratio of funded debt to total capitalization under the terms of FPL's credit facility and revolving term loan facility. At December 31, 2007, each of FPL Group and FPL was in compliance with its respective ratio.

In addition to the amounts in the table above, 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, 2007, there were no amounts outstanding for either FPL Group Capital or FPL under the uncommitted credit facilities.

In addition, at December 31, 2007, FPL had restricted funds set aside (included in special use funds on FPL Group's and FPL's consolidated balance sheets) that provide FPL the capacity to absorb up to approximately $213 million in future prudently incurred storm restoration costs without seeking recovery through a rate adjustment from the FPSC. See Note 1 – Securitization. Also, an indirect wholly-owned subsidiary of FPL Energy has established a $100 million letter of credit facility

which expires in 2017 and serves as security for certain obligations under commodity hedge agreements entered into by the subsidiary.

Shelf Registration – In September 2006, FPL Group, FPL Group Capital, FPL and certain affiliated trusts filed a shelf registration statement with the SEC for an unspecified amount of securities. The amount of securities issuable by the companies is established from time to time by their respective board of directors. As of February 27, 2008, securities that may be issued under the registration statement, as subsequently amended, which became effective upon filing, include, depending on the registrant, senior debt securities, subordinated debt securities, first mortgage bonds, preferred trust securities, common stock, stock purchase contracts, stock purchase units, preferred stock and guarantees related to certain of those securities. As of February 27, 2008, FPL Group and FPL Group Capital had $2.5 billion (issuable by either or both of them up to such aggregate amount) of board-authorized available capacity, and FPL had $900 million of board-authorized available capacity.

Covenants – 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, among other things, dividends paid to it by its subsidiaries. During the first quarter of 2007, FPL Group increased its quarterly dividend on its common stock from $0.375 to $0.41 per share. In February 2008, FPL Group announced that it would increase its quarterly dividend on its common stock from $0.41 to $0.445 per share. FPL pays dividends to FPL Group in a manner consistent with FPL's long-term targeted capital structure. The mortgage securing FPL's first mortgage bonds 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.

Under the mortgage, in some cases, the amount of retained earnings that FPL can use to pay cash dividends on its common stock is restricted. 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, 2007, 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, 2007, after giving effect to the January 2008 issuance of $600 million of 5.95% first mortgage bonds maturing in 2038, coverage for the 12 months ended December 31, 2007 would have been approximately 5.5 times the annual interest requirements and approximately 3.2 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 property 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, 2007, after giving effect to the January 2008 issuance of $600 million of 5.95% first mortgage bonds maturing in 2038, FPL could have issued in excess of $5.5 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, 2007, no cash was deposited with the mortgage trustee for these purposes.

In September 2006, FPL Group and FPL Group Capital executed a Replacement Capital Covenant (September 2006 RCC) in connection with FPL Group Capital's offering of $350 million principal amount of Series A Enhanced Junior Subordinated Debentures due 2066 and $350 million principal amount of Series B Enhanced Junior Subordinated Debentures due 2066 (collectively, Series A and Series B junior subordinated debentures). The September 2006 RCC is for the benefit of persons that buy, hold or sell a specified series of long-term indebtedness (covered debt) of FPL Group Capital (other than the Series A and Series B junior subordinated debentures) or, in certain cases, of FPL Group. FPL Group Capital Trust I's 5 7/8% Preferred Trust Securities have been initially designated as the covered debt under the September 2006 RCC. The September 2006 RCC provides that FPL Group Capital may redeem, and FPL Group or FPL Group Capital may purchase, any Series A and Series B junior subordinated debentures on or before October 1, 2036, only to the extent that the redemption or purchase price does not exceed a specified amount of proceeds from the sale of qualifying securities, subject to certain limitations described in the September 2006 RCC. Qualifying securities are securities that have equity-like characteristics that are the same as, or more equity-like than, the Series A and Series B junior subordinated debentures at the time of redemption or purchase, which are sold within 180 days prior to the date of the redemption or repurchase of the Series A and Series B junior subordinated debentures.

In June 2007, FPL Group and FPL Group Capital executed a Replacement Capital Covenant (June 2007 RCC) in connection with FPL Group Capital's offering of $400 million principal amount of its Series C Junior Subordinated Debentures due 2067 (Series C junior subordinated debentures). The June 2007 RCC is for the benefit of persons that buy, hold or sell a specified series of covered debt of FPL Group Capital (other than the Series C junior subordinated debentures) or, in certain cases, of FPL Group. FPL Group Capital Trust I's 5 7/8% Preferred Trust Securities have been initially designated as the covered debt under the June 2007 RCC. The June 2007 RCC provides that FPL Group Capital may redeem or purchase, or satisfy, discharge or defease (collectively, defease), and FPL Group and any majority-owned subsidiary of FPL Group or FPL Group Capital may purchase, any Series C junior subordinated debentures on or before June 15, 2037, only to the extent that the principal amount defeased or the applicable redemption or purchase price does not exceed a specified amount raised from the issuance, during the 180 days prior to the date of that redemption, purchase or defeasance, of qualifying securities that have

equity-like characteristics that are the same as, or more equity-like than, the applicable characteristics of the Series C junior subordinated debentures at the time of redemption, purchase or defeasance, subject to certain limitations described in the June 2007 RCC.

In September 2007, FPL Group and FPL Group Capital executed a Replacement Capital Covenant (September 2007 RCC) in connection with FPL Group Capital's offering of $250 million principal amount of its Series D Junior Subordinated Debentures due 2067 and $350 million principal amount of Series E Junior Subordinated Debentures due 2067 (collectively, Series D and Series E junior subordinated debentures). The September 2007 RCC is for the benefit of persons that buy, hold or sell a specified series of covered debt of FPL Group Capital (other than the Series D and Series E junior subordinated debentures) or, in certain cases, of FPL Group. FPL Group Capital Trust I's 5 7/8% Preferred Trust Securities have been initially designated as the covered debt under the September 2007 RCC. The September 2007 RCC provides that FPL Group Capital may redeem, purchase, or defease, and FPL Group and any majority-owned subsidiary of FPL Group or FPL Group Capital may purchase, any Series D and Series E junior subordinated debentures on or before September 1, 2037, only to the extent that the principal amount defeased or the applicable redemption or purchase price does not exceed a specified amount raised from the issuance, during the 180 days prior to the date of that redemption, purchase or defeasance, of qualifying securities that have equity-like characteristics that are the same as, or more equity-like than, the applicable characteristics of the Series D and Series E junior subordinated debentures at the time of redemption, purchase or defeasance, subject to certain limitations described in the September 2007 RCC.

Credit Ratings – 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 27, 2008, 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: [b]			
Corporate credit rating	A1	A	A
First mortgage bonds	Aa3	A	AA-
Pollution control, solid waste disposal and industrial development revenue bonds	Aa3/VMIG-1	A	A+
Commercial paper	P-1	A-1	F-1
FPL Group Capital: [b]			
Corporate credit rating	N/A	A	A
Debentures	A2	A-	A
Junior subordinated debentures	A3	BBB+	A-
Commercial paper	P-1	A-1	F-1

[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 by each of Moody's, S&P and Fitch is stable.

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 increase or decrease when ratings change. 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, may be 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.

Other – In June 2005, a wholly-owned subsidiary of FPL Group completed the acquisition of Gexa Corp., a retail electric provider in Texas. Each share of Gexa Corp.'s outstanding common stock was converted into 0.1682 of a share of FPL Group common stock. Assuming the exercise of Gexa Corp.'s options and warrants net of cash to be received upon exercise, the aggregate value of the consideration for the acquisition of Gexa Corp. was approximately $73 million, payable in shares of FPL Group common stock.

New Accounting Rules and Interpretations

Fair Value Measurements – In September 2006, the FASB issued FAS 157, "Fair Value Measurements." See Note 1 – Fair Value Measurements.

Accounting for Pensions and Other Postretirement Plans – In September 2006, the FASB issued FAS 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans." See Note 3.

The Fair Value Option for Financial Assets and Financial Liabilities – In February 2007, the FASB issued FAS 159, "The Fair Value Option for Financial Assets and Financial Liabilities." See Note 1 – The Fair Value Option for Financial Assets and Financial Liabilities.

Accounting for Business Combinations – In December 2007, the FASB issued FAS 141(R), "Business Combinations." This statement retains the fundamental requirements in FAS 141 that the acquisition method of accounting (which FAS 141 called the purchase method) be used for all business combinations and for an acquirer to be identified for each business combination. This statement also establishes principles and requirements for how the acquirer (i) recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree; (ii) recognizes and measures the goodwill acquired in the business combination or a gain from a bargain purchase and (iii) discloses the nature and financial effects of the business combination; and requires restructuring and acquisition-related costs to be expensed. FPL Group and FPL will be required to adopt FAS 141(R) for business combinations for which the acquisition date is on or after January 1, 2009.

Accounting for Noncontrolling Interests – In December 2007, the FASB issued FAS 160, "Noncontrolling Interests in Consolidated Financial Statements, an amendment of ARB No. 51," to establish accounting and reporting standards for the noncontrolling (minority) interest in a subsidiary and for the deconsolidation of a subsidiary. The standard clarifies that a noncontrolling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements and establishes a single method of accounting for changes in a parent's ownership interest in a subsidiary that do not result in deconsolidation. FPL Group and FPL will be required to adopt FAS 160 on January 1, 2009. FAS 160 requires retroactive adoption of the presentation and disclosure requirements for existing minority interests. All other requirements of FAS 160 will be applied prospectively.

Critical Accounting Policies and Estimates

FPL Group's and FPL's significant accounting policies are described in Note 1 to the consolidated financial statements, which were prepared in accordance with accounting principles generally accepted in the United States. Critical accounting polices are those that FPL Group and FPL believe are both most important to the portrayal of their financial condition and results of operations, and require complex, subjective judgments, often as a result of the need to make estimates and assumptions about the effect of matters that are inherently uncertain. Judgments and uncertainties affecting the application of those policies may result in materially different amounts being reported under different conditions or using different assumptions.

FPL Group and FPL consider the following policies to be the most critical in understanding the judgments that are involved in preparing their consolidated financial statements:

Accounting for Derivatives and Hedging Activities – FPL Group and FPL use derivative instruments (primarily swaps, options and forwards) to manage the commodity price risk inherent in the purchase and sale of fuel and electricity, as well as interest rate risk associated with long-term debt. In addition, FPL Group, through FPL Energy, uses derivatives to optimize the value of power generation assets. FPL Energy provides full energy and capacity requirements services primarily to distribution utilities, which include load-following services and various ancillary services, in certain markets and engages in energy trading activities to take advantage of expected future favorable price movements. 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 or capacity clauses. In FPL Group's 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 do not provide specific guidance on all contract issues. As a result, significant judgment must be used in applying FAS 133 and its interpretations. 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 statement of income.

Certain economic hedging transactions at FPL Energy do not meet the requirements for hedge accounting treatment. Changes in the fair value of those transactions are marked to market and reported in the statement of income, often resulting in earnings volatility. These changes in fair value are captured in the non-qualifying hedge category in computing adjusted earnings. 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 views 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 4 and also see Management's Discussion – Energy Marketing and Trading and Market Risk Sensitivity.

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 supplemental executive retirement plan which includes a non-qualified supplemental defined benefit pension component that provides benefits to a select group of management and highly compensated employees. In addition to pension benefits, FPL Group sponsors a contributory postretirement plan for health care and life insurance benefits (other benefits plan) 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 allocates net periodic benefit income or cost associated with the pension and other benefits plans to its subsidiaries annually using specific criteria.

FPL Group adopted the recognition and disclosure provisions of FAS 158 effective December 31, 2006. The measurement date provisions of FAS 158 require that FPL Group measure plan assets and liabilities as of its year end no later than December 31, 2008 with any resulting adjustments to plan assets, benefit obligations, and accumulated other comprehensive income recorded to retained earnings. Since FPL Group is the plan sponsor, and its subsidiaries do not have separate rights to the plan assets or direct obligations to their employees, the results of implementing all provisions of FAS 158 are reflected at FPL Group and not allocated to the subsidiaries. The portion of previously unrecognized actuarial gains and losses, prior service costs or credits and transition assets or obligations related to the recognition provision of FAS 158 that were estimated to be allocable to FPL as net periodic benefit (income) cost in future periods and that otherwise would have been recorded in accumulated other comprehensive income were classified as regulatory assets and liabilities at FPL Group in accordance with regulatory treatment. In addition, adjustments to accumulated other comprehensive income as a result of implementing the measurement date provisions of FAS 158 that are estimated to be allocable to FPL will be recorded as an adjustment to the previously established regulatory assets and liabilities.

FPL Group currently uses a measurement date of September 30 for its pension and other benefits plans. In lieu of remeasuring plan assets and obligations as of January 1, 2008, FPL Group has elected to calculate the net periodic benefit (income) cost for the fifteen-month period from September 30, 2007 to December 31, 2008 using the September 30, 2007 measurement date. Upon adoption of the measurement date provisions, FPL Group will record an adjustment to increase 2008 beginning retained earnings by approximately $13 million representing three-fifteenths of net periodic benefit (income) cost for the fifteen-month period from September 30, 2007 to December 31, 2008. Included in the adjustment to retained earnings is approximately $1 million related to the reduction in accumulated other comprehensive income and approximately $3 million related to the reduction in net regulatory liabilities.

FPL Group's income from its pension plan, net of the cost of the other benefits plan, was approximately $69 million, $65 million and $52 million for the years ended December 31, 2007, 2006 and 2005, respectively. The corresponding amounts allocated to FPL were $51 million, $52 million and $39 million, respectively. Pension income and the cost of the other benefits plan 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 for the pension plan and 8.00%, 7.75% and 7.75% for the other benefits plan for the years ended December 31, 2007, 2006, and 2005, respectively, assumed increases in future compensation levels of 4% for all years, and weighted-average discount rates of 5.85%, 5.50% and 5.50% for the pension plan and 5.90%, 5.50% and 5.50% for the other benefits plan for the years ended December 31, 2007, 2006 and 2005, respectively. Based on current health care costs (as related to other benefits), the projected 2008 trend assumption used to measure the expected cost of health care benefits covered by the plans for all age groups are 7.5% for medical benefits and 9.5% for prescription drug benefits. These rates are assumed to decrease over the next nine years to the ultimate trend rate of 5.5% and remain at that level thereafter. The ultimate trend rate is assumed to be reached in 2012 for medical costs and 2016 for prescription drug costs. In developing these assumptions, FPL Group evaluated input from its actuaries, as well as information available in the marketplace. 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% and 8.00% are reasonable long-term rates of return on its pension plan and other benefits plan assets, respectively. 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 plan 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 plan expense and income only when they exceed 10% of the greater of projected benefit obligations or the market-related value of assets.

The following table illustrates the effect on cost of changing the critical actuarial assumptions discussed above, while holding all other assumptions constant:

	Change in Assumption	Increase in 2007 Net Periodic Cost	
		FPL Group	FPL
		(millions)	
Expected long-term rate of return	(0.5)%	$ 16	$ 13
Discount rate	(0.5)%	$ 5	$ 4
Salary increase	0.5%	$ 7	$ 5
Health care cost trend rate [a]	1.0%	$ -	$ -

[a] Assumed healthcare cost trend rates can have a significant effect on the amounts reported for postretirement plans providing health care benefits. However, this effect is somewhat mitigated by the retiree cost sharing structure incorporated in FPL Group's other benefits plan.

The fair value of plan assets has increased from $3.2 billion at September 30, 2006 to $3.6 billion at September 30, 2007 for the pension plan and increased from $48 million at September 30, 2006 to $49 million at September 30, 2007 for the other benefits plan. 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 2007, $28 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 $30 million for eligible retiree medical expenses on behalf of the other benefits plan during 2008 with substantially all of that amount being reimbursed through a transfer of assets from the qualified pension plan. See Note 3.

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.

In 2006, FPL FiberNet performed an impairment analysis and concluded that an impairment charge related to its metro market assets was necessary. The critical assumptions and estimates used in the analysis include revenue additions, projected capital expenditures and a discount rate. A 10% increase in the revenue growth rate or a 10% decrease in projected capital expenditures would have resulted in no impairment, while a 10% decrease in the revenue growth rate or a 10% increase in projected capital expenditures would increase the impairment charge by less than $5 million. An increase or decrease of 1% in the discount rate would have a corresponding change to the impairment charge of approximately $3 million. See Note 5 – Corporate and Other.

Nuclear Decommissioning and Fossil Dismantlement – FPL Group and FPL each account for asset retirement obligations and conditional asset retirement obligations under FAS 143, "Accounting for Asset Retirement Obligations" and FIN 47, "Accounting for Conditional Asset Retirement Obligations." FAS 143 and FIN 47 require 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 costs capitalized as part of the carrying amount of the long-lived assets. See Note 1 – Decommissioning of Nuclear Plants, Dismantlement of Plants and Other Accrued Asset Removal Costs and Note 15.

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, filed in 2005, indicate that FPL's portion of the future cost of decommissioning its four nuclear units, including spent fuel storage, is $10.9 billion, or $2.2 billion in 2007 dollars. The studies reflect, among other things, the 20-year license extensions of FPL's nuclear units and support the suspension, effective September 2005, of the $79 million annual decommissioning accrual. At December 31, 2007, $2,658 million was accrued for nuclear decommissioning, of which $1,624 million was recorded as an ARO, $54 million was recorded as a capitalized net asset related to the ARO, $887 million was recorded as a regulatory liability and $201 million was included in accrued asset removal costs (a regulatory liability) on the consolidated balance sheets.

FPL accrues the cost of dismantling its fossil plants over the expected service life of each unit based on studies filed with the FPSC. Unlike nuclear decommissioning, fossil dismantlement costs are not funded. The most recent studies, which became effective January 1, 2007, indicated that FPL's portion of the ultimate cost to dismantle its fossil units is $707 million. The majority of the dismantlement costs are not considered AROs. At December 31, 2007, $335 million was accrued for fossil dismantlement costs, of which $24 million was recorded as an ARO, $8 million was recorded as a capitalized net asset related to the ARO, $34 million was recorded as a regulatory liability and $285 million was included in accrued asset removal costs (a regulatory liability) on the consolidated balance sheets.

FPL Energy records a liability for the present value of its expected decommissioning costs in accordance with FAS 143 and FIN 47 which is determined using various internal and external data. FPL Energy's portion of the ultimate cost of decommissioning its nuclear plants, including costs associated with spent fuel storage, is approximately $6.6 billion, or $1.4 billion expressed in 2007 dollars. The liability is being accreted using the interest method through the date decommissioning activities are expected to be complete. At December 31, 2007, the ARO for nuclear decommissioning of FPL Energy's nuclear plants totaled approximately $456 million.

The calculation of the future cost of retiring long-lived assets, including nuclear decommissioning and fossil dismantlement costs, involves estimating the amount and timing of future expenditures and making judgments concerning whether or not such costs are considered a legal obligation under FAS 143 and FIN 47. Estimating the amount and timing of future expenditures includes, among other things, making projections of when assets will be retired and how costs will escalate with inflation. In addition, FPL Group and FPL also make interest rate and rate of return projections on their investments in determining recommended funding requirements for nuclear decommissioning costs. Periodically, FPL Group and FPL will be required to update these estimates and projections which can affect the annual expense amounts recognized, the liabilities recorded and the annual funding requirements for nuclear decommissioning costs. For example, an increase of 0.25% in the assumed escalation rates would increase FPL Group's and FPL's ARO as of December 31, 2007 by $212 million and $166 million, respectively.

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, fuel and 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 Group's and FPL's regulatory assets and liabilities are as follows:

	FPL Group		FPL	
	December 31,		December 31,	
	2007	2006	2007	2006
	(millions)			
Regulatory assets:				
Current:				
Deferred clause and franchise expenses	$ 103	$ 167	$ 103	$ 167
Securitized storm-recovery costs/storm reserve deficiency	$ 59	$ 106	$ 59	$ 106
Derivatives	$ 117	$ 921	$ 117	$ 921
Other	$ 2	$ 3	$ -	$ -
Noncurrent:				
Securitized storm-recovery costs/storm reserve deficiency	$ 756	$ 762	$ 756	$ 762
Deferred clause expenses	$ 121	$ -	$ 121	$ -
Unamortized loss on reacquired debt	$ 36	$ 39	$ 36	$ 39
Other	$ 95	$ 80	$ 72	$ 37
Regulatory liabilities:				
Current:				
Deferred clause and franchise revenues	$ 18	$ 37	$ 18	$ 37
Pension	$ 24	$ 17	$ -	$ -
Noncurrent:				
Accrued asset removal costs	$ 2,098	$ 2,044	$ 2,098	$ 2,044
Asset retirement obligation regulatory expense difference	$ 921	$ 868	$ 921	$ 868
Pension	$ 696	$ 531	$ -	$ -
Other	$ 236	$ 209	$ 235	$ 209

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 swaps, options and forwards) to manage the commodity price risk inherent in the purchase and sale of fuel and electricity. In addition, FPL Group, through FPL Energy, uses derivatives to optimize the value of power generation assets. FPL Energy provides full energy and capacity requirements services primarily to distribution utilities, which include load-following services and various ancillary services, in certain markets and engages in 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 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 or 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 on a net basis 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 4.

The changes in the fair value of FPL Group's consolidated subsidiaries' energy contract derivative instruments were as follows:

	Trading	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, 2005	$ 2	$ (176)	$ (373)	$ 757	$ 210
Reclassification to realized at settlement of contracts	26	107	56	325	514
Effective portion of changes in fair value recorded in OCI	-	-	261	-	261
Ineffective portion of changes in fair value recorded in earnings	-	31	-	-	31
Changes in fair value excluding reclassification to realized	(23)	46	-	(2,003)	(1,980)
Fair value of contracts outstanding at December 31, 2006	5	8	(56)	(921)	(964)
Reclassification to realized at settlement of contracts	(8)	(95)	39	870	806
Value of contracts purchased/previously not consolidated	-	23	-	-	23
Effective portion of changes in fair value recorded in OCI	-	-	(92)	-	(92)
Ineffective portion of changes in fair value recorded in earnings	-	3	-	-	3
Changes in fair value excluding reclassification to realized	5	(77)	-	(68)	(140)
Fair value of contracts outstanding at December 31, 2007	2	(138)	(109)	(119)	(364)
Net option premium payments (receipts)	(27)	22	-	-	(5)
Net cash collateral paid	9	13	2	15	39
Total mark-to-market energy contract net liabilities at December 31, 2007	$ (16)	$ (103)	$ (107)	$ (104)	$ (330)

FPL Group's total mark-to-market energy contract net assets (liabilities) at December 31, 2007 shown above are included in the consolidated balance sheets as follows:

	December 31, 2007
	(millions)
Current derivative assets	$ 182
Noncurrent other assets	98
Current derivative liabilities	(280)
Noncurrent derivative liabilities	(330)
FPL Group's total mark-to-market energy contract net liabilities	$ (330)

The sources of fair value estimates and maturity of energy contract derivative instruments at December 31, 2007 were as follows:

	Maturity: 2008	2009	2010	2011	2012	Thereafter	Total
				(millions)			
Trading:							
Actively quoted (i.e., exchange traded) prices	$ 3	$ 18	$ -	$ 2	$ 2	$ 1	$ 26
Prices provided by other external sources	(8)	3	-	-	-	-	(5)
Modeled	8	(20)	(7)	-	-	-	(19)
Total	3	1	(7)	2	2	1	2
Owned Assets – Non-Qualifying:							
Actively quoted (i.e., exchange traded) prices	(34)	-	(28)	(32)	(26)	(25)	(145)
Prices provided by other external sources	37	6	-	1	-	(52)	(8)
Modeled	32	(1)	(7)	(1)	(2)	(6)	15
Total	35	5	(35)	(32)	(28)	(83)	(138)
Owned Assets – OCI:							
Actively quoted (i.e., exchange traded) prices	(31)	(37)	(24)	(11)	-	-	(103)
Prices provided by other external sources	-	-	-	-	-	-	-
Modeled	(6)	-	-	-	-	-	(6)
Total	(37)	(37)	(24)	(11)	-	-	(109)
Owned Assets – FPL Cost Recovery Clauses:							
Actively quoted (i.e., exchange traded) prices	(111)	-	-	-	-	-	(111)
Prices provided by other external sources	-	-	-	-	-	-	-
Modeled	(3)	(5)	-	-	-	-	(8)
Total	(114)	(5)	-	-	-	-	(119)
Total sources of fair value	$ (113)	$ (36)	$ (66)	$ (41)	$ (26)	$ (82)	$ (364)

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. With respect to commodities, 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 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, 2007 and 2006, the VaR figures are as follows:

	Trading			Non-Qualifying Hedges and Hedges in OCI and FPL Cost Recovery Clauses [a]			Total		
	FPL	FPL Energy	FPL Group	FPL	FPL Energy	FPL Group	FPL	FPL Energy	FPL Group
					(millions)				
December 31, 2006	$ -	$ 2	$ 2	$ 89	$ 57	$ 54	$ 89	$ 60	$ 56
December 31, 2007	$ -	$ 6	$ 6	$ 51	$ 31	$ 37	$ 51	$ 28	$ 39
Average for the period ended December 31, 2007	$ -	$ 3	$ 3	$ 69	$ 35	$ 45	$ 69	$ 34	$ 46

(a) Non-qualifying hedges are employed to reduce the market risk exposure to physical assets or contracts which are not marked to market. The VaR figures for the non-qualifying hedges and hedges in OCI and FPL cost recovery clauses 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 respective issuances of debt, investments in special use funds and interest rate swaps. FPL Group and FPL manage their respective interest rate exposure by monitoring current interest rates, entering into interest rate swaps 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, 2007		December 31, 2006	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
		(millions)		
FPL Group:				
Long-term debt, including current maturities	$ 12,681	$ 12,642[a]	$ 11,236	$ 11,314[a]
Fixed income securities:				
Special use funds	$ 2,025	$ 2,025[b]	$ 1,430	$ 1,430[b]
Other investments	$ 111	$ 111[b]	$ 93	$ 93[b]
Interest rate swaps – net unrealized gain (loss)	$ (28)	$ (28)[c]	$ 6	$ 6[c]
FPL:				
Long-term debt, including current maturities	$ 5,217	$ 5,185[a]	$ 4,214	$ 4,208[a]
Fixed income securities:				
Special use funds	$ 1,436	$ 1,436[b]	$ 1,235	$ 1,235[b]

(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 and FPL consist of 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. At FPL, adjustments to market value result in a corresponding adjustment to the related liability accounts based on current regulatory treatment. The market value adjustments of FPL Group's non-rate regulated operations result in a corresponding adjustment to OCI, except for impairments deemed to be other-than-temporary which are reported in current period earnings. 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 scheduled to begin until at least 2014 (2032 at FPL).

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, 2007, 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)
Cash flow hedges – FPL Energy:					
$ 164	February 2005	June 2008	4.255%	Variable[a]	$ -
$ 70	December 2003	December 2017	4.245%	Variable[a]	-
$ 23	April 2004	December 2017	3.845%	Variable[a]	-
$ 207	December 2005	November 2019	4.905%	Variable[a]	(5)
$ 527	January 2007	January 2022	5.390%	Variable[b]	(23)
Total cash flow hedges					$ (28)

(a) Three-month LIBOR
(b) Six-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 $622 million ($240 million for FPL) at December 31, 2007.

Equity price risk – Included in the nuclear decommissioning reserve funds of FPL Group are marketable equity securities carried at their market value of approximately $1,456 million and $1,395 million ($1,063 million and $1,029 million for FPL) at December 31, 2007 and 2006, respectively. A hypothetical 10% decrease in the prices quoted by stock exchanges, which is a reasonable near-term market change, would result in a $146 million ($106 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, 2007.

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 margin 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, 2007, approximately 98% of FPL Group's and 100% of FPL's energy marketing and trading counterparty credit risk exposure is associated with companies that have 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 FPL and their 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.

In accordance with the U.S. Securities and Exchange Commission's published guidance, we have excluded from our current assessment the internal control over financial reporting for Point Beach Nuclear Power Plant which was acquired on September 28, 2007 and whose financial statements reflect total assets and revenues consisting of approximately four percent and less than one percent, respectively, of FPL Group's consolidated total assets and operating revenues as of and for the year ended December 31, 2007. FPL Group will include Point Beach Nuclear Power Plant in its assessment as of December 31, 2008.

Management assessed the effectiveness of FPL Group's and FPL's internal control over financial reporting as of December 31, 2007, using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in the Internal Control – Integrated Framework. Based on this assessment, management believes that FPL Group's and FPL's internal control over financial reporting was effective as of December 31, 2007.

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. These reports appear on the following pages.

LEWIS HAY, III
Lewis Hay, III
Chairman and Chief Executive Officer of FPL Group
and Chairman and Chief Executive Officer of FPL

MORAY P. DEWHURST
Moray P. Dewhurst
Vice President and Chief
Financial Officer of FPL Group
and Senior Vice President
and Chief Financial Officer of FPL

K. MICHAEL DAVIS
K. Michael Davis
Controller and Chief Accounting Officer
of FPL Group and Vice President,
Accounting 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 the internal control over financial reporting of FPL Group, Inc. and subsidiaries (FPL Group) and Florida Power & Light Company and subsidiaries (FPL) as of December 31, 2007, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. As described in Management's Report on Internal Control Over Financial Reporting, management excluded from its assessment the internal control over financial reporting at Point Beach Nuclear Power Plant (Point Beach), which was acquired on September 28, 2007 and whose financial statements reflect total assets and revenues consisting of approximately four percent and less than one percent, respectively, of FPL Group's consolidated total assets and operating revenues as of and for the year ended December 31, 2007. Accordingly, our audit did not include the internal control over financial reporting at Point Beach. FPL Group's and FPL's management are responsible for maintaining effective internal control over financial reporting and for their assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on 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, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, 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 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, FPL Group and FPL maintained, in all material respects, effective internal control over financial reporting as of December 31, 2007, 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, 2007 of FPL Group and FPL and our report dated February 27, 2008 expressed an unqualified opinion on those financial statements.

DELOITTE & TOUCHE LLP
Certified Public Accountants

Miami, Florida
February 27, 2008

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, 2007 and 2006, and the related consolidated statements of income, of FPL Group's common shareholders' equity, of FPL's common shareholder's equity and of cash flows for each of the three years in the period ended December 31, 2007. These financial statements are the responsibility of the respective company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with 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 of FPL at December 31, 2007 and 2006, and the respective results of their operations and their cash flows for each of the three years in the period ended December 31, 2007, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), FPL Group's and FPL's internal control over financial reporting as of December 31, 2007, 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 27, 2008 expressed an unqualified opinion on FPL Group's and FPL's internal control over financial reporting.

DELOITTE & TOUCHE LLP
Certified Public Accountants

Miami, Florida
February 27, 2008

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

	Years Ended December 31,		
	2007	2006	2005
OPERATING REVENUES	$ 15,263	$ 15,710	$ 11,846
OPERATING EXPENSES			
Fuel, purchased power and interchange	8,192	8,943	6,171
Other operations and maintenance	2,314	2,022	1,814
Impairment charges	4	105	-
Disallowed storm costs	-	52	-
Storm cost amortization	74	151	155
Merger-related	-	23	-
Depreciation and amortization	1,261	1,185	1,285
Taxes other than income taxes	1,135	1,132	931
Total operating expenses	12,980	13,613	10,356
OPERATING INCOME	2,283	2,097	1,490
OTHER INCOME (DEDUCTIONS)			
Interest charges	(762)	(706)	(593)
Equity in earnings of equity method investees	68	181	124
Gains on disposal of assets	2	29	52
Allowance for equity funds used during construction	23	21	28
Interest income	89	62	69
Other – net	(23)	(6)	13
Total other deductions – net	(603)	(419)	(307)
INCOME BEFORE INCOME TAXES	1,680	1,678	1,183
INCOME TAXES	368	397	282
NET INCOME	$ 1,312	$ 1,281	$ 901
Earnings per share of common stock:			
Basic	$ 3.30	$ 3.25	$ 2.37
Assuming dilution	$ 3.27	$ 3.23	$ 2.34
Dividends per share of common stock	$ 1.64	$ 1.50	$ 1.42
Weighted-average number of common shares outstanding:			
Basic	397.7	393.5	380.1
Assuming dilution	400.6	396.5	385.7

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

FPL GROUP, INC.
CONSOLIDATED BALANCE SHEETS
(millions)

	December 31, 2007	December 31, 2006
PROPERTY, PLANT AND EQUIPMENT		
Electric utility plant in service and other property	$ 38,231	$ 34,071
Nuclear fuel	1,096	688
Construction work in progress	1,713	1,393
Less accumulated depreciation and amortization	(12,388)	(11,653)
Total property, plant and equipment – net	28,652	24,499
CURRENT ASSETS		
Cash and cash equivalents	290	620
Customer receivables, net of allowances of $24 and $32, respectively	1,496	1,279
Other receivables, net of allowances of $8 and $8, respectively	225	377
Materials, supplies and fossil fuel inventory – at average cost	857	785
Regulatory assets:		
Deferred clause and franchise expenses	103	167
Securitized storm-recovery costs/storm reserve deficiency	59	106
Derivatives	117	921
Other	2	3
Derivatives	182	358
Other	448	214
Total current assets	3,779	4,830
OTHER ASSETS		
Special use funds	3,462	2,824
Prepaid benefit costs	1,911	1,608
Other investments	391	533
Regulatory assets:		
Securitized storm-recovery costs/storm reserve deficiency	756	762
Deferred clause expenses	121	-
Unamortized loss on reacquired debt	36	39
Other	95	80
Other	900	647
Total other assets	7,692	6,493
TOTAL ASSETS	$ 40,123	$ 35,822
CAPITALIZATION		
Common shareholders' equity	$ 10,735	$ 9,930
Long-term debt	11,280	9,591
Total capitalization	22,015	19,521
CURRENT LIABILITIES		
Commercial paper	1,017	1,097
Current maturities of long-term debt	1,401	1,645
Accounts payable	1,204	1,060
Customer deposits	539	510
Accrued interest and taxes	351	302
Regulatory liabilities:		
Deferred clause and franchise revenues	18	37
Pension	24	17
Derivatives	289	995
Other	915	663
Total current liabilities	5,758	6,326
OTHER LIABILITIES AND DEFERRED CREDITS		
Asset retirement obligations	2,157	1,820
Accumulated deferred income taxes	3,821	3,432
Regulatory liabilities:		
Accrued asset removal costs	2,098	2,044
Asset retirement obligation regulatory expense difference	921	868
Pension	696	531
Other	236	209
Derivatives	351	105
Other	2,070	966
Total other liabilities and deferred credits	12,350	9,975
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$ 40,123	$ 35,822

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,		
	2007	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$ 1,312	$ 1,281	$ 901
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation and amortization	1,261	1,143	1,242
Nuclear fuel amortization	144	127	99
Impairment charges	4	105	-
Recoverable storm-related costs of FPL	(3)	(364)	(659)
Amortization of storm reserve deficiency	74	151	155
Unrealized (gains) losses on marked to market energy contracts	134	(173)	191
Deferred income taxes	402	393	343
Cost recovery clauses and franchise fees	(75)	940	(825)
Change in prepaid option premiums	159	(66)	(57)
Equity in earnings of equity method investees	(68)	(181)	(124)
Distributions of earnings from equity method investees	175	104	86
Changes in operating assets and liabilities:			
Customer receivables	(216)	(215)	(225)
Other receivables	(14)	62	(64)
Material, supplies and fossil fuel inventory	(14)	(203)	(173)
Other current assets	(14)	8	(9)
Other assets	(100)	(142)	(47)
Accounts payable	63	(202)	346
Customer deposits	29	76	32
Margin cash collateral	86	(546)	387
Income taxes	(75)	(46)	(51)
Interest and other taxes	49	49	29
Other current liabilities	113	50	(95)
Other liabilities	(52)	32	(53)
Other – net	219	115	118
Net cash provided by operating activities	3,593	2,498	1,547
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditures of FPL	(1,826)	(1,763)	(1,616)
Independent power investments	(2,852)	(1,701)	(815)
Nuclear fuel purchases	(310)	(212)	(102)
Other capital expenditures	(31)	(63)	(13)
Sale of independent power investments	700	20	69
Loan repayments and capital distributions from equity method investees	11	-	199
Proceeds from sale of securities in special use funds	2,211	3,135	2,837
Purchases of securities in special use funds	(2,440)	(3,217)	(2,956)
Proceeds from sale of other securities	138	96	100
Purchases of other securities	(156)	(109)	(112)
Funding of secured loan	-	-	(43)
Repayment of secured loan	-	-	218
Proceeds from termination and sale of leveraged leases	-	-	58
Other – net	(23)	7	11
Net cash used in investing activities	(4,578)	(3,807)	(2,165)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuances of long-term debt	3,199	3,408	1,391
Retirements of long-term debt and FPL preferred stock	(1,866)	(1,665)	(1,220)
Proceeds from purchased Corporate Units	-	210	-
Payments to terminate Corporate Units	-	(258)	-
Net change in short-term debt	(80)	(62)	667
Issuances of common stock	46	333	639
Dividends on common stock	(654)	(593)	(544)
Funds held for storm-recovery bond payments	(42)	-	-
Other – net	52	26	(10)
Net cash provided by financing activities	655	1,399	923
Net increase (decrease) in cash and cash equivalents	(330)	90	305
Cash and cash equivalents at beginning of year	620	530	225
Cash and cash equivalents at end of year	$ 290	$ 620	$ 530
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION			
Cash paid for interest (net of amount capitalized)	$ 686	$ 648	$ 543
Cash paid for income taxes – net	$ 46	$ 30	$ 8
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES			
Issuance of common stock and conversion of options and warrants in connection with the acquisition of Gexa Corp.	$ -	$ -	$ 74
Assumption of debt in connection with the purchase of independent power project	$ 55	$ -	$ -

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

FPL GROUP, INC.
CONSOLIDATED STATEMENTS OF COMMON SHAREHOLDERS' EQUITY [a]
(millions)

	Common Stock [b]		Additional Paid-In Capital	Unearned ESOP Compensation	Accumulated Other Comprehensive Income (Loss) [c]	Retained Earnings	Common Shareholders' Equity
	Shares	Aggregate Par Value					
Balances, December 31, 2004	372[d]	$ 4	$ 3,568	$ (154)	$ (46)	$ 4,211	
Net income	-	-	-	-	-	901	
Issuances of common stock, net of issuance cost of less than $1	20	-	645	-	-	-	
Exercise of stock options and other incentive plan activity	3	-	89	-	-	-	
Dividends on common stock	-	-	-	-	-	(544)	
Earned compensation under ESOP	-	-	19	14	-	-	
Other comprehensive loss	-	-	-	-	(147)	-	
Other	-	-	1	-	-	-	
Balances, December 31, 2005	395[d]	4	4,322	(140)	(193)	4,568	$ 8,561
Net income	-	-	-	-	-	1,281	
Issuances of common stock, net of issuance cost of less than $1	9	-	307	-	-	-	
Exercise of stock options and other incentive plan activity	1	-	64	-	-	-	
Dividends on common stock	-	-	-	-	-	(593)	
Earned compensation under ESOP	-	-	21	15	-	-	
Termination of Corporate Units, net of tax benefit of $15	-	-	(33)	-	-	-	
Other comprehensive income	-	-	-	-	210	-	
Implementation of FAS 158	-	-	-	-	98	-	
Other	-	-	(1)	-	-	-	
Balances, December 31, 2006	405[d]	4	4,680	(125)	115	5,256	$ 9,930
Net income	-	-	-	-	-	1,312	
Issuances of common stock, net of issuance cost of less than $1	1	-	33	-	-	-	
Exercise of stock options and other incentive plan activity	1	-	59	-	-	-	
Dividends on common stock	-	-	-	-	-	(654)	
Earned compensation under ESOP	-	-	27	11	-	-	
Other comprehensive loss	-	-	-	-	(44)	-	
Defined benefit pension and other benefits plans	-	-	-	-	45	-	
Implementation of FIN 48	-	-	(15)	-	-	31	
Balances, December 31, 2007	407[d]	$ 4	$ 4,784	$ (114)	$ 116	$ 5,945	$ 10,735

(a) Information pertaining to shares, aggregate par value and additional paid-in capital have been restated to reflect the two-for-one stock split effective March 15, 2005. See Note 12 – Earnings Per Share.

(b) $0.01 par value, authorized – 800,000,000 shares; outstanding shares 407,344,972, 405,404,438 and 394,854,416 at December 31, 2007, 2006 and 2005, respectively.

(c) Comprehensive income, which includes net income and other comprehensive income (loss), totaled approximately $1,313 million, $1,491 million and $754 million for 2007, 2006 and 2005, respectively.

(d) Outstanding and unallocated shares held by the Employee Stock Ownership (ESOP) Plan Trust totaled approximately 8 million, 9 million and 10 million at December 31, 2007, 2006 and 2005, 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,		
	2007	2006	2005
OPERATING REVENUES	$ 11,622	$ 11,988	$ 9,528
OPERATING EXPENSES			
Fuel, purchased power and interchange	6,726	7,116	4,910
Other operations and maintenance	1,454	1,374	1,307
Disallowed storm costs	-	52	-
Storm cost amortization	74	151	155
Depreciation and amortization	773	787	951
Taxes other than income taxes	1,032	1,045	858
Total operating expenses	10,059	10,525	8,181
OPERATING INCOME	1,563	1,463	1,347
OTHER INCOME (DEDUCTIONS)			
Interest charges	(304)	(278)	(224)
Allowance for equity funds used during construction	23	21	28
Interest Income	17	30	14
Other – net	(12)	(10)	(9)
Total other deductions – net	(276)	(237)	(191)
INCOME BEFORE INCOME TAXES	1,287	1,226	1,156
INCOME TAXES	451	424	408
NET INCOME	$ 836	$ 802	$ 748

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

FLORIDA POWER & LIGHT COMPANY
CONSOLIDATED BALANCE SHEETS
(millions)

	December 31, 2007	December 31, 2006
ELECTRIC UTILITY PLANT		
Plant in service	$ 25,585	$ 24,150
Nuclear fuel	565	423
Construction work in progress	1,101	1,113
Less accumulated depreciation and amortization	(10,081)	(9,848)
Electric utility plant – net	17,170	15,838
CURRENT ASSETS		
Cash and cash equivalents	63	64
Customer receivables, net of allowances of $13 and $15, respectively	807	872
Other receivables, net of allowances of $1 and $1, respectively	178	221
Materials, supplies and fossil fuel inventory – at average cost	583	558
Regulatory assets:		
Deferred clause and franchise expenses	103	167
Securitized storm-recovery costs/storm reserve deficiency	59	106
Derivatives	117	921
Derivatives	83	4
Other	260	99
Total current assets	2,253	3,012
OTHER ASSETS		
Special use funds	2,499	2,264
Prepaid benefit costs	907	857
Regulatory assets:		
Securitized storm-recovery costs/storm reserve deficiency	756	762
Deferred clause expenses	121	-
Unamortized loss on reacquired debt	36	39
Other	72	37
Other	230	161
Total other assets	4,621	4,120
TOTAL ASSETS	$ 24,044	$ 22,970
CAPITALIZATION		
Common shareholder's equity	$ 7,275	$ 7,539
Long-term debt	4,976	4,214
Total capitalization	12,251	11,753
CURRENT LIABILITIES		
Commercial paper	842	630
Current maturities of long-term debt	241	-
Accounts payable	706	735
Customer deposits	531	500
Accrued interest and taxes	225	281
Regulatory liabilities – deferred clause and franchise revenues	18	37
Derivatives	182	677
Other	531	423
Total current liabilities	3,276	3,283
OTHER LIABILITIES AND DEFERRED CREDITS		
Asset retirement obligations	1,653	1,572
Accumulated deferred income taxes	2,716	2,561
Regulatory liabilities:		
Accrued asset removal costs	2,098	2,044
Asset retirement obligation regulatory expense difference	921	868
Other	235	209
Other	894	680
Total other liabilities and deferred credits	8,517	7,934
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$ 24,044	$ 22,970

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,		
	2007	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$ 836	$ 802	$ 748
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation and amortization	773	745	909
Nuclear fuel amortization	83	89	72
Recoverable storm-related costs	(3)	(364)	(659)
Amortization of storm reserve deficiency	74	151	155
Deferred income taxes	346	27	531
Cost recovery clauses and franchise fees	(75)	940	(825)
Change in prepaid option premiums	142	(73)	(43)
Changes in operating assets and liabilities:			
Customer receivables	65	(219)	(68)
Other receivables	(32)	40	(26)
Material, supplies and fossil fuel inventory	(25)	(110)	(133)
Other current assets	(12)	9	(9)
Other assets	(50)	(83)	(43)
Accounts payable	(80)	(124)	221
Customer deposits	31	77	35
Margin cash collateral	75	(485)	382
Income taxes	(138)	157	(71)
Interest and other taxes	26	24	17
Other current liabilities	41	16	(44)
Other liabilities	(2)	10	31
Other – net	88	39	58
Net cash provided by operating activities	2,163	1,668	1,238
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditures	(1,826)	(1,763)	(1,616)
Nuclear fuel purchases	(181)	(105)	(95)
Proceeds from sale of securities in special use funds	1,978	2,673	2,767
Purchases of securities in special use funds	(2,186)	(2,738)	(2,870)
Other – net	1	-	(2)
Net cash used in investing activities	(2,214)	(1,933)	(1,816)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuances of long-term debt	1,230	937	588
Retirements of long-term debt	(250)	(135)	(500)
Retirements of preferred stock	-	-	(25)
Net change in short-term debt	212	(529)	667
Dividends	(1,100)	-	(161)
Funds held for storm-recovery bond payments	(42)	-	-
Net cash provided by financing activities	50	273	569
Net increase (decrease) in cash and cash equivalents	(1)	8	(9)
Cash and cash equivalents at beginning of year	64	56	65
Cash and cash equivalents at end of year	$ 63	$ 64	$ 56
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION			
Cash paid for interest (net of amount capitalized)	$ 267	$ 257	$ 217
Cash paid (received) for income taxes – net	$ 246	$ 339	$ (46)

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 [a]
(millions)

	Common Stock [b]	Additional Paid-In Capital	Retained Earnings	Common Shareholder's Equity
Balances, December 31, 2004	$ 1,373	$ 4,318	$ 459	
Net income	-	-	748	
Dividends to FPL Group	-	-	(161)	
Balances, December 31, 2005	1,373	4,318	1,046	$ 6,737
Net income	-	-	802	
Balances, December 31, 2006	1,373	4,318	1,848	$ 7,539
Net income	-	-	836	
Dividends to FPL Group	-	-	(1,100)	
Balances, December 31, 2007	$ 1,373	$ 4,318	$ 1,584	$ 7,275

(a) FPL's comprehensive income is the same as reported net income.
(b) Common stock, no par value, 1,000 shares authorized, issued and outstanding.

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

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 4.5 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. Amounts included in the consolidated financial statements and the accompanying notes have been adjusted to reflect the retrospective application of a Financial Accounting Standards Board (FASB) Staff Position (FSP) regarding the accounting for offsetting amounts related to certain contracts. See Note 4. In addition, 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 underrecovery or overrecovery. Any underrecovered costs or overrecovered revenues are collected from or returned to customers in subsequent periods. Although deferred clause revenues and expenses do not significantly affect net income, the underrecoveries or overrecoveries can significantly affect FPL Group's and FPL's operating cash flows.

In June 2007, the FPSC denied FPL's need petition for two ultra super critical pulverized coal generating units in Glades County, Florida. In July 2007, FPL filed a petition with the FPSC requesting authorization to defer, until the next retail base rate proceeding, approximately $35 million of preconstruction costs associated with the coal units, with amortization over a five-year period beginning when new base rates are implemented. These costs are currently reflected in other assets on FPL Group's and FPL's consolidated balance sheets. FPL management believes the recovery of these costs is probable. However, any portion of these costs not approved for recovery would be expensed. A decision is expected in April 2008.

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 approximately $119 million and $122 million at December 31, 2007 and 2006, respectively. FPL's operating revenues also include amounts resulting from cost recovery clauses (see Regulation), franchise fees, gross receipts taxes and surcharges related to the recovery of storm restoration costs associated with hurricanes and storm-recovery bonds (see Securitization). Franchise fees and gross receipts taxes are imposed on FPL; however, the FPSC allows FPL to include in the amounts 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 on FPL Group's and FPL's consolidated statements of income and were approximately $755 million, $773 million and $604 million in 2007, 2006 and 2005, 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.

In 2005, the FPSC approved a stipulation and settlement agreement regarding FPL's retail base rates (2005 rate agreement), signed by FPL and all of the interveners in its 2005 base rate proceeding. FPL expects the 2005 rate agreement to be in effect through December 31, 2009; thereafter, it shall remain in effect until terminated on the date new retail base rates become effective pursuant to an FPSC order. The 2005 rate agreement replaced a rate agreement that was effective April 15, 2002 through December 31, 2005 (2002 rate agreement).

The 2005 rate agreement provides that retail base rates will not increase during the term of the agreement except to allow recovery of the revenue requirements of any power plant approved pursuant to the Florida Power Plant Siting Act (Siting Act) that achieves commercial operation during the term of the 2005 rate agreement. Retail base rates increased approximately $86 million in 2007 when a 1,144 megawatt (mw) natural gas-fired plant at FPL's Turkey Point site (Turkey Point Unit No. 5) was placed in service on May 1, 2007. The 2005 rate agreement also continues the revenue sharing mechanism in FPL's 2002 rate agreement, whereby revenues from retail base operations in excess of certain thresholds will be shared with customers on the basis of two-thirds refunded to customers and one-third retained by FPL. Revenues from retail base operations in excess of a second, higher threshold (cap) will be refunded 100% to customers. The revenue sharing threshold and cap are established by increasing the prior year's threshold and cap by the sum of the following: (i) the average annual growth rate in retail kilowatt-hour (kwh) sales for the ten-year period ending December 31 of the preceding year multiplied by the prior year's retail base rate revenue sharing threshold and cap and (ii) the amount of any incremental base rate increases for power plants approved pursuant to the Siting Act that achieve commercial operation during the term of the 2005 rate agreement. The revenue sharing threshold and cap for 2008 are estimated to be $4,349 million and $4,524 million, respectively.

Under both the 2005 and 2002 rate agreements, the accrual for the refund associated with the revenue sharing mechanism is required to be 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 thresholds 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 both the 2005 and 2002 rate agreements, the annual refund (including interest) is required to be paid to customers as a credit to their February electric bill. For the years ended December 31, 2007, 2006 and 2005, there were no refunds due to customers.

Under the terms of the 2005 rate agreement: (i) FPL's electric property depreciation rates are based upon the comprehensive depreciation studies it filed with the FPSC in March 2005; however, FPL may reduce depreciation by up to $125 million annually which was also permitted under the 2002 rate agreement, (ii) FPL suspended contributions of approximately $79 million per year to its nuclear decommissioning fund beginning in September 2005, (iii) FPL suspended contributions of $20.3 million per year to its storm and property insurance reserve beginning in January 2006 and has the ability to recover prudently incurred storm restoration costs, either through securitization provisions pursuant to the Florida Statutes or through surcharges, and (iv) FPL will be allowed to recover through a cost recovery clause prudently incurred incremental costs associated with complying with an FPSC or FERC order regarding a regional transmission organization.

FPL does not have an authorized regulatory return on common equity (ROE) under the 2005 rate agreement for the purpose of addressing earnings levels. For all other regulatory purposes, FPL has an ROE of 11.75%. Under the 2005 rate agreement, the revenue sharing mechanism described above is the appropriate and exclusive mechanism to address earnings levels. However, if FPL's regulatory ROE, as reported to the FPSC in FPL's monthly earnings surveillance report, falls below 10% during the term of the 2005 rate agreement, FPL may petition the FPSC to amend its base rates.

FPL Energy's revenue is recorded as electricity is delivered, which is when revenue is earned. FPL Energy's retail energy business records unbilled revenues for the estimated amount of energy delivered to customers but not yet billed. Unbilled revenues are included in customer receivables and amounted to approximately $26 million and $28 million at December 31, 2007 and 2006, respectively.

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, 2007, the electric generating, transmission, distribution and general facilities of FPL represented approximately 45%, 12%, 38% and 5%, 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 net book value of FPL Energy's assets serving as collateral was approximately $5.3 billion at December 31, 2007.

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 Plants, Dismantlement of Plants and Other Accrued Asset Removal Costs). For substantially all of FPL's property, depreciation studies are performed and filed with the FPSC at least every four years. Pursuant to the 2005 rate agreement, FPL implemented new depreciation rates on January 1, 2006 based on depreciation studies filed with the FPSC in March 2005. Under the 2002 and 2005 rate agreements (see Revenues and Rates), FPL reduced depreciation by $125 million annually since 2002. The weighted annual composite depreciation rate for FPL's electric plant in service, including capitalized software, but excluding the effects of decommissioning, dismantlement and the depreciation adjustments discussed above, was approximately 3.6%, 3.7% and 4.3% for 2007, 2006 and 2005, respectively. FPL Energy's electric plants in service less salvage value, if any, are depreciated primarily using the straight-line method over their estimated useful lives. FPL Energy's effective depreciation rates, excluding decommissioning, were 4.4%, 4.1% and 3.9% for 2007, 2006 and 2005, respectively.

Nuclear Fuel – FPL leases nuclear fuel for all four of its nuclear units. FPL Group and FPL consolidate the lessor entity in accordance with FASB Interpretation No. (FIN) 46, "Consolidation of Variable Interest Entities," as revised (FIN 46(R)). See Note 9 – FPL.

FPL Energy's nuclear units have several contracts for the supply, conversion, enrichment and fabrication of nuclear fuel. See Note 16 – Contracts. FPL Energy'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 FPL 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. 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. FPSC rules allow construction projects below the 0.5% threshold as a component of rate base. During 2007, 2006 and 2005, AFUDC was capitalized at a rate of 7.42% in each year and amounted to approximately $36 million, $32 million and $41 million, respectively. See Note 16 – Commitments.

FPL's construction work in progress includes construction materials, progress payments on major equipment contracts, third party engineering costs and other costs directly associated with the construction of various projects. Upon completion of the projects, these costs are transferred to electric utility plant in service. At December 31, 2007 and 2006, FPL recorded approximately $188 million and $152 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, 2007 and 2006, FPL Energy's capitalized development costs totaled approximately $26 million and $22 million, respectively, which are included in other assets on FPL Group's consolidated balance sheets. These costs include emission reduction credits, land rights 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.

FPL Energy's construction work in progress includes construction materials, prepayments on turbine generators, third party engineering costs, capitalized interest and other costs directly associated with the construction and development of the project. Interest capitalized on construction projects amounted to $39 million, $17 million and $8 million during 2007, 2006 and 2005, 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. Upon commencement of plant operation, costs associated with construction work in progress are transferred to electric utility plant in service and other property. At December 31, 2007 and 2006, FPL Energy recorded approximately $106 million and $38 million, respectively, of construction accruals, which are included in other current liabilities on FPL Group's consolidated balance sheets.

Asset Retirement Obligations – FPL Group and FPL each account for asset retirement obligations and conditional asset retirement obligations under FAS 143, "Accounting for Asset Retirement Obligations" and FIN 47, "Accounting for Conditional 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 and Other		FPL Energy		FPL Group	
	December 31,		December 31,		December 31,		December 31,		December 31,	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	(millions)									
Asset retirement obligations (ARO)	$ 1,624	$ 1,540	$ 24	$ 27	$ 5	$ 5	$ 504	$ 248	$ 2,157	$ 1,820
Less capitalized ARO asset net of accumulated depreciation	54	55	8	5	-	-	-	-	62	60
Accrued asset removal costs [a]	201	192	285	281	1,612	1,571	-	-	2,098	2,044
Asset retirement obligation regulatory expense difference [a]	887	864	34	4	-	-	-	-	921	868
Accrued decommissioning, dismantlement and other accrued asset removal costs	$ 2,658 [b]	$ 2,541 [b]	$ 335 [b]	$ 307 [b]	$ 1,617 [b]	$ 1,576 [b]	$ 504	$ 248	$ 5,114	$ 4,672

[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 life of the related assets based on depreciation studies approved by the FPSC. For financial reporting purposes, FPL recognizes decommissioning and dismantlement liabilities in accordance with FAS 143 and FIN 47. Any differences between expense recognized under FAS 143 and FIN 47 and the amount recoverable through rates are reported as a regulatory liability 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 filed updated nuclear decommissioning studies with the FPSC in December 2005. The studies filed in December 2005 support the suspension, effective September 2005, of the $79 million annual decommissioning accrual as provided for in the 2005 rate agreement. These studies reflect FPL's current plans, under the extended operating licenses, for prompt dismantlement of Turkey Point Units Nos. 3 and 4 following the end of plant operation with decommissioning activities commencing in 2032 and 2033, respectively, and provide for St. Lucie Unit No. 1 to be mothballed beginning in 2036 with decommissioning activities to be integrated with the prompt dismantlement of St. Lucie Unit No. 2 at the end of its useful life in 2043. 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 approximately $10.9 billion. FPL's portion of the ultimate cost of decommissioning its four units, expressed in 2007 dollars, is estimated by the studies to aggregate $2.2 billion.

During 2007, with respect to costs associated with nuclear decommissioning, FPL recognized approximately $84 million related to ARO accretion expense, approximately $2 million related to depreciation of the capitalized ARO asset and approximately $86 million to adjust the total accrual to reflect the suspension of the accrual by the FPSC effective September 1, 2005. During 2006, with respect to costs associated with nuclear decommissioning, FPL recognized approximately $80 million related to ARO accretion expense, approximately $2 million related to depreciation of the capitalized ARO asset and approximately $82 million to adjust the total accrual to reflect the suspension of the accrual by the FPSC effective September 1, 2005. During 2005, with respect to costs associated with nuclear decommissioning, FPL recognized approximately $112 million related to ARO accretion expense, approximately $7 million related to depreciation of the capitalized ARO asset, approximately $4 million related to the non-legal obligation included in accrued asset removal costs and approximately $70 million to adjust the total accrual to the $53 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).

Restricted trust funds for the payment of future expenditures to decommission FPL's nuclear units are included in nuclear decommissioning reserve funds, which are included in special use funds on FPL Group's and FPL's consolidated balance sheets. Consistent with regulatory treatment, marketable securities held in the decommissioning funds are classified as available for sale and are carried at market value with market adjustments, including any other-than-temporary impairment losses, resulting in a corresponding adjustment to the related regulatory liability accounts. See Note 10. Contributions to the funds were based on current period decommissioning expense and were suspended beginning September 2005. 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 regulatory 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.

FPL's latest fossil fuel plant dismantlement studies became effective January 1, 2007 and indicate that FPL's portion of the ultimate cost to dismantle its fossil units is $707 million. FPL's next fossil fuel plant dismantlement study is required to be filed with the FPSC concurrently with its next depreciation study in March 2009. During 2007, with respect to costs associated with fossil dismantlement, FPL recognized approximately $2 million related to ARO accretion expense and depreciation of the capitalized ARO asset, approximately $14 million related to the non-legal obligation included in accrued asset removal costs and approximately $1 million credit to adjust the total accrual to the $15 million approved by the FPSC for dismantlement expense (included in depreciation and amortization expense in FPL Group's and FPL's consolidated statements of income). During 2006, with respect to costs associated with fossil dismantlement, FPL recognized approximately $1 million related to ARO accretion expense and depreciation of the capitalized ARO asset, approximately $17 million related to the non-legal obligation included in accrued asset removal costs and approximately $1 million to adjust the total accrual to the $19 million approved by the FPSC for dismantlement expense (included in depreciation and amortization expense in FPL Group's and FPL's consolidated statements of income). FPL recognized fossil dismantlement expense of approximately $19 million in 2005, which is included in depreciation and amortization expense.

FPL Energy – FPL Energy records nuclear decommissioning liabilities for Seabrook Station (Seabrook), Duane Arnold Energy Center (Duane Arnold) and Point Beach Nuclear Power Plant (Point Beach) in accordance with FAS 143 and FIN 47. See Note 15. At December 31, 2007 and 2006, FPL Energy's ARO related to nuclear decommissioning totaled approximately $456 million and $213 million, respectively, and was determined using various internal and external data. FPL Energy's portion of the ultimate cost of decommissioning its nuclear plants, including costs associated with spent fuel storage, is approximately $6.6 billion, or $1.4 billion expressed in 2007 dollars. The liability is being accreted using the interest method through the date decommissioning activities are expected to be complete.

Seabrook's decommissioning funding plan is based on a comprehensive nuclear decommissioning study filed with the New Hampshire Nuclear Decommissioning Financing Committee (NDFC) in 2007 and is effective for four years. Currently, there are no ongoing decommissioning funding requirements for Duane Arnold and Point Beach, however, the U.S. Nuclear Regulatory Commission (NRC) has the authority to require additional funding in the future. FPL Energy's portion of Seabrook's, Duane Arnold's and Point Beach's restricted trust funds for the payment of future expenditures to decommission these plants is included in nuclear decommissioning reserve funds, which are included in special use funds on FPL Group's consolidated balance sheets. Marketable securities held in the decommissioning funds are classified as available for sale and are carried at market value with market adjustments resulting in a corresponding adjustment to other comprehensive income (OCI). All unrealized losses associated with marketable securities are considered to be other-than-temporary and are recognized as an expense in other – net 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. See Note 10. The tax effects of amounts not yet recognized for tax purposes are included in accumulated deferred income taxes.

Major Maintenance Costs – FPL utilizes the accrue-in-advance method for recognizing costs associated with planned major maintenance, in accordance with regulatory treatment, and records the related accrual as a regulatory liability. FPL Energy utilizes the deferral method to account for certain planned major maintenance costs.

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. Any difference between the estimated and actual costs is included in O&M expenses when known. The accrued liability for nuclear maintenance costs at December 31, 2007 and 2006 totaled approximately $39 million and $47 million, respectively, and is included in regulatory liabilities – other. For the years ended December 31, 2007, 2006 and 2005, FPL recognized approximately $77 million, $72 million and $89 million, respectively, in nuclear maintenance costs which are included in O&M expenses in FPL Group's and FPL's consolidated statements of income.

FPL Energy's major maintenance costs for its combustion turbines are capitalized and amortized on a unit of production method over the period from the end of the last outage to the beginning of the next planned outage. FPL Energy's major maintenance costs for its nuclear generating units are capitalized and amortized on a straight-line basis over the period from the end of the last outage to the beginning of the next planned outage. FPL Energy's deferred major maintenance costs net of accumulated depreciation totaled approximately $47 million and $51 million at December 31, 2007 and 2006, respectively, and are included in other assets. For the years ended December 31, 2007, 2006 and 2005, FPL Energy recognized approximately $43 million, $49 million and $38 million in major maintenance costs which are included in O&M expenses in FPL Group's consolidated statements of income.

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

Restricted Cash – At December 31, 2007 and 2006, FPL Group had approximately $146 million ($58 million for FPL) and $67 million (none for FPL), respectively, of restricted cash included in other current assets on FPL Group's and FPL's consolidated balance sheets, essentially all of which is restricted for margin cash collateral, escrow and debt service payments. Where offsetting positions exist, restricted cash related to margin cash collateral is netted against derivative instruments. See Note 4.

Allowance for Doubtful Accounts – FPL maintains an accumulated provision for uncollectible customer accounts receivable that is determined by multiplying the previous five months of revenues by the prior year's bad debt percentage, which represents the relationship of last year's revenues to the 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 estimated as a percentage of revenue based on the historical bad debt write-off trends for its retail energy business and, when necessary, using the specific identification method for all other receivables.

Inventory – FPL values materials, supplies and fossil fuel inventory using a weighted-average cost method. FPL Energy's materials, supplies and fossil fuel inventories are carried at the lower of weighted-average cost or market, unless evidence indicates that the weighted-average cost (even if in excess of market) will be recovered with a normal profit upon sale in the ordinary course of business.

Energy Trading – FPL Group provides full energy and capacity requirements services primarily to distribution utilities, which include load-following services and various ancillary services, in certain markets and engages in 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. 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 4.

Fair Value Measurements – In September 2006, the FASB issued FAS 157, "Fair Value Measurements," which clarifies how to measure fair value and requires expanded fair value measurement disclosures. The standard emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and sets out a fair value hierarchy, intended to disclose information about the relative reliability of fair value measurements with the highest priority being quoted prices in active markets for identical assets or liabilities. FAS 157 is effective January 1, 2008 for financial assets and liabilities, and for any other fair value measurements made on a recurring basis. For all other fair value measurements, FAS 157 will be effective January 1, 2009. While the implementation of the first phase of FAS 157 is not complete, the impact of adopting the standard is not expected to be material to FPL Group and FPL. FPL Group and FPL are continuing to evaluate the impact of FAS 157 as it applies to non-financial assets and liabilities that are not remeasured at fair value on a recurring basis.

The Fair Value Option for Financial Assets and Financial Liabilities – In February 2007, the FASB issued FAS 159, "The Fair Value Option for Financial Assets and Financial Liabilities," which permits, but does not require, entities to account for financial assets and liabilities at fair value, effective January 1, 2008. The standard does not extend to non-financial assets and liabilities. The impact of adopting FAS 159 for existing financial assets and liabilities was not material to FPL Group and FPL. FPL Group and FPL may elect to account for new financial assets and liabilities at fair value in the future.

Securitization – FPL maintains a funded storm and property insurance reserve. FPL was affected by four hurricanes in 2005 and three hurricanes in 2004 which caused major damage in parts of FPL's service territory. Storm restoration costs incurred by FPL during 2005 and 2004 exceeded the amount in the storm and property insurance reserve, resulting in a storm reserve deficiency. In 2007, FPL formed a wholly-owned bankruptcy remote special purpose subsidiary for the purpose of issuing storm-recovery bonds, pursuant to the securitization provisions of the Florida Statutes and an FPSC financing order. In May 2007, the FPL subsidiary issued $652 million aggregate principal amount of senior secured bonds (storm-recovery bonds) primarily for the after-tax equivalent of the total of FPL's unrecovered balance of the 2004 storm restoration costs, the 2005 storm restoration costs and approximately $200 million to reestablish FPL's storm and property insurance reserve. The storm-recovery bonds were issued in four tranches with interest rates ranging from 5.0440% to 5.2555% and final maturity dates ranging from 2013 to 2021. Although principal on the storm-recovery bonds is due on the final maturity date (the date by which the principal must be repaid to prevent a default) for each tranche, it is expected to be paid semiannually and sequentially beginning February 1, 2008, when the first semiannual interest payment becomes due.

In connection with this financing, net proceeds, after debt issuance costs, to the FPL subsidiary (approximately $644 million) were used to acquire the storm-recovery property, which includes the right to impose, collect and receive a storm-recovery charge from all customers receiving electric transmission or distribution service from FPL under rate schedules approved by the FPSC or under special contracts, certain other rights and interests that arise under the financing order issued by the FPSC and certain other collateral pledged by the FPL subsidiary that issued the bonds. The storm-recovery bonds are payable only from and secured by the storm-recovery property. FPL, as the servicer, collects storm-recovery charges on behalf of the subsidiary through a surcharge to retail customers and remits them to the trustee under the indenture pursuant to which the storm-recovery bonds were issued for payment of fees and expenses and payment of principal and interest on the storm-recovery bonds. The revenues from the storm-recovery bonds surcharge and a 2004 storm damage surcharge through which FPL had been recovering underrecovered 2004 storm restoration costs prior to the issuance of these storm-recovery bonds are included in operating revenues on FPL Group's and FPL's consolidated statements of income. For the years ended December 31, 2007, 2006 and 2005, both the amount billed to retail customers related to the 2004 storm damage surcharge and the storm-recovery bonds surcharge amounted to approximately $94 million, $151 million and $155 million, respectively. The FPL subsidiary is consolidated for financial reporting purposes; however, the storm-recovery bonds do not constitute a debt, liability or other legal obligation of, or interest in, FPL or any of its affiliates other than the FPL subsidiary that issued the storm-recovery bonds. The assets of the FPL subsidiary that issued the storm-recovery bonds, including the storm-recovery property, are not available to pay creditors of FPL or any of its affiliates other than the subsidiary that issued the storm-recovery bonds.

In connection with this financing, the net proceeds to FPL from the sale of the storm-recovery property were used primarily to reimburse FPL for its estimated net of tax storm reserve deficiency as of May 31, 2007 (approximately $517 million) and provide for a storm and property insurance reserve fund of approximately $127 million net of tax. Securities held in the storm and property insurance reserve fund are carried at market value with market adjustments resulting in a corresponding adjustment to the storm and property insurance reserve. Fund earnings, net of taxes, are reinvested in the fund. The tax effects of amounts not yet recognized for tax purposes are included in accumulated deferred income taxes. The storm and property insurance reserve fund is included in special use funds on FPL Group's and FPL's consolidated balance sheets and was approximately $129 million at December 31, 2007. Upon the issuance of the storm-recovery bonds, the storm reserve deficiency was reclassified to securitized storm-recovery costs on FPL Group's and FPL's consolidated balance sheets. As storm-recovery charges are billed to customers, the securitized storm-recovery costs are amortized, the amount of which is included in storm cost amortization on FPL Group's and FPL's consolidated statements of income.

The storm and property insurance reserve of approximately $200 million that was reestablished in the FPSC financing order is not reflected in FPL Group's and FPL's consolidated balance sheets as of December 31, 2007 because the associated regulatory asset does not meet the specific recognition criteria under FAS 71. As a result, the storm and property insurance reserve will be recognized as a regulatory liability as the storm-recovery charges are billed to customers and charged to storm cost amortization on FPL Group's and FPL's consolidated statements of income. Although FPL Group's and FPL's consolidated balance sheets as of December 31, 2007 reflect a storm and property insurance reserve of approximately $16 million (included in regulatory liabilities – other on FPL Group's and FPL's consolidated balance sheets), FPL has the capacity to absorb up to approximately $213 million in future prudently incurred storm restoration costs without seeking recovery through a rate adjustment from the FPSC.

In 2006, the FPSC applied a different standard for recovery of 2005 storm costs than was used for the 2004 storm costs. Accordingly, the FPSC made certain adjustments and disallowances to amounts sought to be recovered by FPL. In addition, the FPSC allowed FPL to recover interest on 2005 storm restoration costs. These adjustments and disallowances reduced FPL Group's and FPL's net income for the year ended December 31, 2006 by approximately $27 million.

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 5.

Goodwill and Other Intangible Assets – FPL Group's goodwill and other intangible assets are as follows:

	Weighted Average Useful Lives (Years)	December 31, 2007	December 31, 2006
		(millions)	
Goodwill:			
Merchant reporting unit		$ 72	$ 72
Wind reporting unit		17	17
Total goodwill		$ 89	$ 89
Other intangible assets:			
Purchase power agreements	18	$ 68	$ 59
Customer lists	8	28	29
Other, primarily transmission and land rights, permits and licenses	28	87	58
Total		183	146
Less accumulated amortization		51	39
Total other intangible assets – net		$ 132	$ 107

FPL Energy has recorded goodwill in its merchant reporting unit related to the acquisition of Gexa Corp. in 2005 and in its wind reporting unit related to the acquisition of a wind modeling and analysis business in 2006. The acquisitions were accounted for using the purchase method of accounting. FPL Energy's other intangible assets are amortized, primarily on a straight-line basis, over their estimated useful lives. For the years ended December 31, 2007, 2006 and 2005, amortization expense was approximately $12 million, $12 million and $8 million, respectively, and is expected to be approximately $12 million, $11 million, $11 million, $11 million and $11 million for 2008, 2009, 2010, 2011 and 2012, respectively.

FPL Energy's goodwill and other intangible assets are included in other assets on FPL Group's consolidated balance sheets. 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. Other intangible assets are periodically reviewed when impairment indicators are present to assess recoverability from future operations using undiscounted future cash flows in accordance with FAS 144.

Stock-Based Compensation – On January 1, 2006, FPL Group adopted FAS 123(R), "Share-Based Payment." 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, "Accounting for Stock-Based Compensation," on January 1, 2004, the adoption of FAS 123(R) did not have a significant effect on FPL Group's financial statements. See Note 12 – Stock-Based Compensation.

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.

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 between FPL Group and its subsidiaries, the income tax provision at each subsidiary reflects the use of the "separate return method," except that tax benefits that could not be utilized on a separate return basis, but are utilized on the consolidated tax return, are recorded by the subsidiary that generated the tax benefits. Any remaining consolidated income tax benefits or detriments are recorded at the corporate level. Included in other regulatory assets 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 totaled $61 million and $26 million at December 31, 2007 and 2006, respectively, and is being amortized in accordance with the regulatory treatment over the estimated lives of the assets or liabilities for which the deferred tax amount was initially recognized. Investment tax credits (ITCs) for FPL are deferred and amortized to income over the approximate lives of the related property in accordance with the regulatory treatment. At December 31, 2007 and 2006, deferred ITCs were approximately $31 million and $46 million, respectively, and are included in other regulatory liabilities on FPL Group's and FPL's consolidated balance sheets. FPL Energy recognizes ITCs as a reduction to income tax expense when the related energy property is placed into service. Production tax credits (PTCs) are recognized as wind energy is generated and sold based on a per kwh rate prescribed in applicable federal and state statutes. PTCs 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. All tax positions taken by FPL Group in its income tax returns that are recognized in the financial statements must satisfy a more-likely-than-not threshold established under FIN 48, "Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109." See Note 6.

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(R) requires FPL Group and FPL to assess the variable interests they hold and determine if those entities are VIEs. See Note 9.

2. Point Beach Nuclear Power Plant

In September 2007, FPL Energy acquired Point Beach, a two-unit, 1,023 mw nuclear facility located in Wisconsin. The acquisition of Point Beach supports FPL Energy's business strategy to build its portfolio in part through asset acquisitions and provides additional diversity to FPL Group's generating fleet. The transaction was financed using general funds of FPL Group Capital. Since September 2007, Point Beach's results have been included in FPL Group's consolidated financial statements. The following table summarizes the estimated fair value of the assets acquired and liabilities assumed at the date of acquisition (millions). The purchase price allocations are preliminary and subject to revision.

Property, plant and equipment	$ 961
Nuclear fuel	137
Current assets	48
Special use funds	390
Other noncurrent assets	42
Total assets acquired	1,578
Current liabilities	10
Asset retirement obligation	225
Other noncurrent liabilities	410
Total liabilities assumed	645
Net assets acquired	$ 933

3. 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, including Duane Arnold since January 2006 and Point Beach since September 2007. FPL Group allocates net periodic pension benefit income to its subsidiaries based on the pensionable earnings of the subsidiaries' employees. FPL Group also has a supplemental executive retirement plan (SERP), which includes a non-qualified supplemental defined benefit pension component that provides benefits to a select group of management and highly compensated employees. FPL Group allocates net periodic SERP benefit costs to its subsidiaries based upon actuarial calculations by participant. The impact of this SERP component is included within pension benefits in the following tables, and was not material to FPL Group's financial statements for the years ended December 31, 2007, 2006 and 2005. In addition to pension benefits, FPL Group sponsors a contributory postretirement plan for health care and life insurance benefits (other benefits) for retirees of FPL Group and its subsidiaries meeting certain eligibility requirements. FPL Group allocates other benefits net periodic benefit costs to its subsidiaries based upon the number of eligible employees at each subsidiary.

Implementation of FAS 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans" – FPL Group adopted the recognition and disclosure provisions of FAS 158 effective December 31, 2006. The measurement date provisions of FAS 158 require that FPL Group measure plan assets and liabilities as of its year end no later than December 31, 2008 with any resulting adjustments to plan assets, benefit obligations, and accumulated other comprehensive income recorded to retained earnings. Since FPL Group is the plan sponsor, and its subsidiaries do not have separate rights to the plan assets or direct obligations to their employees, the results of implementing all provisions of FAS 158 are reflected at FPL Group and not allocated to the subsidiaries. The portion of previously unrecognized actuarial gains and losses, prior service costs or credits and transition assets or obligations related to the recognition provision of FAS 158 that were estimated to be allocable to FPL as net periodic benefit (income) cost in future periods and that otherwise would have been recorded in accumulated other comprehensive income were classified as regulatory assets and liabilities at FPL Group in accordance with regulatory treatment. In addition, adjustments to accumulated other comprehensive income as a result of implementing the measurement date provisions of FAS 158 that are estimated to be allocable to FPL will be recorded as an adjustment to the previously established regulatory assets and liabilities.

FPL Group currently uses a measurement date of September 30 for its pension and other benefits plans. In lieu of remeasuring plan assets and obligations as of January 1, 2008, FPL Group has elected to calculate the net periodic benefit (income) cost for the fifteen-month period from September 30, 2007 to December 31, 2008 using the September 30, 2007 measurement date. Upon adoption of the measurement date provisions, FPL Group will record an adjustment to increase 2008 beginning retained earnings by approximately $13 million representing three-fifteenths of net periodic benefit (income) cost for the fifteen-month period from September 30, 2007 to December 31, 2008. Included in the adjustment to retained earnings is approximately $1 million related to the reduction in accumulated other comprehensive income and approximately $3 million related to the reduction in net regulatory liabilities.

Plan Assets, Benefit Obligations and Funded Status – The following table summarizes the changes in assets and benefit obligations of the plans and a reconciliation of the plans' funded status to the amounts on the consolidated balance sheets:

	Pension Benefits		Other Benefits	
	2007	2006	2007	2006
	(millions)			
Change in plan assets:				
Fair value of plan assets at October 1 of prior year	$ 3,243	$ 3,120	$ 48	$ 49
Actual return on plan assets	445	250	6	1
Employer contributions [a]	-	1	27	30
Transfers for retiree medical expenses [b]	(26)	(24)	-	-
Acquisitions	33	13	-	-
Participant contributions	-	-	5	5
Benefit payments [a]	(118)	(117)	(37)	(37)
Fair value of plan assets at September 30	$ 3,577	$ 3,243	$ 49	$ 48
Change in benefit obligation:				
Obligation at October 1 of prior year	$ 1,621	$ 1,599	$ 425	$ 435
Service cost	50	51	5	6
Interest cost	94	87	24	23
Participant contributions	-	-	5	4
Plan amendments [c]	(1)	(1)	-	-
Acquisitions	42	38	5	6
Actuarial gains – net	(36)	(36)	(21)	(12)
Benefit payments	(118)	(117)	(37)	(37)
Obligation at September 30 [d]	$ 1,652	$ 1,621	$ 406	$ 425
Funded status at September 30	$ 1,925	$ 1,622	$ (357)	$ (377)
Other	(28)	(26)	8	6
Prepaid (accrued) benefit cost at FPL Group at December 31	$ 1,897	$ 1,596	$ (349)	$ (371)
Prepaid (accrued) benefit cost at FPL at December 31	$ 901	$ 851	$ (286)	$ (286)

(a) Employer contributions and benefits paid include only those amounts contributed directly to, or paid directly from, plan assts. FPL's portion of contributions related to other benefits was $25 million and $27 million for the 2007 and 2006 plan years presented, respectively.
(b) Represents amounts that were transferred from the qualified pension plan as reimbursement for eligible retiree medical expenses paid by FPL Group pursuant to the provisions of the Internal Revenue Code (IRC).
(c) Primarily relates to union negotiated credits, IRC transfers and various SERP amendments.
(d) FPL Group's accumulated benefit obligation, which includes no assumption about future compensation levels, for its pension plans at September 30, 2007 and 2006 was $1,601 million and $1,573 million, respectively.

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	
	2007	2006	2007	2006	2007	2006	2007	2006
	(millions)							
Prepaid benefit costs	$ 1,911	$ 1,608	$ -	$ -	$ 907	$ 857	$ -	$ -
Accrued benefit cost included in other current liabilities	(1)	(1)	(30)	(29)	(1)	-	(25)	-
Accrued benefit cost included in other liabilities	(13)	(11)	(319)	(342)	(5)	(6)	(261)	(286)
Prepaid (accrued) benefit cost at December 31	$ 1,897	$ 1,596	$ (349)	$ (371)	$ 901	$ 851	$ (286)	$ (286)

FPL Group's unrecognized amounts included in accumulated other comprehensive income (loss) yet to be recognized as components of prepaid (accrued) benefit cost are as follows:

	Pension Benefits		Other Benefits	
	2007	2006	2007	2006
	(millions)			
Components of accumulated other comprehensive income:				
Unrecognized prior service benefit (net of $1 tax expense in 2006)	$ 1	$ 1	$ -	$ -
Unrecognized transition obligation (net of $1 and $1 tax benefit, respectively)	-	-	(2)	(2)
Unrecognized gain (loss) (net of $90 and $63 tax expense and $2 and $4 tax benefit, respectively)	142	100	2	(1)
Total	$ 143[a]	$ 101	$ -	$ (3)

[a] Approximately $8 million of gains and $1 million of prior service benefits will be reclassified into earnings within the next 12 months.

FPL Group's unrecognized amounts included in regulatory assets (liabilities) yet to be recognized as components of net prepaid (accrued) benefit cost are as follows:

	Regulatory Liabilities (Pension)		Regulatory Assets (SERP and Other)	
	2007	2006	2007	2006
	(millions)			
Unrecognized prior service (benefit) cost	$ (7)	$ (10)	$ 2	$ 2
Unrecognized transition obligation	-	-	14	17
Unrecognized (gain) loss	(714)	(538)	10	27
Total	$ (721)[a]	$ (548)	$ 26[b]	$ 46

[a] Approximately $3 million of prior service benefits and $21 million of gains will be reclassified into earnings within the next 12 months.
[b] Approximately $3 million of transition obligations will be reclassified into earnings within the next 12 months.

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	
	2007	2006	2007	2006
Discount rate	6.25%	5.85%	6.35%	5.90%
Rate of compensation increase	4.00%	4.00%	4.00%	4.00%

A 7.5% annual rate of increase in the per capita cost of covered medical benefits and a 9.5% annual rate of increase in the per capita cost of covered prescription drug benefits was assumed for 2008. The rates are assumed to decrease gradually to 5.5% by 2012 and 2016 for medical and prescription drug benefits, respectively, and remain at that level thereafter. Assumed health care cost trend rates have an 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 $6 million and $5 million, respectively, at September 30, 2007.

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 and preserve capital.

FPL Group's pension plan fund has a strategic asset allocation that currently targets a mix of 45% equity investments, 45% fixed income investments and 10% convertible bonds. 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.

With regard to its other benefits plans, 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 plans' 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 plans' fund has a strategic asset allocation that currently targets a mix of 60% equity investments and 40% fixed income investments. The fund's investment strategy emphasizes traditional investments, diversified across the global equity and fixed income markets. The fund's equity investments are comprised of assets classified as equity commingled vehicles. Similarly, its fixed income investments are comprised of 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 pension and other benefits funds were as follows:

	Pension Fund		Other Benefits Fund	
	2007	2006	2007	2006
Asset Category				
Equity	11%	12%	-%	-%
Equity commingled vehicles	34	35	62	66
Debt securities	27	26	-	-
Debt security commingled vehicles	18	19	38	34
Convertible bonds	10	8	-	-
Total	100%	100%	100%	100%

Expected Cash Flows – In December 2007, $28 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 IRC. FPL Group anticipates paying approximately $30 million for eligible retiree medical expenses on behalf of the other benefits plan during 2008 with substantially all amounts being reimbursed through a transfer of assets from the qualified pension plan.

The following table provides information about benefit payments expected to be paid by the plans, net of government drug subsidy, for each of the following calendar years:

	Pension Benefits	Other Benefits
	(millions)	
2008	$ 138	$ 35
2009	$ 136	$ 36
2010	$ 144	$ 36
2011	$ 148	$ 36
2012	$ 154	$ 35
2013–2017	$ 798	$ 154

Net Periodic Cost – The following table provides the components of net periodic benefit (income) cost for the plans:

	Pension Benefits			Other Benefits		
	2007	2006	2005	2007	2006	2005
	(millions)					
Service cost	$ 50	$ 51	$ 52	$ 5	$ 6	$ 8
Interest cost	94	86	87	24	23	25
Expected return on plan assets	(221)	(213)	(211)	(3)	(3)	(3)
Amortization of transition obligation	-	-	-	4	4	3
Amortization of prior service benefit	(4)	(5)	(5)	-	-	-
Amortization of (gains) losses	(18)	(16)	(15)	-	-	4
Other	-	-	3	-	2	-
Net periodic benefit (income) cost at FPL Group	$ (99)	$ (97)	$ (89)	$ 30	$ 32	$ 37
Net periodic benefit (income) cost at FPL	$ (76)	$ (80)	$ (71)	$ 25	$ 28	$ 32

Other Comprehensive Income – The following table provides the components of net periodic benefit (income) cost recognized in other comprehensive income for the plans:

	Pension Benefits		Other Benefits	
	2007	2006	2007	2006
	(millions)			
Prior service benefit (net of $1 tax expense for 2006)	$ -	$ 1	$ -	$ -
Transition obligation (net of $1 tax benefit for 2006)	-	-	-	(2)
Net gains (losses) (net of $28 and $63 tax expense and $2 tax expense and $4 tax benefit, respectively)	45	100	3	(1)
Amortization of prior service benefit	(1)	-	-	-
Amortization of net gains (net of $2 tax benefit for 2007)	(2)	-	-	-
Total	$ 42	$ 101	$ 3	$ (3)

Regulatory Assets (Liabilities) – The following table provides the components of net periodic benefit (income) cost recognized during the year in regulatory assets (liabilities) for the plans:

	Regulatory Liabilities (Pension)		Regulatory Assets (SERP and Other)	
	2007	2006	2007	2006
	(millions)			
Prior service (benefit) cost	$ -	$ (10)	$ -	$ 2
Transition obligation	-	-	-	17
Unrecognized (gains) losses	(190)	(538)	(17)	27
Amortization of prior service benefit	3	-	-	-
Amortization of gains	14	-	-	-
Amortization of transition obligation	-	-	(3)	-
Total	$ (173)	$ (548)	$ (20)	$ 46

The following table provides the weighted-average assumptions used to determine net periodic benefit (income) cost for the plans:

	Pension Benefits			Other Benefits		
	2007	2006	2005	2007	2006	2005
Discount rate	5.85%	5.50%	5.50%	5.90%	5.50%	5.50%
Salary increase	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Expected long-term rate of return [a]	7.75%	7.75%	7.75%	8.00%	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 have an 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 affected the total service and interest cost recognized at September 30, 2007 by less than $1 million.

Employee Contribution Plans – FPL Group offers employee retirement savings 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 $35 million, $32 million and $27 million for FPL Group ($27 million, $26 million and $25 million for FPL) for the years ended December 31, 2007, 2006 and 2005, respectively. See Note 12 – Employee Stock Ownership Plan.

4. 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 measured at fair value.

FPL Group and FPL adopted FSP FIN 39-1, "Amendment of FASB Interpretation No. 39," effective December 31, 2007, which amended certain provisions of FIN 39, "Offsetting of Amounts Related to Certain Contracts," and required the offsetting of amounts recognized for the right to reclaim and obligation to return cash collateral against amounts recognized for derivative instruments executed with the same counterparty under the same master netting arrangement when such offsetting derivative positions are presented on a net basis. FSP FIN 39-1 required retrospective application for all prior periods presented and, accordingly, FPL Group and FPL's consolidated balance sheet line items decreased by the following amounts:

	December 31, 2006	
	FPL Group	FPL
	(millions)	
Other current assets	$ 151	$ 103
Current derivative assets	$ 18	$ -
Other current liabilities	$ 18	$ -
Current derivative liabilities	$ 149	$ 103
Other liabilities	$ 2	$ -

FPL Group's and FPL's mark-to-market derivative instrument assets (liabilities) are included in the consolidated balance sheets as follows:

	FPL Group		FPL	
	December 31,		December 31,	
	2007	2006	2007	2006
	(millions)			
Current derivative assets [a]	$ 182	$ 358	$ 83	$ 4
Noncurrent other assets	99	78	-	-
Current derivative liabilities [b]	(289)	(995)	(182)	(677)
Noncurrent derivative liabilities [c]	(351)	(105)	(5) [d]	(1) [d]
Total mark-to-market derivative instrument assets (liabilities)	$ (359)	$ (664)	$ (104)	$ (674)

(a) At December 31, 2007 and 2006, FPL Group balances reflect the netting of $4 million and $18 million (none at FPL), respectively, in obligations to return margin cash collateral.
(b) At December 31, 2007 and 2006, FPL Group balances reflect the netting of $43 million and $149 million ($16 million and $103 million at FPL), respectively, in rights to reclaim margin cash collateral.
(c) At December 31, 2007 and 2006, FPL Group balances reflect the netting of $1 million and $2 million (none at FPL), respectively, in rights to reclaim margin cash collateral.
(d) Included in other liabilities on FPL's consolidated balance sheets.

FPL Group and FPL use derivative instruments (primarily swaps, options and forwards) to manage the commodity price risk inherent in the purchase and sale of fuel and electricity, as well as interest rate risk associated with long-term debt. In addition, FPL Group, through FPL Energy, uses derivatives to optimize the value of power generation assets. FPL Energy provides full energy and capacity requirements services primarily to distribution utilities, which include load-following services and various ancillary services, in certain markets and engages in energy trading activities to take advantage of expected future favorable price movements. At FPL, substantially all changes in fair value are deferred as a regulatory asset or liability until the contracts are settled, and upon settlement, any gains or losses are passed through the fuel and purchased power cost recovery clause (fuel clause) or 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 on a net basis in operating revenues; fuel purchases and sales are recognized on a net basis 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 most of FPL Energy's derivative transactions are entered into for the purpose of managing commodity price risk, 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 been deemed not to have occurred for financial reporting purposes. Transactions for which physical delivery is deemed to have not occurred are presented on a net basis. 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, 2007, FPL Group had cash flow hedges with expiration dates through December 2012 for energy contract derivative instruments, and interest rate cash flow hedges with expiration dates through January 2022. The effective portion of the gain or loss on a derivative instrument designated as a cash flow hedge is reported as a component of OCI and is reclassified into earnings in the period(s) during which the transaction being hedged affects earnings. The ineffective portion of net unrealized gains (losses) on these hedges is reported in earnings in the current period and amounted to $3 million, $31 million and ($33) million for the years ended December 31, 2007, 2006 and 2005, respectively. 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 reflected in the consolidated statements of income for both consolidated subsidiaries and equity method investees are as follows:

	Years Ended December 31,		
	2007	2006	2005
	(millions)		
Consolidated subsidiaries	$ (134)	$ 173	$ (191)
Equity method investees	$ 1	$ (24)	$ 1

5. Restructuring and Impairment Charges

FPL Energy – During the fourth quarter of 2006, FPL Energy recorded an impairment charge of approximately $8 million ($4 million after-tax), related to a coal plant in California, the fair value of which was determined based on a discounted cash flow analysis. The impairment charge is related to unfavorable market pricing and accelerated equipment deterioration due to a design flaw in the steam boiler and fluctuations in output requirements.

During 2005, FPL Energy recorded a net gain of approximately $13 million ($8 million after-tax) related to the termination of a gas supply contract at one of its investments in joint ventures. The gain is included in equity in earnings of equity method investees in FPL Group's consolidated statements of income. This agreement was terminated in connection with an amended power purchase agreement that allows the investee to source power from the wholesale market.

Corporate and Other – In 2007, as a result of an impending migration to a more efficient form of networking technology for FPL, FPL FiberNet, LLC (FPL FiberNet) performed an impairment analysis of existing assets used to provide long-haul services to FPL. Due to the reduction in revenue associated with the significant change in the expected useful life of these assets, FPL FiberNet recorded an impairment charge of approximately $4 million ($2 million after-tax).

In 2006, as a result of significant changes in the business climate, FPL FiberNet performed an impairment analysis and concluded that an impairment charge related to its metropolitan (metro) market assets, primarily property, plant and equipment and inventory, was necessary. The business climate changes included customer consolidations, migration to a more efficient form of networking technology and lack of future benefits to be achieved through competitive pricing, all of which had a negative impact on the value of FPL FiberNet's metro market assets. While the metro market business was expected to continue to generate positive cash flows, management's expectation of the rate of future growth in cash flows was reduced as a result of these business climate changes. Accordingly, FPL FiberNet recorded an impairment charge of approximately $98 million ($60 million after-tax) based on a discounted cash flow analysis.

6. Income Taxes

The components of income taxes are as follows:

	FPL Group			FPL		
	Years Ended December 31,			Years Ended December 31,		
	2007	2006	2005	2007	2006	2005
	(millions)					
Federal:						
Current	$ (35)[a]	$ 4	$ 26	$ 98	$ 360	$ (80)
Deferred	356	376	234	302	12	445
Amortization of ITCs – FPL	(15)	(16)	(19)	(15)	(16)	(19)
Total federal	306	364	241	385	356	346
State:						
Current	16[a]	15	(67)	22	53	(24)
Deferred	46	18	108	44	15	86
Total state	62	33	41	66	68	62
Total income taxes	$ 368	$ 397	$ 282	$ 451	$ 424	$ 408

(a) Includes FIN 48 income taxes.

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,		
	2007	2006	2005	2007	2006	2005
Statutory federal income tax rate	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
Increases (reductions) resulting from:						
State income taxes – net of federal income tax benefit	2.4	1.3	2.3	3.4	3.6	3.5
Allowance for other funds used during construction	(0.6)	(0.5)	(1.0)	(0.8)	(0.7)	(1.0)
Amortization of ITCs – FPL	(0.9)	(0.9)	(1.6)	(1.2)	(1.3)	(1.7)
PTCs and ITCs – FPL Energy	(13.7)	(9.9)	(10.5)	-	-	-
Manufacturers' deduction	-	(0.6)	-	(0.1)	(1.0)	-
Amortization of deferred regulatory credit – income taxes	(0.2)	(0.3)	(0.6)	(0.3)	(0.4)	(0.6)
Other – net	(0.1)	(0.4)	0.3	(0.9)	(0.6)	0.1
Effective income tax rate	21.9%	23.7%	23.9%	35.1%	34.6%	35.3%

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,	
	2007	2006	2007	2006
	(millions)			
Deferred tax liabilities:				
Property-related	$ 4,833	$ 4,663	$ 3,295	$ 3,293
Investment-related	156	164	-	-
Pension	737	617	350	330
Deferred fuel costs	77	56	77	56
Storm reserve deficiency	321	311	321	311
Other	344	413	162	138
Total deferred tax liabilities	6,468	6,224	4,205	4,128
Deferred tax assets and valuation allowance:				
Decommissioning reserves	289	277	289	277
Regulatory liability – pension	278	211	-	-
Postretirement benefits	151	172	132	125
Net operating loss carryforwards	68	80	-	-
Tax credit carryforwards	509[a]	541	-	-
ARO and asset removal cost	837	815	752	725
Other	650	732	353	429
Valuation allowance [b]	(48)	(36)	-	-
Net deferred tax assets	2,734	2,792	1,526	1,556
Net accumulated deferred income taxes	$ 3,734	$ 3,432	$ 2,679	$ 2,572

(a) Amount is presented net of $149 million of tax carryforwards that are available to offset the FPL Group FIN 48 liability.
(b) Amount relates to the deferral of state tax credits and state operating loss carryforwards.

Deferred tax assets and liabilities are included in the consolidated balance sheets as follows:

	FPL Group		FPL	
	December 31,		December 31,	
	2007	2006	2007	2006
	(millions)			
Other current assets	$ 87	$ 1	$ 37	$ -
Other current liabilities	-	1	-	11
Accumulated deferred income taxes	3,821	3,432	2,716	2,561
Net accumulated deferred income taxes	$ 3,734	$ 3,432	$ 2,679	$ 2,572

The components of FPL Group's deferred tax assets relating to net operating loss carryforwards and tax credit carryforwards at December 31, 2007 are as follows:

	Amount	Expiration Dates
	(millions)	
Net operating loss carryforwards – state	$ 68	2020–2027
Tax credit carryforwards:		
Federal	$ 460[a]	2024–2027
State	49	2009–2014
Net tax credit carryforwards	$ 509	

(a) Amount is presented net of $149 million of tax carryforwards that are available to offset the FIN 48 liability.

On January 1, 2007, FPL Group and FPL adopted FIN 48. The interpretation prescribes a more-likely-than-not recognition threshold and establishes new measurement requirements for financial statement reporting of an entity's income tax positions. The adoption of FIN 48 on January 1, 2007 did not have a significant cumulative effect on FPL Group's and FPL's beginning retained earnings or other components of common shareholders' equity. Upon adoption, FPL Group recognized, primarily by reclassification from accumulated deferred income taxes, approximately $316 million ($274 million for FPL) of liabilities for unrecognized tax benefits which are included in the consolidated balance sheets as other liabilities. As of December 31, 2007, approximately $249 million of tax carryforwards and deposits that are available to offset tax adjustments have been netted against the FPL Group FIN 48 liability. Prior to the netting against unrecognized tax benefits, these tax carryforwards and deposits were reported as a component of accumulated deferred income taxes and other assets. The majority of the liabilities for unrecognized tax benefits represent tax positions for which the ultimate deductibility is highly certain but for which there is uncertainty about the timing of such deductibility. A disallowance of the shorter deductibility period for these tax positions would not affect the annual effective income tax rate. Included in the liabilities for unrecognized tax benefits at December 31, 2007 is approximately $9 million at FPL Group ($7 million at FPL) that, if disallowed, could impact the annual effective income tax rate.

FPL Group recognizes interest income (expense) related to unrecognized tax benefits (liabilities) in interest income and interest charges, respectively, net of the amount deferred at FPL. At FPL, the offset to accrued interest receivable (payable) on income taxes is classified as a regulatory liability (regulatory asset) which will be amortized to income (expense) over a five-year period upon settlement in accordance with regulatory treatment. At December 31, 2007, FPL Group accrued approximately $91 million for net interest receivable ($28 million for FPL). For the year ended December 31, 2007, FPL Group recorded $24 million of interest, $13 million of which was recognized as interest income in FPL Group's consolidated statement of income and $11 million in regulatory liabilities on FPL Group's and FPL's consolidated balance sheets.

A reconciliation of unrecognized tax benefits is as follows:

	FPL Group	FPL
	(millions)	
Balance at January 1, 2007	$ 316	$ 274
Additions based on tax positions related to the current year	71	71
Additions for tax positions of prior years	13	13
Reductions for tax positions of prior years	(80)	(77)
Balance before tax carryforwards and deposits	320	281
Tax carryforwards and deposits	(249)	-
Balance at December 31, 2007	$ 71	$ 281

FPL Group and its subsidiaries file income tax returns in the U.S. federal jurisdiction and various states, the most significant of which is Florida. FPL Group and FPL are no longer subject to U.S. federal, state and local examinations by taxing authorities for years before 1988. FPL Group is disputing certain adjustments proposed by the Internal Revenue Service (IRS) to its U.S. income tax returns for 1988 through 2002. These IRS proposed adjustments primarily relate to FPL Group's and FPL's method for capitalizing indirect service costs and certain deductions for repairs. Additionally, income tax returns for 2003 through 2006 are still subject to examination. As such, the amount of unrecognized tax benefits and related interest accruals may change within the next twelve months. FPL Group and FPL do not expect these changes to have a significant impact on FPL Group's or FPL's financial statements.

7. Comprehensive Income

The following table provides the components of FPL Group's comprehensive income and accumulated other comprehensive income (loss):

	Net Income	Accumulated Other Comprehensive Income (Loss): Net Unrealized Gains (Losses) On Cash Flow Hedges	Pension and Other Benefits	Other	Total	Comprehensive Income
			(millions)			
Balances, December 31, 2004		$ (67)	$ -	$ 21	$ (46)	
Net income of FPL Group	$ 901					$ 901
Net unrealized gains (losses) on commodity cash flow hedges:						
Effective portion of net unrealized losses (net of $143 tax benefit)		(209)	-	-	(209)	(209)
Reclassification from OCI to net income (net of $37 tax expense)		55	-	-	55	55
Net unrealized gains (losses) on interest rate cash flow hedges:						
Effective portion of net unrealized gains (net of $3 tax expense)		4	-	-	4	4
Reclassification from OCI to net income (net of $1 tax expense)		2	-	-	2	2
Net unrealized losses on available for sale securities (net of $0.4 tax benefit)		-	-	(1)	(1)	(1)
SERP liability adjustment (net of $2 tax expense)		-	-	2	2	2
Balances, December 31, 2005		(215)	-	22	(193)	$ 754
Net income of FPL Group	$ 1,281					$ 1,281
Net unrealized gains (losses) on commodity cash flow hedges:						
Effective portion of net unrealized gains (net of $106 tax expense)		155	-	-	155	155
Reclassification from OCI to net income (net of $23 tax expense)		34	-	-	34	34
Net unrealized gains (losses) on interest rate cash flow hedges:						
Reclassification from OCI to net income (net of $0.6 tax expense)		1	-	-	1	1
Net unrealized gains on available for sale securities (net of $12 tax expense)		-	-	19	19	19
SERP liability adjustment (net of $1 tax expense)		-	-	1	1	1
Defined benefit pension and other benefit plans (net of $59 tax expense)		-	98	-	98	-
Balances, December 31, 2006		(25)	98	42	115	$ 1,491
Net income of FPL Group	$ 1,312					$ 1,312
Net unrealized gains (losses) on commodity cash flow hedges:						
Effective portion of net unrealized losses (net of $37 tax benefit)		(55)	-	-	(55)	(55)
Reclassification from OCI to net income (net of $16 tax expense)		23	-	-	23	23
Net unrealized gains (losses) on interest rate cash flow hedges:						
Effective portion of net unrealized losses (net of $13 tax benefit)		(19)	-	-	(19)	(19)
Reclassification from OCI to net income (net of $2 tax benefit)		(5)	-	-	(5)	(5)
Net unrealized gains on available for sale securities (net of $8 tax expense)		-	-	12	12	12
Defined benefit pension and other benefit plans (net of $28 tax expense)		-	45	-	45	45
Balances, December 31, 2007		$ (81)[a]	$ 143[b]	$ 54	$ 116	$ 1,313

(a) Approximately $27 million of losses 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.

(b) Approximately $30 million of gains will be reclassified into earnings within the next 12 months.

8. Jointly-Owned Electric Plants

Certain 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 statement of income captions. FPL Group's and FPL's respective shares of direct expenses for these facilities are included in fuel, purchased power and interchange, O&M expenses, depreciation and amortization expense 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, 2007			
	Ownership Interest	Gross Investment [a]	Accumulated Depreciation [a]	Construction Work in Progress
		(millions)		
FPL:				
St. Lucie Unit No. 2	85%	$1,203	$ 758	$ 269
St. Johns River Power Park units and coal terminal	20%	$ 332	$ 207	$ 26
Scherer Unit No. 4	76%	$ 593	$ 383	$ 10
Transmission substation assets located in Seabrook, New Hampshire	88.23%	$ 31	$ 12	$ -
FPL Energy:				
Duane Arnold	70%	$ 318	$ 22	$ 19
Seabrook	88.23%	$ 740	$ 87	$ 51
Wyman Station Unit No. 4	76%	$ 86	$ 32	$ 1

(a) Excludes nuclear fuel.

9. Variable Interest Entities

FIN 46(R) 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. As of December 31, 2007, FPL Group has one VIE which it consolidates.

FPL – 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, the cost of nuclear fuel is capitalized and 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. The lessor has issued commercial paper to fund the procurement of nuclear fuel and FPL has provided a $600 million guarantee to support the commercial paper program. Under certain lease termination circumstances, the associated debt ($313 million at December 31, 2007), which was recorded in commercial paper on FPL Group's and FPL's consolidated balance sheets, would become due. The consolidated assets of the VIE consist primarily of nuclear fuel, which had a net carrying value of $314 million and $204 million at December 31, 2007 and 2006, respectively.

FPL identified two potential VIEs, both of which are considered qualifying facilities 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. FPL entered into a power purchase agreement (PPA) with one of the projects in 1990 to purchase substantially all of the project's electrical output over a substantial portion of its estimated useful life. For each megawatt-hour (mwh) provided, FPL pays a per mwh price (energy payment) based upon FPL's avoided cost, which was determined at the time the PPA was executed, and was 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 project has a capacity of 250 mw. After making exhaustive efforts, FPL was unable to obtain the information from the project necessary to determine whether the project is a VIE or whether FPL is the primary beneficiary of the project. The PPA with the project contains no provision which legally obligates the project 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 project 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 the project was determined to be a VIE, the absorption of some of the project's fuel price variability might cause FPL to be considered the primary beneficiary. During the years ended December 31, 2007, 2006 and 2005, FPL purchased 1,694,810 mwh, 1,672,106 mwh and 1,813,114 mwh, respectively, from the project at a total cost of approximately $153 million, $147 million and $144 million, respectively. FPL will continue to make exhaustive efforts to obtain the necessary information from the project in order to determine if it is a VIE and, if so, whether FPL is the primary beneficiary. FPL also 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. During the fourth quarter of 2007, a change in ownership of the Facility occurred, triggering the need to reevaluate whether the Facility is still a VIE and, if so, whether FPL is the Facility's primary beneficiary. After making exhaustive efforts, FPL was unable to obtain the information necessary to perform this reevaluation. The PPA with the Facility contains no provisions which legally obligate the Facility to release this information to FPL. During the years ended December 31, 2007, 2006 and 2005, FPL purchased 2,320,991 mwh, 2,090,088 mwh and 2,332,000 mwh, respectively, from the Facility at a total cost of approximately $220 million, $200 million and $191 million, respectively. Additionally, the PPA does not expose FPL to losses since the energy payments made by FPL to the Facility are passed on to FPL's customers through the fuel clause as approved by the FPSC. FPL will continue to make exhaustive efforts to obtain the necessary information from the Facility in order to determine if it is still a VIE and, if so, whether FPL is the Facility's primary beneficiary.

FPL Energy – In December 2007, a wholly-owned FPL Energy subsidiary purchased a 550 mw combined-cycle power generation plant from a special purpose entity (SPE) from which it had leased the generating plant since 2002. The FPL Energy subsidiary purchased the generating plant for approximately $345 million, which represented the lessor's outstanding principal balance on the related loans, 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. Prior to the purchase of the plant, FPL Energy consolidated the SPE and reported the equity interests of the SPE not owned by the FPL Energy subsidiary as minority interest. At December 31, 2006, the assets of the SPE primarily consisted of the power generation plant, which had a net carrying value of $317 million and is reported in electric utility plant in service and other property on FPL Group's 2006 consolidated balance sheet. At December 31, 2006, the liabilities of the SPE consisted primarily of debt (which was secured by the power generation plant), which had a net carrying value of $327 million and is reported in current maturities of long-term debt on FPL Group's 2006 consolidated balance sheet.

FPL Group – In 2004, a trust created by FPL Group sold 12 million 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 46(R). 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 46(R). FPL Group includes the junior subordinated debentures issued by FPL Group Capital on its consolidated balance sheets. See Note 11 – FPL Group.

10. Financial Instruments

The carrying amounts of cash equivalents and commercial paper approximate their fair values. At December 31, 2007 and 2006, other investments of FPL Group, not included in the table below, included financial instruments of approximately $30 million and $50 million, respectively, which primarily 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, 2007		December 31, 2006	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
	(millions)			
FPL Group:				
Long-term debt, including current maturities	$ 12,681	$ 12,642[a]	$ 11,236	$ 11,314[a]
Special use funds	$ 3,482	$ 3,482[b]	$ 2,824	$ 2,824[b]
Other investments	$ 111	$ 111[b]	$ 93	$ 93[b]
Interest rate swaps – net unrealized gain (loss)	$ (28)	$ (28)[c]	$ 6	$ 6[c]
FPL:				
Long-term debt, including current maturities	$ 5,217	$ 5,185[a]	$ 4,214	$ 4,208[a]
Special use funds	$ 2,499	$ 2,499[b]	$ 2,264	$ 2,264[b]

(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 and Other Investments – The special use funds consist of FPL's storm fund assets and FPL Group's and FPL's nuclear decommissioning fund assets. Securities held in the special use funds and other investments are carried at estimated fair value based on quoted market prices. FPL Group's nuclear decommissioning funds consist of approximately 43% equity securities and 57% municipal, government, corporate and mortgage- and other asset-backed debt securities (45% and 55% for FPL, respectively) with a weighted-average maturity at December 31, 2007 of approximately six years at FPL Group and seven years at FPL. FPL's storm fund primarily consists of municipal debt securities with a weighted-average maturity of approximately three years. All of FPL Group's other investments consist of debt securities. The cost of securities sold is determined on the specific identification method.

The following tables provide the approximate realized gains and losses and proceeds from the sale of securities for special use funds and other investments.

	FPL Group			FPL		
	Years Ended December 31,			Years Ended December 31,		
	2007	2006	2005	2007	2006	2005
	(millions)					
Realized gains	$ 59	$ 51	$ 18	$ 52	$ 39	$ 14
Realized losses	$ 40	$ 38	$ 17	$ 37	$ 35	$ 16
Proceeds from sale of securities	$ 2,349	$ 3,231	$ 2,937	$ 1,978	$ 2,673	$ 2,767

The following table provides the unrealized gains for the special use funds and other investments.

	FPL Group		FPL	
	December 31,		December 31,	
	2007	2006	2007	2006
	(millions)			
Unrealized gains				
Equity securities	$ 577	$ 522	$ 491	$ 452
Debt securities	$ 25	$ 31	$ 18	$ 30

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 nuclear plants are contained in the NRC operating licenses for those facilities. 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 NRC regulations. FPL Energy's nuclear plants contain such restrictions in their NRC operating licenses. With respect to the decommissioning trust fund for FPL Energy's Seabrook nuclear plant, decommissioning trust fund contributions and withdrawals are also regulated by the NDFC pursuant to New Hampshire law.

The nuclear decommissioning reserve funds are managed by investment managers who must comply with the guidelines and rules of the applicable regulatory authorities, FPL Group and FPL. The funds' 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, 2007, 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)
Cash flow hedges – FPL Energy:					
$ 164	February 2005	June 2008	4.255%	Variable[a]	$ -
$ 70	December 2003	December 2017	4.245%	Variable[a]	-
$ 23	April 2004	December 2017	3.845%	Variable[a]	-
$ 207	December 2005	November 2019	4.905%	Variable[a]	(5)
$ 527	January 2007	January 2022	5.390%	Variable[b]	(23)
Total cash flow hedges					$ (28)

(a) Three-month London InterBank Offered Rate (LIBOR)
(b) Six-month LIBOR

In January 2008, an indirect wholly-owned subsidiary of FPL Energy entered into an interest rate swap agreement to pay a fixed rate of 3.2050% on $195 million of its variable rate limited recourse debt in order to limit cash flow exposure.

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, 2007 and 2006, FPL Energy's investment in partnerships and joint ventures totaled approximately $216 million and $361 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, 2007, the principal operating entities included in FPL Energy's investments in partnerships and joint ventures were Northeast Energy, LP, TPC Windfarms LLC, Mojave 16/17/18 LLC, Luz Solar Partners LTD., V and Luz Solar Partners LTD., IX, and in 2006 also included Cherokee County Cogeneration Partners, LP. FPL Energy acquired an additional ownership interest in Cherokee County Cogeneration Partners, LP in 2007 and now accounts for its operations in the consolidated financial statements.

Summarized combined information for these principal entities is as follows:

	2007	2006
	(millions)	
Net income	$ 108	$ 144
Total assets	$ 957	$ 1,237
Total liabilities	$ 514	$ 687
Partners'/members' equity	$ 443	$ 550
FPL Energy's share of underlying equity in the principal entities	$ 221	$ 274
Difference between investment carrying amount and underlying equity in net assets [a]	(23)	(24)
FPL Energy's investment carrying amount for the principal entities	$ 198	$ 250

(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 expenses and business management services. FPL Group's operating revenues for the years ended December 31, 2007, 2006 and 2005 include approximately $20 million, $20 million and $19 million, respectively, related to such services. The net receivables at December 31, 2007 and 2006, for these services, as well as for affiliate energy commodity transactions, payroll and other payments made on behalf of these investees, were approximately $31 million and $21 million, respectively, and are included in other current assets on FPL Group's consolidated balance sheets.

Notes receivable (long- and short-term) include approximately $33 million and $24 million at December 31, 2007 and 2006, respectively, due from partnerships and joint ventures in which FPL Energy has an ownership interest. Approximately $19 million of the notes receivable balance at December 31, 2007 mature in 2008 and bear interest at variable rates which averaged approximately 15.3% in 2007. The remaining $14 million mature in 2011 and bear interest at a fixed rate of 8.5%. The notes receivable balance at December 31, 2006 mature in 2008 through 2011 and the majority bear interest at a fixed rate of 8.5%. Interest income related to notes receivable totaled approximately $4 million, $2 million and $7 million for the years ended December 31, 2007, 2006 and 2005, respectively, and is included in interest income in FPL Group's consolidated statements of income. Interest receivable associated with these notes as of December 31, 2007 and 2006 was not material.

In addition, FPL Energy owns an equity interest in Karaha Bodas Company, LLC (KBC) which totaled approximately $90 million at December 31, 2006 and is included in the $361 million of investment in partnerships and joint ventures discussed above. During 2006, KBC received approximately $290 million as a result of a court judgment against Indonesia's state-owned oil/energy company to recover KBC's investment in a project suspended indefinitely by the Indonesian government in 1998 and for lost profits. All appeals with respect to the judgment have been exhausted. FPL Energy's portion of the final judgment, or approximately $97 million pretax, is included in equity in earnings of equity method investees in FPL Group's consolidated statements of income for 2006. During 2006, KBC distributed approximately $7 million of the judgment funds to FPL Energy, and in February 2007, KBC distributed the remaining amount of approximately $90 million to FPL Energy.

Sale of Differential Membership Interests – In December 2007, an indirect wholly-owned subsidiary of FPL Energy sold its Class B membership interests in a subsidiary that owns five wind facilities totaling 598 mw of wind generation for approximately $705 million. In exchange for the cash received, the holders of the Class B membership interests will receive a portion of the economic attributes of the facilities, including tax attributes, for a variable period. Recognition of the proceeds from the sale of the differential membership interests was deferred and is recorded in other liabilities on FPL Group's consolidated balance sheet. FPL Group continues to operate and manage the wind facilities, and consolidates the entity that owns the wind facilities.

FPL Group – In 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,		
	2007	2006	2005
	(millions, except per share amounts)		
Numerator – net income	$ 1,312	$ 1,281	$ 901
Denominator:			
Weighted-average number of common shares outstanding – basic	397.7	393.5	380.1
Restricted stock, performance share awards, options, warrants and equity units [a]	2.9	3.0	5.6
Weighted-average number of common shares outstanding – assuming dilution	400.6	396.5	385.7
Earnings per share of common stock:			
Basic	$ 3.30	$ 3.25	$ 2.37
Assuming dilution	$ 3.27	$ 3.23	$ 2.34

(a) Performance share 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, options, warrants and equity units (known as Corporate Units, see Note 14) are included in diluted weighted-average number of common shares outstanding by applying the treasury stock method.

In 2007, 2006 and 2005, there were no securities that could potentially dilute basic earnings per share in the future that were not included in the computation of diluted earnings per share because to do so would have been antidilutive.

In February 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 increased from 400 million to 800 million shares. All share or per share information included in FPL Group's consolidated financial statements reflect the effect of the 2005 stock split.

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 which, 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 – The employee retirement savings plans of FPL Group include a leveraged ESOP feature. Shares of common stock held by the trust for the employee retirement savings 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 a subsidiary of FPL Group Capital. Dividends on shares allocated to employee accounts and used by the Trust for debt service are replaced with shares of common stock, at prevailing market prices, in an equivalent amount. 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 $35 million, $32 million and $27 million in 2007, 2006 and 2005, 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, 2007 was approximately $114 million, representing unallocated shares at the original issue price. The fair value of the ESOP-related unearned compensation account using the closing price of FPL Group common stock at December 31, 2007 was approximately $533 million.

Stock-Based Compensation – Effective January 1, 2006, FPL Group adopted FAS 123(R) using the modified prospective application transition method. Accordingly, the consolidated statement of income and consolidated statement of cash flows for the year ended December 31, 2005 do not reflect any restated amounts. Because FPL Group adopted the fair value recognition provisions of FAS 123 in 2004, the adoption of FAS 123(R) did not have a significant effect on FPL Group's financial statements.

Net income for the years ended December 31, 2007, 2006 and 2005 includes approximately $39 million, $34 million and $30 million, respectively, of compensation costs and $15 million, $13 million and $12 million, respectively, of income tax benefits related to stock-based compensation arrangements. As of December 31, 2007, there were approximately $56 million of unrecognized compensation costs related to nonvested/nonexercisable share-based compensation arrangements. These costs are expected to be recognized over a weighted-average period of 1.6 years. For awards granted subsequent to December 31, 2005, compensation costs for awards with graded vesting are recognized on a straight-line basis over the requisite service period for the entire award. For awards granted prior to that date, compensation costs for awards with graded vesting are recognized using the graded vesting attribution method.

At December 31, 2007, approximately 26.5 million shares of common stock were authorized and 15.9 million were available for awards (including outstanding awards) to officers, employees and non-employee directors of FPL Group and its subsidiaries under FPL Group's amended and restated long-term incentive plan and non-employee directors stock plans. FPL Group satisfies restricted stock and performance share awards by issuing new shares of its common stock or by purchasing shares of its common stock in the open market. FPL Group satisfies stock option exercises by issuing new shares of its common stock and grants most of its stock options in the first quarter of each year.

Restricted Stock and Performance Share Awards – Restricted stock typically vests within three years after the date of grant and is subject to, among other things, restrictions on transferability prior to vesting. The fair value of restricted stock is measured based upon the closing market price of FPL Group common stock as of the date of grant. Performance share awards are typically payable at the end of a three-year performance period if the specified performance criteria are met. The fair value of performance share awards is estimated based upon the closing market price of FPL Group common stock as of the date of grant less the present value of expected dividends, multiplied by an estimated performance multiple determined on the basis of historical experience, which is subsequently trued up at vesting based on actual performance.

The activity in restricted stock and performance share awards for the year ended December 31, 2007 was as follows:

	Shares	Weighted-Average Grant Date Fair Value Per Share
Restricted Stock:		
Nonvested balance, January 1, 2007	1,031,736	$ 38.71
Granted	508,186	$ 61.08
Vested	(303,602)	$ 36.95
Forfeited	(54,508)	$ 45.26
Nonvested balance, December 31, 2007	1,181,812	$ 48.50
Performance Share Awards:		
Nonvested balance, January 1, 2007	1,133,383	$ 33.55
Granted	517,652	$ 45.04
Vested	(559,223)	$ 27.97
Forfeited	(40,889)	$ 41.42
Nonvested balance, December 31, 2007	1,050,923	$ 41.66

The weighted-average grant date fair value per share of restricted stock granted for the years ended December 31, 2006 and 2005 was $41.98 and $39.93, respectively. The weighted-average grant date fair value per share of performance share awards granted for the years ended December 31, 2006 and 2005 was $34.08 and $34.75, respectively.

The total fair value of restricted stock and performance share awards vested was $51 million, $40 million and $23 million for the years ended December 31, 2007, 2006 and 2005, respectively.

Options – Options typically vest within three years after the date of grant and have a maximum term of ten years. The exercise price of each option granted equals the closing market price of FPL Group common stock on the date of grant. The fair value of the options is estimated on the date of the grant using the Black-Scholes option-pricing model and based on the following assumptions:

	2007	2006	2005
Expected volatility [a]	16.60%	19.56%	20.00%
Expected dividends	2.54%	3.40%	3.68%
Expected term (years) [b]	6	6	7
Risk-free rate	4.64%	4.60%	4.08%

(a) Based on historical experience.
(b) In 2007 and 2006, FPL Group used the "simplified" method to calculate the expected term. In 2005, the expected term was derived from historical experience.

Option activity for the year ended December 31, 2007 was as follows:

	Shares Underlying Options	Weighted-Average Exercise Price Per Share	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (millions)
Balance, January 1, 2007	6,344,801	$ 30.22		
Granted	264,868	$ 59.05		
Exercised	(808,333)	$ 28.99		
Expired	(23,712)	$ 27.44		
Balance, December 31, 2007	5,777,624	$ 31.72	5.1	$ 208
Exercisable, December 31, 2007	5,169,428	$ 29.77	4.7	$ 197

The weighted-average grant date fair value of options granted was $10.96, $7.46 and $6.30 per share for the years ended December 31, 2007, 2006 and 2005, respectively. The total intrinsic value of stock options exercised was approximately $26 million, $21 million and $27 million for the years ended December 31, 2007, 2006 and 2005, respectively.

Cash received from option exercises was approximately $23 million, $34 million and $60 million for the years ended December 31, 2007, 2006 and 2005, respectively. The tax benefits realized from options exercised were approximately $6 million, $6 million and $10 million for the years ended December 31, 2007, 2006 and 2005, respectively.

Other – In June 2005, a wholly-owned subsidiary of FPL Group completed the acquisition of Gexa Corp., a retail electric provider in Texas. Each share of Gexa Corp.'s outstanding common stock was converted into 0.1682 of a share of FPL Group common stock. Assuming the exercise of Gexa Corp.'s options and warrants net of cash to be received upon exercise, the aggregate value of the consideration for the acquisition of Gexa Corp. was approximately $73 million, payable in shares of FPL Group common stock. At December 31, 2007, there were Gexa Corp. options and warrants outstanding for a total of 58,276 shares of FPL Group common stock.

13. Preferred Stock

FPL Group's charter authorizes the issuance of 100 million shares of serial preferred stock, $0.01 par value. None of FPL Group's preferred shares were outstanding as of December 31, 2007 or 2006. FPL's charter authorizes the issuance of 10,414,100 shares of preferred stock, $100 par value; 5 million shares of subordinated preferred stock, no par value and 5 million shares of cumulative preferred stock, no par value. There were no FPL preferred shares outstanding as of December 31, 2007 or 2006. 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.

14. Debt

Long-term debt consists of the following:

	December 31,	
	2007	2006
	(millions)	
FPL:		
First mortgage bonds:		
Maturing 2008 through 2017 – 4.85% to 6.00%	$ 1,125	$ 825
Maturing 2033 through 2037 – 4.95% to 6.20%	2,840	2,540
Storm-recovery bonds:		
Maturing 2013 through 2021 – 5.0440% to 5.2555% [a]	652	-
Pollution control, solid waste disposal and industrial development revenue bonds – maturing 2020 through 2029 – variable, 3.7% and 4.0% weighted-average annual interest rates, respectively	633	633
Term loan – variable, 5.6% weighted-average annual interest rate	-	250
Unamortized discount	(33)	(34)
Total long-term debt of FPL	5,217	4,214
Less current maturities of long-term debt	241	-
Long-term debt of FPL, excluding current maturities	4,976	4,214
FPL Group Capital:		
Debentures – maturing 2009 through 2011 – 5.625% to 7.375%	1,225	2,300
Debentures, related to FPL Group's equity units – maturing 2008 – 5.551%	506	506
Junior Subordinated Debentures – maturing 2044 through 2067 – 5 7/8% to 7.45%	2,009	1,009
Term loan – maturing 2009 – variable, 5.4% and 5.6% weighted-average annual interest rate	200	150
Fair value swaps	-	(2)
Unamortized discount	(3)	(3)
Total long-term debt of FPL Group Capital	3,937	3,960
Less current maturities of long-term debt	506	1,075
Less fair value swaps on current maturities of long-term debt	-	(2)
Long-term debt of FPL Group Capital, excluding current maturities	3,431	2,887
FPL Energy:		
Senior secured limited recourse bonds – maturing 2017 through 2024 – 5.608% to 7.52%	988	1,091
Senior secured limited recourse notes – maturing 2015 through 2037 – 6.31% to 7.51%	992	310
Other long-term debt – maturing 2008 through 2022 – primarily limited recourse and variable, 6.0% and 6.8% weighted-average annual interest rates, respectively	1,546	1,661
Unamortized premium	1	-
Total long-term debt of FPL Energy	3,527	3,062
Less current maturities of long-term debt	654	572
Long-term debt of FPL Energy, excluding current maturities	2,873	2,490
Total long-term debt	$ 11,280	$ 9,591

[a] Although principal on the storm-recovery bonds is due on the final maturity date (the date by which the principal must be repaid to prevent a default) for each tranche, it is expected to be paid semiannually and sequentially beginning February 1, 2008, when the first semiannual interest payment became due.

Minimum annual maturities of long-term debt for FPL Group are approximately $1,401 million, $1,333 million, $286 million, $892

million and $320 million for 2008, 2009, 2010, 2011 and 2012, respectively. The amounts for FPL are approximately $241 million, $263 million, $42 million, $45 million and $48 million for 2008, 2009, 2010, 2011 and 2012, respectively.

At December 31, 2007, commercial paper borrowings had a weighted-average interest rate of 4.39% for FPL Group (4.41% for FPL). Available lines of credit aggregated approximately $6.5 billion ($4.0 billion for FPL Group Capital and $2.5 billion for FPL) at December 31, 2007, all of which were based on firm commitments. These facilities provide for the issuance of letters of credit of up to $6.5 billion. 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, 2007, letters of credit totaling $358 million and $46 million were outstanding under the FPL Group Capital and FPL credit facilities, respectively.

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. FPL Group Capital has guaranteed certain debt and other obligations of FPL Energy and its subsidiaries.

In June 2002, FPL Group sold 10.12 million 8% Corporate Units. In connection with the 8% Corporate Units financing, FPL Group Capital issued $506 million principal amount of 5% debentures due February 16, 2008, which were absolutely, irrevocably and unconditionally guaranteed by FPL Group. During 2005, FPL Group Capital remarketed these debentures and the annual interest rate was reset to 5.551%. Each 8% Corporate Unit initially consisted of a $50 FPL Group Capital debenture and a purchase contract pursuant to which the holder was required to purchase $50 of FPL Group common shares on or before February 16, 2006, and FPL Group made payments of 3% of each unit's $50 stated value until the shares were purchased. In February 2006, FPL Group paid approximately $48 million net to cancel approximately 4.2 million of its 8% Corporate Units. Also in February 2006, FPL Group issued approximately 8.7 million shares of common stock in return for approximately $296 million in proceeds upon settlement of the stock purchase contracts issued in connection with the remainder of the 8% Corporate Units.

Prior to the issuance of FPL Group's common stock, the purchase contracts were 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 was 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.

In January 2008, FPL issued $600 million principal amount of 5.95% first mortgage bonds maturing in 2038. The proceeds were used to repay FPL's short-term borrowings and for other corporate purposes.

15. Asset Retirement Obligations

FPL Group and FPL each account for asset retirement obligations and conditional asset retirement obligations under FAS 143 and FIN 47. FAS 143 and FIN 47 require that a liability for the fair value of an ARO be recognized in the period in which it is incurred if it can be reasonably estimated, with the offsetting associated asset retirement costs capitalized as part of the carrying amount of the long-lived assets. 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. Changes resulting from revisions to the timing or amount of the original estimate of cash flows are recognized as an increase or a decrease in the asset retirement cost and ARO.

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. In addition, FPL Group has identified but not recognized ARO liabilities related to the majority of FPL Energy's hydro facilities. These easements are generally perpetual and, along with the hydro facilities, only require retirement action upon abandonment or cessation of use of the property or facility for its specified purpose. The ARO liability is not estimable for such easements and hydro facilities as FPL Group and FPL intend to utilize these properties and facilities indefinitely. In the event FPL Group and FPL decide to abandon or cease the use of a particular easement and/or hydro facility, an ARO liability would be recorded at that time.

FPL's ARO relates primarily to the nuclear decommissioning obligation of its nuclear units. FPL's AROs other than nuclear decommissioning are not significant. The provisions of FAS 143 and FIN 47 result 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 FIN 47 and the amount recoverable through rates are deferred in accordance with FAS 71. See Note 1 – Decommissioning of Nuclear Plants, Dismantlement of Plants and Other Accrued Asset Removal Costs.

FPL Energy's ARO relates primarily to the nuclear decommissioning obligation of its nuclear plants and obligations for the dismantlement of its wind facilities located on leased property. See Note 1 – Decommissioning of Nuclear Plants, Dismantlements of Plants and Other Accrued Asset Removal Costs.

The following table provides a rollforward of FPL Group's and FPL's ARO from December 31, 2005 to December 31, 2007:

	FPL	FPL Energy	FPL Group
		(millions)	
Balance, December 31, 2005	$ 1,474	$ 211	$ 1,685
Liabilities incurred:			
Duane Arnold acquisition	-	118	118
Other	1	1	2
Accretion expense	81	23	104
Revision in estimated cash flows – net	16	(105)[a]	(89)
Balance, December 31, 2006	1,572	248	1,820
Liabilities incurred:			
Point Beach acquisition	-	225	225
Other	-	9	9
Accretion expense	86	21	107
Revision in estimated cash flows – net	(5)	1	(4)
Balance, December 31, 2007	$ 1,653	$ 504	$ 2,157

(a) Primarily reflects the effect of decreasing the escalation rate used to determine the ultimate projected costs of decommissioning Seabrook and Duane Arnold.

Restricted trust funds for the payment of future expenditures to decommission FPL Group's and FPL's nuclear units included in special use funds on FPL Group's and FPL's consolidated balance sheets are as follows (see Note 10):

	FPL	FPL Energy	FPL Group
		(millions)	
Balance, December 31, 2007	$ 2,371	$ 982	$ 3,353
Balance, December 31, 2006	$ 2,264	$ 560[a]	$ 2,824

(a) Seabrook and Duane Arnold only.

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 include, among other things, 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 cost, including capitalized interest, for construction of wind projects and the procurement of nuclear fuel. FPL FiberNet's capital expenditures primarily include costs to meet customer specific requirements and sustain its fiber-optic network.

At December 31, 2007, planned capital expenditures for 2008 through 2012 were estimated as follows:

	2008	2009	2010	2011	2012	Total
			(millions)			
FPL:						
Generation: [a]						
New [b][c]	$ 865	$ 340	$ 5	$ -	$ -	$ 1,210
Existing	780	1,015	1,115	895	710	4,515
Transmission and distribution [d]	915	1,080	1,120	1,160	1,130	5,405
Nuclear fuel	125	165	200	175	195	860
General and other	150	150	175	165	165	805
Total	$ 2,835	$ 2,750	$ 2,615	$ 2,395	$ 2,200	$ 12,795
FPL Energy:						
Wind [e]	$ 2,085	$ 5	$ 5	$ 5	$ 5	$ 2,105
Nuclear [f]	280	345	375	305	250	1,555
Gas	80	95	115	35	25	350
Other	45	40	25	20	20	150
Total	$ 2,490	$ 485	$ 520	$ 365	$ 300	$ 4,160
FPL FiberNet	$ 23	$ 23	$ 23	$ 16	$ 16	$ 101

(a) Includes AFUDC of approximately $54 million and $55 million in 2008 and 2009, respectively.
(b) Includes land, generating structures, transmission interconnection and integration, licensing and AFUDC.
(c) Excludes essentially all estimated capital costs associated with FPL's announced plan to invest in solar generating facilities. Also excludes capital expenditures for two proposed nuclear units at FPL's Turkey Point site. These costs are not included in the table above because they are subject to, among other things, various regulatory and other approvals, as well as the solar generating facilities meeting certain performance standards on a smaller scale.
(d) Includes estimated capital costs associated with Storm Secure®. These capital costs are subject to change over time based on, among other things, productivity enhancements and prioritization.
(e) Capital expenditures for new wind projects are estimated through 2008, when eligibility for PTCs for new wind projects is scheduled to expire. FPL Energy expects to add approximately 1,500 mw to 2,000 mw of new wind generation per year from 2009 through 2012, subject to, among other things, continued public policy support, the cost of which is estimated to be approximately $3 billion for 2009 and $4 billion to $5 billion in each of 2010, 2011 and 2012.
(f) Includes nuclear fuel.

In addition to the 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, 2007, FPL Energy had approximately $2.6 billion in firm commitments, primarily for the purchase of wind turbines and towers, natural gas transportation, purchase and storage, firm transmission service, nuclear fuel and a portion of its projected capital expenditures. In addition, FPL Group has guaranteed certain payment obligations of FPL Group Capital, including most payment obligations under FPL Group Capital's debt.

Additionally, FPL Group has announced plans to invest up to $1.5 billion in new solar generating facilities in Florida and California from 2008 to 2014, including plans by FPL to build approximately 300 mw in Florida. FPL is evaluating new solar technology, and intends to initially construct a 10 mw facility, with expansion of the project to a 300 mw facility subject to the receipt of regulatory and other approvals as well as the technology meeting agreed-upon cost and technical specifications. FPL has also announced plans to invest up to $500 million from 2008 to 2013 for an advanced metering initiative that will provide enhanced energy management capabilities to FPL customers and enable FPL to develop better energy management programs. If the advanced metering initiative is proven successful in small geographic areas, it is expected to be broadened to cover FPL's service territory. FPL Energy has announced plans to launch a renewable energy program in 2008, with the revenue generated from this program to be used to develop renewable energy sources. Because these projected investments are subject to, among other things, various regulatory and other approvals as well as meeting certain performance standards on a smaller scale, essentially all the costs associated with these projected investments are not included in the capital expenditures table above.

Also, FPL Energy through its wholly-owned subsidiary, Lone Star Transmission, LLC, has proposed to build, own and operate a 180 to 200 mile, high voltage, direct current, open access transmission line located between west Texas and the Dallas/Fort Worth area with a capacity of 2,000 mw. The construction of the transmission line is contingent upon, among other things, receipt of all applicable regulatory approvals. The estimated cost of the transmission line is expected to range from $635 million to $655 million. Due to the contingencies discussed above (including their impact on the timing of construction), these estimated costs are not included in the capital expenditures table above.

In February 2008, a wholly-owned subsidiary of FPL Group Capital committed to lend to a third party up to $500 million under a construction and term loan. The loan provides for a single $500 million draw, which is expected to occur in late 2009. The loan will initially bear interest at a variable rate and will be converted to a 20-year, fixed rate term loan upon completion of construction.

FPL Group and FPL each account for payment guarantees and related contracts, for which it or a subsidiary is the guarantor, under FIN 45, 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, 2007, subsidiaries of FPL Group, other than FPL, have guaranteed debt service payments relating to agreements that existed at December 31, 2002. The terms of the guarantees are equal to the terms of the related debt, with remaining terms ranging from 1 year to 11 years. The maximum potential amount of future payments that could be required under these guarantees at December 31, 2007 was approximately $16 million. At December 31, 2007, 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, 2007.

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 becoming liable for liquidated damages. Based on past performance of these and similar projects and current forward prices, management believes that the exposure associated with these liquidated damages provisions is not material.

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 annually through mid-2015 and 375 mw annually thereafter through 2021, and one of the Southern subsidiaries' contracts is subject to minimum quantities. FPL also has various firm pay-for-performance contracts to purchase approximately 740 mw from certain cogenerators and small power producers (qualifying facilities) with expiration dates ranging from 2009 through 2026. The purchased power contracts provide for capacity and energy payments. Energy payments are based on the actual power taken under these contracts. Capacity payments for the pay-for-performance contracts are subject to the qualifying facilities meeting certain contract conditions. FPL has various agreements with several electricity suppliers to purchase an aggregate of up to approximately 920 mw of power with expiration dates ranging from 2009 through 2012. In general, the agreements require FPL to make capacity payments and supply the fuel consumed by the plants under the contracts. FPL has contracts with expiration dates through 2028 for the purchase and transportation of natural gas and coal, and storage of natural gas.

FPL Energy has entered into several contracts for the purchase of wind turbines and towers in support of a portion of its planned new wind generation. In addition, FPL Energy has contracts primarily for the purchase, transportation and storage of natural gas and firm transmission service with expiration dates ranging from 2008 through 2036. FPL Energy also has several contracts for the supply, conversion, enrichment and fabrication of nuclear fuel with expiration dates ranging from 2008 to 2018.

The required capacity and minimum payments under these contracts as of December 31, 2007 were estimated as follows:

	2008	2009	2010	2011	2012	Thereafter
				(millions)		
FPL:						
Capacity payments: [a]						
JEA and Southern subsidiaries [b]	$ 210	$ 220	$ 220	$ 210	$ 210	$ 750
Qualifying facilities [b]	$ 320	$ 320	$ 290	$ 260	$ 270	$ 2,920
Other electricity suppliers [b]	$ 55	$ 50	$ 10	$ 10	$ 5	$ -
Minimum payments, at projected prices:						
Southern subsidiaries – energy [b]	$ 80	$ 90	$ 40	$ -	$ -	$ -
Natural gas, including transportation and storage [c]	$ 2,830	$ 1,610	$ 260	$ 260	$ 260	$ 1,895
Coal [c]	$ 65	$ 55	$ 45	$ 10	$ -	$ -
FPL Energy	$ 1,460	$ 100	$ 90	$ 50	$ 50	$ 665

(a) Capacity payments under these contracts, the majority of which are recoverable through the capacity clause, totaled approximately $578 million, $610 million and $616 million for the years ended December 31, 2007, 2006 and 2005, respectively.
(b) Energy payments under these contracts, which are recoverable through the fuel clause, totaled approximately $447 million, $421 million and $363 million for the years ended December 31, 2007, 2006 and 2005, respectively.
(c) Recoverable through the fuel clause.

In addition, FPL has entered into several long-term agreements for storage capacity and transportation of natural gas from facilities that have not yet begun, or if begun have not yet completed, construction. These agreements range from 12 to 25 years in length and contain firm commitments by FPL totaling up to approximately $289 million annually or $6.3 billion over the terms of the agreements. These firm commitments are contingent upon the occurrence of certain events, including approval by the FERC and completion of construction of the facilities in mid-2008 and 2011.

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 $805 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 $120 million ($60 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, Duane Arnold and St. Lucie Unit No. 2, which approximates $12 million, $30 million and $15 million, plus any applicable taxes, per incident, respectively.

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 $169 million ($97 million for FPL), plus any applicable taxes, 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, Duane Arnold and St. Lucie Unit No. 2, which approximates $2 million, $5 million and $4 million, plus any applicable taxes, respectively.

Due to the high cost and limited coverage available from third-party insurers, FPL does not have insurance coverage for a substantial portion of its transmission and distribution property and FPL Group has no insurance coverage for FPL FiberNet's fiber-optic cable located throughout Florida. Should FPL's future storm restoration costs exceed the reserve amount (see Note 1 – Securitization), FPL may recover prudently incurred storm restoration costs either through securitization provisions pursuant to the Florida Statutes or through surcharges approved by the FPSC.

In the event of a loss, the amount of insurance available might not be adequate to cover property damage and other expenses incurred. Uninsured losses and other expenses, to the extent not recovered from customers 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.

Litigation – In November 1999, the Attorney General of the United States, on behalf of the U.S. Environmental Protection Agency (EPA), brought an action in the U.S. District Court for the Northern District of Georgia against Georgia Power Company and other subsidiaries of The Southern Company for 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 to allege, 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 thereafter for each violation. 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 and the EPA has not yet moved to reopen the case. In April 2007, the U.S. Supreme Court in a separate unrelated case rejected an argument that a "major modification" occurs at a plant only when there is a resulting increase in the hourly rate of air emissions. Georgia Power Company has made a similar argument in defense of its case, but has other factual and legal defenses that are unaffected by the Supreme Court's decision.

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. This matter arose from a 1993 FPL filing of a comprehensive restructuring of its then-existing tariff structure. All issues related to that filing were settled in September 2000 except for three issues reserved by FMPA: (i) FMPA's request for transmission credits related to the costs of its transmission facilities (the crediting issue), (ii) treatment of behind-the-meter generation and load ratio pricing for network integration transmission service (the behind-the-meter issue), and (iii) exclusions from FPL's transmission rates of the costs of FPL's facilities that fail to meet the same integration test that was applied to FMPA's facilities with respect to the crediting issue (the rate base issue). The FERC and the DC Circuit have rejected FMPA's claim for transmission credits, which would have reduced FMPA's payment obligation to FPL for network integration transmission service.

With regard to the behind-the-meter issue, the FERC rejected FMPA's argument that its obligation to pay for network integration transmission service should be reduced to the extent that FPL allegedly cannot provide transmission service because of "physical transmission limitations." In June 2005, the DC Circuit remanded the case to the FERC for further consideration. In December 2005, the FERC issued an order on remand finding that load ratio share pricing is appropriate notwithstanding constraints on a third-party's system. In January 2006, FMPA filed a rehearing request of this order with the FERC, which the FERC denied in July 2006. FMPA submitted a petition for review of the FERC's December 2005 and July 2006 orders at the DC Circuit. In January 2008, the DC Circuit denied FMPA's petition for review.

With regard to the rate base issue, 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 that filing, FPL's current network transmission rate would have been reduced by $0.02 per kilowatt (kw) per month. In June 2004, FMPA filed a protest to FPL's compliance filing, arguing that FPL's current network transmission rate should be reduced by approximately $0.41 per kw per month. In January 2005, the FERC issued an order on FPL's compliance filing. In the order, the 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. The FERC required FPL to make an additional compliance filing removing the cost of all radial transmission lines from transmission rates, 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 made this compliance filing in April 2005, under which FPL's current rate would be reduced by $0.04 per kw per month. In May 2005, FMPA protested FPL's compliance filing and argued that FPL's rates should be reduced by an additional $0.20 per kw per month, potentially resulting in a refund obligation to FMPA of approximately $26 million at December 31, 2007. Any reduction in FPL's network service rate also would apply effective January 1, 2004 to Seminole Electric Cooperative Inc. (Seminole), FPL's other network customer. The potential refund obligation to Seminole based on FMPA's position is approximately $13 million at December 31, 2007.

In December 2005, the FERC issued an order accepting FPL's April 2005 compliance filing in part, rejecting it in part, and directing the submission of a further compliance filing. The FERC concluded that it is not clear whether FPL failed to test its non-radial facilities in a manner comparable to the way it tested FMPA's facilities. FPL filed a rehearing request in January 2006, which the FERC denied in July 2006. FPL filed a request for rehearing of the FERC's July 2006 order. In September 2006, FPL made the required compliance filing, removing additional transmission facilities from rates. In February 2008, the FERC granted FPL's request for rehearing of the July 2006 order and reconsidered the December 2005 order. Upon reconsideration, the FERC accepted FPL's April 2005 compliance filing in full and dismissed as moot FPL's September 2006 compliance filing. The refund liability under the April 2005 compliance filing is approximately $4 million to FMPA and approximately $2 million to Seminole at December 31, 2007.

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 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 has filed an answer to the complaint. FPL Group believes that the complaint is without merit 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. The case is in discovery and has been scheduled for trial in March 2009.

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, as subsequently amended, 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. In January 2006, the court granted FPL's motion for final summary judgment and dismissed the case. In February 2006, the plaintiffs filed a notice of appeal of the court's decision, which appeal is pending before the U.S. Court of Appeals for the Eleventh Circuit. Oral argument was held in November 2007.

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, as subsequently amended, are virtually identical to those contained in the Finestone lawsuit described above. In January 2006, the court granted FPL's motion for final summary judgment and dismissed the case. In February 2006, the plaintiffs filed a notice of appeal of the court's decision, which appeal is pending before the U.S. Court of Appeals for the Eleventh Circuit. Oral argument was held in November 2007.

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 Eleventh 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 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 power plants in southeast Florida. 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 U.S. District Court remanded the action back to the state court. The drug manufacturing and distribution companies have moved to dismiss the action. Plaintiffs and FPL have agreed that FPL will not respond to the complaint until requested by the plaintiffs.

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 Eighteenth 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 Orlando Utilities Commission, 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 Roig lawsuit described above. FPL's motion to dismiss the complaint was denied. The U.S. District Court subsequently remanded the action back to the state court. The state court subsequently dismissed the drug manufacturing and distribution companies from the action. Plaintiffs' appeal of that order is pending before the Florida Fifth District Court of Appeal. Plaintiffs and FPL have agreed that FPL will not respond to the complaint until requested by the plaintiffs.

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. FPL Energy was added as a defendant in 2005. The petition alleged that the 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 asserted claims for breach of contract and declaratory judgment and sought damages of approximately $34 million. The FPL Energy Affiliates filed their answer and counterclaim in November 2004, denying the allegations. The counterclaim, as amended, asserted claims for conversion, breach of fiduciary duty, breach of warranty, conspiracy, breach of contract and fraud and sought termination of the contract and damages. Following a jury trial in June 2007, among other findings, both TXU and the FPL Energy Affiliates were found to have breached the contract. In January 2008, the judge entered a ruling pursuant to which the contract is not terminated and neither party will recover any damages.

In addition to those legal proceedings discussed above, 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. Generating plants in which FPL Group or FPL have an ownership interest are also involved in legal proceedings and claims, the liabilities from which, if any, would be shared by FPL Group or FPL.

In the event that FPL Group and FPL, or their affiliates, 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, or their affiliates, have meritorious defenses to all the pending litigation and proceedings discussed above under the heading Litigation and are vigorously defending the lawsuits. While management is unable to predict with certainty the outcome of the legal proceedings and claims discussed or described herein, based on current knowledge it is not expected that their ultimate resolution, individually or collectively, will have a material adverse effect on the financial statements of FPL Group or FPL.

17. Segment Information

FPL Group's reportable segments include FPL, a rate-regulated utility, and FPL Energy, a competitive energy business. 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 98%, 97% and 96% of FPL Group's operating revenues for the years ended December 31, 2007, 2006 and 2005. Less than 1% of operating revenues were from foreign sources for each of the three years ended December 31, 2007, 2006 and 2005. At December 31, 2007 and 2006, less than 1% of long-lived assets were located in foreign countries.

FPL Group's segment information is as follows:

	2007				2006				2005			
	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	$ 11,622	$ 3,474	$ 167	$ 15,263	$ 11,988	$ 3,558	$ 164	$ 15,710	$ 9,528	$ 2,221	$ 97	$ 11,846
Operating expenses	$ 10,059	$ 2,753	$ 168	$ 12,980	$ 10,525	$ 2,803	$ 285[b]	$ 13,613	$ 8,181	$ 2,067	$ 108	$ 10,356
Interest charges	$ 304	$ 312	$ 146	$ 762	$ 278	$ 269	$ 159	$ 706	$ 224	$ 223	$ 146	$ 593
Interest income	$ 17	$ 40	$ 32	$ 89	$ 30	$ 25	$ 7	$ 62	$ 14	$ 28	$ 27	$ 69
Depreciation and amortization	$ 773	$ 473	$ 15	$ 1,261	$ 787	$ 375	$ 23	$ 1,185	$ 951	$ 311	$ 23	$ 1,285
Equity in earnings of equity method investees	$ -	$ 68	$ -	$ 68	$ -	$ 181[c]	$ -	$ 181	$ -	$ 124	$ -	$ 124
Income tax expense (benefit) [d]	$ 451	$ (35)	$ (48)	$ 368	$ 424	$ 110	$ (137)	$ 397	$ 408	$ (55)	$ (71)	$ 282
Net income (loss)	$ 836	$ 540	$ (64)	$ 1,312	$ 802	$ 610[c]	$ (131)[b]	$ 1,281	$ 748	$ 203	$ (50)	$ 901
Capital expenditures, independent power investments and nuclear fuel purchases	$ 2,007	$ 2,981	$ 31	$ 5,019	$ 1,868	$ 1,809	$ 62	$ 3,739	$ 1,711	$ 822	$ 13	$ 2,546
Property, plant and equipment	$ 27,251	$ 13,534	$ 255	$ 41,040	$ 25,686	$ 10,224	$ 242	$ 36,152	$ 24,407	$ 8,568	$ 334	$ 33,309
Accumulated depreciation and amortization	$ 10,081	$ 2,167	$ 140	$ 12,388	$ 9,848	$ 1,679	$ 126	$ 11,653	$ 9,530	$ 1,253	$ 105	$ 10,888
Total assets	$ 24,044	$ 14,505	$ 1,574	$ 40,123	$ 22,970	$ 11,305	$ 1,547	$ 35,822	$ 22,347	$ 9,383	$ 869	$ 32,599
Investment in equity method investees	$ -	$ 216	$ 9	$ 225	$ -	$ 361	$ 9	$ 370	$ -	$ 320	$ 9	$ 329

(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 a $98 million ($60 million after-tax) impairment charge recorded at FPL FiberNet. See Note 5 – Corporate and Other.
(c) Includes an Indonesian project gain of $97 million ($63 million after-tax). See Note 11 – FPL Energy.
(d) FPL Energy's tax expense (benefit) includes production tax credits that were recognized based on its tax sharing agreement with FPL Group. See Note 1 – Income Taxes.

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, including its debentures, and payment guarantees are fully and unconditionally guaranteed by FPL Group. Condensed consolidating financial information is as follows:

Condensed Consolidating Statements of Income

	Year Ended December 31, 2007				Year Ended December 31, 2006				Year Ended December 31, 2005			
	FPL Group (Guarantor)	FPL Group Capital	Other[a]	FPL Group Consolidated	FPL Group (Guarantor)	FPL Group Capital	Other[a]	FPL Group Consolidated	FPL Group (Guarantor)	FPL Group Capital	Other[a]	FPL Group Consolidated
						(millions)						
Operating revenues	$ -	$ 3,646	$ 11,617	$ 15,263	$ -	$ 3,728	$ 11,982	$ 15,710	$ -	$ 2,323	$ 9,523	$ 11,846
Operating expenses	-	(2,926)	(10,054)	(12,980)	(23)	(3,070)	(10,520)	(13,613)	-	(2,180)	(8,176)	(10,356)
Interest charges	(19)	(458)	(285)	(762)	(21)	(428)	(257)	(706)	(25)	(366)	(202)	(593)
Other income (deductions) – net	1,322	133	(1,296)	159	1,292	263	(1,268)	287	909	275	(898)	286
Income (loss) before income taxes	1,303	395	(18)	1,680	1,248	493	(63)	1,678	884	52	247	1,183
Income tax expense (benefit)	(9)	(75)	452	368	(33)	7	423	397	(17)	(109)	408	282
Net income (loss)	$ 1,312	$ 470	$ (470)	$ 1,312	$ 1,281	$ 486	$ (486)	$ 1,281	$ 901	$ 161	$ (161)	$ 901

(a) Represents FPL and consolidating adjustments.

Condensed Consolidating Balance Sheets

	December 31, 2007				December 31, 2006			
	FPL Group (Guarantor)	FPL Group Capital	Other[a]	FPL Group Consolidated	FPL Group (Guarantor)	FPL Group Capital	Other[a]	FPL Group Consolidated
	(millions)							
PROPERTY, PLANT AND EQUIPMENT								
Electric utility plant in service and other property	$ -	$13,790	$ 27,250	$ 41,040	$ -	$ 10,466	$25,686	$ 36,152
Less accumulated depreciation and amortization	-	(2,308)	(10,080)	(12,388)	-	(1,805)	(9,848)	(11,653)
Total property, plant and equipment – net	-	11,482	17,170	28,652	-	8,661	15,838	24,499
CURRENT ASSETS								
Cash and cash equivalents	-	227	63	290	-	556	64	620
Receivables	39	816	866	1,721	170	683	803	1,656
Other	12	529	1,227	1,768	10	700	1,844	2,554
Total current assets	51	1,572	2,156	3,779	180	1,939	2,711	4,830
OTHER ASSETS								
Investment in subsidiaries	10,474	-	(10,474)	-	9,892	-	(9,892)	-
Other	1,632	2,121	3,939	7,692	1,166	1,748	3,579	6,493
Total other assets	12,106	2,121	(6,535)	7,692	11,058	1,748	(6,313)	6,493
TOTAL ASSETS	$ 12,157	$15,175	$ 12,791	$ 40,123	$ 11,238	$ 12,348	$12,236	$ 35,822
CAPITALIZATION								
Common shareholders' equity	$ 10,735	$ 3,198	$ (3,198)	$ 10,735	$ 9,930	$ 2,354	$ (2,354)	$ 9,930
Long-term debt	-	6,305	4,975	11,280	-	5,377	4,214	9,591
Total capitalization	10,735	9,503	1,777	22,015	9,930	7,731	1,860	19,521
CURRENT LIABILITIES								
Debt due within one year	-	1,335	1,083	2,418	-	2,112	630	2,742
Accounts payable	3	495	706	1,204	-	325	735	1,060
Other	68	700	1,368	2,136	222	685	1,617	2,524
Total current liabilities	71	2,530	3,157	5,758	222	3,122	2,982	6,326
OTHER LIABILITIES AND DEFERRED CREDITS								
Asset retirement obligations	-	504	1,653	2,157	-	248	1,572	1,820
Accumulated deferred income taxes	367	970	2,484	3,821	269	945	2,218	3,432
Regulatory liabilities	696	-	3,255	3,951	531	-	3,121	3,652
Other	288	1,668	465	2,421	286	302	483	1,071
Total other liabilities and deferred credits	1,351	3,142	7,857	12,350	1,086	1,495	7,394	9,975
COMMITMENTS AND CONTINGENCIES								
TOTAL CAPITALIZATION AND LIABILITIES	$ 12,157	$15,175	$ 12,791	$ 40,123	$ 11,238	$ 12,348	$12,236	$ 35,822

(a) Represents FPL and consolidating adjustments.

Condensed Consolidating Statements of Cash Flows

	Year Ended December 31, 2007				Year Ended December 31, 2006				Year Ended December 31, 2005			
	FPL Group (Guarantor)	FPL Group Capital	Other[a]	FPL Group Consolidated	FPL Group (Guarantor)	FPL Group Capital	Other[a]	FPL Group Consolidated	FPL Group (Guarantor)	FPL Group Capital	Other[a]	FPL Group Consolidated
	(millions)											
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 1,031	$ 1,499	$ 1,063	$ 3,593	$ 353	$ 791	$ 1,354	$ 2,498	$ 191	$ 278	$ 1,078	$ 1,547
CASH FLOWS FROM INVESTING ACTIVITIES												
Capital expenditures, independent power investments and nuclear fuel purchases	(12)	(3,000)	(2,007)	(5,019)	(40)	(1,833)	(1,866)	(3,739)	-	(834)	(1,712)	(2,546)
Sale of independent power investments	-	700	-	700	-	20	-	20	-	69	-	69
Loan repayments and capital distributions from equity method investees	-	11	-	11	-	-	-	-	-	199	-	199
Funding of secured loan	-	-	-	-	-	-	-	-	-	(43)	-	(43)
Proceeds from termination and sale of leveraged leases	-	-	-	-	-	-	-	-	-	58	-	58
Other – net	(405)	(58)	193	(270)	-	(7)	(81)	(88)	(299)	195	202	98
Net cash used in investing activities	(417)	(2,347)	(1,814)	(4,578)	(40)	(1,820)	(1,947)	(3,807)	(299)	(356)	(1,510)	(2,165)
CASH FLOWS FROM FINANCING ACTIVITIES												
Issuances of long-term debt	-	1,969	1,230	3,199	-	2,470	938	3,408	-	803	588	1,391
Retirements of long-term debt and FPL preferred stock	-	(1,616)	(250)	(1,866)	-	(1,530)	(135)	(1,665)	-	(715)	(505)	(1,220)
Proceeds from purchased Corporate Units	-	-	-	-	210	-	-	210	-	-	-	-
Payments to terminate Corporate Units	-	-	-	-	(258)	-	-	(258)	-	-	-	-
Net change in short-term debt	-	(292)	212	(80)	-	467	(529)	(62)	-	-	667	667
Issuances of common stock	46	-	-	46	333	-	-	333	639	-	-	639
Dividends on common stock	(654)	-	-	(654)	(593)	-	-	(593)	(544)	-	-	(544)
Other – net	(6)	458	(442)	10	(12)	(289)	327	26	(6)	323	(327)	(10)
Net cash provided by (used in) financing activities	(614)	519	750	655	(320)	1,118	601	1,399	89	411	423	923
Net increase (decrease) in cash and cash equivalents	-	(329)	(1)	(330)	(7)	89	8	90	(19)	333	(9)	305
Cash and cash equivalents at beginning of year	-	556	64	620	7	467	56	530	26	134	65	225
Cash and cash equivalents at end of year	$ -	$ 227	$ 63	$ 290	$ -	$ 556	$ 64	$ 620	$ 7	$ 467	$ 56	$ 530

[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:				
2007				
Operating revenues [b]	$3,075	$3,929	$4,575	$3,683
Operating income [b]	$ 298	$ 664	$ 900	$ 421
Net income [b]	$ 150	$ 405	$ 533	$ 224
Earnings per share [c]	$ 0.38	$ 1.02	$ 1.34	$ 0.56
Earnings per share – assuming dilution [c]	$ 0.38	$ 1.01	$ 1.33	$ 0.56
Dividends per share	$ 0.41	$ 0.41	$ 0.41	$ 0.41
High-low common stock sales prices	$63.07-53.72	$66.52-56.18	$64.20-54.61	$72.77-60.26
2006				
Operating revenues [b]	$3,584	$3,809	$4,694	$3,623
Operating income [b]	$ 473	$ 435	$ 872	$ 317 [d]
Net income [b]	$ 251	$ 236	$ 527	$ 268 [e]
Earnings per share [c]	$ 0.64	$ 0.60	$ 1.33	$ 0.68 [e]
Earnings per share – assuming dilution [c]	$ 0.64	$ 0.60	$ 1.32	$ 0.67 [e]
Dividends per share	$0.375	$0.375	$0.375	$0.375
High-low common stock sales prices	$43.42-38.85	$41.97-37.81	$45.87-40.59	$55.57-44.97
FPL:				
2007				
Operating revenues [b]	$2,448	$2,905	$3,445	$2,824
Operating income [b]	$ 247	$ 383	$ 591	$ 342
Net income [b]	$ 126	$ 211	$ 326	$ 173
2006				
Operating revenues [b]	$2,584	$2,999	$3,513	$2,892
Operating income [b]	$ 246	$ 339	$ 565	$ 313
Net income [b]	$ 122	$ 182	$ 328	$ 170

(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.
(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.
(d) Includes impairment charges. See Note 5.
(e) Includes impairment charges and an Indonesian project gain. See Note 5 and Note 11 – FPL Energy.

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, 2007, each of 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 their respective disclosure controls and procedures will be met.

Internal Control Over Financial Reporting

(a) Management's Annual 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 Control Over Financial Reporting

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

None

PART III

Item 10. Directors, Executive Officers and Corporate Governance

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 2008 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.

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

FPL Group's equity compensation plan information as of December 31, 2007 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)) (c)
Equity compensation plans approved by security holders	5,777,624	$31.72	10,075,551
Equity compensation plans not approved by security holders [a]	11,769	$16.32	-

[a] Represents options granted by Gexa Corp. under its Amended and Restated 2004 Incentive Plan and pursuant to various individual grants, all of which were made prior to the acquisition of Gexa Corp. All such options were assumed by FPL Group in connection with the acquisition of Gexa Corp. and are fully vested and exercisable for shares of FPL Group common stock. No further grants of stock options will be made under this plan.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this item, to the extent applicable, will be included in FPL Group's Proxy Statement 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 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, 2007 and 2006. The amounts presented below reflect allocations from FPL Group for FPL's portion of the fees, as well as amounts billed directly to FPL.

	2007	2006
Audit fees [a]	$ 2,426,000	$ 2,571,000
Audit-related fees [b]	169,000	252,000
Tax fees [c]	38,000	37,000
All other fees [d]	-	-
Total	$ 2,633,000	$ 2,860,000

[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 (2006 only) and the audit of the effectiveness of internal control over financial reporting, 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 its 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 and consultation on accounting standards and on transactions.

[c] Tax fees consist of fees billed for professional services rendered for tax compliance, tax advice and tax planning. In 2007 and 2006, all tax fees paid 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 2007 and 2006, there were no other fees incurred in this category.

In accordance with the requirements of Section 404 of the Sarbanes-Oxley Act of 2002 (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 pre-approval exception established by 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 2007, no services provided by Deloitte & Touche to FPL or allocated to FPL were approved by the Audit Committee after services were rendered pursuant to the de minimus exception established by Sarbanes-Oxley. In 2006, approximately $5,800 (16% of total tax fees and 0.2% of total fees paid to Deloitte & Touche during 2006) of services included in the tax fees category described above were approved by the Audit Committee after the 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 March 10, 2005 (filed as Exhibit 3(i) to Form S-4, File No. 333-124438)	x	
*3(i)b	Amendment to FPL Group's Restated Articles of Incorporation dated July 3, 2006 (filed as Exhibit 3(i) to Form 8-K dated June 30, 2006, File No. 1-8841)	x	
*3(i)c	Restated Articles of Incorporation of FPL dated March 23, 1992 (filed as Exhibit 3(i)a to Form 10-K for the year ended December 31, 1993, File No. 1-3545)		x
*3(i)d	Amendment to FPL's Restated Articles of Incorporation dated March 23, 1992 (filed as Exhibit 3(i)b to Form 10-K for the year ended December 31, 1993, File No. 1-3545)		x
*3(i)e	Amendment to FPL's Restated Articles of Incorporation dated May 11, 1992 (filed as Exhibit 3(i)c to Form 10-K for the year ended December 31, 1993, File No. 1-3545)		x
*3(i)f	Amendment to FPL's Restated Articles of Incorporation dated March 12, 1993 (filed as Exhibit 3(i)d to Form 10-K for the year ended December 31, 1993, File No. 1-3545)		x
*3(i)g	Amendment to FPL's Restated Articles of Incorporation dated June 16, 1993 (filed as Exhibit 3(i)e to Form 10-K for the year ended December 31, 1993, File No. 1-3545)		x
*3(i)h	Amendment to FPL's Restated Articles of Incorporation dated August 31, 1993 (filed as Exhibit 3(i)f to Form 10-K for the year ended December 31, 1993, File No. 1-3545)		x
*3(i)i	Amendment to FPL's Restated Articles of Incorporation dated November 30, 1993 (filed as Exhibit 3(i)g to Form 10-K for the year ended December 31, 1993, File No. 1-3545)		x

Exhibit Number	Description	FPL Group	FPL
*3(i)j	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
*3(i)k	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
*3(i)l	Amendment to FPL's Restated Articles of Incorporation dated February 11, 2005 (filed as Exhibit 3(i)m to Form 10-K for the year ended December 31, 2004, File No. 2-27612)		x
3(ii)a	Amended and Restated Bylaws of FPL Group, as amended through February 15, 2008	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)	Mortgage and Deed of Trust dated as of January 1, 1944, and One hundred and thirteen 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; Exhibit 4(m) to Post-Effective Amendment No. 3 to Form S-3, File No. 333-102172; Exhibit 4(a) to Form 10-Q for the quarter ended September 30, 2004, File No. 2-27612; Exhibit 4(f) to Amendment No. 1 to Form S-3, File No. 333-125275; Exhibit 4(y) to Post-Effective Amendment No. 2 to Form S-3, File Nos. 333-116300, 333-116300-01 and 333-116300-02; Exhibit 4(z) to Post-Effective Amendment No. 3 to Form S-3, File Nos. 333-116300, 333-116300-01 and 333-116300-02; Exhibit 4(b) to Form 10-Q for the quarter ended March 31, 2006, File No. 2-27612; Exhibit 4(a) to Form 8-K dated April 17, 2007, File No. 2-27612; Exhibit 4 to Form 8-K dated October 10, 2007, File No. 2-27612 and Exhibit 4 to Form 8-K dated January 16, 2008, File No. 2-27612)	x	x
*4(b)	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	

Exhibit Number	Description	FPL Group	FPL
*4(c)	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(d)	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(e)	Officer's Certificate of FPL Group Capital, dated August 18, 2006, creating the 5 5/8% Debentures, Series due September 1, 2011 (filed as Exhibit 4 to Form 8-K dated August 18, 2006, File No. 1-8841)	x	

*4(f)	Indenture (For Unsecured Subordinated Debt Securities relating to Trust Securities) dated as of March 1, 2004 among FPL Group Capital, FPL Group (as Guarantor) and the Bank of New York (as Trustee) (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(g)	Preferred Trust Securities Guarantee Agreement between FPL Group (as Guarantor) and The Bank of New York (as Guarantee Trustee) relating to FPL Group Capital Trust I, 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(h)	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 Nos. 333-102173, 333-102173-01, 333-102173-02 and 333-102173-03)	x	
*4(i)	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 Nos. 333-102173, 333-102173-01, 333-102173-02 and 333-102173-03)	x	
*4(j)	Officer's Certificate of FPL Group Capital and FPL Group, 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(k)	Indenture (For Unsecured Subordinated Debt Securities) dated as of September 1, 2006, among FPL Group Capital, FPL Group (as Guarantor) and The Bank of New York (as Trustee) (filed as Exhibit 4(a) to Form 8-K dated September 19, 2006, File No. 1-8841)	x	
*4(l)	Officer's Certificate of FPL Group Capital and FPL Group dated September 19, 2006, creating the Series A Enhanced Junior Subordinated Debentures due 2066 (filed as Exhibit 4(b) to Form 8-K dated September 19, 2006, File No. 1-8841)	x	
*4(m)	Officer's Certificate of FPL Group Capital and FPL Group dated September 19, 2006, creating the Series B Enhanced Junior Subordinated Debentures due 2066 (filed as Exhibit 4(c) to Form 8-K dated September 19, 2006, File No. 1-8841)	x	
*4(n)	Replacement Capital Covenant dated September 19, 2006 by FPL Group Capital and FPL Group relating to FPL Group Capital's Series A and Series B Enhanced Junior Subordinated Debentures due 2066 (filed as Exhibit 4(d) to Form 8-K dated September 19, 2006, File No. 1-8841)	x	
*4(o)	Officer's Certificate of FPL Group Capital and FPL Group dated June 12, 2007, creating the Series C Junior Subordinated Debentures due 2067 (filed as Exhibit 4(a) to Form 8-K dated June 12, 2007, File No. 1-8841)	x	
*4(p)	Replacement Capital Covenant, dated June 12, 2007, by FPL Group Capital and FPL Group relating to FPL Group Capital's Series C Junior Subordinated Debentures due 2067 (filed as Exhibit 4(b) to Form 8-K dated June 12, 2007, File No. 1-8841)	x	

Exhibit Number	Description	FPL Group	FPL
*4(q)	Officer's Certificate of FPL Group Capital and FPL Group dated September 17, 2007, creating the Series D Junior Subordinated Debentures due 2067 (filed as Exhibit 4(a) to Form 8-K dated September 17, 2007, File No. 1-8841)	x	
*4(r)	Officer's Certificate of FPL Group Capital and FPL Group dated September 18, 2007, creating the Series E Junior Subordinated Debentures due 2067 (filed as Exhibit 4(b) to Form 8-K dated September 17, 2007, File No. 1-8841)	x	

*4(s)	Replacement Capital Covenant, dated September 18, 2007, by FPL Group Capital and FPL Group relating to FPL Group Capital's Series D and Series E Junior Subordinated Debentures due 2067 (filed as Exhibit 4(c) to Form 8-K dated September 17, 2007, File No. 1-8841)	x	
*4(t)	Indenture (for Securing Senior Secured Bonds, Series A), dated May 22, 2007, among FPL Recovery Funding LLC (as Issuer) and The Bank of New York (as Trustee and Securities Intermediary) (filed as Exhibit 4.1 to Form 8-K dated May 22, 2007 and filed June 1, 2007, File No. 333-141357)		x
*4(u)	Warrant Agreement by and between Gexa Corp. and Highbridge/Zwirn Special Opportunities Fund, L.P., dated as of July 8, 2004, assumed by FPL Group effective June 17, 2005 (filed by Gexa Corp. as Exhibit 4.1 to Form 8-K dated July 8, 2004, File No. 1-31435)	x	
*4(v)	Warrant Agreement by and between Gexa Corp. and Prospect Street Ventures Ltd., dated as of July 19, 2004, assumed by FPL Group effective June 17, 2005 (filed as Exhibit 4(d) to Form 10-Q for the quarter ended June 30, 2005, File No. 1-8841)	x	
*4(w)	Warrant Agreement by and between Gexa Corp. and Prospect Street Ventures I LLC, dated as of September 9, 2004, assumed by FPL Group effective June 17, 2005 (filed as Exhibit 4(e) to Form 10-Q for the quarter ended June 30, 2005, File No. 1-8841)	x	
*4(x)	Form of Warrant Agreement to Purchase Shares of Common Stock of Gexa Corp., dated as of November 23, 2004, assumed by FPL Group effective June 17, 2005 (filed as Exhibit 4(f) to Form 10-Q for the quarter ended June 30, 2005, File No. 1-8841)	x	
*10(a)	FPL Group Supplemental Executive Retirement Plan, amended and restated effective April 1, 1997 (SERP) (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 the SERP (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 the SERP (filed as Exhibit 10(c) to Form 10-K for the year ended December 31, 1999, File No. 1-8841)	x	x
*10(d)	Amendment #4 adopted October 13, 2005 to the SERP (filed as Exhibit 10(d) to Form 10-K for the year ended December 31, 2006, File No. 1-8841)	x	x
*10(e)	Amendment #5 adopted February 15, 2007 to the SERP (filed as Exhibit 10(f) to Form 10-K for the year ended December 31, 2006, File No. 1-8841)	x	x
*10(f)	Supplement to the SERP 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(g)	Supplement to the SERP relating to a special credit to certain executive officers and other officers effective February 15, 2008	x	x
10(h)	Appendix C1 (revised as of February 15, 2008) to the SERP	x	x
10(i)	Supplement to the SERP effective February 15, 2008 as it applies to Armando Pimentel, Jr.	x	x

Exhibit Number	Description	FPL Group	FPL
*10(j)	FPL Group Amended and Restated Long Term Incentive Plan, as amended and restated October 13, 2006 (filed as Exhibit 10(a) to Form 10-Q for the quarter ended September 30, 2006, File No. 1-8841)	x	x

*10(k)	Form of FPL Group 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(l)	Form of FPL Group Amended and Restated Long Term Incentive Plan Performance Share Award Agreement effective February 15, 2007 (filed as Exhibit 10(i) to Form 10-K for the year ended December 31, 2006, File No. 1-8841)	x	x
*10(m)	Form of FPL Group Amended and Restated Long Term Incentive Plan Performance Share Award Agreement effective February 15, 2008 (filed as Exhibit 10(c) to Form 8-K dated February 15, 2008, File No. 1-8841)	x	x
*10(n)	Form of FPL Group 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(o)	Form of FPL Group 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(p)	Form of FPL Group Amended and Restated Long Term Incentive Plan Restricted Stock Award Agreement effective February 15, 2007 (filed as Exhibit 10(l) to Form 10-K for the year ended December 31, 2006, File No. 1-8841)	x	x
*10(q)	Form of FPL Group Amended and Restated Long Term Incentive Plan Restricted Stock Award Agreement effective February 15, 2008 (filed as Exhibit 10(a) to Form 8-K dated February 15, 2008, File No. 1-8841)	x	x
*10(r)	Form of FPL Group 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
*10(s)	Form of FPL Group Amended and Restated Long Term Incentive Plan Stock Option Award - Non-Qualified Stock Option Agreement (filed as Exhibit 10(d) to Form 8-K dated December 29, 2004, File No. 1-8841)	x	x
*10(t)	Form of FPL Group Amended and Restated Long Term Incentive Plan Stock Option Award - Non-Qualified Stock Option Agreement effective February 15, 2008 (filed as Exhibit 10(b) to Form 8-K dated February 15, 2008, File No. 1-8841)	x	x
*10(u)	Form of FPL Group Amended and Restated Long Term Incentive Plan Deferred Stock Award Agreement (filed as Exhibit 10(dd) to Form 10-K for the year ended December 31, 2005, File No. 1-8841)	x	x
*10(v)	Form of FPL Group Annual Incentive Plan (filed as Exhibit 10(n) to Form 10-K for the year ended December 31, 2004, File No. 1-8841)	x	x
*10(w)	2007 FPL Group Annual Incentive Plan (filed as Exhibit 10(q) to Form 10-K for the year ended December 31, 2006, File No. 1-8841)	x	x
*10(x)	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(y)	Amendment One to the FPL Group Deferred Compensation Plan effective January 1, 2007 (filed as Exhibit 10(b) to Form 10-Q for the quarter ended September 30, 2007, File No. 1-8841)	x	x

Exhibit Number	Description	FPL Group	FPL
*10(z)	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(aa)	FPL Group Amended and Restated Non-Employee Directors Stock Plan, as amended and restated October 13, 2006 (filed as Exhibit 10(b) to Form 10-Q for the quarter ended September 30, 2006, File No. 1-8841)	x	
*10(bb)	FPL Group 2007 Non-Employee Directors Stock Plan (filed as Exhibit 99 to Form S-8 dated June 14, 2007, File No. 333-143739)	x	
*10(cc)	Non-Employee Director Compensation Summary effective January 1, 2008 (filed as Exhibit 10(c) to Form 10-Q for the quarter ended September 30, 2007, File No. 1-8841)	x	
*10(dd)	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 27, 2008 all executive officers participate except Moray P. Dewhurst, and "Certain Officers" include Armando J. Olivera and Antonio Rodriguez) (filed as Exhibit 10(s) to Form 10-K for the year ended December 31, 2004, File No. 1-8841)	x	x
10(ee)	Amendment to FPL Group Split Dollar Agreements	x	x
*10(ff)	Form of Executive Retention Employment Agreement between FPL Group and each of 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(gg)	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(hh)	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(ii)	Form of Executive Retention Employment Agreement between FPL Group and each of Robert H. Escoto, Robert L. McGrath, Edward F. Tancer and F. Mitchell Davidson (filed as Exhibit 10(x) to Form 10-K for the year ended December 31, 2004, File No. 1-8841)	x	x
10(jj)	Form of Executive Retention Employment Agreement between FPL Group and each of Armando Pimentel, Jr. and Christopher A. Bennett	x	x
*10(kk)	Amendment dated as of December 18, 2005 to the Executive Retention Employment Agreement dated as of June 17, 2002 by and between FPL Group and Lewis Hay, III (filed as Exhibit 10(y) to Form 10-K for the year ended December 31, 2005, File No. 1-8841)	x	x
*10(ll)	Amendment dated as of December 18, 2005 to the Executive Retention Employment Agreement dated as of June 10, 2002 by and between FPL Group and Moray P. Dewhurst (filed as Exhibit 10(z) to Form 10-K for the year ended December 31, 2005, File No. 1-8841)	x	x
*10(mm)	Form of Amendment dated as of December 18, 2005 to the Executive Retention Employment Agreement between FPL Group and each of Robert H. Escoto, Robert L. McGrath, Armando J. Olivera, James L. Robo, Antonio Rodriguez, John A. Stall and Edward F. Tancer (filed as Exhibit 10(aa) to Form 10-K for the year ended December 31, 2005, File No. 1-8841)	x	x
*10(nn)	Employment Agreement between FPL Group and Lewis Hay, III dated February 25, 2005 (filed as Exhibit 10(y) to Form 10-K for the year ended December 31, 2004, File No. 1-8841)	x	x

Exhibit Number	Description	FPL Group	FPL
*10(oo)	Amendment dated as of December 15, 2005 to the Employment Agreement dated as of February 25, 2005 between FPL Group and Lewis Hay, III (filed as Exhibit 10(cc) to Form 10-K for the year ended December 31, 2005, File No. 1-8841)	x	x

*10(pp)	Amendment dated December 15, 2006 to the Employment Agreement dated as of February 25, 2005 between FPL Group and Lewis Hay, III (filed as Exhibit 10(ff) to Form 10-K for the year ended December 31, 2006, File No. 1-8841)	x	x
*10(qq)	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	x	
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.

JAMES L. ROBO
James L. Robo
President and Chief Operating Officer

Date: February 27, 2008

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 27, 2008:

LEWIS HAY, III
Lewis Hay, III
Chairman of the Board,
Chief Executive Officer and Director
(Principal Executive Officer)

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

MORAY P. DEWHURST
Moray P. Dewhurst
Vice President and
Chief Financial Officer
(Principal Financial Officer)

Directors:

SHERRY S. BARRAT
Sherry S. Barrat

OLIVER D. KINGSLEY, JR.
Oliver D. Kingsley, Jr.

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

RUDY E. SCHUPP
Rudy E. Schupp

J. HYATT BROWN
J. Hyatt Brown

MICHAEL H. THAMAN
Michael H. Thaman

JAMES L. CAMAREN
James L. Camaren

HANSEL E. TOOKES, II
Hansel E. Tookes, II

J. BRIAN FERGUSON
J. Brian Ferguson

PAUL R. TREGURTHA
Paul R. Tregurtha

TONI JENNINGS
Toni Jennings

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 27, 2008

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 27, 2008:

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
and Chief Financial Officer and Director
(Principal Financial Officer)

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

Directors:

JAMES L. ROBO
James L. Robo

ANTONIO RODRIGUEZ
Antonio Rodriguez

JOHN A. STALL
John A. Stall

EDWARD F. TANCER
Edward F. Tancer

Supplemental Information to be Furnished With Reports Filed Pursuant to Section 15(d) of the Securities Exchange Act of 1934 Which Have Not Registered Securities Pursuant to Section 12 of the Securities Exchange Act of 1934

No annual report, proxy statement, form of proxy or other proxy soliciting material has been sent to securities holders of FPL during the period covered by this Annual Report on Form 10-K for the fiscal year ended December 31, 2007.

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,				
	2007	2006	2005	2004	2003
	(millions of dollars)				
Earnings, as defined:					
Income before cumulative effect of changes in accounting principles	$1,312	$1,281	$ 901	$ 896	$ 906
Preferred stock dividends of a consolidated subsidiary	-	-	-[b]	-[b]	13
Income taxes	368	397	282	272	376
Fixed charges included in the determination of net income, as below	799	732	622	516	401
Amortization of capitalized interest	12	11	11	8	4
Distributed income of equity method investees	175	104	86	83	68
Less: Equity in earnings of equity method investees	68	181	124	96	89
Total earnings, as defined	$2,598	$2,344	$1,778	$1,679	$1,679
Fixed charges, as defined:					
Interest charges	$ 762	$ 706	$ 593	$ 489	$ 379
Rental interest factor	23	15	16	16	17
Fixed charges included in nuclear fuel cost	-	-	-	-	1
Allowance for borrowed funds used during construction	14	11	13	11	4
Fixed charges included in the determination of net income	799	732	622	516	401
Capitalized interest	40	18	8	43	84
Dividend requirements on preferred stock of a consolidated subsidiary before income taxes	-	-	-[b]	-[b]	20
Total fixed charges, as defined	$ 839	$ 750	$ 630	$ 559	$ 505
Ratio of earnings to fixed charges and ratio of earnings to combined fixed charges and preferred stock dividends [a]	3.10	3.13	2.82	3.00	3.32

[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 was owned by FPL Group, Inc. and was eliminated in consolidation. Accordingly, those dividends are not included herein.

Exhibit 12(b)

FLORIDA POWER & LIGHT COMPANY 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,				
	2007	2006	2005	2004	2003
	(millions of dollars)				
RATIO OF EARNINGS TO FIXED CHARGES					
Earnings, as defined:					
Net income	$ 836	$ 802	$ 748	$ 750	$ 755
Income taxes	451	424	408	409	403
Fixed charges, as below	325	296	244	202	186
Total earnings, as defined	$1,612	$1,522	$1,400	$1,361	$1,344
Fixed charges, as defined:					
Interest charges	$ 304	$ 278	$ 224	$ 183	$ 173
Rental interest factor	7	7	7	8	8
Fixed charges included in nuclear fuel cost	-	-	-	-	1
Allowance for borrowed funds used during construction	14	11	13	11	4
Total fixed charges, as defined	$ 325	$ 296	$ 244	$ 202	$ 186
Ratio of earnings to fixed charges	4.96	5.14	5.74	6.74	7.23
RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS					
Earnings, as defined:					
Net income	$ 836	$ 802	$ 748	$ 750	$ 755
Income taxes	451	424	408	409	403
Fixed charges, as below	325	296	244	202	186
Total earnings, as defined	$1,612	$1,522	$1,400	$1,361	$1,344
Fixed charges, as defined:					
Interest charges	$ 304	$ 278	$ 224	$ 183	$ 173
Rental interest factor	7	7	7	8	8
Fixed charges included in nuclear fuel cost	-	-	-	-	1
Allowance for borrowed funds used during construction	14	11	13	11	4
Total fixed charges, as defined	325	296	244	202	186
Non-tax deductible preferred stock dividends	-	-	-	1	13
Ratio of income before income taxes to net income	1.54	1.53	1.55	1.55	1.53
Preferred stock dividends before income taxes	-	-	-	2	20
Combined fixed charges and preferred stock dividends	$ 325	$ 296	$ 244	$ 204	$ 206
Ratio of earnings to combined fixed charges and preferred stock dividends	4.96	5.14	5.74	6.67	6.52

[a] Florida Power & Light Company's preference equity securities were redeemed in January 2005. For the year ended December 31, 2005, preferred stock dividends were less than $1 million. Therefore, for the years ended December 31, 2007, 2006 and 2005, the ratio of earnings to fixed charges is the same as the ratio of earnings to combined fixed charges and preferred stock dividends.

Exhibit 21

SUBSIDIARIES OF FPL GROUP, INC.

FPL Group, Inc.'s principal subsidiaries as of December 31, 2007 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 362 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 reports dated February 27, 2008, relating to the financial statements of FPL Group, Inc. and subsidiaries (FPL Group) and Florida Power & Light Company and subsidiaries (FPL) and the effectiveness of FPL Group's and FPL's internal control over financial reporting, appearing in this Annual Report on Form 10-K of FPL Group and FPL for the year ended December 31, 2007:

FPL Group, Inc.

Form S-8	No. 33-11631
Form S-8	No. 33-57673
Form S-8	No. 333-27079
Form S-8	No. 333-88067
Form S-8	No. 333-114911
Form S-8	No. 333-116501
Form S-3	No. 333-125275
Form S-8	No. 333-125954
Form S-3	No. 333-129482
Form S-8	No. 333-130479
Form S-3	No. 333-137120
Form S-8	No. 333-143739

FPL Group Trust I

Form S-3	No. 333-137120-04

FPL Group Trust II

Form S-3	No. 333-137120-03

Florida Power & Light Company

Form S-3	No. 333-137120-07

Florida Power & Light Company Trust I

Form S-3	No. 333-137120-02

Florida Power & Light Company Trust II

Form S-3	No. 333-137120-01

FPL Group Capital Inc

Form S-3	No. 333-137120-08

FPL Group Capital Trust II

Form S-3	No. 333-137120-06

FPL Group Capital Trust III

Form S-3	No. 333-137120-05

DELOITTE & TOUCHE LLP

Miami, Florida
February 27, 2008

Exhibit 31(a)

Rule 13a-14(a)/15d-14(a) Certification

I, Lewis Hay, III, certify that:

1. I have reviewed this Form 10-K for the year ended December 31, 2007 of FPL Group, Inc. (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 27, 2008

LEWIS HAY, III
Lewis Hay, III
Chairman of the Board
and Chief Executive Officer
of FPL Group, Inc.

Exhibit 31(b)

Rule 13a-14(a)/15d-14(a) Certification

I, Moray P. Dewhurst, certify that:

1. I have reviewed this Form 10-K for the year ended December 31, 2007 of FPL Group, Inc. (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 27, 2008

MORAY P. DEWHURST
Moray P. Dewhurst
Vice President
and Chief Financial Officer
of FPL Group, Inc.

Exhibit 31(c)

Rule 13a-14(a)/15d-14(a) Certification

I, Lewis Hay, III, certify that:

1. I have reviewed this Form 10-K for the year ended December 31, 2007 of Florida Power & Light Company (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 27, 2008

LEWIS HAY, III
Lewis Hay, III
Chairman of the Board
and Chief Executive Officer
of Florida Power & Light Company

Exhibit 31(d)

Rule 13a-14(a)/15d-14(a) Certification

I, Moray P. Dewhurst, certify that:

1. I have reviewed this Form 10-K for the year ended December 31, 2007 of Florida Power & Light Company (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 27, 2008

MORAY P. DEWHURST
Moray P. Dewhurst
Senior Vice President
and Chief Financial Officer
of Florida Power & Light Company

Exhibit 32(a)

Section 1350 Certification

We, Lewis Hay, III and Moray P. Dewhurst, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Annual Report on Form 10-K of FPL Group, Inc. (FPL Group) for the year ended December 31, 2007 (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 27, 2008

LEWIS HAY, III
Lewis Hay, III
Chairman of the Board
and Chief Executive Officer of FPL Group, Inc.

MORAY P. DEWHURST
Moray P. Dewhurst
Vice President
and Chief Financial Officer of FPL Group, Inc.

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 and Moray P. Dewhurst, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Annual Report on Form 10-K of Florida Power & Light Company (FPL) for the year ended December 31, 2007 (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 27, 2008

LEWIS HAY, III
Lewis Hay, III
Chairman of the Board
and Chief Executive Officer of
Florida Power & Light Company

MORAY P. DEWHURST
Moray P. Dewhurst
Senior Vice President
and Chief Financial Officer of
Florida Power & Light Company

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).

Exhibit (c)-2

FLORIDA POWER & LIGHT COMPANY
CONSOLIDATED BALANCE SHEETS
(millions)

	December 31, 2007	December 31, 2006
ELECTRIC UTILITY PLANT	$ 25,585	$ 24,150
Plant in service	565	423
Nuclear fuel	1,101	1,113
Construction work in progress	(10,081)	(9,848)
Less accumulated depreciation and amortization	17,170	15,838
Electric utility plant – net		
CURRENT ASSETS		
Cash and cash equivalents	63	64
Customer receivables, net of allowances of $13 and $15, respectively	807	872
Other receivables, net of allowances of $1 and $1, respectively	178	221
Materials, supplies and fossil fuel inventory – at average cost	583	558
Regulatory assets:		
Deferred clause and franchise expenses	103	167
Securitized storm-recovery costs/storm reserve deficiency	59	106
Derivatives	117	921
Derivatives	83	4
Other	260	99
Total current assets	2,253	3,012
OTHER ASSETS		
Special use funds	2,499	2,264
Prepaid benefit costs	907	857
Regulatory assets:		
Securitized storm-recovery costs/storm reserve deficiency	756	762
Deferred clause expenses	121	-
Unamortized loss on reacquired debt	36	39
Other	72	37
Other	230	161
Total other assets	4,621	4,120
TOTAL ASSETS	$ 24,044	$ 22,970
CAPITALIZATION		
Common shareholder's equity	$ 7,275	$ 7,539
Long-term debt	4,976	4,214
Total capitalization	12,251	11,753
CURRENT LIABILITIES		
Commercial paper	842	630
Current maturities of long-term debt	241	-
Accounts payable	706	735
Customer deposits	531	500
Accrued interest and taxes	225	281
Regulatory liabilities – deferred clause and franchise revenues	18	37
Derivatives	182	677
Other	531	423
Total current liabilities	3,276	3,283
OTHER LIABILITIES AND DEFERRED CREDITS		
Asset retirement obligations	1,653	1,572
Accumulated deferred income taxes	2,716	2,561
Regulatory liabilities:		
Accrued asset removal costs	2,098	2,044
Asset retirement obligation regulatory expense difference	921	868
Other	235	209
Other	894	680
Total other liabilities and deferred credits	8,517	7,934
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$ 24,044	$ 22,970

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

Exhibit (c)-3

Exhibit 12(b)

FLORIDA POWER & LIGHT COMPANY 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,				
	2007	2006	2005	2004	2003
	(millions of dollars)				
RATIO OF EARNINGS TO FIXED CHARGES					
Earnings, as defined:					
Net income	$ 836	$ 802	$ 748	$ 750	$ 755
Income taxes	451	424	408	409	403
Fixed charges, as below	325	296	244	202	186
Total earnings, as defined	$1,612	$1,522	$1,400	$1,361	$1,344
Fixed charges, as defined:					
Interest charges	$ 304	$ 278	$ 224	$ 183	$ 173
Rental interest factor	7	7	7	8	8
Fixed charges included in nuclear fuel cost	-	-	-	-	1
Allowance for borrowed funds used during construction	14	11	13	11	4
Total fixed charges, as defined	$ 325	$ 296	$ 244	$ 202	$ 186
Ratio of earnings to fixed charges	4.96	5.14	5.74	6.74	7.23
RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS					
Earnings, as defined:					
Net income	$ 836	$ 802	$ 748	$ 750	$ 755
Income taxes	451	424	408	409	403
Fixed charges, as below	325	296	244	202	186
Total earnings, as defined	$1,612	$1,522	$1,400	$1,361	$1,344
Fixed charges, as defined:					
Interest charges	$ 304	$ 278	$ 224	$ 183	$ 173
Rental interest factor	7	7	7	8	8
Fixed charges included in nuclear fuel cost	-	-	-	-	1
Allowance for borrowed funds used during construction	14	11	13	11	4
Total fixed charges, as defined	325	296	244	202	186
Non-tax deductible preferred stock dividends	-	-	-	1	13
Ratio of income before income taxes to net income	1.54	1.53	1.55	1.55	1.53
Preferred stock dividends before income taxes	-	-	-	2	20
Combined fixed charges and preferred stock dividends	$ 325	$ 296	$ 244	$ 204	$ 206
Ratio of earnings to combined fixed charges and preferred stock dividends	4.96	5.14	5.74	6.67	6.52

[a] Florida Power & Light Company's preference equity securities were redeemed in January 2005. For the year ended December 31, 2005, preferred stock dividends were less than $1 million. Therefore, for the years ended December 31, 2007, 2006 and 2005, the ratio of earnings to fixed charges is the same as the ratio of earnings to combined fixed charges and preferred stock dividends.

Exhibit (d)-1

FLORIDA POWER & LIGHT COMPANY

FIRST MORTGAGE BONDS

UNDERWRITING AGREEMENT

April 12, 2007

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 ("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 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 (the "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 joint registration statement with Florida Power & Light Company Trust I, Florida Power & Light Company Trust II (together with Florida Power & Light Company Trust I, "FPL Trust"), FPL Group, Inc. ("FPL Group"), FPL Group Capital Inc ("FPL Group Capital"), FPL Group Capital Trust II, FPL Group Capital Trust III (together with FPL Group Capital Trust II, "FPL Group Capital Trust"), FPL Group Trust I, and FPL Group Trust II (together with FPL Group Trust I, "FPL Group Trust", and together with FPL Trust and FPL Group Capital Trust, collectively the "Trusts") on Form S-3, including a prospectus (Registration Statement Nos. 333-137120, 333-137120-01, 333-137120-02, 333-137120-03, 333-137120-04, 333-137120-05, 333-137120-06, 333-137120-07 and 333-137120-08) ("Registration Statement No. 333-137120"), for the registration under the Securities Act of 1933, as amended (the "Securities Act"), of (a) an unspecified aggregate amount of (i) First Mortgage Bonds, (ii) FPL junior subordinated debentures ("FPL Junior Subordinated Debentures"), and (iii) preferred trust securities of the FPL Trust ("FPL Preferred Trust Securities"), (b) FPL's guarantee of the FPL Preferred Trust Securities (the "FPL Trust Guarantee"), (c) an unspecified aggregate amount of (i) FPL Group Capital's senior debt securities ("FPL Group Capital Senior Debt Securities"), (ii) FPL Group Capital's junior subordinated debentures ("FPL Group Capital Junior Subordinated Debentures"), (iii) FPL Group's junior subordinated debentures, (iv) FPL Group's senior debt securities, (v) preferred trust securities of FPL Group Trust ("FPL Group Trust Preferred Trust Securities") and (vi) preferred trust securities of FPL Group Capital Trust ("FPL Group Capital Trust Preferred Trust Securities"), (d) FPL Group's guarantees (the "FPL Group Guarantees") related to the FPL Group Capital Senior Debt Securities, FPL Group Capital Junior Subordinated Debentures, FPL Group Trust Preferred Trust Securities and FPL Group Capital Trust Preferred Trust Securities. Such registration statement has become effective 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 time shall mean Registration Statement No. 333-137120, as amended or supplemented to such time, including all documents incorporated by reference therein as of such time pursuant to Item 12 of Form S-3 ("Incorporated Documents") and any prospectus, preliminary prospectus supplement or prospectus supplement relating to the Bonds deemed to be a part thereof pursuant to Rule 430B that has not been superseded or modified. References herein to the term "Registration Statement" without reference to a time means the Registration Statement as of 9:00 A.M., New York City time, on the date hereof (which date and time is the earlier of the date and time of (x) the first use of the preliminary prospectus supplement relating to the Bonds and (y) the first contract of sale of the Bonds), which time shall be considered the "Effective Date" of the Registration Statement. For purposes of the definitions of "Registration Statement" in the preceding two sentences, information contained in any prospectus, preliminary prospectus supplement or prospectus supplement that is deemed retroactively to be a part of the Registration Statement pursuant to Rule 430B shall be considered to be included in the Registration Statement as

of the time specified in Rule 430B. References herein to the term "Pricing Prospectus" shall mean the prospectus relating to FPL and FPL Trust forming a part of Registration Statement No. 333-137120 (the "Base Prospectus"), including all Incorporated Documents and any prospectus or prospectus supplement relating to the Bonds deemed to be a part of such registration statement that has not been superseded or modified. For purposes of the definition of "Pricing Prospectus" with respect to a particular offering of Bonds, information contained in a prospectus or prospectus supplement (other than a prospectus or prospectus supplement that relates only to securities issued by FPL Group, FPL Group Capital, FPL Group Trust or FPL Group Capital Trust or to securities issued by FPL Trust or by FPL other than the Bonds) that is deemed retroactively to be a part of the Registration Statement pursuant to Rule 430B shall be considered to be included in the Pricing Prospectus as of the time that form of prospectus or prospectus supplement is filed with the Commission pursuant to Rule 424 of the general rules and regulations of the Securities Act ("Rule 424"). References herein to the term "Prospectus" means the Pricing Prospectus that discloses the public offering price and other final terms of the Bonds and otherwise satisfies Section 10(a) of the Securities Act. 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. Each of the Underwriters acknowledges that on or subsequent to the Closing Date, FPL may file a post-effective amendment to the Registration Statement pursuant to Rule 462(d) under the Securities Act or a Current Report on Form 8-K in order to file one or more unqualified opinions of counsel.

(b) The Registration Statement constitutes an "automatic shelf registration statement" (as defined in Rule 405 under the Securities Act) filed within three years of the date hereof; the Registration Statement became effective upon filing; no notice of objection of the Commission with respect to the use of the Registration Statement pursuant to Rule 401(g)(2) under the Securities Act has been received by FPL and not removed; and with respect to the Bonds FPL is a "well-known seasoned issuer" within the meaning of subparagraph (1)(ii) of the definition of "well-known seasoned issuer" in Rule 405 under the Securities Act and is not an "ineligible issuer" (as defined in Rule 405 under the Securities Act).

(c) The Registration Statement at the Effective Date fully complied, and the Prospectus, both at the date and time it is filed with the Commission pursuant to Rule 424 (such date and time, 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 the Registration Statement 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, both at 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 (c) 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 Statements of Eligibility on Form T-1, or amendments thereto, filed as exhibits to the Registration Statement (collectively, the "Statements of Eligibility") or to any statements or omissions made in the Registration Statement or the Prospectus relating to The Depository Trust Company ("DTC") Book-Entry-Only System that are based solely on information contained in published reports of DTC.

(d) As of the Applicable Time (as defined below), the Pricing Disclosure Package (as defined below) did not contain 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; provided, that the foregoing representations and warranties in this subsection (d) 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 Pricing Prospectus, any preliminary prospectus supplement or any Issuer Free Writing Prospectus (as defined below), or to any statements in or omissions from the Pricing Prospectus, any preliminary prospectus supplement or any Issuer Free Writing Prospectus relating to the DTC Book-Entry-Only System that are based solely on information contained in published reports of DTC. References to the term "Pricing Disclosure Package" shall mean the documents listed in Schedule III, taken together as a whole. References to the term "Issuer Free Writing Prospectus" shall mean an issuer free writing prospectus, as defined in Rule 433 under the Securities Act. References to the term "Free Writing Prospectus" shall mean a free writing prospectus, as defined in Rule 405 under the Securities Act. References to the term "Applicable Time" means 2:35 P.M. on the date hereof. If there occurs an event or development as a result of which the Pricing Disclosure Package would include an untrue statement of a material fact or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances then prevailing, not misleading, FPL promptly will notify the Representatives so that any use of the Pricing Disclosure Package may cease until it is amended or supplemented.

(e) As of the Applicable Time, no Issuer Free Writing Prospectus includes any information that conflicts with the information contained in the Registration Statement, the Prospectus or the Pricing Prospectus, including any document incorporated by reference therein that has not been superseded or modified.

(f) The financial statements included as part of or incorporated by reference in the Pricing Disclosure Package, the Prospectus and 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 Pricing Disclosure Package, the Prospectus and the Registration Statement; and Deloitte & Touche LLP, who has audited the audited financial statements of FPL, is an independent registered public accounting firm as required by the Securities Act and the Exchange Act and the rules and regulations of the Commission thereunder.

(g) Except as reflected in or contemplated by the Pricing Disclosure Package, since the respective most recent times as of which information is given in the Pricing Disclosure Package, 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 Pricing Disclosure Package, 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 Pricing Disclosure Package.

(h) The execution and delivery of this agreement and the consummation of the transactions herein contemplated by FPL 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.

(i) The execution and delivery of this agreement and the consummation of the transactions herein contemplated by FPL, the fulfillment of the terms hereof on the part of FPL to be fulfilled 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.

(j) FPL has no direct or indirect significant subsidiaries (as defined in Regulation S-X (17 CFR Part 210)).

(k) FPL has been duly organized, is validly existing and is in good standing under the laws of its jurisdiction of organization, and is duly qualified to do business and is in good standing as a foreign corporation in each jurisdiction in which its ownership of properties or the conduct of its businesses requires such qualification, except where the failure so to qualify would not have a material adverse effect on the business, properties or financial condition of FPL and its subsidiaries taken as a whole, and has the power and authority as a corporation necessary to own or hold its properties and to conduct the businesses in which it is engaged.

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

(m) FPL is not, and after giving effect to the offering and sale of the Bonds and the application of the proceeds thereof as described in the Pricing Disclosure Package and the Prospectus will not be, 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 for an aggregate purchase price of $296,775,000, the respective principal amounts of the Bonds set forth opposite their respective names in Schedule II hereto.

The Underwriters agree to make a *bona fide* public offering of the Bonds as set forth in the Pricing Disclosure Package, 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. Such dealers' concession may not be in excess of 0.500% of the principal amount per Bond under the Price to Public.

Each Underwriter agrees that (i) no information that is presented by it to investors has been or will be inconsistent with the information contained in the Pricing Disclosure Package as it may then be amended or supplemented and (ii) it will make no offer that would constitute a Free Writing Prospectus that is required to be filed by FPL pursuant to Rule 433 under the Securities Act other than an Issuer Free Writing Prospectus in accordance with Section 6(h).

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 9:00 A.M., New York City time, on the closing date set forth on Schedule I, at the offices of Thelen Reid Brown Raysman & Steiner LLP, 875 Third Avenue, New York, New York 10022, 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 Brown Raysman & Steiner 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 8 and subsections (d) and (f) of Section 6 hereof.

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

(a) FPL will timely file the Prospectus with the Commission pursuant to Rule 424 under the Securities Act. FPL has complied and will comply with Rule 433 under the Securities Act in connection with the offering and sale of the Bonds, including applicable provisions in respect of timely filing with the Commission, legending and record-keeping.

(b) FPL will prepare a final term sheet, containing a description of the pricing terms of the Bonds, substantially in the form of Schedule I hereto and approved by the Representatives and will timely file such term sheet with the Commission pursuant to Rule 433 under the Securities Act.

(c) FPL will deliver to the Representatives and to Counsel for the Underwriters (as defined below) 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 or cause to be delivered to the Underwriters through the Representatives as many copies of the Prospectus and any Issuer Free Writing Prospectus as the Representatives may reasonably request for the purposes contemplated by the Securities Act.

(d) FPL has paid or cause to be paid or will pay or cause to be paid all expenses in connection with the (i) preparation and filing of the Registration Statement, any preliminary prospectus, the Prospectus and any Issuer Free Writing 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, any preliminary prospectus, the Prospectus, any Issuer Free Writing 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 or cause to be reimbursed 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 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.

(e) 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 (including an Issuer Free Writing 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, file with the Commission, if required, and furnish to the Representatives a reasonable number of copies of such supplement or supplements or amendment or amendments to the Prospectus (including an Issuer Free Writing 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.

(f) 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 United States 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.

(g) 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.

(h) 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 or any amendment or supplement to the Pricing Disclosure Package 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. FPL has not made any offer relating to the Bonds that would constitute an Issuer Free Writing Prospectus or that would otherwise constitute a Free Writing Prospectus required to be filed by FPL with the Commission or retained by FPL under Rule 433 under the Securities Act, other than a pricing term sheet substantially in the form as set forth on

Schedule I, and will not make any such offer without prior notice to the Representatives and to Counsel for the Underwriters, or any such offer to which the Representatives shall reasonably object in writing, or which shall be unsatisfactory to Counsel for the Underwriters.

(i) FPL will advise the Representatives promptly of the filing of the Prospectus pursuant to Rule 424, of the filing of any material pursuant to Rule 433 and of any amendment or supplement to the Pricing Disclosure Package or the 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, of receipt from the Commission of any notice of objection to the use of the Registration Statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) under the Securities Act, and, if such a stop order should be entered, or notice of objection should be received, use every commercially reasonable effort to obtain the prompt removal thereof.

(j) 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 which is subject to the lien of the Mortgage 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 and qualified by materiality shall be true and correct in all respects and the representations and warranties made by FPL herein that are not qualified by materiality shall be true and correct in all material respects as of the Closing Date, in each case 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 no notice of objection by the Commission to the use of the Registration Statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) under the Securities Act shall have been received by FPL and not removed by 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 Squire, Sanders & Dempsey L.L.P., counsel to FPL, Thelen Reid Brown Raysman & Steiner LLP, 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 IV, V and VI 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) On the date of this agreement and on the Closing Date, the Representatives shall have received from Deloitte & Touche LLP a letter or letters (which may refer to letters previously delivered to the Representatives) (with copies thereof for each of the Underwriters) dated the respective dates of delivery thereof to the effect that (i) they are an independent registered public accounting firm 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 of FPL audited by them and incorporated by reference in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, 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. 100, Interim Financial Information, on the unaudited condensed consolidated financial statements of FPL, if any, incorporated by reference in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, 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, a reading of 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 standards of the Public Company Accounting Oversight Board (United States) 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 Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, (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 Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, 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 Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable; (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 such letter, 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 FPL's common shareholders' equity, in each case as compared with amounts shown in the most recent consolidated balance sheet incorporated by reference in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, except in all instances for changes, increases or decreases which the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, 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 Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, 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 such letter, 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 Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, 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 Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, and Exhibit 12(b) to the Registration Statement and such other items as the Representatives may reasonably request.

(f) Since the respective most recent times as of which information is given in the Pricing Disclosure Package, 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 Pricing Disclosure Package, and (ii) there shall have been no transaction entered into by FPL or any of its subsidiaries that is material to FPL and its subsidiaries taken as a whole, other than transactions disclosed in or contemplated by the Pricing Disclosure Package, 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 (d) and (f) of Section 6 hereof.

8. Conditions 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; no proceedings for either such purpose shall be pending before, or threatened by, the Commission on such date; and no notice of objection by the Commission to the use of the Registration Statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) under the Securities Act shall have been received by FPL and not removed by 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 (d) and (f) 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, the Pricing Prospectus, the Prospectus or any Issuer Free Writing 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 any preliminary prospectus, the Registration Statement, the Pricing Prospectus, the Prospectus or any Issuer Free Writing Prospectus or any amendment or supplement to any thereof, or arising out of, or based upon, statements in or omissions from the Statements of Eligibility; and provided, further, that the indemnity agreement contained in this subsection (a) of Section 9 in respect of any preliminary prospectus, the Pricing Prospectus, any Issuer Free Writing Prospectus or 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 in respect of any preliminary prospectus, the Pricing Prospectus, any Issuer Free Writing Prospectus or the Prospectus, each as may be then supplemented or amended, furnished by such Underwriter to a person to whom any of the Bonds were sold (excluding in all cases, however, any document then incorporated by reference therein), insofar as such indemnity relates to any untrue or misleading statement or omission made in such preliminary prospectus, Pricing Prospectus, Issuer Free Writing Prospectus or Prospectus, if a copy of a supplement or amendment to such preliminary prospectus, Pricing Prospectus, Prospectus or Issuer Free Writing Prospectus (excluding in all cases, however, any document then incorporated by reference therein) (i) is furnished on a timely basis by FPL to the Underwriter, (ii) is required by law or regulation to have been conveyed to such person by or on behalf of such Underwriter, at or prior to the entry into the contract of sale of the Bonds with such person, but was not so conveyed (which conveyance may be oral or written) by or on behalf of such Underwriter and (iii) would have cured the defect giving rise to such loss, claim, damage or liability. 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, or any such officer, director or 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 any preliminary prospectus, the Registration Statement, the Pricing Prospectus, the Prospectus or any Issuer Free Writing 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 any preliminary prospectus, the Registration Statement, the Pricing Prospectus, the Prospectus or any Issuer Free Writing Prospectus or any amendment or supplement to any thereof. The Underwriters hereby furnish to FPL in writing expressly for use in the preliminary prospectus, the Registration Statement, the Pricing Prospectus, the Prospectus and any Issuer Free Writing Prospectus: under "Underwriting" in the preliminary prospectus, dated April 12, 2007, the Pricing Prospectus and the Prospectus, 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 and eighth paragraphs. Lazard Capital Markets LLC hereby furnishes to FPL in writing expressly for use in the preliminary prospectus, dated April 12, 2007, the Pricing Prospectus and the Prospectus the information set forth in the tenth paragraph under "Underwriting." FPL acknowledges that the statements set forth in the two preceding sentences constitute the only information furnished in writing by or on behalf of the several Underwriters expressly for inclusion in any preliminary prospectus, the Registration Statement, the Pricing Prospectus, the Prospectus or any Issuer Free Writing 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 this 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 or parties shall elect not to assume the defense of such action, such indemnifying party or parties 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 involved 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 Pricing Disclosure Package 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 Pricing Disclosure Package 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 or any Issuer Free Writing 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 (d) and (f) of Section 6 hereof.

11. Miscellaneous.

(a) The validity and interpretation of this agreement shall be governed by the laws of the State of New York without regard to conflicts 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.

(b) FPL acknowledges and agrees that the Underwriters are acting solely in the capacity of arm's length contractual counterparties to FPL with respect to the offering of the Bonds as contemplated by this agreement and not as financial advisors or fiduciaries to FPL in connection herewith. Additionally, none of the Underwriters is advising FPL as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction in connection with the offering of the Bonds as contemplated by this agreement. Any review by the Underwriters of FPL in connection with the offering of the Bonds contemplated by this agreement and the transactions contemplated by this agreement will not be performed on behalf of FPL.

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

13. Counterparts. This agreement may be executed in any number of counterparts by the parties hereto on separate counterparts, each of which, when so executed and delivered, shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

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: Robert S. Schauer
Title: Assistant Treasurer

Accepted and delivered as of
the date first above written:

ABN AMRO Incorporated

By: _____
Name:
Title:

Barclays Capital Inc.

By: _____
Name:
Title:

Citigroup Global Markets 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: Robert S. Schauer
Title: Assistant Treasurer

Accepted and delivered as of
the date first above written:

ABN AMRO Incorporated

By: _____
Name: Michael Kendrot
Title: Managing Director

Barclays Capital Inc.

By: _____
Name:
Title:

Citigroup Global Markets 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: Robert S. Schauer
Title: Assistant Treasurer

Accepted and delivered as of
the date first above written:

ABN AMRO Incorporated

By: _____
Name:
Title:

Barclays Capital Inc.

By: _____
Name: Pamela Kendall
Title: Director

Citigroup Global Markets 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: Robert S. Schauer
Title: Assistant Treasurer

Accepted and delivered as of
the date first above written:

ABN AMRO Incorporated

By: _____
Name:
Title:

Barclays Capital Inc.

By: _____
Name:
Title:

Citigroup Global Markets Inc.

By: BDB
Name: Brian D. Bednarski
Title: Director

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

SCHEDULE I

FLORIDA POWER & LIGHT COMPANY

Pricing Term Sheet

April 12, 2007

Issuer: Florida Power & Light Company

Underwriting Agreement dated April 12, 2007

Representatives:
ABN AMRO Incorporated
Barclays Capital Inc.
Citigroup Global Markets Inc.

Bonds:

Designation:	First Mortgage Bonds, 5.85% Series due May 1, 2037
Principal Amount:	$300,000,000
Date of Maturity:	May 1, 2037
Coupon Rate:	5.85%
Price to Public:	99.800% of the principal amount thereof
Treasury Benchmark:	4.50% due February 15, 2036
Benchmark Price:	93-11+
Benchmark Yield:	4.934%
Spread to Benchmark Treasury:	+93 basis points
Reoffer Yield:	5.864%
Settlement Date:	April 17, 2007
CUSIP / ISIN Number:	341081 EY9 / US341081EY97
Expected Credit Ratings*:	
Moody's Investors Service Inc.	"Aa3" (stable outlook)
Standard & Poor's Ratings Services	"A" (stable outlook)
Fitch Ratings	"AA-" (stable outlook)
Make-Whole Call:	At any time at 100% plus Make-Whole Premium at discount rate equal to Treasury Yield plus 15 basis points.

* 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.

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling ABN AMRO Incorporated toll-free at 1-888-226-3754; Barclays Capital Inc. toll-free at 1-888-227-2275, Ext. 2663; or Citigroup Global Markets Inc. toll-free at 1-877-858-5407.

SCHEDULE II

Representatives	Addresses
ABN AMRO Incorporated	55 East 52nd Street New York, NY 10055
Barclays Capital Inc.	200 Park Avenue New York, NY 10166
Citigroup Global Markets Inc.	399 Park Avenue New York, NY 10043

Underwriter	Principal Amount of Bonds
ABN AMRO Incorporated	$ 75,000,000
Barclays Capital Inc.	75,000,000
Citigroup Global Markets Inc.	75,000,000
BNY Capital Markets, Inc.	12,500,000
Calyon Securities (USA) Inc.	12,500,000
KeyBanc Capital Markets, a Division of McDonald Investments Inc.	12,500,000
Lazard Capital Markets LLC	12,500,000
Mizuho Securities USA Inc.	12,500,000
Wells Fargo Securities, LLC	12,500,000
Total.....	$300,000,000

SCHEDULE III

PRICING DISCLOSURE PACKAGE

(1) Prospectus, dated September 5, 2006

(2) Preliminary Prospectus Supplement dated April 12, 2007 (which shall be deemed to include the Incorporated Documents filed at or prior to the Applicable Time to the extent not superseded by Incorporated Documents filed at or prior to the Applicable Time)

(3) Issuer Free Writing Prospectuses

(a) Pricing Term Sheet attached as Schedule I hereto

SCHEDULE IV

[LETTERHEAD OF SQUIRE, SANDERS & DEMPSEY L.L.P.]

April 17, 2007

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

Barclays Capital Inc.
200 Park Avenue
New York, NY 10166

Citigroup Global Markets Inc.
399 Park Avenue
New York, NY 10043

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 $300,000,000 aggregate principal amount of First Mortgage Bonds, 5.85% Series due May 1, 2037 (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 eleven indentures supplemental thereto, the latest of which (the "One Hundred Eleventh Supplemental Indenture") is dated as of April 1, 2007 (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 April 12, 2007 (the "Agreement"), between you and FPL. 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 Nos. 333-137120, 333-137120-01, 333-137120-02, 333-137120-03, 333-137120-04, 333-137120-05, 333-137120-06, 333-137120-07 and 333-137120-08 ("Registration Statement No. 333-137120"), which became effective upon filing on September 5, 2006, which registration statement was filed jointly by FPL, Florida Power & Light Company Trust I, Florida Power & Light Company Trust II, FPL Group, Inc., FPL Group Capital Inc, FPL Group Capital Trust II, FPL Group Capital Trust III, FPL Group Trust I and FPL Group Trust II with the Securities and

Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act"); (2) the Base Prospectus dated September 5, 2006 forming a part of Registration Statement No. 333-137120, as supplemented by a preliminary prospectus supplement, subject to completion, dated April 12, 2007 relating to the Bonds, both such prospectus and preliminary prospectus supplement, subject to completion, filed pursuant to Rule 424(b) under the Securities Act ("Rule 424" and references herein to the "Preliminary Prospectus" as of any given date shall refer to such prospectus, as supplemented by the preliminary prospectus supplement, subject to completion, relating to the Bonds filed pursuant to Rule 424, and as further amended and supplemented to such date, including the Incorporated Documents); (3) the pricing term sheet, dated April 12, 2007 (the "Pricing Term Sheet") substantially in the form set forth on Schedule I to the Agreement; (4) the Base Prospectus dated September 5, 2006 forming a part of Registration Statement No. 333-137120, as supplemented by a prospectus supplement dated April 12, 2007 relating to the Bonds, both such prospectus and prospectus supplement filed pursuant to Rule 424 (references herein to the "Prospectus" as of any given date shall refer to such prospectus, as supplemented by such prospectus supplement, and as further amended and supplemented to such date, including the Incorporated Documents); (5) the Mortgage; (6) the corporate proceedings with respect to Registration Statement No. 333-137120 and with respect to the authorization, issuance and sale of the Bonds; (7) 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 (8) 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 2007, 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 to our knowledge after due inquiry 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 Pricing Disclosure Package and 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 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.

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 Statements of Eligibility, as to which we express no opinion, the Registration Statement, at the Effective Date, and the Prospectus, as of April 12, 2007, 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 is an "automatic shelf registration statement" (as defined in Rule 405 under the Securities Act) that was filed not more than three years prior to the date of the Agreement. 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 Pricing Disclosure Package and 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 Eleventh Supplemental Indenture is in proper form for recording in all places required; and upon such recording, the One Hundred Eleventh 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 Tenth Supplemental Indenture to the Mortgage and prior to the recording of the One Hundred Eleventh Supplemental Indenture.

XII.

Except as stated or referred to in the Pricing Disclosure Package and 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, the Preliminary Prospectus, the Prospectus and the Pricing Term Sheet. We have generally reviewed and discussed such information with certain officers and employees of FPL, certain of its other legal counsel, its independent registered public accounting firm 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 Statements of Eligibility, as to which we express no belief), that (i) the Registration Statement at the Effective Date 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, (ii) the Pricing Disclosure Package, at the Applicable Time, included an untrue statement of a material fact or omitted 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, or (iii) (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, Georgia, or New Hampshire, 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 Brown Raysman & Steiner LLP, New York, New York. As to all matters of law affecting Mortgaged and Pledged Property located in (i) the State of Georgia, we have relied, with your consent, upon an opinion of even date herewith addressed to you and us by McDaniel & Scott, P.C., Decatur, Georgia and (ii) the State of New Hampshire, we have relied with your consent, upon an opinion of even date herewith addressed to you and us by Orr & Reno, P.A., Concord, New Hampshire and our opinion in Paragraph XI as to such Mortgaged and Pledged Property is subject to the qualifications and limitations set forth in those opinions. As to all matters of Florida law, Thelen Reid Brown Raysman & Steiner 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,

SQUIRE, SANDERS & DEMPSEY L.L.P.

SCHEDULE V

[LETTERHEAD OF THELEN REID BROWN RAYSMAN & STEINER LLP]

April 17, 2007

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

Barclays Capital Inc.
200 Park Avenue
New York, NY 10166

Citigroup Global Markets Inc.
399 Park Avenue
New York, NY 10043

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 $300,000,000 aggregate principal amount of First Mortgage Bonds, 5.85% Series due May 1, 2037 (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 eleven indentures supplemental thereto, the latest of which (the "One Hundred Eleventh Supplemental Indenture") is dated as of April 1, 2007 (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 April 12, 2007 (the "Agreement"), between you and FPL. 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 Nos. 333-137120, 333-137120-01, 333-137120-02, 333-137120-03, 333-137120-04, 333-137120-05, 333-137120-06, 333-137120-07 and 333-137120-08 ("Registration Statement No. 333-137120"), which became effective upon filing on September 5, 2006, which registration statement was filed jointly by FPL, Florida Power & Light Company Trust I, Florida Power & Light Company Trust II, FPL Group, Inc., FPL Group Capital Inc, FPL Group Capital Trust II, FPL Group Capital Trust III, FPL Group Trust I and FPL Group Trust II with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the

"Securities Act"); (2) the Base Prospectus dated September 5, 2006 forming a part of Registration Statement No. 333-137120, as supplemented by a preliminary prospectus supplement, subject to completion, dated April 12, 2007 relating to the Bonds, both such prospectus and preliminary prospectus supplement, subject to completion, filed pursuant to Rule 424(b) under the Securities Act ("Rule 424" and references herein to the "Preliminary Prospectus" as of any given date shall refer to such prospectus, as supplemented by the preliminary prospectus supplement, subject to completion, relating to the Bonds filed pursuant to Rule 424, and as further amended and supplemented to such date, including the Incorporated Documents); (3) the pricing term sheet, dated April 12, 2007 (the "Pricing Term Sheet") substantially in the form set forth on Schedule I to the Agreement; (4) the Base Prospectus dated September 5, 2006 forming a part of Registration Statement No. 333-137120, as supplemented by a prospectus supplement dated April 12, 2007 relating to the Bonds, both such prospectus and prospectus supplement filed pursuant to Rule 424 (references herein to the "Prospectus" as of any given date shall refer to such prospectus, as supplemented by such prospectus supplement, and as further amended and supplemented to such date, including the Incorporated Documents); (5) the Mortgage; (6) the corporate proceedings with respect to Registration Statement No. 333-137120 and with respect to the authorization, issuance and sale of the Bonds; (7) 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 (8) 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 2007, 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 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.

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 Statements of Eligibility, as to which we express no opinion, the Registration Statement, at the Effective Date, and the Prospectus, as of April 12,

2007, 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 is an "automatic shelf registration statement" (as defined in Rule 405 under the Securities Act) that was filed not more than three years prior to the date of the Agreement. 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 Pricing Disclosure Package and 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, the Preliminary Prospectus, the Prospectus and the Pricing Term Sheet. We have generally reviewed and discussed such information with certain officers and employees of FPL, certain of its other legal counsel, its independent registered public accounting firm 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 Statements of Eligibility, as to which we express no belief), that (i) the Registration Statement at the Effective Date 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, (ii) the Pricing Disclosure Package, at the Applicable Time, included an untrue statement of a material fact or omitted 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, or (iii) (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 Squire, Sanders & Dempsey L.L.P., Miami, Florida. As to all matters of New York law, Squire, Sanders & Dempsey L.L.P. is hereby authorized to rely upon this opinion as though it were rendered to Squire, Sanders & Dempsey L.L.P.

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 BROWN RAYSMAN & STEINER LLP

SCHEDULE VI

[LETTERHEAD OF HUNTON & WILLIAMS LLP]

April 17, 2007

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

Barclays Capital Inc.
200 Park Avenue
New York, NY 10166

Citigroup Global Markets Inc.
399 Park Avenue
New York, NY 10043

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

$300,000,000

Florida Power & Light Company

First Mortgage Bonds, 5.85% Series due May 1, 2037

Ladies and Gentlemen:

We have acted as counsel for you in connection with your several purchases from Florida Power & Light Company ("FPL") of $300,000,000 aggregate principal amount of First Mortgage Bonds, 5.85% Series due May 1, 2037 (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 April 12, 2007, between you and FPL (the "Agreement"). Capitalized terms used in this opinion but not defined shall have the meanings set forth 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 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 Squire, Sanders & Dempsey L.L.P., 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:

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 Pricing Disclosure Package and 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. Registration Statement Nos. 333-137120, 333-137120-01, 333-137120-02, 333-137120-03, 333-137120-04, 333-137120-05, 333-137120-06, 333-137120-07 and 333-137120-08 (including the Incorporated Documents, collectively the "Registration Statement") is an "automatic shelf registration statement" (as defined in Rule 405 under the

Securities Act) that was filed not more than three years prior to the date of the Agreement. The Registration Statement has become, and is, at the Closing Date, effective under the Securities Act, and to the best of our knowledge, no proceedings for a stop order with respect to the Registration Statement 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.

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,

April 17, 2007

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

Barclays Capital Inc.
200 Park Avenue
New York, NY 10166

Citigroup Global Markets Inc.
399 Park Avenue
New York, NY 10043

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

$300,000,000

Florida Power & Light Company

First Mortgage Bonds, 5.85% Series due May 1, 2037

Ladies and Gentlemen:

We have acted as counsel for you in connection with your several purchases from Florida Power & Light Company ("FPL") of $300,000,000 aggregate principal amount of First Mortgage Bonds, 5.85% Series due May 1, 2037 (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 April 12, 2007, between you and FPL (the "Agreement"). Capitalized terms used in this letter but not defined shall have the meanings set forth in the Agreement.

In passing on the form of the Registration Statement and the form of 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 our opinion letter to you dated as of the date 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, the Preliminary Prospectus, the Prospectus and the Pricing Term Sheet. We have generally reviewed and discussed such information with certain officers and employees of FPL, certain of its legal counsel, its independent registered public accounting firm 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 that

(i) the Registration Statement at the Effective Date 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;

(ii) the Pricing Disclosure Package, at the Applicable Time, included an untrue statement of a material fact or omitted 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; or

(iii) 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.

Subject to and on the basis of the foregoing, we further advise you that

(iv) the Registration Statement, at the Effective Date, and the Prospectus, as of its 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; and

(v) the Incorporated Documents, 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.

With respect to the foregoing paragraphs (i) - (v), we express no view or belief and make no statement with respect to (a) the financial statements and other financial or statistical data contained or incorporated by reference in the Registration Statement or the exhibits thereto, the Pricing Disclosure Package or the Prospectus and (b) those parts of the Registration Statement that constitute the Statements of Eligibility.

This letter 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 letter 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 views contained herein.

Very truly yours,

Exhibit (d)-2

FLORIDA POWER & LIGHT COMPANY

FIRST MORTGAGE BONDS

UNDERWRITING AGREEMENT

October 3, 2007

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 ("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 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 (the "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 joint registration statement, as amended, with Florida Power & Light Company Trust I, Florida Power & Light Company Trust II (together with Florida Power & Light Company Trust I, "FPL Trust"), FPL Group, Inc. ("FPL Group"), FPL Group Capital Inc ("FPL Group Capital"), FPL Group Capital Trust II, FPL Group Capital Trust III (together with FPL Group Capital Trust II, "FPL Group Capital Trust"), FPL Group Trust I, and FPL Group Trust II (together with FPL Group Trust I, "FPL Group Trust") on Form S-3, including a prospectus (Registration Statement Nos. 333-137120, 333-137120-01, 333-137120-02, 333-137120-03, 333-137120-04, 333-137120-05, 333-137120-06, 333-137120-07 and 333-137120-08) ("Registration Statement No. 333-137120"), for the registration under the Securities Act of 1933, as amended (the "Securities Act"), of (a) an unspecified aggregate amount of (i) First Mortgage Bonds, (ii) shares of FPL's serial Preferred Stock, $100 par value, and shares of FPL's Preferred Stock without par value, (iii) junior subordinated debentures of FPL, (iv) preferred trust securities of Florida Power & Light Company Trust I ("FPL Trust I Preferred Trust Securities") and (v) preferred trust securities of Florida Power & Light Company Trust II (together with FPL Trust I Preferred Trust Securities, "FPL Trust Preferred Trust Securities"), (b) guarantee of FPL related to the FPL Trust Preferred Trust Securities (the "FPL Trust Guarantee"), (c) an unspecified aggregate amount of (i) senior debt securities of FPL Group Capital ("FPL Group Capital Senior Debt Securities"), (ii) FPL Group's shares of common stock, $.01 par value (the "Common Stock"), (iii) shares of FPL Group's preferred stock, $.01 par value ("FPL Group Preferred Stock"), (iv) shares of FPL Group Capital's preferred stock, $.01 par value ("FPL Group Capital Preferred Stock"), (v) contracts to purchase Common Stock or FPL Group Preferred Stock or other agreements or instruments requiring FPL Group to issue Common Stock or FPL Group Preferred Stock (collectively, "Stock Purchase Contracts"), (vi) units, each representing ownership of a Stock Purchase Contract and any of debt securities of FPL Group Capital, debt securities of FPL Group, FPL Group Trust Preferred Trust Securities (as defined below), FPL Group Capital Trust Preferred Trust Securities (as defined below) or debt securities of third parties, including U.S. Treasury securities ("Stock Purchase Units"), (vii) junior subordinated debentures of FPL Group Capital ("FPL Group Capital Junior Subordinated Debentures"), (viii) junior subordinated debentures of FPL Group ("FPL Group Junior Subordinated Debentures"), (ix) senior debt securities of FPL Group ("FPL Group Senior Debt Securities"), (x) preferred trust securities of FPL Group Capital Trust II ("FPL Group Capital Trust II Preferred Trust Securities"), (xi) preferred trust securities of FPL Group Capital Trust III (together with FPL Group Capital Trust II Preferred Trust Securities, the "FPL Group Capital Trust Preferred Trust Securities"), (xii) preferred trust securities of FPL Group Trust I ("FPL Group Trust I Preferred Trust Securities"), and (xiii) preferred trust securities of FPL Group Trust II (together with FPL Group Trust I Preferred Trust Securities, "FPL Group Trust Preferred Trust Securities"), (d) guarantees of FPL Group ("FPL Group Guarantees") related to the FPL Group Capital Senior Debt Securities, FPL Group Capital Junior Subordinated Debentures, FPL Group Capital Preferred Stock, FPL Group Capital Trust Preferred Trust Securities and FPL Group Trust Preferred Trust Securities. Such registration statement has become

effective 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 time shall mean Registration Statement No. 333-137120, as amended or supplemented to such time, including all documents incorporated by reference therein as of such time pursuant to Item 12 of Form S-3 ("Incorporated Documents") and any prospectus, preliminary prospectus supplement or prospectus supplement relating to the Bonds deemed to be a part thereof pursuant to Rule 430B that has not been superseded or modified. References herein to the term "Registration Statement" without reference to a time means the Registration Statement as of 8:50 A.M., New York City time, on the date hereof (which date and time is the earlier of the date and time of (x) the first use of the preliminary prospectus supplement relating to the Bonds and (y) the first contract of sale of the Bonds), which time shall be considered the "Effective Date" of the Registration Statement. For purposes of the definitions of "Registration Statement" in the preceding two sentences, information contained in any prospectus, preliminary prospectus supplement or prospectus supplement that is deemed retroactively to be a part of the Registration Statement pursuant to Rule 430B shall be considered to be included in the Registration Statement as of the time specified in Rule 430B. References herein to the term "Pricing Prospectus" shall mean the prospectus relating to FPL and FPL Trust forming a part of Registration Statement No. 333-137120 (the "Base Prospectus"), including all Incorporated Documents and any prospectus or prospectus supplement relating to the Bonds deemed to be a part of such registration statement that has not been superseded or modified. For purposes of the definition of "Pricing Prospectus" with respect to a particular offering of Bonds, information contained in a prospectus or prospectus supplement (other than a prospectus or prospectus supplement that relates only to securities issued by FPL Group, FPL Group Capital, FPL Group Trust, FPL Group Capital Trust or FPL Trust or to securities issued by FPL other than the Bonds) that is deemed retroactively to be a part of the Registration Statement pursuant to Rule 430B shall be considered to be included in the Pricing Prospectus as of the time that form of prospectus or prospectus supplement is filed with the Commission pursuant to Rule 424 of the general rules and regulations of the Securities Act ("Rule 424"). References herein to the term "Prospectus" means the Pricing Prospectus that discloses the public offering price and other final terms of the Bonds and otherwise satisfies Section 10(a) of the Securities Act. 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. Each of the Underwriters acknowledges that on or subsequent to the Closing Date, FPL may file a post-effective amendment to the Registration Statement pursuant to Rule 462(d) under the Securities Act or a Current Report on Form 8-K in order to file one or more unqualified opinions of counsel and any documents executed in connection with the offering of the Bonds.

(b) The Registration Statement constitutes an "automatic shelf registration statement" (as defined in Rule 405 under the Securities Act) filed within three years of the date hereof; the Registration Statement became effective upon filing; no notice of objection of the Commission with respect to the use of the Registration Statement pursuant to Rule 401(g)(2) under the Securities Act has been received by FPL and not

removed; and with respect to the Bonds, FPL is a "well-known seasoned issuer" within the meaning of subparagraph (1)(ii) of the definition of "well-known seasoned issuer" in Rule 405 under the Securities Act and is not an "ineligible issuer" (as defined in Rule 405 under the Securities Act).

(c) The Registration Statement at the Effective Date fully complied, and the Prospectus, both as of the date hereof 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 the Registration Statement 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, both as of the date hereof 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 (c) 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 Statements of Eligibility on Form T-1, or amendments thereto, filed as exhibits to the Registration Statement (collectively, the "Statements of Eligibility") or to any statements or omissions made in the Registration Statement or the Prospectus relating to The Depository Trust Company ("DTC") Book-Entry-Only System that are based solely on information contained in published reports of DTC.

(d) As of the Applicable Time (as defined below), the Pricing Disclosure Package (as defined below) did not contain 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; provided, that the foregoing representations and warranties in this subsection (d) 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 Pricing Prospectus, any preliminary prospectus supplement or any Issuer Free Writing Prospectus (as defined below), or to any statements in or omissions from the Pricing Prospectus, any preliminary prospectus supplement or any Issuer Free Writing Prospectus relating to the DTC Book-Entry-Only System that are based solely on information contained in published reports of DTC. References to the term "Pricing Disclosure Package" shall mean the documents listed in Schedule III, taken together as a whole. References to the term "Issuer Free Writing Prospectus" shall mean an issuer free writing prospectus, as

defined in Rule 433 under the Securities Act. References to the term "Free Writing Prospectus" shall mean a free writing prospectus, as defined in Rule 405 under the Securities Act. References to the term "Applicable Time" means 2:35 P.M. on the date hereof. If there occurs an event or development as a result of which the Pricing Disclosure Package would include an untrue statement of a material fact or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances then prevailing, not misleading, FPL promptly will notify the Representatives so that any use of the Pricing Disclosure Package may cease until it is amended or supplemented.

(e) As of the Applicable Time, no Issuer Free Writing Prospectus includes any information that conflicts with the information contained in the Registration Statement, the Prospectus or the Pricing Prospectus, including any document incorporated by reference therein that has not been superseded or modified.

(f) The financial statements included as part of or incorporated by reference in the Pricing Disclosure Package, the Prospectus and 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 Pricing Disclosure Package, the Prospectus and the Registration Statement; and Deloitte & Touche LLP, who has audited the audited financial statements of FPL, is an independent registered public accounting firm as required by the Securities Act and the Exchange Act and the rules and regulations of the Commission thereunder.

(g) Except as reflected in or contemplated by the Pricing Disclosure Package, since the respective most recent times as of which information is given in the Pricing Disclosure Package, 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 Pricing Disclosure Package, 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 Pricing Disclosure Package.

(h) The execution and delivery of this agreement and the consummation of the transactions herein contemplated by FPL 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.

(i) The execution and delivery of this agreement and the consummation of the transactions herein contemplated by FPL, the fulfillment of the terms hereof on the part of FPL to be fulfilled 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.

(j) FPL has no direct or indirect significant subsidiaries (as defined in Regulation S-X (17 CFR Part 210)).

(k) FPL has been duly organized, is validly existing and is in good standing under the laws of its jurisdiction of organization, and is duly qualified to do business and is in good standing as a foreign corporation in each jurisdiction in which its ownership of properties or the conduct of its businesses requires such qualification, except where the failure so to qualify would not have a material adverse effect on the business, properties or financial condition of FPL and its subsidiaries taken as a whole, and has the power and authority as a corporation necessary to own or hold its properties and to conduct the businesses in which it is engaged.

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

(m) The Bonds conform in all material respects to the description thereof in the Pricing Disclosure Package and the Prospectus.

(n) The Mortgage (i) has been duly authorized by FPL by all necessary corporate action, has been duly executed and delivered by FPL, and is a valid and binding instrument 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 and (ii) conforms in all material respects to the description thereof in the Pricing Disclosure Package and the Prospectus.

(o) FPL is not, and after giving effect to the offering and sale of the Bonds and the application of the proceeds thereof as described in the Pricing Disclosure Package and the Prospectus will not be, 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 for an aggregate purchase price of $297,966,000, the respective principal amounts of the Bonds set forth opposite their respective names in Schedule II hereto.

The Underwriters agree to make a *bona fide* public offering of the Bonds as set forth in the Pricing Disclosure Package, 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. Such dealers' concession may not be in excess of 0.400% of the principal amount per Bond under the Price to Public.

Each Underwriter agrees that (i) no information that is presented by it to investors has been or will be inconsistent with the information contained in the Pricing Disclosure Package as it may then be amended or supplemented and (ii) it will make no offer that would constitute a Free Writing Prospectus that is required to be filed by FPL pursuant to Rule 433 under the Securities Act other than an Issuer Free Writing Prospectus in accordance with Section 6(h).

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 9:00 A.M., New York City time, on the closing date set forth on Schedule I, at the offices of Thelen Reid Brown Raysman & Steiner LLP, 875 Third Avenue, New York, New York 10022, 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 Brown Raysman & Steiner 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 (d) and (f) of Section 6 hereof.

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

(a) FPL will timely file the Prospectus with the Commission pursuant to Rule 424. FPL has complied and will comply with Rule 433 under the Securities Act in connection with the offering and sale of the Bonds, including applicable provisions in respect of timely filing with the Commission, legending and record-keeping.

(b) FPL will prepare a final term sheet, containing a description of the pricing terms of the Bonds, substantially in the form of Schedule I hereto and approved by the Representatives and will timely file such term sheet with the Commission pursuant to Rule 433 under the Securities Act.

(c) FPL will deliver to the Representatives and to Counsel for the Underwriters (as defined below) 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 or cause to be delivered to the Underwriters through the Representatives as many copies of the Prospectus and any Issuer Free Writing Prospectus as the Representatives may reasonably request for the purposes contemplated by the Securities Act.

(d) FPL has paid or cause to be paid or will pay or cause to be paid all expenses in connection with the (i) preparation and filing of the Registration Statement, any preliminary prospectus, the Prospectus and any Issuer Free Writing 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, any preliminary prospectus, the Prospectus, any Issuer Free Writing 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 or cause to be reimbursed 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 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.

(e) 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 (including an Issuer Free Writing 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, file with the Commission, if required, and furnish to the Representatives a reasonable number of copies of such supplement or supplements or amendment or amendments to the Prospectus (including an Issuer Free Writing 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.

(f) 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 United States 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.

(g) 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.

(h) 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 or any amendment or supplement to the Pricing Disclosure Package 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. FPL has not made any offer relating to the Bonds that would constitute an Issuer Free Writing Prospectus or that would otherwise constitute a Free Writing Prospectus required to be filed by FPL with the Commission or retained by FPL under Rule 433 under the Securities Act, other than a pricing term sheet substantially in the form as set forth on Schedule I, and will not make any such offer without prior notice to the Representatives and to Counsel for the Underwriters, or any such offer to which the Representatives shall reasonably object in writing, or which shall be unsatisfactory to Counsel for the Underwriters.

(i) FPL will advise the Representatives promptly of the filing of the Prospectus pursuant to Rule 424, of the filing of any material pursuant to Rule 433 and of any amendment or supplement to the Pricing Disclosure Package or the 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, of receipt from the Commission of any notice of objection to the use of the Registration Statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) under the Securities Act, and, if such a stop order should be entered, or notice of objection should be received, use every commercially reasonable effort to obtain the prompt removal thereof.

(j) 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 which is subject to the lien of the Mortgage 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 and qualified by materiality shall be true and correct in all respects and the representations and warranties made by FPL herein that are not qualified by materiality shall be true and correct in all material respects as of the Closing Date, in each case 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 no notice of objection by the Commission to the use of the Registration Statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) under the Securities Act shall have been received by FPL and not removed by 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 Squire, Sanders & Dempsey L.L.P., counsel to FPL, Thelen Reid Brown Raysman & Steiner LLP, 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 IV, V and VI 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) On the date of this agreement and on the Closing Date, the Representatives shall have received from Deloitte & Touche LLP a letter or letters (which may refer to letters previously delivered to the Representatives) (with copies thereof for each of the Underwriters) dated the respective dates of delivery thereof to the effect that (i) they are an independent registered public accounting firm 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 of FPL audited by them and incorporated by reference in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, 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. 100, Interim Financial Information, on the unaudited condensed consolidated financial statements of FPL, if any, incorporated by reference in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, a reading of the latest available interim unaudited condensed consolidated financial statements of FPL, if any, since the close of FPL's most recent audited fiscal year, a reading of 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 standards of the Public Company Accounting Oversight Board (United States) 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 Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, (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 Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, 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 Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable; (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 such letter, there was any change in the common stock or additional paid-in capital, increase in the preferred stock or long-term debt, including current maturities and excluding the unamortized premium and discount on long-term debt, of FPL and its subsidiaries, or decrease in common shareholders' equity of FPL and its subsidiaries, in each case as compared with amounts shown in the most recent condensed consolidated balance sheet incorporated by reference in the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, except in all instances for changes, increases or decreases which the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, 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 Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, 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 such letter, there were any decreases, as compared with the corresponding period in the preceding year, in total consolidated operating revenues or in net income, except in all instances for decreases which the Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, 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 Pricing Prospectus or the Pricing Prospectus and the Prospectus, as applicable, and Exhibit 12(b) to the Registration Statement and such other items as the Representatives may reasonably request.

(f) Since the respective most recent times as of which information is given in the Pricing Disclosure Package, 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 Pricing Disclosure Package, and (ii) there shall have been no transaction entered into by FPL or any of its subsidiaries that is material to FPL and its subsidiaries taken as a whole, other than transactions disclosed in or contemplated by the Pricing Disclosure Package 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 (d) and (f) of Section 6 hereof.

8. Conditions 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; no proceedings for either such purpose shall be pending before, or threatened by, the Commission on such date; and no notice of objection by the Commission to the use of the Registration Statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) under the Securities Act shall have been received by FPL and not removed by 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 (d) and (f) 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, the Pricing Prospectus, the Prospectus or any Issuer Free Writing 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 any preliminary prospectus, the Registration Statement, the Pricing Prospectus, the Prospectus or any Issuer Free Writing Prospectus or any amendment or supplement to any thereof, or arising out of, or based upon, statements in or omissions from the Statements of Eligibility; and provided, further, that the indemnity agreement contained in this subsection (a) of Section 9 in respect of any preliminary prospectus, the Pricing Prospectus, any Issuer Free Writing Prospectus or 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 in respect of any preliminary prospectus, the Pricing Prospectus, any Issuer Free Writing Prospectus or the Prospectus, each as may be then supplemented or amended, furnished by such Underwriter to a person to whom any of the Bonds were sold (excluding in all cases, however, any

document then incorporated by reference therein), insofar as such indemnity relates to any untrue or misleading statement made in or omission from such preliminary prospectus, Pricing Prospectus, Issuer Free Writing Prospectus or Prospectus, if a copy of a supplement or amendment to such preliminary prospectus, Pricing Prospectus, Prospectus or Issuer Free Writing Prospectus (excluding in all cases, however, any document then incorporated by reference therein) (i) is furnished on a timely basis by FPL to the Underwriter, (ii) is required by law or regulation to have been conveyed to such person by or on behalf of such Underwriter, at or prior to the entry into the contract of sale of the Bonds with such person, but was not so conveyed (which conveyance may be oral or written) by or on behalf of such Underwriter and (iii) would have cured the defect giving rise to such loss, claim, damage or liability. 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, or any such officer, director or 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 any preliminary prospectus, the Registration Statement, the Pricing Prospectus, the Prospectus or any Issuer Free Writing 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 any preliminary prospectus, the Registration Statement, the Pricing Prospectus, the Prospectus or any Issuer Free Writing Prospectus or any amendment or supplement to any thereof. The Underwriters hereby furnish to FPL in writing expressly for use in the preliminary prospectus, the Registration Statement, the Pricing Prospectus, the Prospectus and any Issuer Free Writing Prospectus: under "Underwriting" in the preliminary prospectus supplement, dated October 3, 2007, the Pricing Prospectus and the Prospectus, 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 and eighth paragraphs. Daiwa Securities America Inc. hereby furnishes to FPL in writing expressly for use in the preliminary

prospectus supplement, dated October 3, 2007, the Pricing Prospectus and the 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, the Registration Statement, the Pricing Prospectus, the Prospectus or any Issuer Free Writing 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 this 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 or parties shall elect not to assume the defense of such action, such indemnifying party or parties 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 involved 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 Pricing Disclosure Package 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 Pricing Disclosure Package 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 or any Issuer Free Writing 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 (d) and (f) of Section 6 hereof.

11. Miscellaneous.

(a) The validity and interpretation of this agreement shall be governed by the laws of the State of New York without regard to conflicts 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.

(b) FPL acknowledges and agrees that the Underwriters are acting solely in the capacity of arm's length contractual counterparties to FPL with respect to the offering of the Bonds as contemplated by this agreement and not as financial advisors or

fiduciaries to FPL in connection herewith. Additionally, none of the Underwriters is advising FPL as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction in connection with the offering of the Bonds as contemplated by this agreement. Any review by the Underwriters of FPL in connection with the offering of the Bonds contemplated by this agreement and the transactions contemplated by this agreement will not be performed on behalf of FPL.

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

13. Counterparts. This agreement may be executed in any number of counterparts by the parties hereto on separate counterparts, each of which, when so executed and delivered, shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

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: Robert Steven Schauer
Title: Assistant Treasurer

Accepted and delivered as of
the date first above written:

Banc of America Securities LLC

By: _____
Name:
Title:

BNP Paribas Securities Corp.

By: _____
Name:
Title:

Credit Suisse Securities (USA) LLC

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: Robert Steven Schauer
Title: Assistant Treasurer

Accepted and delivered as of
the date first above written:

Banc of America Securities LLC

By: _____
Name: Lily Chang
Title: Principal

BNP Paribas Securities Corp.

By: _____
Name:
Title:

Credit Suisse Securities (USA) LLC

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: Robert Steven Schauer
Title: Assistant Treasurer

Accepted and delivered as of
the date first above written:

Banc of America Securities LLC

By: _____
Name:
Title:

BNP Paribas Securities Corp.

By: _____
Name: Paul D. Lange
Title: Managing Director

Credit Suisse Securities (USA) LLC

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: Robert Steven Schauer
Title: Assistant Treasurer

Accepted and delivered as of
the date first above written:

Banc of America Securities LLC

By: _____
Name:
Title:

BNP Paribas Securities Corp.

By: _____
Name:
Title:

Credit Suisse Securities (USA) LLC

By: _____
Name:
Title:

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

SCHEDULE I

FLORIDA POWER & LIGHT COMPANY

Pricing Term Sheet

October 3, 2007

Issuer: Florida Power & Light Company

Underwriting Agreement dated October 3, 2007

Representatives:

Banc of America Securities LLC
BNP Paribas Securities Corp.
Credit Suisse Securities (USA) LLC

Co-Managers:

Daiwa Securities America Inc.
Morgan Keegan & Company, Inc.
Piper Jaffray & Co.
Scotia Capital (USA) Inc.
Sovereign Securities Corporation, LLC

Bonds:

Designation:	First Mortgage Bonds, 5.55% Series due November 1, 2017
Legal Format:	SEC Registered
Principal Amount:	$300,000,000
Date of Maturity:	November 1, 2017
Interest Payment Dates:	Each May 1 and November 1, beginning May 1, 2008
Coupon Rate:	5.55%
Price to Public:	99.972% of the principal amount thereof
Treasury Benchmark:	4.75% due August 15, 2017
Benchmark Price:	$101-17+
Benchmark Yield:	4.553%
Spread to Benchmark Treasury:	100 basis points
Reoffer Yield:	5.553%
Trade Date:	October 3, 2007
Settlement Date:	October 10, 2007
CUSIP / ISIN Number:	341081 EZ6 / US341081EZ62
Expected Credit Ratings:*	
Moody's Investors Service Inc.	"Aa3" (stable outlook)
Standard & Poor's Ratings Services	"A" (stable outlook)
Fitch Ratings	"AA-" (stable outlook)
Make-Whole Call:	At any time at 100% plus Make-Whole Premium at discount rate equal to Treasury Yield plus 20 basis points.

*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.

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling Banc of America Securities LLC toll-free at 1-800-294-1322, BNP Paribas Securities Corp. toll-free at 1-800-854-5674 or Credit Suisse Securities (USA) LLC toll-free at 1-800-221-1037.

SCHEDULE II

Representatives	Addresses
Banc of America Securities LLC	9 West 57th Street New York, NY 10019
BNP Paribas Securities Corp.	787 Seventh Avenue New York, NY 10019
Credit Suisse Securities (USA) LLC	11 Madison Avenue New York, NY 10010

Underwriter	Principal Amount of Bonds
Banc of America Securities LLC	$ 78,000,000
BNP Paribas Securities Corp.	78,000,000
Credit Suisse Securities (USA) LLC	78,000,000
Daiwa Securities America Inc.	13,200,000
Morgan Keegan & Company, Inc.	13,200,000
Piper Jaffray & Co.	13,200,000
Scotia Capital (USA) Inc.	13,200,000
Sovereign Securities Corporation, LLC	13,200,000
Total.....	$300,000,000

SCHEDULE III

PRICING DISCLOSURE PACKAGE

(1) Prospectus, dated May 3, 2007

(2) Preliminary Prospectus Supplement, dated October 3, 2007 (which shall be deemed to include the Incorporated Documents filed at or prior to the Applicable Time to the extent not superseded by Incorporated Documents filed at or prior to the Applicable Time)

(3) Issuer Free Writing Prospectuses

(a) Pricing Term Sheet attached as Schedule I hereto

SCHEDULE IV

[LETTERHEAD OF SQUIRE, SANDERS & DEMPSEY L.L.P.]

October 10, 2007

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

Credit Suisse Securities (USA) LLC
11 Madison Avenue
New York, NY 10010

BNP Paribas Securities Corp.
787 Seventh Avenue
New York, NY 10019

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 $300,000,000 aggregate principal amount of First Mortgage Bonds, 5.55% Series due November 1, 2017 (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 twelve indentures supplemental thereto, the latest of which (the "One Hundred Twelfth Supplemental Indenture") is dated as of October 1, 2007 (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 October 3, 2007 (the "Agreement"), between you and FPL. 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 Nos. 333-137120, 333-137120-01, 333-137120-02, 333-137120-03, 333-137120-04, 333-137120-05, 333-137120-06, 333-137120-07 and 333-137120-08 ("Registration Statement No. 333-137120") and Post-Effective Amendment No. 1 to Registration Statement No. 333-137120 (the "Post-Effective Amendment"), which Post-Effective Amendment became effective upon filing on May 3, 2007, which registration statement, as amended, was filed jointly by FPL, Florida Power & Light Company Trust I, Florida Power & Light Company Trust II, FPL Group, Inc., FPL Group Capital Inc, FPL Group Capital Trust II, FPL Group Capital Trust III, FPL Group Trust I and FPL Group Trust II with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act"); (2) the Base Prospectus dated May 3, 2007 forming a part of the Post-Effective Amendment, as supplemented by a preliminary prospectus supplement, subject to completion, dated October 3, 2007 relating to

the Bonds, both such prospectus and preliminary prospectus supplement, subject to completion, filed pursuant to Rule 424(b) under the Securities Act ("Rule 424" and references herein to the "Preliminary Prospectus" as of any given date shall refer to such prospectus, as supplemented by the preliminary prospectus supplement, subject to completion, relating to the Bonds filed pursuant to Rule 424, and as further amended and supplemented to such date, including the Incorporated Documents); (3) the pricing term sheet, dated October 3, 2007 (the "Pricing Term Sheet") substantially in the form set forth on Schedule I to the Agreement; (4) the Base Prospectus dated May 3, 2007 forming a part of the Post-Effective Amendment, as supplemented by a prospectus supplement dated October 3, 2007 relating to the Bonds, both such prospectus and prospectus supplement filed pursuant to Rule 424 (references herein to the "Prospectus" as of any given date shall refer to such prospectus, as supplemented by such prospectus supplement, and as further amended and supplemented to such date, including the Incorporated Documents); (5) the Mortgage; (6) the corporate proceedings with respect to Registration Statement No. 333-137120, as amended, and with respect to the authorization, issuance and sale of the Bonds; (7) 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 (8) 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 2007, 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 to our knowledge after due inquiry 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 Pricing Disclosure Package and 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 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.

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 Statements of Eligibility, as to which we express no opinion, the Registration Statement, at the Effective Date, and the Prospectus, as of the date of the Agreement, 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 is an "automatic shelf registration statement" (as defined in Rule 405 under the Securities Act) that was filed not more than three years prior to the date of the Agreement. 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 Pricing Disclosure Package and 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 Twelfth Supplemental Indenture is in proper form for recording in all places required; and upon such recording, the One Hundred Twelfth 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 Eleventh Supplemental Indenture to the Mortgage and prior to the recording of the One Hundred Twelfth Supplemental Indenture.

XII.

Except as stated or referred to in the Pricing Disclosure Package and 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, the Preliminary Prospectus, the Prospectus and the Pricing Term Sheet. We have generally reviewed and discussed such information with certain officers and employees of FPL, certain of its other legal counsel, its independent registered public accounting firm 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 Statements of Eligibility, as to which we express no belief), that (i) the Registration Statement at the Effective Date 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, (ii) the Pricing Disclosure Package, at the Applicable Time, included an untrue statement of a material fact or omitted 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, or (iii) (except as aforesaid) that the Prospectus as of the date of the Agreement included, or at the date hereof includes, an untrue statement of a material fact or the Prospectus as of the date of the Agreement 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, Georgia, or New Hampshire, 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 Brown Raysman & Steiner LLP, New York, New York. As to all matters of law affecting Mortgaged and Pledged Property located in (i) the State of Georgia, we have relied, with your consent, upon an opinion of even date herewith addressed to you and us by McDaniel & Scott, P.C., Decatur, Georgia and (ii) the State of New Hampshire, we have relied, with your consent, upon an opinion of even date herewith addressed to you and us by Orr & Reno, P.A., Concord, New Hampshire and our opinion in Paragraph XI as to such Mortgaged and Pledged Property is subject to the qualifications and limitations set forth in those opinions. As to all matters of Florida law, Thelen Reid Brown Raysman & Steiner 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,

SQUIRE, SANDERS & DEMPSEY L.L.P.

SCHEDULE V

[LETTERHEAD OF THELEN REID BROWN RAYSMAN & STEINER LLP]

October 10, 2007

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

Credit Suisse Securities (USA) LLC
11 Madison Avenue
New York, NY 10010

BNP Paribas Securities Corp.
787 Seventh Avenue
New York, NY 10019

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 $300,000,000 aggregate principal amount of First Mortgage Bonds, 5.55% Series due November 1, 2017 (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 twelve indentures supplemental thereto, the latest of which (the "One Hundred Twelfth Supplemental Indenture") is dated as of October 1, 2007 (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 October 3, 2007 (the "Agreement"), between you and FPL. 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 Nos. 333-137120, 333-137120-01, 333-137120-02, 333-137120-03, 333-137120-04, 333-137120-05, 333-137120-06, 333-137120-07 and 333-137120-08 ("Registration Statement No. 333-137120"), and Post-Effective Amendment No. 1 to Registration Statement No. 333-137120 (the "Post-Effective Amendment"), which Post-Effective Amendment became effective upon filing on May 3, 2007, which registration statement, as amended, was filed jointly by FPL, Florida Power & Light Company Trust I, Florida Power & Light Company Trust II, FPL Group, Inc., FPL Group Capital Inc, FPL Group Capital Trust II, FPL Group Capital Trust III, FPL Group Trust I and FPL Group Trust II with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act"); (2) the Base Prospectus dated May 3, 2007 forming a part of the Post-Effective Amendment, as supplemented by a preliminary prospectus supplement, subject to completion, dated October 3, 2007 relating to

the Bonds, both such prospectus and preliminary prospectus supplement, subject to completion, filed pursuant to Rule 424(b) under the Securities Act ("Rule 424" and references herein to the "Preliminary Prospectus" as of any given date shall refer to such prospectus, as supplemented by the preliminary prospectus supplement, subject to completion, relating to the Bonds filed pursuant to Rule 424, and as further amended and supplemented to such date, including the Incorporated Documents); (3) the pricing term sheet, dated October 3, 2007 (the "Pricing Term Sheet") substantially in the form set forth on Schedule I to the Agreement; (4) the Base Prospectus dated May 3, 2007 forming a part of the Post-Effective Amendment, as supplemented by a prospectus supplement dated October 3, 2007 relating to the Bonds, both such prospectus and prospectus supplement filed pursuant to Rule 424 (references herein to the "Prospectus" as of any given date shall refer to such prospectus, as supplemented by such prospectus supplement, and as further amended and supplemented to such date, including the Incorporated Documents); (5) the Mortgage; (6) the corporate proceedings with respect to Registration Statement No. 333-137120, as amended, and with respect to the authorization, issuance and sale of the Bonds; (7) 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 (8) 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 2007, 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 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.

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 Statements of Eligibility, as to which we express no opinion, the Registration Statement, at the Effective Date, and the Prospectus, as of the date of the Agreement, 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 is an "automatic shelf registration statement" (as defined in Rule 405 under the Securities Act) that was filed not more than three years prior to the date of the Agreement. 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 Pricing Disclosure Package and 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, the Preliminary Prospectus, the Prospectus and the Pricing Term Sheet. We have generally reviewed and discussed such information with certain officers and employees of FPL, certain of its other legal counsel, its independent registered public accounting firm 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 Statements of Eligibility, as to which we express no belief), that (i) the Registration Statement at the Effective Date 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, (ii) the Pricing Disclosure Package, at the Applicable Time, included an untrue statement of a material fact or omitted 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, or (iii) (except as aforesaid) that the Prospectus as of the date of the Agreement included, or at the date hereof includes, an untrue statement of a material fact or the Prospectus as of the date of the Agreement 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 Squire, Sanders & Dempsey L.L.P., Miami, Florida. As to all matters of New York law, Squire, Sanders & Dempsey L.L.P. is hereby authorized to rely upon this opinion as though it were rendered to Squire, Sanders & Dempsey L.L.P.

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 BROWN RAYSMAN & STEINER LLP

SCHEDULE VI

[LETTERHEAD OF HUNTON & WILLIAMS LLP]

October 10, 2007

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

Credit Suisse Securities (USA) LLC
11 Madison Avenue
New York, NY 10010

BNP Paribas Securities Corp.
787 Seventh Avenue
New York, NY 10019

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

$300,000,000

Florida Power & Light Company

First Mortgage Bonds, 5.55% Series due November 1, 2017

Ladies and Gentlemen:

We have acted as counsel for you in connection with your several purchases from Florida Power & Light Company ("FPL") of $300,000,000 aggregate principal amount of First Mortgage Bonds, 5.55% Series due November 1, 2017 (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 October 3, 2007, between you and FPL (the "Agreement"). Capitalized terms used in this opinion but not defined shall have the meanings set forth 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. 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 Trustee under the Mortgage and will be delivered against payment of the purchase price as provided in the Agreement.

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.

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" 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 Squire, Sanders & Dempsey L.L.P., 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:

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 Pricing Disclosure Package and 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. Registration Statement Nos. 333-137120, 333-137120-01, 333-137120-02, 333-137120-03, 333-137120-04, 333-137120-05, 333-137120-06, 333-137120-07 and 333-137120-08, as amended by Post-Effective Amendment No. 1 thereto (including the Incorporated Documents, collectively the "Registration Statement"), is an "automatic shelf registration statement" (as defined in Rule 405 under the Securities Act) that was filed not more than three years prior to the date of the Agreement. The Registration Statement has become, and is, at the Closing Date, effective under the Securities Act, and to the best of our knowledge, no proceedings for a stop order with respect to the Registration Statement 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.

This opinion is given to you 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 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,

October 10, 2007

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

Credit Suisse Securities (USA) LLC
11 Madison Avenue
New York, NY 10010

BNP Paribas Securities Corp.
787 Seventh Avenue
New York, NY 10019

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

$300,000,000

Florida Power & Light Company

First Mortgage Bonds, 5.55% Series due November 1, 2017

Ladies and Gentlemen:

We have acted as counsel for you in connection with your several purchases from Florida Power & Light Company ("FPL") of $300,000,000 aggregate principal amount of First Mortgage Bonds, 5.55% Series due November 1, 2017 (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 October 3, 2007, between you and FPL (the "Agreement"). Capitalized terms used in this letter but not defined shall have the meanings set forth in the Agreement.

In passing on the form of the Registration Statement and the form of 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 our opinion letter to you dated as of the date 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, the Preliminary Prospectus, the Prospectus and the Pricing Term Sheet. We have generally reviewed and discussed such information with certain officers and employees of FPL, certain of its legal counsel, its independent registered public accounting firm 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 that

(i) the Registration Statement, at the Effective Date, 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;

(ii) the Pricing Disclosure Package, at the Applicable Time, included an untrue statement of a material fact or omitted 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; or

(iii) the Prospectus as of the date of the Agreement included, or at the date hereof includes, an untrue statement of a material fact or the Prospectus as of the date of the Agreement 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.

Subject to and on the basis of the foregoing, we further advise you that

(iv) the Registration Statement, at the Effective Date, and the Prospectus, as of the date of the Agreement, 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; and

(v) the Incorporated Documents, at the times 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.

With respect to the foregoing paragraphs (i) - (v), we express no view or belief and make no statement with respect to (a) the financial statements and other financial or statistical data contained or incorporated by reference in the Registration Statement or the exhibits thereto, the Pricing Disclosure Package or the Prospectus and (b) those parts of the Registration Statement that constitute the Statements of Eligibility.

This letter 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 letter 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 views contained herein.

Very truly yours,