Florida Power & Light Company, P.O. Box 14000, Juno Beach, FL 33408-0420

Kenneth M. Rubin, Esq.
Senior Attorney
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408-0420
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E-mail: ken.rubin@fpl.com

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March 30, 2010

Ms. Ann Cole, Commission Clerk
Division of the Commission Clerk & Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 080621-EI
Florida Power & Light Company's Consummation Report

Dear Ms. Cole:

Pursuant to Rule 25-8.009, Florida Administrative Code, and the Commission's Order No. PSC-08-0801-FOF-EI issued December 3, 2008, enclosed please find one signed, two copies and one copy on diskette of Florida Power & Light Company's Consummation Report in connection with the Application for Authority to Issue and Sell Securities during 2009 (Docket No. 080621-EI).

If you or your staff have any questions regarding this filing, please contact me at (561) 691-2512.

Very truly yours,

Kenneth M. Rubin

COM ____
APA ____
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GCL 1
RAD ____
SSC ____
ADM ____
OPC ____
CLK ____

cc: Katherine Fleming, Office of the General Counsel
Michael Springer, Division of Economic Regulation

DOCUMENT NUMBER-DATE
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FPSC-COMMISSION CLERK

DOCKET NO. 080621-EI
ORDER NO. PSC-08-0801-FOF-EI

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CLERK

FLORIDA PUBLIC SERVICE COMMISSION
TALLAHASSEE, FLORIDA

CONSUMMATION REPORT

IN CONNECTION WITH

APPLICATION OF
FLORIDA POWER & LIGHT COMPANY
FOR AUTHORITY TO ISSUE AND SELL SECURITIES DURING 2009

Address communications in connection with this Consummation Report to:

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

Date: March 30, 2010

DOCUMENT NUMBER-DATE
02289 MAR 30 ⊆
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 2009

CONSUMMATION REPORT

In compliance with the requirements of Rule 25-8.009, Florida Administrative Code, and Order No. PSC-08-0801-FOF-EI, issued by the Commission on December 3, 2008 in the above-captioned matter (Docket No. 080621-EI), the Applicant, Florida Power & Light Company ("FPL"), hereby submits its Consummation Report regarding transactions involving (i) the issuance and sale of first mortgage bonds, (ii) the issuance and sale of commercial paper, and (iii) the guaranty of commercial paper issued by FPL Fuels, Inc.

This Consummation Report 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 March 17, 2009 (the closing date of the transaction), FPL sold through a negotiated underwritten sale, $500,000,000 principal amount of First Mortgage Bonds, 5.96% Series due April 1, 2039 (the "Mortgage Bonds") under FPL's registration statement on Form S-3 filed pursuant to Rule 415 of the Rules and Regulations under the Securities Act of 1933, as amended (the "Securities Act"), (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 Post-Effective Amendment No. 1 to the Registration Statement, which became effective May 3, 2007. The proceeds received by FPL were $495,260,000 in cash covering principal less underwriting discount.

(2) FPL regularly issues commercial paper for terms up to but not exceeding 270 days from the date of issuance. During 2009, commercial paper was issued pursuant to Commercial Paper Dealer Agreements dated as of August 5, 2005 with each of Merrill Lynch Money Markets Inc. and SunTrust

Capital Markets, Inc. (now named SunTrust Robinson Humphrey, Inc.) and a Commercial Paper Dealer Agreement dated as of September 12, 2008 with Citigroup Global Markets Inc. Merrill Lynch Money Markets Inc. assigned its rights and obligations as a commercial paper dealer to Banc of America Securities LLC effective March 3, 2009. 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 2009 commercial paper activity can be summarized as follows:

2009 Commercial Paper Activity
($ in thousands)

Commercial paper issued:	$8,828,568
Commercial paper matured:	$8,861,868
Daily average outstanding:	$300,460
Weighted average yield:	0.22%
Weighted average term (issued):	13 days

FPL's outstanding multi-year revolving credit facility provides backup support for its commercial paper program. FPL amended its credit facility, effective May 28, 2009, to terminate Aurora Bank FSB's (formerly Lehman Brothers Bank, FSB) commitment of approximately $27 million thereby reducing the total commitments maturing in April 2013 to $2.456 billion from $2.483 billion. $17 million is scheduled to mature in April 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, short-term borrowings and the Guaranty defined and described below, as well as to provide additional liquidity in the event of a property loss, including a transmission and distribution property loss. During 2009, no loans were made to FPL pursuant to the revolving credit facility and, as of December 31, 2009, $3 million of letters of credit were outstanding under the facility.

(3) FPL's nuclear fuel leases obligate FPL to purchase portions of FPL's 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. As of December 31, 2009, the Fuel Company had approximately $425 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 1(d),1(e),1(f),1(g) and 3(c), as the case may be.

For a consolidated statement of capitalization: See Schedule A.

For a statement of pretax interest coverage, together with debt interest: See Schedule B. As of December 31, 2009, FPL had no preferred stock outstanding; consequently there were no preferred stock dividend requirements as of that date.

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

Securities and Exchange Commission Filing Fees	$19,650
Legal, Accounting, Rating Agency and Trustee Fees	$338,550
Printing & Miscellaneous (S-3, Prospectus, etc.)	$10,606
Florida Taxes and Recording Fees	$1,880,180
Underwriters' Discounts and Commissions	$4,375,000
Total Costs	$6,623,986

The costs incurred to date by FPL in connection with its 2009 commercial paper issuances (in addition to the discount of the commercial paper dealers) include fees relating to banking, credit ratings and legal fees. The aggregate of these incurred costs in connection with the 2009 commercial paper issuances is approximately $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.

Exhibit Index (Corresponds to sections of Rule 25-8.009)

* 1 (a)	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 Thirteen Supplements thereto were filed with the Florida Public Service Commission (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; Exhibits (a)-3 and (a)-4, Docket No. 050700-EI, Report of Consummation; Exhibits (a)-3 and Exhibit (a)-4, Docket No. 060723-EI, Report of Consummation; and Exhibit 1(b), Docket No. 070660-EI, Consummation Report

1 (b) One Hundred Fourteenth Supplemental Indenture dated as of March 1, 2009 between FPL and Deutsche Bank Trust Company Americas, as Trustee, with respect to the Mortgage Bonds.

1 (c) For the Prospectus and Prospectus Supplement relating to the Mortgage Bonds, see Exhibit 3(c).

* 1 (d)	Commercial Paper Issuer Program Report dated December 10, 2007 of Merrill Lynch Money Markets Inc. was filed with the FPSC in connection with Docket No. 060723-EI as Exhibit (a)-9 of Report of Consummation (replaced by Exhibit 1(g) below).
* 1 (e)	U.S. Commercial Paper Information Memorandum dated December 2007 of SunTrust Robinson Humphrey, Inc. was filed with the FPSC in connection with Docket No. 060723-EI as Exhibit (a)-10 of Report of Consummation.
* 1 (f)	U.S. Commercial Paper Information Memorandum dated September 2008 of Citigroup Global Markets Inc. was filed with the FPSC in connection with Docket No. 070660-EI as Exhibit 1(g) of Consummation Report.
1 (g)	Commercial Paper Memorandum dated March 2009 of Banc of America Securities.
2 (a)	Signed opinions of FPL's legal counsel with respect to the legality of the issuance of the Mortgage Bonds.
2 (b)	Signed opinion of FPL's legal counsel with respect to the legality of the issuance of the commercial paper under the 2005 Commercial Paper Dealer Agreements.
2 (c)	Signed opinion of FPL's legal counsel with respect to the legality of the issuance of the commercial paper under the 2008 Commercial Paper Dealer Agreement.
* 3 (a)	Registration Statement was filed with the FPSC in connection with Docket No. 060723-EI as Exhibit (c)-1 of Report of Consummation.
* 3 (b)	Post-Effective Amendment No. 1 to the Registration Statement was filed with the FPSC in connection with Docket No. 060723-EI as Exhibit (c)-1A of Report of Consummation.
3 (c)	Prospectus Supplement dated March 11, 2009 (including Prospectus dated May 3, 2007) with respect to the Mortgage Bonds.
3 (d)	Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2009.
3 (e)	Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2009.
3 (f)	Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2009.
3 (g)	Annual Report on Form 10-K for the year ended December 31, 2009.

4 (a) Underwriting Agreement, dated March 11, 2009, with respect to the Mortgage Bonds.

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

* 4 (c) 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.

* 4 (d) Commercial Paper Dealer Agreement dated as of September 12, 2008 between FPL and Citigroup Global Markets Inc. was filed with the FPSC in connection with Docket No. 070660-EI as Exhibit 4(e) of Consummation Report.

5 (a) Statement as to Underwriters' Fees.

(1) See Exhibit 3 (c), cover page (as to fee) and Page S-12 (as to Underwriters) of the Prospectus Supplement with respect to the Mortgage Bonds.

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

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

Mitsubishi UFJ Securities (USA) Inc.
1251 Avenue of the Americas,
19th Floor
New York, New York 10020

Greenwich Capital Markets, Inc.
101 Park Avenue
New York, New York 10178

BNY Mellon Capital Markets, LLC
One Wall Street
New York, New York 10286

BBVA Securities, Inc.
1345 Avenue of the Americas,
45th Floor
New York, New York 10105

Commerzbank Capital Markets Corp.
Two World Financial Center
New York, New York 10281

Morgan Keegan & Company, Inc.
50 North Front Street, 20th Floor
Memphis, Tennessee 38103

SG Americas Securities, LLC
1221 Avenue of the Americas
New York, New York 10020

The Williams Capital Group, LP
650 Fifth Avenue, 11th Floor
New York, New York 10020

5 (b) Statement as to Placement Agents/Dealers' Fees.

(1) Banc of America Securities LLC, SunTrust Robinson Humphrey, Inc. and Citigroup Global Markets 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.

Citigroup Global Markets Inc.
390 Greenwich Street -- 5th Floor
New York, New York 10013

Banc of America Securities LLC
Global Investor Marketing
One Bryant Park, 3rd Floor
New York, New York 10036

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 4 (b), 4 (c), and 4 (d).

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*Incorporated by reference.

Respectfully submitted this 30th day of March, 2010.

FLORIDA POWER & LIGHT COMPANY

By: _____
Paul I. Cutler
Treasurer and Assistant Secretary

Schedule A

DOCUMENT NUMBER-DATE
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FLORIDA POWER & LIGHT COMPANY
CONSOLIDATED BALANCE SHEETS
(millions)

	December 31, 2009	December 31, 2008
ELECTRIC UTILITY PLANT		
Plant in service	$ 28,677	$ 26,497
Nuclear fuel	756	613
Construction work in progress	1,549	1,862
Less accumulated depreciation and amortization	(10,578)	(10,189)
Electric utility plant - net	20,404	18,783
CURRENT ASSETS		
Cash and cash equivalents	83	120
Customer receivables, net of allowances of $21 and $19, respectively	838	796
Other receivables, net of allowances of $1 and $1, respectively	182	143
Materials, supplies and fossil fuel inventory	529	563
Regulatory assets:		
Deferred clause and franchise expenses	69	248
Securitized storm-recovery costs	69	64
Derivatives	68	1,109
Other	123	129
Total current assets	1,961	3,172
OTHER ASSETS		
Special use funds	2,408	2,158
Prepaid benefit costs	1,017	988
Regulatory assets:		
Securitized storm-recovery costs	644	697
Deferred clause expenses	-	79
Unamortized loss on reacquired debt	29	32
Other	185	133
Other	184	153
Total other assets	4,447	4,220
TOTAL ASSETS	$ 26,812	$ 26,175
CAPITALIZATION		
Common shareholder's equity	$ 8,436	$ 8,089
Long-term debt	5,794	5,311
Total capitalization	14,230	13,400
CURRENT LIABILITIES		
Commercial paper	818	773
Current maturities of long-term debt	42	263
Accounts payable	539	645
Customer deposits	607	570
Accrued interest and taxes	303	449
Regulatory liabilities - deferred clause and franchise revenues	377	11
Derivatives	77	1,114
Other	659	598
Total current liabilities	3,422	4,423
OTHER LIABILITIES AND DEFERRED CREDITS		
Asset retirement obligations	1,833	1,743
Accumulated deferred income taxes	3,509	3,105
Regulatory liabilities:		
Accrued asset removal costs	2,251	2,142
Asset retirement obligation regulatory expense difference	671	520
Other	244	218
Other	652	624
Total other liabilities and deferred credits	9,160	8,352
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$ 26,812	$ 26,175

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

Schedule B

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,				
	2009	2008	2007	2006	2005
	(millions of dollars)				
Earnings, as defined:					
Net income	$ 831	$ 789	$ 836	$ 802	$ 748
Income taxes	473	443	451	424	408
Fixed charges included in the determination of net income, as below	347	359	325	296	244
Total earnings, as defined	$ 1,651	$ 1,591	$ 1,612	$ 1,522	$ 1,400
Fixed charges, as defined:					
Interest expense	$ 318	$ 334	$ 304	$ 278	$ 224
Rental interest factor	7	7	7	7	7
Allowance for borrowed funds used during construction	22	18	14	11	13
Fixed charges included in the determination of net income	347	359	325	296	244
Capitalized interest	2	-	-	-	-
Total fixed charges, as defined	$ 349	$ 359	$ 325	$ 296	$ 244
Ratio of earnings to fixed charges and ratio of earnings to combined fixed charges and preferred stock dividends [a]	4.73	4.43	4.96	5.14	5.74

(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, 2009, 2008, 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 1 (b)

One Hundred Fourteenth Supplemental Indenture Dated as of March 1, 2009 between FPL and Deustch Bank Trust Company Americas, as trustee with respect to the Mortgage Bonds

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. 2

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 Fourteenth Supplemental Indenture

Relating to $500,000,000 Principal Amount of First Mortgage Bonds, 5.96% Series due April 1, 2039

Dated as of March 1, 2009

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. 3

FLORIDA POWER & LIGHT COMPANY

to

DEUTSCHE BANK TRUST COMPANY AMERICAS

(formerly known as Bankers Trust Company)

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

One Hundred Fourteenth Supplemental Indenture

Relating to $500,000,000 Principal Amount of First Mortgage Bonds, 5.96% Series due April 1, 2039

Dated as of March 1, 2009

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

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

FLORIDA POWER & LIGHT COMPANY

to

DEUTSCHE BANK TRUST COMPANY AMERICAS

(formerly known as Bankers Trust Company)

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

One Hundred Fourteenth Supplemental Indenture

Relating to $500,000,000 Principal Amount of First Mortgage Bonds, 5.96% Series due April 1, 2039

Dated as of March 1, 2009

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 $1,750,000 and non-recurring intangible taxes as required by law in the amount of $120,359.37 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 FOURTEENTH SUPPLEMENTAL INDENTURE

INDENTURE, dated as of the 1st day of March, 2009, 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 fourteenth supplemental indenture (hereinafter called the **One Hundred Fourteenth 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 Fourteenth 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 Fourteenth 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 Fourteenth 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 Fourteenth 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 (New Hampshire Revised Statutes Annotated §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 Eleventh Series of Bonds

Section 1. (I) There shall be a series of bonds designated "5.96% Series due April 1, 2039", herein sometimes referred to as the "**One Hundred Eleventh 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 Eleventh Series shall mature on April 1, 2039 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 5.96% per annum, payable semi-annually on

April 1 and October 1 of each year (each an "**Interest Payment Date**") commencing on October 1, 2009; 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 Eleventh 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 Eleventh Series are held by a securities depository in book-entry only form or (2) the 15th calendar day immediately preceding each Interest Payment Date if the bonds of the One Hundred Eleventh Series are not held by a securities depository in book-entry only form. Interest on the bonds of the One Hundred Eleventh Series will accrue from and including March 17, 2009 to but excluding October 1, 2009 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 Eleventh Series, from March 17, 2009) to, but excluding, the next succeeding Interest Payment Date. No interest will accrue on a bond of the One Hundred Eleventh 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 Eleventh 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 Eleventh Series being redeemed plus accrued and unpaid interest, if any, to, but excluding, the Redemption Date.

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

(2) the principal amount of the bond of the One Hundred Eleventh 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 35 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 BNY Mellon Capital Markets, LLC, Calyon Securities (USA) Inc., Greenwich Capital Markets, Inc., J.P. Morgan Securities Inc. or Mitsubishi UFJ Securities (USA), 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 Eleventh Series 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 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 Eleventh 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 Eleventh 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 Eleventh 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 Eleventh 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 Eleventh Series" immediately before the words "remain Outstanding".

ARTICLE III
Miscellaneous Provisions

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

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

Section 6. Whenever in this One Hundred Fourteenth 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 Fourteenth 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 Fourteenth 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 Fourteenth Supplemental Indenture or any covenant, condition, stipulation, promise or agreement hereof, and all the covenants, conditions, stipulations, promises and agreements in this One Hundred Fourteenth 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 Fourteenth 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:

/Harold McCarthy

_____

DEUTSCHE BANK TRUST COMPANY AMERICAS
As Trustee

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

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

Attest:

_____
Jennifer Davis
Assistant Vice President
60 Wall Street, 27th Floor
New York, NY 10005

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

_____
Alyssa R. Sullivan

_____
Anabella Roa

STATE OF FLORIDA }
COUNTY OF PALM BEACH } SS:

On the 13th day of March, in the year 2009 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 13th day of March, 2009, 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



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

On the 11th day of March in the year 2009, before me personally came Carol Ng and Wanda Camacho, 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 11th day of March, 2009, before me personally appeared Carol Ng, Wanda Camacho and Jennifer Davis, respectively, a Vice President, a Vice President and an Assistant Vice President 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 1 (c)

For the Prospectus and Prospectus Supplement relating to the Mortgage Bonds, see Exhibit 3(c)

Exhibit 1 (g)

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:	Banc of America Securities LLC, Citigroup Global 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.
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, 2008, FPL supplies electric service to a population of more than 8.7 throughout most of the east and lower west coasts of Florida. During 2008, FPL served approximately 4.5 million customer accounts. FPL Group, Inc. ("FPL Group") owns all of FPL's common stock. FPL's operating revenues for 2008 amounted to approximately $11.6 billion.

CREDIT RATINGS

As of March 2, 2009, 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 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 Banc of America Securities LLC, Global Investor Marketing, One Bryant Park, 3rd Floor, Mail Code: NY1-100-03-01, New York, NY 10036, Telephone: (646) 855-3019, Facsimile: (646) 855-0107.

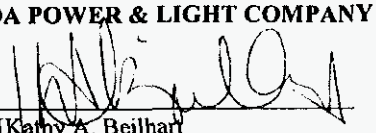
GENERAL

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 Banc of America Securities LLC 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 Banc of America Securities LLC. 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.

OFFERING MEMORANDUM APPROVAL

Issuer: **FLORIDA POWER & LIGHT COMPANY**

By: 
Name: [Kathy A. Beilhart
Title: Assistant Treasurer]

Date: March 2, 2009

Banc of America Securities

Commercial Paper Memorandum Approval Form

Please sign this document to verify that you have read and approved the Private Placement Memorandum dated March 2009 for Florida Power & Light Company commercial paper program.

Signature

Name

ASSISTANT TREASURER
Title

3/3/09
Date

Fax a signed copy to Jaclyn Coffman at 212-230-8460. If you have any questions regarding the Private Placement Memorandum, please call Jaclyn Coffman at 646-855-5018.

Thank you for your cooperation.

Exhibit 2 (a)

DOCUMENT NUMBER-DATE
02289 MAR 30 ⊆
FPSC-COMMISSION CLERK

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

March 17, 2009

BNY Mellon Capital Markets, LLC
One Wall Street
New York, New York 10286

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

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

Mitsubishi UFJ Securities (USA), Inc.
1251 Avenue of the Americas, 19th Floor
New York, New York 10020

Greenwich Capital Markets, Inc.
101 Park Avenue
New York, New York 10178

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 $500,000,000 aggregate principal amount of First Mortgage Bonds, 5.96% Series due April 1, 2039 (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 fourteen indentures supplemental thereto, the latest of which (the "One Hundred Fourteenth Supplemental Indenture") is dated as of March 1, 2009 (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 March 11, 2009 (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 (together with Florida Power & Light Company Trust I, "FPL Trust"), 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 relating to FPL and FPL Trust forming a part of the Post-Effective Amendment (the "Base Prospectus"), as supplemented by a preliminary prospectus supplement, subject to completion, dated March 11, 2009 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 March 11, 2009 (the "Pricing Term Sheet") substantially in the form set forth on Schedule I to the Agreement; (4) the Base Prospectus, as supplemented by a prospectus supplement dated March 11, 2009 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 Amended and Restated 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 2009, including the Bonds.

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

I.

FPL is a validly organized and existing corporation and its status is active under the laws of the State of Florida.

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, fraudulent conveyance 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, fraudulent conveyance 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) 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, fraudulent conveyance or other laws affecting mortgagees' and other creditors' rights and remedies generally and general principles of equity. The One Hundred Fourteenth Supplemental Indenture is in proper form for recording in all places required; and upon such recording, the One Hundred Fourteenth 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 Thirteenth Supplemental Indenture to the Mortgage and prior to the recording of the One Hundred Fourteenth 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, in accordance with the Mortgage, 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) 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 Florida, New York, Georgia and New Hampshire 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 Morgan, Lewis & Bockius 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, Morgan, Lewis & Bockius 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.

SQUIRE, SANDERS & DEMPSEY L.L.P.

Morgan, Lewis & Bockius LLP
101 Park Avenue
New York, NY 10178-0060
Tel: 212.309.6000
Fax: 212.309.6001
www.morganlewis.com

Morgan Lewis
COUNSELORS AT LAW

March 17, 2009

BNY Mellon Capital Markets, LLC
One Wall Street
New York, New York 10286

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

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

Mitsubishi UFJ Securities (USA), Inc.
1251 Avenue of the Americas, 19th Floor
New York, New York 10020

Greenwich Capital Markets, Inc.
101 Park Avenue
New York, New York 10178

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 $500,000,000 aggregate principal amount of First Mortgage Bonds, 5.96% Series due April 1, 2039 (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 fourteen indentures supplemental thereto, the latest of which (the "One Hundred Fourteenth Supplemental Indenture") is dated as of March 1, 2009 (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 March 11, 2009 (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 (together with Florida Power & Light Company Trust I, "FPL Trust"), 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 relating to FPL and FPL Trust forming a part of the Post-Effective Amendment (the "Base Prospectus"), as supplemented by a preliminary prospectus supplement, subject to completion, dated March 11, 2009 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 March 11, 2009 (the "Pricing Term Sheet") substantially in the form set forth on Schedule I to the Agreement; (4) the Base Prospectus, as supplemented by a prospectus supplement dated March 11, 2009 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 Amended and Restated 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 2009, 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, fraudulent conveyance 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, fraudulent conveyance 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) 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) 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. 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., West Palm Beach, 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,

Morgan, Lewis & Bockius LLP

MORGAN, LEWIS & BOCKIUS LLP

Exhibit 2 (b)

DOCUMENT NUMBER-DATE
02289 MAR 30 00
FPSC-COMMISSION CLERK

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
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875 Third Avenue New York, NY 10022
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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:

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. 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 2 (c)

SQUIRE, SANDERS & DEMPSEY L.L.P.

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

Office: +1.561.650.7200
Fax: +1.561.655.1509

SQUIRE SANDERS | LEGAL COUNSEL WORLDWIDE

September 12, 2008

Morgan Stanley & Co. Incorporated
1585 Broadway, 4th Floor
New York, New York 10036

Wells Fargo Brokerage Services, LLC
608 Second Avenue South
MAC N9303-105
Minneapolis, Minnesota 55479

Ladies and Gentlemen:

We have acted as counsel to FPL Group Capital Inc, a Florida corporation (the "Company"), and FPL Group, Inc., a Florida corporation ("FPL Group"), 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 Four Billion Dollars ($4,000,000,000) (the "Notes"), payment of which is guaranteed by FPL Group pursuant to a Guarantee, dated as of October 14, 1998, by and between the Company and FPL Group (the "Guarantee").

We have reviewed (i) specimen forms of master notes, (ii) executed copies of the Commercial Paper Dealer Agreements, dated as of March 29, 1999, as amended by the Notice and Agreements, dated July 31, 2000, between the Company and each of Banc of America Securities LLC (as successor to NationsBanc Montgomery Securities LLC) and Lehman Brothers Inc., as Dealers, (iii) executed copies of the Commercial Paper Dealer Agreements, dated as of September 12, 2008, between the Company and each of Morgan Stanley & Co. Incorporated and Wells Fargo Brokerage Services, LLC, as Dealers (collectively, the "Agreement"), (iv) an executed copy of the Issuing and Paying Agency Agreement dated as of July 31, 2000 (the "Issuing and Paying Agency Agreement") between the Company and JPMorgan Chase Bank, N.A. (formerly known as The Chase Manhattan Bank (National Association)), as issuing and paying agent (the "Issuing and Paying Agent"), (v) the Guarantee, (vi) the corporate proceedings of the Company with respect to the authorization, issuance and sale of the Notes and the authorization of the Guarantee, (vii) the corporate proceedings of FPL Group with respect to the authorization of the Guarantee, (viii) the Company's Articles of Incorporation as amended to the date hereof (the "Company Charter") and Bylaws as amended to the date hereof (the "Company Bylaws"), (ix) FPL Group's Restated Articles of Incorporation as amended to the date hereof (the "FPL Group Charter") and Amended and Restated Bylaws as amended to the date hereof (the "FPL Group Bylaws"), (x) the Private Placement Memorandum of the Company dated September 2008 with respect to the offering of Notes by Morgan Stanley & Co. Incorporated, (xi) the Private Placement Memorandum of the

Company dated September 12, 2008 with respect to the offering of Notes by Wells Fargo Brokerage Services, LLC, (xii) 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 (xiii) such other corporate records, certificates from officers of the Company and FPL Group and other certificates 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 FPL Group 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 and FPL Group are each validly existing as a corporation under the laws of the State of Florida, and their status is active, and each has all the requisite power and authority to execute, deliver and perform its obligations under the Notes, the Agreement, the Issuing and Paying Agency Agreement and the Guarantee, as the case may be.

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 Guarantee has been duly and validly authorized by all necessary corporate action of the Company and FPL Group, has been duly and validly executed and delivered by the Company and FPL Group, and is a valid and binding instrument enforceable against the Company and FPL Group 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).

5. The offer, issuance, sale and delivery of Notes and the Guarantee related thereto 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 and the Guarantee under the Securities Act of 1933, as amended, pursuant to the exemption from registration contained in Section 4(2) thereof, and do not require compliance with any provision of the Trust Indenture Act of 1939, as amended.

6. No consent or action of, or filing or registration with, any governmental or public regulatory body or authority is required to authorize, or is otherwise required in connection with, the execution, delivery or performance of the Agreement, the Notes, the Issuing and Paying Agency Agreement or the Guarantee, 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 guaranteed by the Guarantee, as to which we express no opinion.

7. Neither the execution and delivery of the Agreement, the Issuing and Paying Agency Agreement and the Guarantee, 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 any of the terms or provisions of, or constitute a default under, the Company Charter or the Company 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 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.

8. Neither the execution and delivery of the Guarantee, nor the fulfillment of or compliance with the terms and provisions thereof by FPL Group, has resulted or will result in a breach of any of the terms or provisions of, or constitute a default under, the FPL Group Charter or the FPL Group Bylaws, or any indenture, mortgage, deed of trust or other agreement or instrument, the terms of which are known to us, to which FPL Group is a party, except where such breach or default would not have a material adverse effect on the business, properties or financial condition of FPL Group, together with its subsidiaries, taken as a whole.

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

10. Neither the Company nor FPL Group is 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 LLP, New York, New York. As to all matters of Florida law, Thelen 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 LLP
875 Third Avenue New York, NY 10022
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September 12, 2008

Morgan Stanley & Co. Incorporated
1585 Broadway, 4th Floor
New York, New York 10036

Wells Fargo Brokerage Services, LLC
608 Second Avenue South
MAC N9303-105
Minneapolis, Minnesota 55479

Ladies and Gentlemen:

We have acted as counsel to FPL Group Capital Inc, a Florida corporation (the "Company"), and FPL Group, Inc., a Florida corporation ("FPL Group"), 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 Four Billion Dollars ($4,000,000,000) (the "Notes"), payment of which is guaranteed by FPL Group pursuant to a Guarantee, dated as of October 14, 1998, by and between the Company and FPL Group (the "Guarantee").

We have reviewed (i) specimen forms of master notes, (ii) executed copies of the Commercial Paper Dealer Agreements, dated as of March 29, 1999, as amended by the Notice and Agreements, dated July 31, 2000, between the Company and each of Banc of America Securities LLC (as successor to NationsBanc Montgomery Securities LLC) and Lehman Brothers Inc., as Dealers, (iii) executed copies of the Commercial Paper Dealer Agreements, dated as of September 12, 2008, between the Company and each of Morgan Stanley & Co. Incorporated and Wells Fargo Brokerage Services, LLC, as Dealers (collectively, the "Agreement"), (iv) an executed copy of the Issuing and Paying Agency Agreement dated as of July 31, 2000 (the "Issuing and Paying Agency Agreement") between the Company and JPMorgan Chase Bank, N.A. (formerly known as The Chase Manhattan Bank (National Association)), as issuing and paying agent (the "Issuing and Paying Agent"), (v) the Guarantee, (vi) the corporate proceedings of the Company with respect to the authorization, issuance and sale of the Notes and the authorization of the Guarantee, (vii) the corporate proceedings of FPL Group with respect to the authorization of the Guarantee, (viii) the Company's Articles of Incorporation as amended to the date hereof (the "Company Charter") and Bylaws as amended to the date hereof (the "Company Bylaws"), (ix) FPL Group's Restated Articles of Incorporation as amended to the date hereof (the "FPL Group Charter") and Amended and Restated Bylaws as amended to the date hereof (the "FPL Group Bylaws"), (x) the Private Placement Memorandum of the Company dated September 2008 with respect to the offering of Notes by Morgan Stanley & Co. Incorporated, (xi) the Private Placement Memorandum of the Company dated September 12, 2008 with respect to the offering of Notes by Wells Fargo Brokerage Services, LLC, (xii) 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 (xiii) such other corporate records, certificates from officers of the Company and FPL Group and other certificates 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 FPL Group 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 Guarantee has been duly and validly authorized by all necessary corporate action of the Company and FPL Group, has been duly and validly executed and delivered by the Company and FPL Group, and is a valid and binding instrument enforceable against the Company and FPL Group 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).

4. The offer, issuance, sale and delivery of Notes and the Guarantee related thereto 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 and the Guarantee under the Securities Act of 1933, as amended, pursuant to the exemption from registration contained in

Section 4(2) 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 is required to authorize, or is otherwise required in connection with, the execution, delivery or performance of the Agreement, the Notes, the Issuing and Paying Agency Agreement or the Guarantee, 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 guaranteed by the Guarantee, as to which we express no opinion.

6. Neither the execution and delivery of the Agreement, the Issuing and Paying Agency Agreement and the Guarantee, 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 any of the terms or provisions of, or constitute a default under, the Company Charter or the Company 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 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.

7. Neither the execution and delivery of the Guarantee, nor the fulfillment of or compliance with the terms and provisions thereof by FPL Group, has resulted or will result in a breach of any of the terms or provisions of, or constitute a default under, the FPL Group Charter or the FPL Group Bylaws, or any indenture, mortgage, deed of trust or other agreement or instrument, the terms of which are known to us, to which FPL Group is a party, except where such breach or default would not have a material adverse effect on the business, properties or financial condition of FPL Group, together with its subsidiaries, taken as a whole.

8. Neither the Company nor FPL Group is 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 LLP

Exhibit 3 (c)

PROSPECTUS SUPPLEMENT
(To prospectus dated May 3, 2007)



Florida Power & Light Company

First Mortgage Bonds, $500,000,000 5.96% Series due April 1, 2039

Florida Power & Light Company will pay interest on the securities on April 1 and October 1 of each year, beginning October 1, 2009. 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-8 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 S-3 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	99.927%	$499,635,000
Underwriting Discount	0.875%	$ 4,375,000
Proceeds to Florida Power & Light Company (before expenses)	99.052%	$495,260,000

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 in book-entry only form through The Depository Trust Company, on or about March 17, 2009.

Joint Book-Running Managers

BNY Mellon Capital Markets, LLC **CALYON** **J.P. Morgan**

Mitsubishi UFJ Securities **RBS Greenwich Capital**

Co-Managers

BBVA Securities **Commerzbank Corporates & Markets** **Morgan Keegan & Company, Inc.**

SOCIETE GENERALE **The Williams Capital Group, L.P.**

The date of this prospectus supplement is March 11, 2009.

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 have authorized anyone else to provide you with additional or different information. Neither FPL nor the underwriters are making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information in this prospectus supplement or in the accompanying prospectus is accurate as of any date other than the date on the front of those documents or that the information incorporated by reference is accurate as of any date other than the date of the document incorporated by reference.

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RISK FACTORS

The information in this section replaces the information in the "Risk Factors" section beginning on page 2 of the accompanying prospectus.

Before purchasing the securities, investors should carefully consider the following risk factors together with the risk factors and other information incorporated by reference or provided in the accompanying prospectus or in this 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. 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, with respect to, among other things, allowed rates of return, industry and rate structure, operation of nuclear power facilities, construction and operation of generation 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, return on common equity and equity ratio limits, transmission reliability and present or prospective wholesale and retail competition. This substantial and complex framework exposes FPL to increased compliance costs and potentially significant monetary penalties for non-compliance. 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 also is 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 that relate to, or in the future may relate to, for example, air quality, water quality, climate change, greenhouse gas emissions, carbon dioxide emissions, waste management, marine and wildlife mortality, natural resources, health, safety and renewable portfolio standards 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 regulation, deregulation or restructuring of the energy industry, including, for example, deregulation or restructuring of the production and sale of electricity, as well as increased focus on renewable and clean energy sources and reduction of carbon emissions. FPL will need to adapt to these changes and may face increasing costs and competitive pressure in doing so.

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

The operation and maintenance of power generation, transmission and distribution facilities involve significant risks that could adversely affect the results of operations and financial condition of FPL.

The operation and maintenance of power generation, transmission and distribution facilities involve many risks, including, for example, 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's generation fleets and transmission and distribution systems, use of new or unproven technology, the dependence on a specific fuel source, failures in the supply or transportation of fuel, the impact of unusual or adverse weather conditions (including natural disasters such as hurricanes, floods and droughts), and performance below expected or contracted levels of output or efficiency. This could result in lost revenues and/or increased expenses, including, for example, lost revenues due to prolonged outages and increased expenses due to monetary penalties or fines, replacement

equipment costs or an obligation to purchase or generate replacement power 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.

The operation and maintenance of nuclear facilities involves inherent risks, including environmental, health, regulatory, terrorism and financial risks, that could result in fines or the closure of nuclear units owned by FPL, and which may present potential exposures in excess of insurance coverage.

FPL owns, or holds undivided interests in, nuclear generation facilities in Florida. These nuclear facilities are subject to environmental, health and financial risks such as on-site storage of spent nuclear fuel, the ability to dispose of spent nuclear fuel, the ability to maintain adequate reserves for decommissioning, potential liabilities arising out of the operation of these facilities, and the threat of a possible terrorist attack. Although FPL maintains decommissioning trusts and external insurance coverage to minimize the financial exposure to these risks, it is possible that the cost of decommissioning the facilities could exceed the amount available in the decommissioning trusts, and that liability and property damages could exceed the amount of insurance coverage.

The Nuclear Regulatory Commission has broad authority to impose licensing and safety-related requirements for the construction and operation and maintenance of nuclear generation facilities. In the event of non-compliance, the Nuclear Regulatory Commission has the authority to impose fines or shut down a unit, or both, depending upon its assessment of the severity of the situation, until compliance is achieved. Nuclear Regulatory Commission orders or new regulations related to increased security measures and any future safety requirements promulgated by the Nuclear Regulatory Commission could require FPL to incur substantial operating and capital expenditures at its nuclear plants. In addition, if a serious nuclear incident were to occur at an FPL plant, it could result in substantial costs. A major incident at a nuclear facility anywhere in the world could cause the Nuclear Regulatory Commission to limit or prohibit the operation or licensing of any domestic nuclear unit.

In addition, potential terrorist threats and increased public scrutiny of utilities could result in increased nuclear licensing or compliance costs which are difficult or impossible to predict.

The construction of, and capital improvements to, power generation and transmission facilities involve substantial risks. Should construction or capital improvement efforts be unsuccessful or delayed, the results of operations and financial condition of FPL could be adversely affected.

The ability of FPL to complete construction of, and capital improvement projects for, its power generation and transmission facilities on schedule and within budget are contingent upon many variables that could delay completion, increase costs or otherwise adversely affect operational and financial results, including, for example, limitations related to transmission interconnection issues, escalating costs for materials and labor and environmental compliance, delays with respect to permits and other approvals, and disputes involving third parties, and are subject to substantial risks. Should any such efforts be unsuccessful or delayed, FPL could be subject to additional costs, termination payments under committed contracts, loss of tax credits 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 or the payment of margin cash collateral that adversely impact the results of operations or cash flows of FPL.

FPL uses derivative instruments, such as swaps, options, futures and forwards, some of which are traded in the over-the-counter markets or on exchanges, to manage its commodity and financial market risks. FPL could suffer a reduction in operating cash flows as a result of the requirement to post margin cash collateral. 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 prudence challenges and, if found imprudent, cost recovery could be disallowed by the Florida Public Service Commission.

Customer growth and customer usage in FPL's service area affect FPL's results of operations.

FPL's results of operations are affected by the growth in customer accounts in FPL's service area and by customer usage. Customer growth can be affected by population growth. Customer growth and customer usage can be affected by economic factors in Florida and elsewhere, including, for example, job and income growth, housing starts and new home prices. Customer growth and customer usage directly influence the demand for electricity and the need for additional power generation and power delivery facilities at FPL.

Weather affects FPL's results of operations, as can the impact of severe 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.

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. 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 Florida Public Service Commission approval.

***Adverse capital and credit market conditions* may adversely affect FPL's ability to meet liquidity needs, access capital and operate and grow its business, and increase the cost of capital. Disruptions, uncertainty or volatility in the financial markets can also adversely impact the results of operations and financial condition of FPL.**

Having access to the credit and capital markets, at a reasonable cost, is necessary for FPL to fund its operations, including its capital requirements. Those markets have provided FPL with the liquidity to operate and grow its business that is not otherwise provided from operating cash flows. Disruptions, uncertainty or volatility in those markets can increase FPL's cost of capital. If FPL is unable to access the credit and capital markets on terms that are reasonable, it may have to delay raising capital, issue shorter-term securities and/or bear an unfavorable cost of capital, which, in turn, could adversely impact its ability to grow its business, decrease earnings and/or significantly reduce financial flexibility.

FPL's inability to maintain its current credit ratings may adversely affect FPL's liquidity, limit the ability of FPL to grow its business, and would likely increase interest costs.

FPL relies on access to capital and credit markets as significant sources of liquidity for capital requirements not satisfied by operating cash flows. The inability of FPL to maintain its current credit ratings could affect its ability to raise capital or obtain credit on favorable terms, which, in turn, could impact FPL's ability to grow its business and would likely increase its interest costs.

FPL is subject to credit and performance risk from third parties under supply and service contracts.

FPL relies on contracts with vendors for the supply of equipment, materials, fuel and other goods and services required for the construction and operation of, and for capital improvements to, its facilities, as well as for business operations. If vendors fail to fulfill their contractual obligations, FPL may need to make arrangements with other suppliers, which could result in higher costs, untimely completion of power generation facilities and other projects, and/or a disruption to its operations.

FPL is subject to costs and other potentially adverse effects of legal and regulatory proceedings, as well as regulatory compliance and changes in or additions to applicable tax laws, rates or policies, rates of inflation, accounting standards, securities laws, corporate governance requirements and labor and employment laws.

FPL is subject to costs and other potentially adverse effects of legal and regulatory proceedings, settlements, investigations and claims, as well as regulatory compliance and the effect of new, or changes in, tax

laws, rates or policies, rates of inflation, accounting standards, securities laws, corporate governance requirements and labor and employment laws.

FPL, as an owner and operator of bulk power transmission systems, is subject to mandatory reliability standards promulgated by the North American Electric Reliability Corporation and enforced by the Federal Energy Regulatory Commission. These standards, which previously were being applied on a voluntary basis, became mandatory in June 2007. Noncompliance with these mandatory reliability standards could result in sanctions, including substantial monetary penalties, which likely would not be recoverable from customers.

Threats of terrorism and catastrophic events that could result from terrorism, cyber attacks, or individuals and/or groups attempting to disrupt FPL's business may impact the operations of FPL in unpredictable ways.

FPL is 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, for example, 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 United States, and the increased cost and adequacy of security and insurance.

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

FPL is subject to employee workforce factors that could adversely affect the business and financial condition of FPL.

FPL is subject to employee workforce factors, including, for example, loss or retirement of key executives, availability of qualified personnel, inflationary pressures on payroll and benefits costs and collective bargaining agreements with union employees and work stoppage that could adversely affect the business and financial condition of FPL.

FLORIDA POWER & LIGHT COMPANY

The information in this section replaces the information in the "Florida Power & Light Company" section on page 5 of the accompanying prospectus.

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 to a population of more than 8.7 million throughout most of the east and lower west coasts of Florida. During 2008, FPL served approximately 4.5 million customer accounts. FPL is a wholly-owned subsidiary of FPL Group, Inc.

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, 5.96% Series due April 1, 2039 ("Offered Bonds"), which are expected to be approximately $492.9 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 general corporate purposes. As of March 10, 2009, FPL's short-term consolidated indebtedness consisted primarily of $732.4 million of commercial paper, including $373.9 million of

FPL commercial paper outstanding which had maturities of up to 30 days and which had annual interest rates ranging from 0.25% to 0.45%. 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 replaces 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.

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,				
2008	2007	2006	2005	2004
4.43	4.96	5.14	5.74	6.74

CONSOLIDATED CAPITALIZATION OF FPL AND SUBSIDIARIES

The following table shows FPL's consolidated capitalization as of December 31, 2008, 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, 2008	Adjusted[(a)]	
		Amount	Percent
	(In Millions)		
Common shareholder's equity	$ 8,089	$ 8,089	58.2%
Long-term debt (excluding current maturities)	$ 5,311	$ 5,811	41.8%
Total capitalization	$13,400	$13,900	100.0%

(a) To give effect to the issuance of the Offered Bonds offered by this prospectus supplement. Adjusted amounts do not reflect the addition of any premiums or deduction of any discounts or commissions in connection with the issuance of the Offered Bonds. Adjusted amounts do not reflect principal repayments of amortizing loans, principal repayments on storm-recovery bonds or the effect of adjustments related to premiums, discounts or fair value swaps. 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 $500,000,000 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 Fourteenth Supplemental Indenture, dated as of March 1, 2009, 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 5.96% per year. The Offered Bonds will mature on April 1, 2039. FPL will pay interest on the Offered Bonds on April 1 and October 1 of each year (each an "Interest Payment Date"). The first Interest Payment Date will be October 1, 2009. 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 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 December 31, 2008, FPL could have issued under the Mortgage in excess of $6.5 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, 2008, 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 35 basis points.

FPL will appoint an independent investment banking institution of national standing to calculate the make-whole premium; provided that BNY Mellon Capital Markets, LLC, Calyon Securities (USA) Inc., Greenwich Capital Markets, Inc., J.P. Morgan Securities Inc. or Mitsubishi UFJ Securities (USA), 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 BNY Mellon Capital Markets, LLC, Calyon Securities (USA) Inc., Greenwich Capital Markets, Inc., J.P. Morgan Securities Inc. or Mitsubishi UFJ Securities (USA), 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 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 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 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. 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 is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. 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, who 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 whom 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 Offered 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

The information in this section adds to the information in the "Plan of Distribution" section beginning on page 36 of the accompanying prospectus. Please read these two sections together.

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 BNY Mellon Capital Markets, LLC, Calyon Securities (USA) Inc., Greenwich Capital Markets, Inc., J.P. Morgan Securities Inc. and Mitsubishi UFJ Securities (USA), 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
BNY Mellon Capital Markets, LLC	$80,000,000
Calyon Securities (USA) Inc.	80,000,000
Greenwich Capital Markets, Inc.	80,000,000
J.P. Morgan Securities Inc.	80,000,000
Mitsubishi UFJ Securities (USA), Inc.	80,000,000
BBVA Securities, Inc.	20,000,000
Commerzbank Capital Markets Corp.	20,000,000
Morgan Keegan & Company, Inc.	20,000,000
SG Americas Securities, LLC	20,000,000
The Williams Capital Group, L.P.	20,000,000
Total	$500,000,000

Under the terms and conditions of the underwriting agreement, the underwriters must buy all of the Offered Bonds when and 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 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.

The Offered Bonds are a new issue of securities with no established trading market. FPL does not plan to list the securities on any securities exchange. The underwriters have advised FPL that they intend to make a 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, BNY Mellon Capital Markets, LLC, Calyon Securities (USA) Inc., Greenwich Capital Markets, Inc., J.P. Morgan Securities Inc. and Mitsubishi UFJ Securities (USA), 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 BNY Mellon Capital Markets, LLC, Calyon Securities (USA) Inc., Greenwich Capital Markets, Inc., J.P. Morgan Securities Inc. or Mitsubishi UFJ Securities (USA), 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 $2.4 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.

Sales of Offered Bonds by BNY Mellon Capital Markets, LLC will be effected by Broadpoint Capital, Inc., as distribution agent.

The underwriters and their affiliates may 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 replaces the information in the "Experts" section on page 38 of the accompanying prospectus.

The consolidated financial statements incorporated in this prospectus supplement by reference from FPL's Annual Report on Form 10-K for the year ended December 31, 2008, and the effectiveness of FPL's internal control over financial reporting have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference. Such financial statements 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 supplements the information in the "Legal Opinions" section on page 38 of the accompanying prospectus.

Morgan, Lewis & Bockius LLP, New York, New York and Squire, Sanders & Dempsey L.L.P., West Palm Beach, Florida, 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. Morgan, Lewis & Bockius 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 Morgan, Lewis & Bockius LLP.

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.

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Florida Power & Light Company

First Mortgage Bonds,
$500,000,000 5.96% Series due April 1, 2039



PROSPECTUS SUPPLEMENT

March 11, 2009

BNY Mellon Capital Markets, LLC

CALYON

J.P. Morgan

Mitsubishi UFJ Securities

RBS Greenwich Capital

BBVA Securities

Commerzbank Corporates & Markets

Morgan Keegan & Company, Inc.

SOCIETE GENERALE

The Williams Capital Group, L.P.

Exhibit 3 (d)

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 **March 31, 2009**

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 ☑ No ☐ Florida Power & Light Company Yes ☑ No ☐

Indicate by check mark whether the registrants have submitted electronically and posted on their corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrants were required to submit and post such files).

FPL Group, Inc. Yes ☐ No ☐ Florida Power & Light Company Yes ☐ No ☐

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 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 ☑	Accelerated Filer ☐	Non-Accelerated Filer ☐	Smaller Reporting Company ☐
Florida Power & Light Company	Large Accelerated Filer ☐	Accelerated Filer ☐	Non-Accelerated Filer ☑	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 ☑

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, 2009: 410,792,960 shares.

As of March 31, 2009, 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 the reduced disclosure format.

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FPL Group, Inc., Florida Power & Light Company, FPL Group Capital Inc and NextEra Energy Resources, LLC each have subsidiaries and affiliates with names that include FPL, NextEra Energy Resources, NextEra Energy, FPL Energy, FPLE and similar references. For convenience and simplicity, in this report the terms FPL Group, FPL, FPL Group Capital and NextEra Energy Resources 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, future events or performance, climate change strategy or growth strategies (often, but not always, through the use of words or phrases such as will, will likely result, are expected to, will continue, is anticipated, aim, believe, could, should, would, estimated, may, plan, potential, projection, target, outlook, predict and intend or words of similar meaning) 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 or implied 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. 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, transmission and distribution 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 nuclear facilities involves inherent risks, including environmental, health, regulatory, terrorism and financial risks, that could result in fines or the closure of nuclear units owned by FPL or NextEra Energy Resources, LLC (NextEra Energy Resources), and which may present potential exposures in excess of insurance coverage.

- The construction of, and capital improvements to, power generation and transmission facilities involve substantial risks. Should construction or capital improvement efforts be unsuccessful or delayed, 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 or the payment of margin cash collateral that adversely impact the results of operations or cash flows 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, including, but not limited to, the efficient development and operation of generating assets, the successful and timely completion of project restructuring activities, the price and supply of fuel and equipment, transmission constraints, competition from other generators, including those using new sources of generation, excess generation capacity and demand for power, 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, but not limited to, the effect of increased competition for acquisitions resulting from the consolidation of the power industry.

- FPL Group and FPL participate in markets that are often subject to uncertain economic conditions, which makes it difficult to estimate growth, future income and expenditures.

- Customer growth and customer usage in FPL's service area affect FPL Group's and FPL's results of operations.

- Weather affects FPL Group's and FPL's results of operations, as can the impact of severe 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.

- Adverse capital and credit market conditions may adversely affect FPL Group's and FPL's ability to meet liquidity needs, access capital and operate and grow their businesses, and increase the cost of capital. Disruptions, uncertainty or volatility in the financial markets can also adversely impact the results of operations and financial condition of FPL Group and FPL, as well as exert downward pressure on the market price of FPL Group's common stock.

- FPL Group's, FPL Group Capital Inc's (FPL Group Capital) and FPL's inability to maintain their current credit ratings may adversely affect FPL Group's and FPL's liquidity, limit the ability of FPL Group and FPL to grow their businesses, and would likely increase interest costs.

- FPL Group and FPL are subject to credit and performance risk from third parties under supply and service contracts.

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

- 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.

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

- FPL Group and FPL are subject to employee workforce factors that could adversely 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, 2008 (2008 Form 10-K) and investors should refer to those sections of the 2008 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, unless otherwise required by law. 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 or implied in any forward-looking statement.

Website Access to U.S. Securities and Exchange Commission (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 on FPL Group's website (or any of its subsidiaries' websites) is not incorporated by reference in this combined Form 10-Q. The SEC maintains an internet website at www.sec.gov that contains reports, proxy and other information about FPL Group and FPL filed electronically with the SEC.

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,	
	2009	2008
OPERATING REVENUES	$ 3,705	$ 3,434
OPERATING EXPENSES		
Fuel, purchased power and interchange	1,811	1,726
Other operations and maintenance	618	642
Storm cost amortization	19	11
Depreciation and amortization	390	333
Taxes other than income taxes	284	279
Total operating expenses	3,122	2,991
OPERATING INCOME	583	443
OTHER INCOME (DEDUCTIONS)		
Interest expense	(211)	(199)
Equity in earnings of equity method investees	7	14
Allowance for equity funds used during construction	15	5
Interest income	27	15
Other than temporary impairment losses on securities held in nuclear decommissioning funds	(53)	(7)
Other – net	15	8
Total other deductions – net	(200)	(164)
INCOME BEFORE INCOME TAXES	383	279
INCOME TAXES	19	30
NET INCOME	$ 364	$ 249
Earnings per share of common stock:		
Basic	$ 0.90	$ 0.62
Assuming dilution	$ 0.90	$ 0.62
Dividends per share of common stock	$ 0.4725	$ 0.4450
Weighted-average number of common shares outstanding:		
Basic	402.3	399.1
Assuming dilution	404.8	402.0

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 2008 Form 10-K for FPL Group and FPL.

FPL GROUP, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(millions)
(unaudited)

	March 31, 2009	December 31, 2008
PROPERTY, PLANT AND EQUIPMENT		
Electric utility plant in service and other property	$ 41,867	$ 41,638
Nuclear fuel	1,345	1,260
Construction work in progress	3,252	2,630
Less accumulated depreciation and amortization	(13,411)	(13,117)
Total property, plant and equipment – net	33,053	32,411
CURRENT ASSETS		
Cash and cash equivalents	276	535
Customer receivables, net of allowances of $23 and $29, respectively	1,281	1,443
Other receivables, net of allowances of $2 and $2, respectively	327	264
Materials, supplies and fossil fuel inventory – at average cost	871	968
Regulatory assets:		
Deferred clause and franchise expenses	66	248
Securitized storm-recovery costs	65	64
Derivatives	1,309	1,109
Pension	19	19
Other	4	4
Derivatives	641	433
Other	295	305
Total current assets	5,154	5,392
OTHER ASSETS		
Special use funds	2,829	2,947
Prepaid benefit costs	935	914
Other investments	939	923
Regulatory assets:		
Securitized storm-recovery costs	679	697
Deferred clause expenses	-	79
Pension	105	100
Unamortized loss on reacquired debt	32	32
Derivatives	16	-
Other	145	138
Other	1,417	1,188
Total other assets	7,097	7,018
TOTAL ASSETS	$ 45,304	$ 44,821
CAPITALIZATION		
Common stock	$ 4	$ 4
Additional paid-in capital	4,876	4,805
Retained earnings	7,058	6,885
Accumulated other comprehensive income (loss)	61	(13)
Total common shareholders' equity	11,999	11,681
Long-term debt	15,099	13,833
Total capitalization	27,098	25,514
CURRENT LIABILITIES		
Commercial paper	646	1,835
Notes payable	-	30
Current maturities of long-term debt	1,294	1,388
Accounts payable	1,058	1,062
Customer deposits	588	575
Accrued interest and taxes	438	374
Regulatory liabilities – deferred clause and franchise revenues	16	11
Derivatives	1,544	1,300
Other	1,059	1,114
Total current liabilities	6,643	7,689
OTHER LIABILITIES AND DEFERRED CREDITS		
Asset retirement obligations	2,314	2,283
Accumulated deferred income taxes	4,216	4,231
Regulatory liabilities:		
Accrued asset removal costs	2,163	2,142
Asset retirement obligation regulatory expense difference	433	520
Other	215	218
Derivatives	218	218
Other	2,004	2,006
Total other liabilities and deferred credits	11,563	11,618
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$ 45,304	$ 44,821

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2008 Form 10-K for FPL Group and FPL.

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

	Three Months Ended March 31,	
	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 364	$ 249
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	390	333
Nuclear fuel amortization	60	47
Recoverable storm-related costs of FPL	(7)	85
Storm cost amortization	19	11
Unrealized (gains) losses on marked to market energy contracts	(75)	36
Deferred income taxes	(18)	138
Cost recovery clauses and franchise fees	266	86
Change in prepaid option premiums and derivative settlements	47	(4)
Equity in earnings of equity method investees	(7)	(14)
Distributions of earnings from equity method investees	-	1
Changes in operating assets and liabilities:		
Customer receivables	162	169
Other receivables	31	13
Materials, supplies and fossil fuel inventory	97	15
Other current assets	(8)	(9)
Other assets	(30)	(71)
Accounts payable	(130)	128
Customer deposits	13	9
Margin cash collateral	(185)	129
Income taxes	45	(115)
Interest and other taxes	72	79
Other current liabilities	(100)	(60)
Other liabilities	(3)	4
Other – net	40	58
Net cash provided by operating activities	1,043	1,317
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures of FPL	(575)	(585)
Independent power investments	(422)	(544)
Nuclear fuel purchases	(70)	(59)
Other capital expenditures	(9)	(5)
Sale of independent power investments	5	-
Proceeds from sale of securities in special use funds	875	375
Purchases of securities in special use funds	(892)	(402)
Proceeds from sale of other securities	17	35
Purchases of other securities	(26)	(42)
Other – net	1	39
Net cash used in investing activities	(1,096)	(1,188)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuances of long-term debt	1,508	1,099
Retirements of long-term debt	(359)	(593)
Net change in short-term debt	(1,220)	(174)
Issuances of common stock	49	8
Dividends on common stock	(191)	(178)
Change in funds held for storm-recovery bond payments	11	19
Other – net	(4)	3
Net cash provided by (used in) financing activities	(206)	184
Net increase (decrease) in cash and cash equivalents	(259)	313
Cash and cash equivalents at beginning of period	535	290
Cash and cash equivalents at end of period	$ 276	$ 603

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2008 Form 10-K for FPL Group and FPL.

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

	Three Months Ended March 31,	
	2009	2008
OPERATING REVENUES	$ 2,573	$ 2,534
OPERATING EXPENSES		
Fuel, purchased power and interchange	1,469	1,457
Other operations and maintenance	340	378
Storm cost amortization	19	11
Depreciation and amortization	232	196
Taxes other than income taxes	251	248
Total operating expenses	2,311	2,290
OPERATING INCOME	262	244
OTHER INCOME (DEDUCTIONS)		
Interest expense	(77)	(86)
Allowance for equity funds used during construction	15	5
Interest income	-	4
Other – net	(2)	(3)
Total other deductions – net	(64)	(80)
INCOME BEFORE INCOME TAXES	198	164
INCOME TAXES	71	56
NET INCOME	$ 127	$ 108

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2008 Form 10-K for FPL Group and FPL.

FLORIDA POWER & LIGHT COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(millions)
(unaudited)

	March 31, 2009	December 31, 2008
ELECTRIC UTILITY PLANT		
Plant in service	$ 26,694	$ 26,497
Nuclear fuel	672	613
Construction work in progress	1,996	1,862
Less accumulated depreciation and amortization	(10,308)	(10,189)
Electric utility plant – net	19,054	18,783
CURRENT ASSETS		
Cash and cash equivalents	96	120
Customer receivables, net of allowances of $13 and $19, respectively	703	796
Other receivables, net of allowances of $1 and $1, respectively	272	143
Materials, supplies and fossil fuel inventory – at average cost	534	563
Regulatory assets:		
Deferred clause and franchise expenses	66	248
Securitized storm-recovery costs	65	64
Derivatives	1,309	1,109
Derivatives	8	4
Other	122	125
Total current assets	3,175	3,172
OTHER ASSETS		
Special use funds	2,083	2,158
Prepaid benefit costs	987	968
Regulatory assets:		
Securitized storm-recovery costs	679	697
Deferred clause expenses	-	79
Unamortized loss on reacquired debt	32	32
Other	156	133
Other	171	153
Total other assets	4,108	4,220
TOTAL ASSETS	$ 26,337	$ 26,175
CAPITALIZATION		
Common stock	$ 1,373	$ 1,373
Additional paid-in capital	4,393	4,393
Retained earnings	2,250	2,323
Total common shareholder's equity	8,016	8,089
Long-term debt	5,789	5,311
Total capitalization	13,805	13,400
CURRENT LIABILITIES		
Commercial paper	461	773
Current maturities of long-term debt	265	263
Accounts payable	582	645
Customer deposits	583	570
Accrued interest and taxes	284	449
Regulatory liabilities – deferred clause and franchise revenues	16	11
Derivatives	1,317	1,114
Other	509	598
Total current liabilities	4,017	4,423
OTHER LIABILITIES AND DEFERRED CREDITS		
Asset retirement obligations	1,766	1,743
Accumulated deferred income taxes	3,287	3,105
Regulatory liabilities:		
Accrued asset removal costs	2,163	2,142
Asset retirement obligation regulatory expense difference	433	520
Other	215	218
Other	651	624
Total other liabilities and deferred credits	8,515	8,352
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$ 26,337	$ 26,175

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2008 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,	
	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 127	$ 108
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	232	196
Nuclear fuel amortization	32	25
Recoverable storm-related costs	(7)	85
Storm cost amortization	19	11
Deferred income taxes	183	153
Cost recovery clauses and franchise fees	266	86
Change in prepaid option premiums and derivative settlements	(1)	2
Changes in operating assets and liabilities:		
Customer receivables	93	94
Other receivables	55	16
Materials, supplies and fossil fuel inventory	29	38
Other current assets	(16)	(14)
Other assets	(16)	(49)
Accounts payable	(70)	105
Customer deposits	14	10
Margin cash collateral	-	92
Income taxes	(320)	(49)
Interest and other taxes	65	73
Other current liabilities	(61)	(6)
Other liabilities	6	5
Other – net	-	33
Net cash provided by operating activities	630	1,014
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(575)	(585)
Nuclear fuel purchases	(43)	(48)
Proceeds from sale of securities in special use funds	516	282
Purchases of securities in special use funds	(524)	(308)
Other – net	-	1
Net cash used in investing activities	(626)	(658)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuances of long-term debt	493	589
Retirements of long-term debt	(20)	(24)
Net change in short-term debt	(312)	(502)
Dividends	(200)	(50)
Change in funds held for storm-recovery bond payments	11	19
Net cash provided by (used in) financing activities	(28)	32
Net increase (decrease) in cash and cash equivalents	(24)	388
Cash and cash equivalents at beginning of period	120	63
Cash and cash equivalents at end of period	$ 96	$ 451

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2008 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 2008 Form 10-K for FPL Group and FPL. In the opinion of FPL Group and FPL management, all adjustments (consisting of normal recurring accruals) considered necessary for fair financial statement presentation have been made. Certain amounts included in the prior year's 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 benefit pension 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, 2009 and 2008. 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 components of net periodic benefit (income) cost for the plans are as follows:

	Pension Benefits		Other Benefits	
	Three Months Ended March 31,		Three Months Ended March 31,	
	2009	2008	2009	2008
	(millions)			
Service cost	$ 13	$ 13	$ 2	$ 1
Interest cost	27	26	6	7
Expected return on plan assets	(60)	(60)	(1)	(1)
Amortization of transition obligation	-	-	1	1
Amortization of prior service benefit	(1)	(1)	-	-
Amortization of gains	(5)	(7)	-	-
Net periodic benefit (income) cost at FPL Group	$ (26)	$ (29)	$ 8	$ 8
Net periodic benefit (income) cost at FPL	$ (18)	$ (21)	$ 6	$ 6

2. Derivative Instruments

FPL Group and FPL use derivative instruments (primarily swaps, options, futures and forwards) to manage the commodity price risk inherent in the purchase and sale of fuel and electricity, as well as interest rate and foreign currency exchange rate risk associated with long-term debt. In addition, FPL Group, through NextEra Energy Resources, uses derivatives to optimize the value of power generation assets. NextEra Energy Resources 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, 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, 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 NextEra Energy Resources, 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 NextEra Energy Resources' derivative transactions are entered into for the purpose of managing commodity price risk, and to reduce the impact of volatility in interest rates stemming from changes in variable interest rates on outstanding debt, 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 using regression analysis for commodity contracts, and nonstatistical methods including dollar value comparisons of the change in the fair value of the derivative to the change in the fair value or cash flows of the hedged item, for interest rate swaps. Hedge effectiveness is tested at the inception of the hedge and on at least a quarterly basis throughout its life.

At March 31, 2009, 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 December 2023. 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. See Note 5. The ineffective portion of net unrealized gains (losses) on these hedges is reported in earnings in the current period, and amounted to approximately $11 million and $(9) million for the three months ended March 31, 2009 and 2008, respectively. Settlement gains and losses are included within the line items in the statements of income to which they relate.

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, 2009	December 31, 2008	March 31, 2009	December 31, 2008
	(millions)			
Current derivative assets [a]	$ 641	$ 433	$ 8	$ 4
Noncurrent other assets [b]	375	212	7	2
Current derivative liabilities [c]	(1,544)	(1,300)	(1,317)	(1,114)
Noncurrent derivative liabilities [d]	(218)	(218)	(23)[e]	(1)[e]
Total mark-to-market derivative instrument liabilities	$ (746)	$ (873)	$ (1,325)	$ (1,109)

(a) At March 31, 2009 and December 31, 2008, FPL Group's balances reflect the netting of $104 million and $60 million (none at FPL), respectively, in margin cash collateral received from counterparties.
(b) At March 31, 2009, FPL Group's balances reflect the netting of $5 million (none at FPL) in margin cash collateral received from counterparties.
(c) At March 31, 2009 and December 31, 2008, FPL Group's balances reflect the netting of $205 million and $33 million (none at FPL), respectively, in margin cash collateral provided to counterparties.
(d) At March 31, 2009 and December 31, 2008, FPL Group's balances reflect the netting of $71 million and $25 million (none at FPL), respectively, in margin cash collateral provided to counterparties.
(e) Included in noncurrent other liabilities on FPL's condensed consolidated balance sheets.

At March 31, 2009 and December 31, 2008, FPL Group had approximately $49 million and $66 million (none at FPL), respectively, in margin cash collateral received from counterparties that was not offset against derivative assets. These amounts are included in other current liabilities in the condensed consolidated balance sheets. Additionally, at March 31, 2009 and December 31, 2008, FPL Group had approximately $97 million and $98 million (none at FPL), respectively, in margin cash collateral provided to counterparties that was not offset against derivative liabilities. These amounts are included in other current assets in the condensed consolidated balance sheets.

As discussed above, FPL Group uses derivative instruments to, among other things, manage its commodity price risk, interest rate risk and foreign currency exchange rate risk. The table above presents FPL Group's and FPL's net derivative liability positions at March 31, 2009, which reflect the offsetting of positions of certain transactions within the portfolio, the contractual ability to settle contracts under master netting arrangements and the netting of margin cash collateral. However, disclosure rules require that the following tables be presented on a gross basis.

The fair values of FPL Group's derivatives designated as hedging instruments for accounting purposes are presented as gross asset and liability values as follows:

	March 31, 2009	
	Derivative Assets	Derivative Liabilities
	(millions)	
Commodity contracts:		
Current derivative assets	$ 95	$ 1
Current derivative liabilities	54	4
Noncurrent other assets	48	-
Noncurrent derivative liabilities	62	12
Interest rate swaps:		
Current derivative liabilities	-	39
Noncurrent other assets	26	-
Noncurrent derivative liabilities	-	60
Total	$ 285	$ 116

For the three months ended March 31, 2009, gains (losses) related to FPL Group cash flow hedges are recorded on FPL Group's condensed consolidated financial statements (none at FPL) as follows:

	Commodity Contracts	Interest Rate Swaps	Total
		(millions)	
Gains (losses) recognized in OCI	$ 152	$ (5)	$ 147
Gains (losses) reclassified from accumulated other comprehensive income (AOCI)	$ 24[a]	$ (9)[b]	$ 15
Gains (losses) recognized in income [c]	$ 11[a]	$ -	$ 11

(a) Included in operating revenues.
(b) Included in interest expense.
(c) Represents the ineffective portion of the hedging instrument.

The fair values of FPL Group's and FPL's derivatives not designated as hedging instruments for accounting purposes are presented as gross asset and liability values as follows:

	March 31, 2009			
	FPL Group		FPL	
	Derivative Assets	Derivative Liabilities	Derivative Assets	Derivative Liabilities
		(millions)		
Commodity contracts:				
Current derivative assets	$ 1,087	$ 435	$ 8	$ -
Current derivative liabilities	1,851	3,612	6	1,323
Noncurrent other assets	453	147	9	1
Noncurrent derivative liabilities	505	769	1	25
Foreign currency swap:				
Noncurrent derivative liabilities	-	15	-	-
Total	$ 3,896	$ 4,978	$ 24	$ 1,349

For the three months ended March 31, 2009, gains (losses) related to FPL Group derivatives not designated as hedging instruments are recorded on FPL Group's condensed consolidated statements of income (none at FPL) as follows (millions):

Commodity contracts:	
Operating revenues	$ 112[a]
Fuel, purchased power and interchange	27
Foreign currency swap:	
Other – net	(12)
Total	$ 127

(a) In addition, FPL recorded approximately $525 million of losses related to commodity contracts as regulatory assets on its condensed consolidated balance sheet.

At March 31, 2009, FPL Group and FPL had derivative commodity contracts for the following net notional volumes:

Commodity Type	FPL Group[a]	FPL[a]
	(millions)	
Power	(36) mwh[b]	-
Natural gas	976 mmbtu[c]	882 mmbtu[c]
Oil	2 barrels	2 barrels

(a) Volume amounts include fixed and index priced derivatives applicable to commodity and basis exposures. Amounts presented are for derivative contracts only and do not include other commodity contracts for which the normal purchases and normal sales election has been made, or which do not meet the definition of a derivative.
(b) Megawatt hours
(c) One million British thermal units

At March 31, 2009, the estimated fair values for FPL Group's interest rate and foreign currency swaps were as follows:

Notional Amount (millions)	Effective Date	Maturity Date	Rate Paid	Rate Received	Estimated Fair Value (millions)
Fair value hedge – FPL Group Capital:					
$ 300	June 2008	September 2011	Variable[a]	5.625%	$ 21
Cash flow hedges – NextEra Energy Resources:					
$ 57	December 2003	December 2017	4.245%	Variable[b]	(4)
$ 19	April 2004	December 2017	3.845%	Variable[b]	(1)
$ 189	December 2005	November 2019	4.905%	Variable[b]	(21)
$ 459	January 2007	January 2022	5.390%	Variable[c]	(60)
$ 147	January 2008	September 2011	3.2050%	Variable[b]	(5)
$ 373	January 2009	December 2016	2.680%	Variable[b]	(4)
$ 124	January 2009[d]	December 2023	3.725%	Variable[b]	-
$ 74	January 2009	December 2023	2.578%	Variable[e]	-
$ 22	March 2009	December 2016	2.655%	Variable[b]	-
$ 7	March 2009[d]	December 2023	3.960%	Variable[b]	-
Total cash flow hedges					(95)
Total interest rate hedges					$ (74)
Foreign currency swap – FPL Group Capital:					
$ 141	December 2008	December 2011	Variable[f]	Variable[g]	$ (15)

(a) Three-month London InterBank Offered Rate (LIBOR) plus 1.18896%
(b) Three-month LIBOR
(c) Six-month LIBOR
(d) Exchange of payments does not begin until December 2016.
(e) Three-month Banker's Acceptance Rate
(f) Three-month LIBOR plus 2.14%
(g) Three-month Japanese yen LIBOR plus 1.75%

Certain of FPL Group's and FPL's derivative instruments contain credit-risk-related contingent features including, among other things, the requirement to maintain an investment grade credit rating from specified credit rating agencies and certain financial ratios, as well as credit-related cross default and material adverse change triggers. At March 31, 2009, the aggregate fair value of FPL Group's derivative instruments with credit-risk-related contingent features that were in a liability position was approximately $3.0 billion ($1.3 billion for FPL).

If the credit-risk-related contingent features underlying these agreements and other wholesale commodity contracts were triggered, FPL Group or FPL could be required to post collateral or settle contracts according to contractual terms which generally allow netting of contracts in offsetting positions. Certain contracts contain multiple types of credit-related triggers. To the extent these contracts contain a credit ratings downgrade trigger, the maximum exposure is included in the following credit ratings collateral posting requirements. If FPL Group Capital's or FPL's credit ratings were downgraded to BBB+/Baa1 (a two level downgrade for FPL and a one level downgrade for FPL Group Capital), FPL Group would be required to post collateral of less than $1 billion, substantially all of which relates to FPL. If FPL Group Capital's and FPL's credit ratings were downgraded to below investment grade, FPL Group would be required to post additional collateral such that the total posted collateral would be approximately $2.4 billion ($1.8 billion at FPL). Some contracts at FPL Group do not contain credit ratings downgrade triggers, but do contain provisions that require certain financial measures be maintained and/or credit-related cross default triggers. In the event these provisions were triggered, FPL Group could be required to post additional collateral of up to approximately $632 million.

Collateral may be posted in the form of cash or credit support. At March 31, 2009, FPL Group had posted $0.7 billion ($0.6 billion at FPL) in the form of letters of credit in the normal course of business which could be applied toward the collateral requirements above. FPL and FPL Group Capital have bank revolving lines of credit in excess of the collateral requirements described above that would be available to support, among other things, derivative activities. Under the terms of the bank revolving lines of credit, maintenance of a specific credit rating is not a condition to drawing upon these credit facilities, although there are other conditions to drawing on these credit facilities.

Additionally, some contracts also contain certain adequate assurance provisions where a counterparty may demand additional collateral based on subjective events and/or conditions. Due to the subjective nature of these clauses, FPL Group and FPL are unable to determine a value for these items and they are not included in any of the quantitative disclosures above.

3. Fair Value Measurements

FPL Group and FPL use several different valuation techniques to measure the fair value of assets and liabilities, relying primarily on the market approach of using prices and other market information for identical and/or comparable assets and liabilities for those assets and liabilities that are measured on a recurring basis. Certain derivatives and financial instruments are valued using option pricing models and take into consideration multiple inputs including commodity prices, volatility factors and discount rates, as well as counterparty credit ratings and credit enhancements. Additionally, when observable market data is not sufficient, valuation models are developed that incorporate FPL Group's and FPL's proprietary views of market factors and conditions. FPL Group's and FPL's assessment of the significance of any particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

FPL Group's and FPL's financial assets and liabilities and other fair value measurements made on a recurring basis by fair value hierarchy level are as follows:

	As of March 31, 2009				
	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Netting [a]	Total
	(millions)				
Assets:					
Cash equivalents:					
FPL Group	$ 118	$ -	$ -	$ -	$ 118
FPL	$ 56	$ -	$ -	$ -	$ 56
Other current assets:					
FPL Group	$ -	$ 17	$ -	$ -	$ 17
Special use funds:					
FPL Group	$ 562	$ 2,267[b]	$ -	$ -	$ 2,829
FPL	$ 150	$ 1,933[b]	$ -	$ -	$ 2,083
Other investments:					
FPL Group	$ 6	$ 98	$ -	$ -	$ 104
FPL	$ -	$ 2	$ -	$ -	$ 2
Net derivative assets (liabilities):					
FPL Group	$ (218)	$ (1,194)	$ 539	$ 127	$ (746)[c]
FPL	$ -	$ (1,330)	$ 5	$ -	$ (1,325)[c]

(a) Includes amounts for margin cash collateral and net option premium payments and receipts.
(b) At FPL Group, approximately $634 million ($580 million at FPL) are invested in commingled funds whose underlying investments would be Level 1 if those investments were held directly by FPL Group or FPL. The remaining investments are primarily comprised of fixed income securities including municipal, mortgage-backed, corporate and governmental bonds.
(c) See Note 2 for a reconciliation of net derivatives to FPL Group's and FPL's condensed consolidated balance sheets.

	As of December 31, 2008				
	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Netting [a]	Total
			(millions)		
Assets:					
Cash equivalents:					
FPL Group	$ 109	$ -	$ -	$ -	$ 109
FPL	$ 27	$ -	$ -	$ -	$ 27
Other current assets:					
FPL Group	$ -	$ 17	$ -	$ -	$ 17
Special use funds:					
FPL Group	$ 536	$ 2,411[b]	$ -	$ -	$ 2,947
FPL	$ 149	$ 2,009[b]	$ -	$ -	$ 2,158
Other investments:					
FPL Group	$ 6	$ 101	$ -	$ -	$ 107
Net derivative assets (liabilities):					
FPL Group	$ (55)	$ (1,227)	$ 404	$ 5	$ (873)[c]
FPL	$ -	$ (1,108)	$ (1)	$ -	$ (1,109)[c]

(a) Includes amounts for margin cash collateral and net option premium payments and receipts.
(b) At FPL Group, approximately $712 million ($650 million at FPL) are invested in commingled funds whose underlying investments would be Level 1 if those investments were held directly by FPL Group or FPL. The remaining investments are primarily comprised of fixed income securities including municipal, mortgage-backed, corporate and governmental bonds.
(c) See Note 2 for a reconciliation of net derivatives to FPL Group's and FPL's condensed consolidated balance sheets.

The reconciliation of changes in the fair value of derivatives that are based on significant unobservable inputs is as follows:

	Three Months Ended March 31, 2009		Three Months Ended March 31, 2008	
	FPL Group	FPL	FPL Group	FPL
		(millions)		
Fair value of derivatives based on significant unobservable inputs at December 31 of prior year	$ 404	$ (1)	$ (127)	$ (10)
Realized and unrealized gains (losses):				
Included in earnings [a]	338	-	(222)	-
Included in regulatory assets and liabilities	5	5	(1)	(1)
Settlements	(130)	2	(37)	1
Net transfers out	(78)	(1)	170	-
Fair value of derivatives based on significant unobservable inputs at March 31	$ 539	$ 5	$ (217)	$ (10)
The amount of gains (losses) for the period included in earnings attributable to the change in unrealized gains (losses) relating to derivatives still held at the reporting date [a]	$ 247	$ 1	$ (222)	$ -

(a) Realized and unrealized gains (losses) are reflected in operating revenues in the condensed consolidated statements of income.

4. Income Taxes

FPL Group's effective income tax rate for the three months ended March 31, 2009 and 2008 was approximately 4.9% and 10.8%, respectively. The reduction from the federal statutory rate mainly reflects the benefit of wind production tax credits (PTCs) of approximately $72 million and $67 million, respectively, related to NextEra Energy Resources' wind projects. PTCs can significantly affect FPL Group's effective income tax rate depending on the amount of pretax income and wind generation.

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 uses 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.

FPL Group's effective income tax rate for the three months ended March 31, 2009 also reflects the following:

- an approximately $18 million benefit (foreign tax benefit) reflecting the reduction of previously deferred income taxes resulting from an additional equity investment in Canadian operations,
- a $17 million benefit (state tax benefit) related to a change in state tax law that extended the carry forward period of investment tax credits (ITCs) on certain wind projects, and
- a $15 million benefit (convertible ITCs tax benefit) related to the effect on the estimated annual effective income tax rate of expected book/tax basis differences resulting from additional incentives NextEra Energy Resources expects to receive under the American Recovery and Reinvestment Act of 2009 (Recovery Act) for certain wind projects expected to be placed in service in 2009.

5. Comprehensive Income

FPL Group's comprehensive income is as follows:

	Three Months Ended March 31,	
	2009	2008
	(millions)	
Net income of FPL Group	$ 364	$ 249
Net unrealized gains (losses) on commodity cash flow hedges:		
Effective portion of net unrealized gains (losses) (net of $61 tax expense and $64 tax benefit, respectively)	90	(95)
Reclassification from AOCI to net income (net of $8 tax benefit and $9 tax expense, respectively)	(13)	14
Net unrealized gains (losses) on interest rate cash flow hedges:		
Effective portion of net unrealized losses (net of $2 and $11 tax benefit, respectively)	(3)	(19)
Reclassification from AOCI to net income (net of $3 tax expense and $0.2 tax benefit, respectively)	6	(1)
Net unrealized losses on available for sale securities (net of $2 and $14 tax benefit, respectively)	(2)	(21)
Defined benefit pension and other benefits plans (net of $1 and $1 tax benefit, respectively)	(1)	(1)
Net unrealized losses on foreign currency translation (net of $1 tax benefit)	(3)	-
Comprehensive income of FPL Group	$ 438	$ 126

Approximately $67 million of gains included in FPL Group's AOCI at March 31, 2009 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. AOCI is separately displayed on the condensed consolidated balance sheets of FPL Group. FPL's comprehensive income is the same as reported net income.

6. Variable Interest Entities

FPL – FPL is considered the primary beneficiary of, and therefore consolidates, a variable interest entity (VIE) from which it leases nuclear fuel for its nuclear units. FPL is considered the primary beneficiary of this VIE because in the case of default by the VIE on its debt, FPL would be required to purchase the VIE's nuclear fuel and because FPL guarantees the VIE's debt. 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, which consists primarily of commercial paper (approximately $366 million and $347 million at March 31, 2009 and December 31, 2008, respectively) would become due. The consolidated assets of the VIE consist primarily of nuclear fuel, which had a net carrying value of approximately $365 million and $338 million at March 31, 2009 and December 31, 2008, respectively.

FPL is considered the primary beneficiary of and therefore consolidates a wholly-owned bankruptcy remote special purpose subsidiary that it formed in 2007 for the sole purpose of issuing storm-recovery bonds pursuant to the securitization provisions of the Florida Statutes and a Florida Public Service Commission (FPSC) financing order. Four hurricanes in 2005 and three hurricanes in 2004 caused major damage in parts of FPL's service territory. Storm restoration costs incurred by FPL during 2005 and 2004 exceeded the amount in FPL's funded storm and property insurance reserve, resulting in a storm reserve deficiency. In 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 outstanding at March 31, 2009 and December 31, 2008 were approximately $591 million and $611 million, respectively, which are included in long-term debt and current maturities of long-term debt on FPL Group's and FPL's condensed consolidated balance sheets. 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. The consolidated assets of the VIE were approximately $599 million and $628 million at March 31, 2009 and December 31, 2008, respectively, and consisted primarily of storm-recovery property, which is included in securitized storm-recovery costs on FPL Group's and FPL's balance sheets.

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 through 2024. For each 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 project has a capacity of 250 megawatts (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 three months ended March 31, 2009 and 2008, FPL purchased 473,765 mwh and 478,823 mwh, respectively, from the project at a total cost of approximately $42 million and $41 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 three months ended March 31, 2009 and 2008, FPL purchased 407,085 mwh and 603,244 mwh, respectively, from the Facility at a total cost of approximately $52 million and $58 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 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. 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. The junior subordinated debentures are FPL Group's maximum exposure to loss. The junior subordinated debentures outstanding at both March 31, 2009 and December 31, 2008 were approximately $309 million, which are included in long-term debt on FPL Group's condensed consolidated balance sheets.

7. Common Stock

Earnings Per Share – The reconciliation of FPL Group's basic and diluted earnings per share of common stock is as follows:

	Three Months Ended March 31,	
	2009	2008
	(millions, except per share amounts)	
Numerator – net income	$ 364	$ 249
Denominator:		
Weighted-average number of common shares outstanding – basic	402.3	399.1
Restricted stock, performance share awards, options and warrants [a]	2.5	2.9
Weighted-average number of common shares outstanding – assuming dilution	404.8	402.0
Earnings per share of common stock:		
Basic	$ 0.90	$ 0.62
Assuming dilution	$ 0.90	$ 0.62

(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 was the end of the term of the award. Restricted stock, performance share awards, options and warrants are included in diluted weighted-average number of common shares outstanding by applying the treasury stock method.

Restricted stock, performance share awards and common shares issuable upon the exercise of stock options which were not included in the denominator above due to their antidilutive effect were approximately 1.1 million and 0.9 million for the three months ended March 31, 2009 and 2008, respectively.

Continuous Offering of FPL Group Common Stock – In January 2009, FPL Group entered into an agreement under which FPL Group may offer and sell, from time to time, FPL Group common stock having a gross sales price of up to $400 million. As of May 5, 2009, FPL Group had received proceeds of approximately $40 million through the issuance of common stock under this agreement consisting of 760,000 shares at an average price of $52.10 per share.

8. Debt

Subsidiaries of FPL Group had the following debt issuances and borrowings during the three months ended March 31, 2009:

Date Issued	Company	Debt Issued	Interest Rate	Principal Amount (millions)	Maturity Date
January 2009	NextEra Energy Resources subsidiary	Canadian dollar denominated limited-recourse senior secured term loan	Variable	$ 76	2023[a]
January 2009	FPL Group Capital	Term loan	Variable	$ 72	2011
March 2009	FPL Group Capital	Debentures	6.00%	$ 500	2019
March 2009	FPL	First mortgage bonds	5.96%	$ 500	2039
March 2009	FPL Group Capital	Junior subordinated debentures	8.75%	$ 375	2069
March 2009	NextEra Energy Resources subsidiary	Limited-recourse senior secured notes	Variable	$ 22	2016[b]

(a) Proceeds from this loan were used to repay a portion of the NextEra Energy Resources subsidiary's Canadian dollar denominated variable rate term loan maturing in 2011. In March 2009, the remaining balance of the term loan maturing in 2011 was paid off.
(b) Partially amortizing with a balloon payment at maturity.

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 NextEra Energy Resources, 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 maintain its fiber-optic network.

At March 31, 2009, planned capital expenditures for the remainder of 2009 through 2013 were estimated as follows:

	2009	2010	2011	2012	2013	Total
			(millions)			
FPL:						
Generation: [a]						
New [b][c][d]	$ 1,110	$ 1,190	$ 830	$ 340	$ 25	$ 3,495
Existing	545	680	610	515	430	2,780
Transmission and distribution	445	865	925	930	975	4,140
Nuclear fuel	65	205	215	220	265	970
General and other	150	290	315	300	235	1,290
Total	$ 2,315	$ 3,230	$ 2,895	$ 2,305	$ 1,930	$ 12,675
NextEra Energy Resources:						
Wind [e]	$ 1,670	$ 35	$ 15	$ 20	$ 10	$ 1,750
Nuclear [f]	260	420	295	275	305	1,555
Natural gas	95	60	75	85	50	365
Other	85	55	45	35	30	250
Total	$ 2,110	$ 570	$ 430	$ 415	$ 395	$ 3,920
FPL FiberNet	$ 50	$ 20	$ 20	$ 20	$ 20	$ 130

(a) Includes allowance for funds used during construction (AFUDC) of approximately $52 million, $51 million, $30 million and $4 million in 2009 to 2012, respectively.
(b) Includes land, generating structures, transmission interconnection and integration and licensing.
(c) Includes pre-construction costs and carrying charges (equal to the pretax AFUDC rate) on construction costs recoverable through the capacity clause of approximately $55 million, $142 million, $364 million, $42 million and $19 million in 2009 to 2013, respectively.
(d) Excludes: capital expenditures of approximately $2.3 billion for the modernization of the Cape Canaveral and Riviera power plants for the period from early-2010 (when a decision regarding approval by the Florida Power Plant Siting Board (Siting Board), comprised of the Florida governor and cabinet, is expected) through 2013; construction costs of approximately $2.5 billion during the period 2012 to 2013 for the two additional nuclear units at FPL's Turkey Point site (construction costs will not begin until license approval is received from the U.S. Nuclear Regulatory Commission, which is expected in 2012); and capital expenditures of approximately $1.6 billion, including AFUDC, for an approximately 300-mile underground natural gas pipeline in Florida, which FPL is proposing to build.
(e) Includes capital expenditures for new wind projects that have been identified and related transmission. NextEra Energy Resources expects to add over 1,000 mw in 2009 and 1,000 mw to 2,000 mw of new wind generation per year from 2010 through 2012, subject to, among other things, continued public policy support, which includes, but is not limited to, support for the construction and availability of sufficient transmission facilities and capacity, and access to reasonable capital and credit markets. The cost of the planned wind additions for the 2010 through 2012 period is estimated to be approximately $3.0 billion to $4.5 billion in each year, which is not included in the table above.
(f) Includes nuclear fuel.

FPL Group has guaranteed certain payment obligations of FPL Group Capital, including most payment obligations under FPL Group Capital's debt and guarantees. FPL Group and FPL each account for payment guarantees and related contracts, for which it or a subsidiary is the guarantor, under Financial Accounting Standards Board (FASB) Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others," which requires that the fair value of guarantees provided to unconsolidated entities entered into after December 31, 2002 be recorded on the balance sheet. At March 31, 2009, 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 9 years. The maximum potential amount of future payments that could be required under these guarantees at March 31, 2009 was approximately $17 million. At March 31, 2009, 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, 2009.

Certain subsidiaries of NextEra Energy Resources have contracts that require certain projects to meet annual minimum generation amounts. Failure to meet the annual minimum generation amounts would result in the NextEra Energy Resources subsidiary becoming liable for liquidated damages. Based on past performance of these and similar projects and current forward prices, management believes that it is unlikely to experience a material exposure as a result of these liquidated damages' provisions.

Contracts – In addition to the planned capital expenditures included in the table in Commitments above, FPL has commitments under 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-2010, approximately 1,330 mw annually from mid-2010 to 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 August 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 April 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 2032 for the purchase and transportation of natural gas and coal, and storage of natural gas.

NextEra Energy Resources has entered into several contracts primarily for the purchase of wind turbines and towers and related construction activities, approximately $1.6 billion of which is included in the planned capital expenditures table in Commitments above. In addition, NextEra Energy Resources has contracts primarily for the purchase, transportation and storage of natural gas and firm transmission service with expiration dates ranging from 2009 through 2036, as well as for the supply, conversion, enrichment and fabrication of nuclear fuel with expiration dates ranging from 2009 through 2023.

The required capacity and minimum payments under these contracts as of March 31, 2009 were estimated as follows:

	2009	2010	2011	2012	2013	Thereafter
				(millions)		
FPL:						
Capacity payments: [a]						
JEA and Southern subsidiaries [b]	$ 170	$ 230	$ 210	$ 210	$ 210	$ 550
Qualifying facilities [b]	$ 240	$ 290	$ 260	$ 270	$ 250	$ 2,670
Other electricity suppliers [b]	$ 40	$ 10	$ 10	$ 5	$ -	$ -
Minimum payments, at projected prices:						
Southern subsidiaries – energy [b]	$ 70	$ 40	$ -	$ -	$ -	$ -
Natural gas, including transportation and storage [c]	$ 1,540	$ 1,655	$ 1,145	$ 555	$ 515	$ 4,325
Coal [c]	$ 65	$ 60	$ 15	$ -	$ -	$ -
NextEra Energy Resources [d]	$ 1,490	$ 205	$ 90	$ 95	$ 80	$ 870

(a) Capacity payments under these contracts, the majority of which are recoverable through the capacity clause, totaled approximately $153 million and $145 million for the three months ended March 31, 2009 and 2008, respectively.
(b) Energy payments under these contracts, which are recoverable through the fuel clause, totaled approximately $96 million and $115 million for the three months ended March 31, 2009 and 2008, respectively.
(c) Recoverable through the fuel clause.
(d) Includes termination payments primarily associated with wind turbine contracts beyond 2009.

In addition, FPL has entered into several long-term agreements for storage capacity and transportation of natural gas from facilities that have not yet started construction or, if started, have not yet completed construction. These agreements range from 15 to 25 years in length and contain firm commitments by FPL totaling up to approximately $209 million annually or $5.1 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/or completion of construction of the facilities from June 2009 to 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, which provides up to $12.2 billion of liability insurance coverage per incident at any nuclear reactor in the United States. Under the secondary financial protection system, FPL Group is subject to retrospective assessments of up to $940 million ($470 million for FPL), plus any applicable taxes, per incident at any nuclear reactor in the United States, payable at a rate not to exceed $140 million ($70 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 $14 million, $35 million and $18 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 $175 million ($102 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, $4 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 established through the issuance of storm-recovery bonds, FPL may recover storm restoration costs, subject to prudence review by the FPSC, either through securitization provisions pursuant to Florida law 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.

Legal Proceedings – In November 1999, the Attorney General of the United States, on behalf of the U.S. Environmental Protection Agency (EPA), brought an action in the U.S. District Court for the Northern District of Georgia against Georgia Power Company and other subsidiaries of The Southern Company for 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. The EPA has made revisions to its civil penalty rule such that the maximum penalty is $27,500 per day for each violation from January 31, 1997 through March 15, 2004, $32,500 per day for each violation from March 16, 2004 through January 12, 2009 and $37,500 per day for each violation thereafter. Georgia Power Company has answered the amended complaint, asserting that it has complied with all requirements of the Clean Air Act, denying the plaintiff's allegations of liability, denying that the plaintiff is entitled to any of the relief that it seeks and raising various other defenses. In June 2001, 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 a petition for review with the U.S. Court of Appeals for the District of Columbia (DC Circuit) asking the DC Circuit to reverse and remand orders of the FERC denying FMPA's request for certain 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 in this case have been closed except for FMPA's request for exclusions from FPL's transmission rates of the costs of FPL's facilities that fail to meet the same integration test that was used to deny credits for certain FMPA facilities (integration test). In May 2004, FPL made a compliance filing with the FERC of a proposed rate schedule that does not include those FPL facilities that fail to meet the same integration test. In January 2005, the FERC issued an order on FPL's compliance filing and 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 kilowatt (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. 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. In February 2008, the FERC accepted FPL's April 2005 compliance filing in full and, in March 2008, FPL issued refunds of approximately $4 million to FMPA and $2 million to Seminole in accordance with the FERC's February 2008 order. Subsequently, FMPA sought rehearing of the FERC's February 2008 order, which was denied by the FERC in December 2008. FMPA has sought review of the FERC's February 2008 and December 2008 orders at the DC Circuit. FMPA's position is that FPL's rates should be reduced by an additional $0.20 per kw per month, which, if upheld, would result in an additional refund obligation to FMPA of approximately $25 million, and approximately $15 million to Seminole, at March 31, 2009.

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 December 2010.

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 (NextEra Energy Resources Affiliates) as defendants in a civil action filed in the District Court in Dallas County, Texas. FPL Energy, LLC, now known as NextEra Energy Resources, was added as a defendant in 2005. The petition alleged that the NextEra Energy Resources Affiliates had a contractual obligation to produce and sell to TXU a minimum quantity of renewable energy credits each year and that the NextEra Energy Resources 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 NextEra Energy Resources 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 NextEra Energy Resources Affiliates were found to have breached the contract. In August 2008, the judge issued a final judgment pursuant to which the contract is not terminated and neither party will recover any damages. In November 2008, TXU appealed the final judgment to the Fifth District Court of Appeals in Dallas, Texas.

FPL Group and FPL are vigorously defending, and believe that they or their affiliates have meritorious defenses to, the lawsuits described above. While management is unable to predict with certainty the outcome of these lawsuits, 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.

Regulatory Proceedings -- In February 2008, a fault occurred at an FPL substation causing a system loss of about 3,400 mw of generating capacity, which left approximately 596,000 FPL customers without power. Power was restored to approximately two-thirds of affected customers within one hour and all customers were restored within three hours. FPL's investigation into the root cause of the problem determined the fault occurred as a result of human error. In March 2008, the Florida Reliability Coordinating Council (FRCC) initiated an investigation of the event and the FERC opened a nonpublic formal investigation to determine whether the event involved any violations of mandatory reliability standards. The North American Electric Reliability Corporation (NERC) is participating in both investigations. In November 2008, the FRCC's event analysis team issued its final report on the outage, which did not identify any potential violations of NERC reliability standards by FPL. Following a period of fact finding and written correspondence by and between FPL and the FERC enforcement staff, FPL and the FERC staff have been engaged in discussions to determine whether the investigation can be resolved by settlement. FPL believes that, absent settlement, the FERC staff will pursue formal enforcement proceedings in which FPL expects the FERC may assert up to 25 or more violations of the reliability standards. The statutory penalty for any violation of a reliability standard is up to $1 million per day. FPL believes that, in any such enforcement proceeding, the FERC may assert that some of the alleged violations have continued from January 1, 2008, or earlier.

In March 2009, FPL filed a petition with the FPSC requesting, among other things, a permanent increase in base rates and charges effective January 2010 and an additional permanent base rate increase effective January 2011. To address the addition of FPL's West County Energy Center Unit No. 3 and any subsequent power plant additions, FPL is also requesting FPSC approval to continue the Generation Base Rate Adjustment (GBRA) mechanism previously approved by the FPSC as part of the stipulation and settlement agreement regarding FPL's 2005 base rate case. If approved, the requested permanent base rate increases would increase annual retail base revenues year-over-year by approximately $1 billion in 2010 and an additional $250 million in 2011. FPL's requested increases are based on a regulatory return on common equity of 12.5% and exclude amounts associated with the proposed extension of the GBRA mechanism and certain proposed cost recovery clause adjustments. Hearings on this base rate proceeding are expected during the third quarter of 2009 and a final decision is expected by the end of 2009. The final decision may approve rates and other terms that are different from those that FPL has requested. The 2005 rate agreement and its provisions will terminate on the date new retail base rates become effective pursuant to an FPSC order.

In addition to the legal and regulatory proceedings discussed above, FPL Group and its subsidiaries, including FPL, are involved in other legal and regulatory proceedings, actions 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 and regulatory proceedings, actions 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 legal and regulatory proceedings, actions and claims, there may be a material adverse effect on their financial statements. While management is unable to predict with certainty the outcome of these legal and regulatory proceedings, actions and claims, 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 NextEra Energy Resources, 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,							
	2009				2008			
	FPL	NextEra Energy Resources [a]	Corporate & Other	FPL Group Consolidated	FPL	NextEra Energy Resources [a]	Corporate & Other	FPL Group Consolidated
	(millions)							
Operating revenues	$ 2,573	$ 1,089	$ 43	$ 3,705	$ 2,534	$ 853	$ 47	$ 3,434
Operating expenses	$ 2,311	$ 766	$ 45	$ 3,122	$ 2,290	$ 657	$ 44	$ 2,991
Net income (loss) [b]	$ 127	$ 252	$ (15)	$ 364	$ 108	$ 164	$ (23)	$ 249

	March 31, 2009				December 31, 2008			
	FPL	NextEra Energy Resources	Corporate & Other	FPL Group Consolidated	FPL	NextEra Energy Resources	Corporate & Other	FPL Group Consolidated
	(millions)							
Total assets	$ 26,337	$ 17,649	$ 1,318	$ 45,304	$ 26,175	$ 17,157	$ 1,489	$ 44,821

(a) NextEra Energy Resources' interest expense is based on a deemed capital structure of 50% debt for operating projects and 100% debt for projects under construction. For these purposes, the deferred credit associated with differential membership interests sold by a NextEra Energy Resources subsidiary in 2007 is included with debt. Residual non-utility interest expense is included in Corporate and Other.

(b) See Note 4 for a discussion of NextEra Energy Resources' tax benefits related to PTCs that were 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 interests 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,							
	2009				2008			
	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	$ -	$ 1,135	$ 2,570	$ 3,705	$ -	$ 902	$ 2,532	$ 3,434
Operating expenses	-	(813)	(2,309)	(3,122)	-	(703)	(2,288)	(2,991)
Interest expense	(4)	(134)	(73)	(211)	(5)	(112)	(82)	(199)
Other income (deductions) – net	373	(9)	(353)	11	256	33	(254)	35
Income (loss) before income taxes	369	179	(165)	383	251	120	(92)	279
Income tax expense (benefit)	5	(57)	71	19	2	(27)	55	30
Net income (loss)	$ 364	$ 236	$ (236)	$ 364	$ 249	$ 147	$ (147)	$ 249

(a) Represents FPL and consolidating adjustments.

Condensed Consolidating Balance Sheets

	March 31, 2009				December 31, 2008			
	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	$ 2	$ 17,100	$ 29,362	$ 46,464	$ 2	$ 16,554	$ 28,972	$ 45,528
Less accumulated depreciation and amortization	-	(3,102)	(10,309)	(13,411)	-	(2,928)	(10,189)	(13,117)
Total property, plant and equipment – net	2	13,998	19,053	33,053	2	13,626	18,783	32,411
CURRENT ASSETS								
Cash and cash equivalents	-	179	97	276	-	414	121	535
Receivables	295	755	558	1,608	339	948	420	1,707
Other	23	1,155	2,092	3,270	19	1,016	2,115	3,150
Total current assets	318	2,089	2,747	5,154	358	2,378	2,656	5,392
OTHER ASSETS								
Investment in subsidiaries	11,836	-	(11,836)	-	11,511	-	(11,511)	-
Other	486	2,875	3,736	7,097	251	2,695	4,072	7,018
Total other assets	12,322	2,875	(8,100)	7,097	11,762	2,695	(7,439)	7,018
TOTAL ASSETS	$ 12,642	$ 18,962	$ 13,700	$ 45,304	$ 12,122	$ 18,699	$ 14,000	$ 44,821
CAPITALIZATION								
Common shareholders' equity	$ 11,999	$ 3,819	$ (3,819)	$ 11,999	$ 11,681	$ 3,422	$ (3,422)	$ 11,681
Long-term debt	-	9,310	5,789	15,099	-	8,522	5,311	13,833
Total capitalization	11,999	13,129	1,970	27,098	11,681	11,944	1,889	25,514
CURRENT LIABILITIES								
Debt due within one year	-	1,214	726	1,940	-	2,217	1,036	3,253
Accounts payable	4	476	578	1,058	-	421	641	1,062
Other	223	1,138	2,284	3,645	265	887	2,222	3,374
Total current liabilities	227	2,828	3,588	6,643	265	3,525	3,899	7,689
OTHER LIABILITIES AND DEFERRED CREDITS								
Asset retirement obligations	-	548	1,766	2,314	-	539	1,744	2,283
Accumulated deferred income taxes	48	951	3,217	4,216	(78)	1,153	3,156	4,231
Regulatory liabilities	-	-	2,811	2,811	-	-	2,880	2,880
Other	368	1,506	348	2,222	254	1,538	432	2,224
Total other liabilities and deferred credits	416	3,005	8,142	11,563	176	3,230	8,212	11,618
COMMITMENTS AND CONTINGENCIES								
TOTAL CAPITALIZATION AND LIABILITIES	$ 12,642	$ 18,962	$ 13,700	$ 45,304	$ 12,122	$ 18,699	$ 14,000	$ 44,821

(a) Represents FPL and consolidating adjustments.

FPL GROUP, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Concluded)
(unaudited)

Condensed Consolidating Statements of Cash Flows

	Three Months Ended March 31,							
	2009				2008			
	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	$ 234	$ 379	$ 430	$ 1,043	$ 184	$ 346	$ 787	$ 1,317
CASH FLOWS FROM INVESTING ACTIVITIES								
Capital expenditures, independent power investments and nuclear fuel purchases	-	(458)	(618)	(1,076)	-	(560)	(634)	(1,194)
Sale of independent power investments	-	5	-	5	-	-	-	-
Other – net	(85)	(14)	74	(25)	(14)	47	(27)	6
Net cash used in investing activities	(85)	(467)	(544)	(1,096)	(14)	(513)	(661)	(1,188)
CASH FLOWS FROM FINANCING ACTIVITIES								
Issuances of long-term debt	-	1,014	494	1,508	-	510	589	1,099
Retirements of long-term debt	-	(339)	(20)	(359)	-	(569)	(24)	(593)
Net change in short-term debt	-	(907)	(313)	(1,220)	-	328	(502)	(174)
Issuances of common stock	49	-	-	49	8	-	-	8
Dividends on common stock	(191)	-	-	(191)	(178)	-	-	(178)
Other – net	(7)	85	(71)	7	-	(177)	199	22
Net cash provided by (used in) financing activities	(149)	(147)	90	(206)	(170)	92	262	184
Net increase (decrease) in cash and cash equivalents	-	(235)	(24)	(259)	-	(75)	388	313
Cash and cash equivalents at beginning of period	-	414	121	535	-	227	63	290
Cash and cash equivalents at end of period	$ -	$ 179	$ 97	$ 276	$ -	$ 152	$ 451	$ 603

(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 2008 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 period.

Results of Operations

FPL Group and NextEra Energy Resources segregate into two categories unrealized mark-to-market gains and losses on energy derivative transactions which are used to manage commodity price risk. 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 and the ineffective portion of transactions accounted for as cash flow hedges. At FPL, substantially all changes in the fair value of energy derivative transactions 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 clause or the capacity clause.

FPL Group's management uses earnings excluding certain items (adjusted earnings) 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. Adjusted earnings exclude the unrealized mark-to-market effect of non-qualifying hedges and other than temporary impairment (OTTI) losses on securities held in NextEra Energy Resources' nuclear decommissioning funds, net of the reversal of previously recognized OTTI losses on securities sold and losses on securities where price recovery was deemed unlikely (collectively, OTTI reversals). 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. Adjusted earnings does not represent a substitute for net income, as prepared in accordance with generally accepted accounting principles.

In March 2009, FPL, certain subsidiaries of NextEra Energy Resources and certain nuclear plant joint owners signed a settlement agreement with the U.S. Government (settlement agreement) agreeing to dismiss with prejudice lawsuits filed against the U.S. Government seeking damages caused by the U.S. Department of Energy's failure to dispose of spent nuclear fuel from FPL's and NextEra Energy Resources' nuclear plants. In connection with the settlement agreement, FPL Group established an approximately $153 million ($100 million for FPL) receivable from the U.S. Government and a liability to nuclear plant joint owners of $22 million ($5 million for FPL), which are included with other receivables and other current liabilities, respectively, in the condensed consolidated balance sheets at March 31, 2009. In addition, FPL Group reduced its March 31, 2009 property, plant and equipment balances by $107 million ($83 million for FPL) and, for the three months ended March 31, 2009, reduced operating expenses by $15 million ($12 million for FPL) and increased operating revenues by $9 million. The payments due from the U.S. Government under the settlement agreement increased FPL Group's net income for the three months ended March 31, 2009 by approximately $16 million ($9 million for FPL). A substantial portion of the amount due from the U.S. Government is expected during the second quarter of 2009. FPL and NextEra Energy Resources will continue to pay fees to the U.S. Government's nuclear waste fund.

Summary – Presented below is a summary of net income (loss) by reportable segment (see Note 10):

	Three Months Ended March 31,	
	2009	2008
	(millions)	
FPL	$ 127	$ 108
NextEra Energy Resources	252	164
Corporate and Other	(15)	(23)
FPL Group Consolidated	$ 364	$ 249

The increase in FPL's results for the three months ended March 31, 2009 reflects the settlement agreement, lower operations and maintenance (O&M) expenses and a higher equity component of AFUDC (AFUDC – equity) partly offset by lower retail customer usage.

NextEra Energy Resources' results for the three months ended March 31, 2009 reflect additional earnings from new investments, the foreign, state and convertible ITCs tax benefits (see Note 4), as well as the absence of an unplanned outage in 2008 at the Seabrook nuclear facility and the settlement agreement. These additional earnings were partially offset by lower results in the remainder of the existing portfolio primarily due to Electric Reliability Council of Texas (ERCOT) market conditions, a refueling outage at the Duane Arnold nuclear site and lower wind generation primarily due to a particularly strong wind resource in the prior quarter. In addition, interest expense and administrative and general expenses were higher to support growth of the business. FPL Group's and NextEra Energy Resources' net income for the three months ended March 31, 2009 reflects net unrealized after-tax gains from non-qualifying hedges of $30 million while in the prior period net income reflects net unrealized after-tax losses from such hedges of $52 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. For the three months ended March 31, 2009 and 2008, NextEra Energy Resources recorded $31 million and $4 million, respectively, of after-tax OTTI losses on securities held in NextEra Energy Resources' nuclear decommissioning funds. For the three months ended March 31, 2009, NextEra Energy Resources had approximately $1 million of after-tax OTTI reversals; there were no such OTTI reversals for the three months ended March 31, 2008.

The improvement in results for Corporate and Other in 2009 is primarily due to additional interest income.

FPL – FPL's net income for the three months ended March 31, 2009 and 2008 was $127 million and $108 million, respectively, an increase of $19 million. The increase reflects the settlement agreement, lower O&M expenses and higher AFUDC – equity partly offset by lower retail customer usage.

In March 2009, FPL filed a petition with the FPSC requesting, among other things, a permanent increase in base rates and charges effective January 2010 and an additional permanent base rate increase effective January 2011. To address the addition of FPL's West County Energy Center Unit No. 3 and any subsequent power plant additions, FPL is also requesting FPSC approval to continue the GBRA mechanism previously approved by the FPSC as part of the stipulation and settlement agreement regarding FPL's 2005 base rate case. If approved, the requested permanent base rate increases would increase annual retail base revenues year-over-year by approximately $1 billion in 2010 and an additional $250 million in 2011. FPL's requested increases are based on a regulatory return on common equity of 12.5% and exclude amounts associated with the proposed extension of the GBRA mechanism and certain proposed cost recovery clause adjustments. Hearings on this base rate proceeding are expected during the third quarter of 2009 and a final decision is expected by the end of 2009. The final decision may approve rates and other terms that are different from those that FPL has requested. The 2005 rate agreement and its provisions will terminate on the date new retail base rates become effective pursuant to an FPSC order. FPL expects that retail base revenues will increase approximately $65 million in 2009 when retail base rates are changed pursuant to the GBRA mechanism to reflect the placement in service of West County Energy Center Unit Nos. 1 and 2, which is expected to occur by the third quarter of 2009 and fourth quarter of 2009, respectively.

FPL's operating revenues consisted of the following:

	Three Months Ended March 31,	
	2009	2008
	(millions)	
Retail base	$ 794	$ 822
Fuel cost recovery	1,325	1,331
Other cost recovery clauses and pass-through costs	404	333
Other, primarily pole attachment rentals, transmission and wholesale sales and customer-related fees	50	48
Total	$ 2,573	$ 2,534

For the three months ended March 31, 2009, a decrease in the average number of customers of 0.4% decreased retail base revenues by approximately $3 million while a 4.4% decrease in usage per retail customer, primarily reflecting factors other than weather conditions, decreased retail base revenues by approximately $25 million. The decline FPL experienced in retail customer growth in the latter half of 2007 and throughout 2008 as well as a decline in non-weather related retail customer usage, which FPL believes is reflective of the economic slowdown and housing crisis that has affected the country and the state of Florida, has continued into 2009. FPL is unable to predict if growth in customers and non-weather related customer usage will return to previous trends. The decline in retail customer usage for the three months ended March 31, 2009 also reflects one less day of sales in 2009, as 2008 was a leap year.

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 in the condensed consolidated statements of income, 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.

FPL uses 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 manage fuel price volatility by locking in fuel prices for a portion of FPL's fuel requirements; any resulting gains or losses are passed through the fuel clause. The current regulatory asset for the change in fair value of derivative instruments used in the fuel procurement program amounted to approximately $1,309 million and $1,109 million at March 31, 2009 and December 31, 2008, respectively. The decrease in fuel revenues for the three months ended March 31, 2009 reflects approximately $58 million attributable to lower energy sales partly offset by approximately $52 million related to a higher average fuel factor. The increase in revenues from other cost recovery clauses and pass-through costs is primarily due to additional revenues associated with the nuclear cost recovery rule.

The major components of FPL's fuel, purchased power and interchange expense are as follows:

	Three Months Ended March 31,	
	2009	2008
	(millions)	
Fuel and energy charges during the period	$ 1,083	$ 1,236
Net collection of previously deferred retail fuel costs	254	104
Other, primarily capacity charges net of any capacity deferral	132	117
Total	$ 1,469	$ 1,457

The decrease in fuel and energy charges for the three months ended March 31, 2009 reflects lower fuel and energy prices of approximately $104 million and $49 million attributable to lower energy sales. At March 31, 2009, approximately $1 million of retail fuel costs were deferred pending collection from retail customers in a subsequent period. The decrease from December 31, 2008 to March 31, 2009 in deferred clause and franchise expenses and the increase in deferred clause and franchise revenues (current and noncurrent, collectively) on FPL Group's and FPL's condensed consolidated balance sheets totaled approximately $266 million and positively affected FPL Group's and FPL's cash flows from operating activities for the three months ended March 31, 2009.

FPL's O&M expenses decreased $38 million for the three months ended March 31, 2009 reflecting lower nuclear, fossil generation and distribution costs of approximately $20 million, $12 million and $12 million, respectively. The decline in nuclear costs reflects a reimbursement of costs expected under the terms of the settlement agreement, as well as lower costs related to plant improvement initiatives and refueling and maintenance outages. The decline in fossil generation costs is primarily due to differences in the timing of plant overhauls which are expected to occur later this year. The decline in distribution costs reflects lower support costs and the timing of work activities. 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 2009 to exceed the 2008 level, primarily due to the absence of an environmental insurance policy termination which occurred in the fourth quarter of 2008, as well as higher expected nuclear, fossil generation, transmission, customer service, information management and other support costs and employee benefit costs.

Depreciation and amortization expense for the three months ended March 31, 2009 increased $36 million, reflecting the amortization of approximately $32 million of pre-construction costs associated with FPL's planned nuclear units recovered under the nuclear cost recovery rule and higher depreciation on transmission and distribution facilities (collectively, approximately $6 million) offset by a reduction in depreciation due to the settlement agreement.

The decline in interest expense for the three months ended March 31, 2009 is primarily due to a decline in average interest rates of approximately 62 basis points, partly offset by higher average debt balances. The decline in interest expense also reflects a higher debt component of AFUDC. The increase in AFUDC – equity for the three months ended March 31, 2009 is primarily attributable to additional AFUDC – equity on three 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.

FPL is currently constructing the three natural gas-fired combined-cycle units at its West County Energy Center, which units are expected to be placed in service by the third quarter of 2009, fourth quarter of 2009 and mid-2011, respectively. In addition, 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 placed in service by the end of 2012. In 2008, the FPSC approved FPL's plan to modernize its Cape Canaveral and Riviera power plants to high-efficiency natural gas-fired units. Each modernized plant is expected to provide approximately 1,200 mw of capacity and be placed in service by 2013 and 2014, respectively. Siting Board approval is pending and a decision is expected in early 2010. In April 2009, FPL filed a need petition with the FPSC for an approximately 300-mile underground natural gas pipeline in Florida, which is projected to be in service in 2014. If approved, the pipeline would supply natural gas to the Cape Canaveral and Riviera power plants once they are modernized. An FPSC decision is expected in July 2009. The pipeline requires additional approvals from, among others, the Siting Board.

In 2008, the FPSC approved FPL's need petition for two additional nuclear units at its Turkey Point site with projected in-service dates between 2018 and 2020, which units are expected in the aggregate to add between 2,200 mw and 3,040 mw of baseload capacity. Additional approvals from other regulatory agencies will be required later in the process. In 2009, FPL began recovering, under the capacity clause in accordance with the FPSC's nuclear cost recovery rule, pre-construction costs associated with FPL's planned nuclear units and carrying charges (equal to the pretax AFUDC rate) on construction costs associated with the addition of approximately 400 mw of baseload capacity. Substantially all of these costs are subject to a prudence review by the FPSC. The same rule provides for the recovery of construction costs, once the new capacity goes into service, through a base rate increase.

NextEra Energy Resources – NextEra Energy Resources' net income for the three months ended March 31, 2009 and 2008 was $252 million and $164 million, respectively, an increase of $88 million. The primary drivers, on an after-tax basis, of this increase were as follows:

	Increase (Decrease) Three Months Ended March 31, 2009 (millions)
New investments [a]	$ 58
Existing assets [a]	(31)
Full energy and capacity requirements services and trading	(6)
Asset sale	3
Interest expense, differential membership costs and other	8
Change in unrealized mark-to-market non-qualifying hedge activity [b]	82
Change in OTTI losses on securities held in nuclear decommissioning funds, net of OTTI reversals	(26)
Net income increase	$ 88

(a) Includes PTCs and ITCs on wind projects and ITCs on solar projects as well as tax benefits under the Recovery Act (see Note 4) but does not include allocation of interest expense or corporate general and administrative expenses. 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) See Note 2 and discussion above related to derivative instruments.

The increase in NextEra Energy Resources' results from new investments reflects the addition of over 1,300 mw of wind generation during or after the first quarter of 2008 and the state and convertible ITCs tax benefits (see Note 4). Results from NextEra Energy Resources' existing asset portfolio decreased primarily due to unfavorable market conditions in the ERCOT region, a refueling outage at the Duane Arnold nuclear facility and lower wind generation primarily due to a particularly strong wind resource in the prior quarter. These decreased results from the existing asset portfolio were partially offset by the absence of an unplanned outage in 2008 at the Seabrook nuclear facility, favorable commodity margins from NextEra Energy Resources' retail energy provider and the settlement agreement.

NextEra Energy Resources' first quarter 2009 financial results reflect lower 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 asset sale represents the sale of wind development rights in 2009. The increase in interest expense, differential membership costs and other reflects the foreign tax benefit (see Note 4), partially offset by higher interest expense and corporate general and administrative costs due to growth of the business.

For the three months ended March 31, 2009, NextEra Energy Resources recorded after-tax net unrealized mark-to-market gains from non-qualifying hedges of approximately $30 million while in the prior period NextEra Energy Resources recorded $52 million of after-tax losses from such hedges. 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 or losses as the underlying transactions were realized. For the three months ended March 31, 2009 and 2008, NextEra Energy Resources recorded $31 million and $4 million, respectively, of after-tax OTTI losses on securities held in NextEra Energy Resources' nuclear decommissioning funds. For the three months ended March 31, 2009, NextEra Energy Resources had approximately $1 million of after-tax OTTI reversals; there were no such OTTI reversals for the three months ended March 31, 2008.

Operating revenues for the three months ended March 31, 2009 increased $236 million primarily due to gains of $90 million on unrealized mark-to-market non-qualifying hedge activity during the three months ended March 31, 2009 compared to losses on such hedges of $205 million in the prior period. Excluding this mark-to-market activity, operating revenues decreased due to unfavorable market conditions in the ERCOT region, a refueling outage at the Duane Arnold nuclear facility and lower wind generation partially offset by higher revenues in the New England Power Pool region.

Operating expenses for the three months ended March 31, 2009 increased $109 million, reflecting $39 million of unrealized mark-to-market losses from non-qualifying hedges compared to $124 million of gains on such hedges in the prior 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 decreased primarily due to lower fuel costs partly offset by project additions and higher corporate general and administrative expenses to support the growth in NextEra Energy Resources' business.

Equity in earnings of equity method investees for the three months ended March 31, 2009 decreased $7 million due to the absence of certain favorable contractual provisions which benefited the prior quarter at a project in the PJM Interconnection, L.L.C. region. NextEra Energy Resources' interest expense for the three months ended March 31, 2009 increased $15 million reflecting higher average debt balances to support growth in the business, partly offset by lower average interest rates of approximately 56 basis points.

FPL Group's effective income tax rate for the three months ended March 31, 2009 and 2008 reflects PTCs for wind projects at NextEra Energy Resources. 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 $72 million and $67 million for the three months ended March 31, 2009 and 2008, respectively. In addition, FPL Group's effective income tax rate for the three months ended March 31, 2009 was affected by the foreign, state and convertible ITCs tax benefits. See Note 4.

NextEra Energy Resources expects its future portfolio capacity growth to come primarily from wind and solar development and from asset acquisitions. NextEra Energy Resources plans to add a total of 7,000 mw to 9,000 mw of new wind generation over the 2008 to 2012 period, of which approximately 1,300 mw were added in 2008. NextEra Energy Resources expects to add over 1,000 mw in 2009, of which approximately 800 mw are either under construction or have obtained applicable internal approvals for construction. In addition, NextEra Energy Resources intends to pursue opportunities for new solar generating facilities. The wind and solar expansions are subject to, among other things, continued public policy support, which includes, but is not limited to, support for the construction and availability of sufficient transmission facilities and capacity, and access to reasonable capital and credit markets.

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 expense to NextEra Energy Resources based on a deemed capital structure at NextEra Energy Resources of 50% debt for operating projects and 100% debt for projects under construction. For these purposes, the deferred credit associated with differential membership interests sold by a NextEra Energy Resources subsidiary in 2007 is included with debt. Each subsidiary's income taxes are calculated based on the "separate return method," except that tax benefits that could not be used on a separate return basis, but are used 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's results, on an after-tax basis, are as follows:

	Three Months Ended March 31,	
	2009	2008
	(millions)	
Interest expense, net of allocations to NextEra Energy Resources	$ (27)	$ (24)
Interest income	13	1
Other	(1)	-
Net loss	$ (15)	$ (23)

The increase in interest expense for the three months ended March 31, 2009 reflects additional debt outstanding partly offset by lower average interest rates of approximately 143 basis points. The increase in interest income reflects additional earnings on energy-related loans made to a third party by an FPL Group Capital subsidiary, as well as interest recorded on unrecognized tax benefits. Other includes all other corporate income and expenses, as well as other business activities.

Liquidity and Capital Resources

FPL Group and its subsidiaries, including FPL, require funds to support and grow their businesses. These funds are used for working capital, capital expenditures, investments in or acquisitions of assets and businesses, to pay maturing debt obligations and, from time to time, to redeem or repurchase outstanding debt or equity securities. It is anticipated that these requirements will be satisfied through a combination of internally generated funds, borrowings, 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. FPL Group, FPL and FPL Group Capital access the credit and capital markets as significant sources of liquidity for capital requirements that are not satisfied by operating cash flows. The inability of FPL Group, FPL and FPL Group Capital to maintain their current credit ratings could affect their ability to raise short- and long-term capital, their cost of capital and the execution of their respective financing strategies, and could require the posting of additional collateral under certain agreements.

The global and domestic credit and capital markets have experienced unprecedented levels of volatility and disruption. This has significantly affected the cost and available sources of liquidity in the financial markets. FPL and FPL Group Capital have continued to have access to commercial paper and short- and long-term credit and capital markets. If capital and credit market conditions change, this could alter spending plans at FPL and NextEra Energy Resources.

Available Liquidity – At March 31, 2009, FPL Group's total net available liquidity was approximately $5.3 billion, of which FPL's portion was approximately $1.7 billion. The components of each company's net available liquidity at March 31, 2009 were as follows:

				Maturity Date	
	FPL	FPL Group Capital	FPL Group Consolidated	FPL	FPL Group Capital
		(millions)			
Bank revolving lines of credit [a]	$ 2,500	$ 4,000	$ 6,500	[b]	[b]
Less letters of credit	(656)	(419)	(1,075)		
	1,844	3,581	5,425		
Revolving term loan facility	250	-	250	2011	
Less borrowings	-	-	-		
	250	-	250		
Subtotal	2,094	3,581	5,675		
Cash and cash equivalents	96	180	276		
Less commercial paper and short-term notes payable	(461)	(185)	(646)		
Net available liquidity	$ 1,729	$ 3,576	$ 5,305		

(a) Provide for the issuance of letters of credit up to $6.5 billion ($2.5 billion for FPL) and are available to support FPL's and FPL Group Capital's commercial paper programs and short-term borrowings 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's bank revolving lines of credit are also available to support the purchase of $633 million of pollution control, solid waste disposal and industrial development revenue bonds (tax exempt bonds) in the event they are tendered by individual bond holders and not remarketed prior to maturity. FPL's and FPL Group Capital's bank revolving lines of credit include commitments of approximately $27 million and $83 million, respectively, from Lehman Brothers Bank, FSB (Lehman). In September 2008, Lehman's parent, Lehman Brothers Holdings Inc., filed for protection under Chapter 11 of the U.S. Bankruptcy Code. As of late January 2009, Lehman must receive a notice of non-objection from the Office of Thrift Supervision before funding any commercial loan commitment, including this commitment.

(b) $17 million of FPL's and $40 million of FPL Group Capital's bank revolving lines of credit expire in 2012. The remaining portion of bank revolving lines of credit for FPL and FPL Group Capital expire in 2013.

As of May 5, 2009, 38 banks participate in FPL's and FPL Group Capital's credit facilities, with no one bank providing more than 8% of the total in either credit facility. In order for FPL Group Capital to borrow under the terms of its credit facility, FPL Group (which guarantees the payment of FPL Group Capital's credit facility pursuant to a 1998 guarantee agreement) is required to maintain a ratio of funded debt to total capitalization that does not exceed a stated ratio. The FPL Group Capital credit facility also contains default and related acceleration provisions relating to, among other things, failure of FPL Group to maintain a ratio of funded debt to total capitalization at or below the specified ratio. Similarly, in order for FPL to borrow under the terms of its credit facility and revolving term loan facility, FPL is required to maintain a ratio of funded debt to total capitalization that does not exceed a stated ratio. The FPL credit facility and revolving term loan facility also contain default and related acceleration provisions relating to, among other things, failure of FPL to maintain a ratio of funded debt to total capitalization at or below the specified ratio. At March 31, 2009, each of FPL Group and FPL was in compliance with its respective required ratio.

In January 2009, FPL Group entered into an agreement under which FPL Group may offer and sell, from time to time, FPL Group common stock having a gross sales price of up to $400 million. As of May 5, 2009, FPL Group had received proceeds of approximately $40 million through the issuance of common stock under this agreement consisting of 760,000 shares at an average price of $52.10 per share.

At March 31, 2009, FPL had the capacity to absorb up to approximately $192 million in future prudently incurred storm restoration costs without seeking recovery through a rate adjustment from the FPSC. Also, an indirect wholly-owned subsidiary of NextEra Energy Resources 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.

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, 2009, FPL Group had standby letters of credit of approximately $1.4 billion ($671 million for FPL) and approximately $9.4 billion notional amount of guarantees ($648 million for FPL), of which approximately $7.8 billion ($681 million for FPL) have expirations within the next five years. An aggregate of approximately $1.1 billion of the standby letters of credit at March 31, 2009 were issued under FPL's and FPL Group Capital's credit facilities. See Available Liquidity above. Letters of credit and guarantees support the buying and selling of wholesale energy commodities, debt and related reserves, nuclear activities, capital expenditures for wind development, 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 March 31, 2009, FPL Group and FPL accordingly 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 NextEra Energy Resources and its subsidiaries. See Note 9 – Commitments.

Certain subsidiaries of NextEra Energy Resources have contracts that require certain projects to meet annual minimum generation amounts. Failure to meet the annual minimum generation amounts would result in the NextEra Energy Resources subsidiary becoming liable for liquidated damages. Based on past performance of these and similar projects and current forward prices, management believes that it is unlikely to experience a material exposure as a result of these liquidated damages' provisions.

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 May 5, 2009, 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 May 5, 2009, FPL Group and FPL Group Capital had $2.6 billion (issuable by either or both of them up to such aggregate amount) of board-authorized available capacity, and FPL had $1.0 billion of board-authorized available capacity.

Cash Flow – The changes in cash and cash equivalents are summarized as follows:

	FPL Group		FPL	
	Three Months Ended March 31,			
	2009	2008	2009	2008
	(millions)			
Net cash provided by operating activities	$ 1,043	$ 1,317	$ 630	$ 1,014
Net cash used in investing activities	(1,096)	(1,188)	(626)	(658)
Net cash provided by (used in) financing activities	(206)	184	(28)	32
Net increase (decrease) in cash and cash equivalents	$ (259)	$ 313	$ (24)	$ 388

FPL Group's cash and cash equivalents decreased for the three months ended March 31, 2009 reflecting capital investments by FPL and NextEra Energy Resources, a net decrease in short-term debt, principal repayments of long-term debt and common stock dividends. These outflows were partially offset by the receipt of cash from the net issuance of long-term debt and the recovery of fuel costs.

FPL Group's cash flows from operating activities for the three months ended March 31, 2009 reflect cash generated by net income, the recovery by FPL of fuel costs for prior period deferrals, a decrease of customer receivables and fuel inventory at both FPL and NextEra Energy Resources, payment of margin cash collateral to NextEra Energy Resources' counterparties due to changing energy prices and a decrease of accounts payable and other current liabilities at both FPL and NextEra Energy Resources. The decrease in fuel inventory and accounts payable at FPL is primarily the result of lower fuel prices in the first quarter of 2009.

FPL Group's cash flows from investing activities for the three months ended March 31, 2009 reflect capital investments, including nuclear fuel purchases, of approximately $618 million by FPL to expand and enhance its electric system and generating facilities to continue to provide reliable service to meet the power needs of present and future customers and investments in independent power projects of approximately $449 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 by NextEra Energy Resources, as well as other investment activity, primarily at FPL Group Capital.

FPL Group's cash flow from financing activities primarily reflect the net decrease in short-term debt of $1.2 billion (comprised of $908 million and $312 million at FPL Group Capital and FPL, respectively), the FPL Group Capital principal prepayment of $110 million on a term loan, $198 million for principal repayments on NextEra Energy Resources subsidiary debt, and $191 million for the payment of common stock dividends to FPL Group shareholders. These outflows were partially offset by $49 million in proceeds from the issuance of common stock, primarily under FPL Group's continuous offering agreement (see Available Liquidity above) and the following long-term debt issuances and borrowings:

Date Issued	Company	Debt Issued	Interest Rate	Principal Amount (millions)	Maturity Date
January 2009	NextEra Energy Resources subsidiary	Canadian dollar denominated limited-recourse senior secured term loan	Variable	$ 76	2023[a]
January 2009	FPL Group Capital	Term loan	Variable	72	2011
March 2009	FPL Group Capital	Debentures	6.00%	500	2019
March 2009	FPL	First mortgage bonds	5.96%	500	2039
March 2009	FPL Group Capital	Junior subordinated debentures	8.75%	375	2069
March 2009	NextEra Energy Resources subsidiary	Limited-recourse senior secured notes	Variable	22	2016[b]
				$ 1,545	

(a) Proceeds from this loan were used to repay a portion of the NextEra Energy Resources subsidiary's Canadian dollar denominated variable rate term loan maturing in 2011. In March 2009, the remaining balance of the term loan maturing in 2011 was paid off.
(b) Partially amortizing with a balloon payment at maturity.

During the first quarter of 2009 two indirect wholly-owned subsidiaries of NextEra Energy Resources entered into interest rate swap agreements. See Energy Marketing and Trading and Market Risk Sensitivity – Market Risk Sensitivity.

FPL Group's cash and cash equivalents increased for the three months ended March 31, 2008 reflecting cash generated by net income, the receipt of cash from the net issuance of long-term debt, the return and receipt of margin cash collateral from counterparties, storm-related insurance proceeds, a decrease in customer receivables and an increase in accounts payable. These inflows were partially offset by capital investments, the payment of common stock dividends to FPL Group shareholders and a net decrease in short-term debt.

New Accounting Rules and Interpretations

Accounting for Certain Investments in Debt and Equity Securities – In April 2009, the FASB issued FASB Staff Position (FSP) FAS 115-2 "Recognition and Presentation of Other-Than-Temporary Impairments," which amends existing other-than-temporary impairment guidance for debt securities to make the guidance more operational and to improve the presentation and disclosure of other-than-temporary impairments of debt and equity securities in the financial statements. FSP FAS 115-2 is effective for interim and annual periods ending after June 15, 2009. FPL Group and FPL are currently evaluating the impact of FSP FAS 115-2.

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,							
	2009				2008			
	(millions)							
	Net Unrealized Gains (Losses) On Cash Flow Hedges	Pension and Other Benefits	Other	Total	Net Unrealized Gains (Losses) On Cash Flow Hedges	Pension and Other Benefits	Other	Total
Balances at December 31 of prior year	$ 5	$ (25)	$ 7	$ (13)	$ (81)	$ 143	$ 54	$ 116
Net unrealized gains (losses) on commodity cash flow hedges:								
Effective portion of net unrealized gains (losses) (net of $61 tax expense and $64 tax benefit, respectively)	90	-	-	90	(95)	-	-	(95)
Reclassification from AOCI to net income (net of $8 tax benefit and $9 tax expense, respectively)	(13)	-	-	(13)	14	-	-	14
Net unrealized gains (losses) on interest rate cash flow hedges:								
Effective portion of net unrealized losses (net of $2 and $11 tax benefit, respectively)	(3)	-	-	(3)	(19)	-	-	(19)
Reclassification from AOCI to net income (net of $3 tax expense and $0.2 tax benefit, respectively)	6	-	-	6	(1)	-	-	(1)
Net unrealized gains (losses) on available for sale securities (net of $2 and $14 tax benefit, respectively)	-	-	(2)	(2)	-	-	(21)	(21)
Reclassification from AOCI to retained earnings	-	-	-	-	-	-	(1)	(1)
Defined benefit pension and other benefits plans (net of $1 and $2 tax benefit, respectively)	-	(1)	-	(1)	-	(3)	-	(3)
Net unrealized loss on foreign currency translation (net of $1 tax benefit)	-	-	(3)	(3)	-	-	-	-
Balances at March 31	$ 85	$ (26)	$ 2	$ 61	$ (182)	$ 140	$ 32	$ (10)

Energy Marketing and Trading and Market Risk Sensitivity

Energy Marketing and Trading – Certain of FPL Group's subsidiaries, including FPL and NextEra Energy Resources, use derivative instruments (primarily swaps, options, futures and forwards) to manage the commodity price risk inherent in the purchase and sale of fuel and electricity. In addition, FPL Group, through NextEra Energy Resources, uses derivatives to optimize the value of power generation assets. NextEra Energy Resources 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, 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, and, 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 NextEra Energy Resources, 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. 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, 2009 were as follows:

		Hedges on Owned Assets			
	Trading	Non-Qualifying	OCI	FPL Cost Recovery Clauses	FPL Group Total
			(millions)		
Fair value of contracts outstanding at December 31, 2008	$ 56	$ 143	$ 114	$ (1,108)	$ (795)
Reclassification to realized at settlement of contracts	5	(55)	(24)	309	235
Effective portion of changes in fair value recorded in OCI	-	-	152	-	152
Ineffective portion of changes in fair value recorded in earnings	-	10	-	-	10
Changes in fair value excluding reclassification to realized	44	96	-	(527)	(387)
Fair value of contracts outstanding at March 31, 2009	105	194	242	(1,326)	(785)
Net option premium payments (receipts)	(57)	18	-	-	(39)
Net margin cash collateral paid					166
Total mark-to-market energy contract net assets (liabilities) at March 31, 2009	$ 48	$ 212	$ 242	$ (1,326)	$ (658)

FPL Group's total mark-to-market energy contract net assets (liabilities) at March 31, 2009 shown above are included in the condensed consolidated balance sheet as follows:

	March 31, 2009 (millions)
Current derivative assets	$ 641
Noncurrent other assets	348
Current derivative liabilities	(1,504)
Noncurrent derivative liabilities	(143)
FPL Group's total mark-to-market energy contract net assets (liabilities)	$ (658)

The sources of fair value estimates and maturity of energy contract derivative instruments at March 31, 2009 were as follows:

	Maturity						
	2009	2010	2011	2012	2013	Thereafter	Total
				(millions)			
Trading:							
Quoted prices in active markets for identical assets	$ (137)	$ (157)	$ (5)	$ (17)	$ (6)	$ -	$ (322)
Significant other observable inputs	70	9	(2)	6	-	-	83
Significant unobservable inputs	209	98	27	3	7	-	344
Total	142	(50)	20	(8)	1	-	105
Owned Assets – Non-Qualifying:							
Quoted prices in active markets for identical assets	29	33	(14)	(3)	-	-	45
Significant other observable inputs	(7)	2	6	(9)	(12)	(22)	(42)
Significant unobservable inputs	106	64	12	2	3	4	191
Total	128	99	4	(10)	(9)	(18)	194
Owned Assets – OCI:							
Quoted prices in active markets for identical assets	6	28	22	4	-	-	60
Significant other observable inputs	125	59	2	(4)	-	-	182
Significant unobservable inputs	-	-	-	-	-	-	-
Total	131	87	24	-	-	-	242
Owned Assets – FPL Cost Recovery Clauses:							
Quoted prices in active markets for identical assets	-	-	-	-	-	-	-
Significant other observable inputs	(1,299)	(32)	-	-	-	-	(1,331)
Significant unobservable inputs	-	3	2	-	-	-	5
Total	(1,299)	(29)	2	-	-	-	(1,326)
Total sources of fair value	$ (898)	$ 107	$ 50	$ (18)	$ (8)	$ (18)	$ (785)

The changes in the fair value of FPL Group's consolidated subsidiaries' energy contract derivative instruments for the three months ended March 31, 2008 were as follows:

		Hedges on Owned Assets			
	Trading	Non-Qualifying	OCI	FPL Cost Recovery Clauses	FPL Group Total
			(millions)		
Fair value of contracts outstanding at December 31, 2007	$ 2	$ (138)	$ (109)	$ (119)	$ (364)
Reclassification to realized at settlement of contracts	6	(45)	23	73	57
Effective portion of changes in fair value recorded in OCI	-	-	(159)	-	(159)
Ineffective portion of changes in fair value recorded in earnings	-	(9)	-	-	(9)
Changes in fair value excluding reclassification to realized	48	(32)	-	510	526
Fair value of contracts outstanding at March 31, 2008	56	(224)	(245)	464	51
Net option premium payments (receipts)	(21)	21	-	-	-
Net margin cash collateral received	-	-	-	(60)	(60)
Total mark-to-market energy contract net assets (liabilities) at March 31, 2008	$ 35	$ (203)	$ (245)	$ 404	$ (9)

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. In December 2008, FPL Group entered into a cross currency basis swap to hedge against currency movements with respect to both interest and principal payments on a loan; the fair value of the cross currency basis swap was not material at March 31, 2009. 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, 2009 and December 31, 2008, the VaR figures were as follows:

	Trading			Non-Qualifying Hedges and Hedges in OCI and FPL Cost Recovery Clauses [a]			Total		
	FPL	NextEra Energy Resources	FPL Group	FPL	NextEra Energy Resources	FPL Group	FPL	NextEra Energy Resources	FPL Group
					(millions)				
December 31, 2008	$ -	$ 5	$ 5	$ 86	$ 54	$ 31	$ 86	$ 58	$ 30
March 31, 2009	$ -	$ 6	$ 6	$ 61	$ 28	$ 31	$ 61	$ 38	$ 30
Average for the period ended March 31, 2009	$ -	$ 7	$ 7	$ 66	$ 39	$ 25	$ 66	$ 42	$ 26

(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:

	March 31, 2009		December 31, 2008	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
		(millions)		
FPL Group:				
Fixed income securities:				
Other current assets	$ 8	$ 8[a]	$ 8	$ 8[a]
Special use funds	$ 1,804	$ 1,804[a]	$ 1,867	$ 1,867[a]
Other investments	$ 93	$ 93[a]	$ 97	$ 97[a]
Long-term debt, including current maturities	$ 16,393	$ 15,997[b]	$ 15,221	$ 15,152[b]
Interest rate swaps – net unrealized loss	$ (74)	$ (74)[c]	$ (78)	$ (78)[c]
FPL:				
Fixed income securities – special use funds	$ 1,506	$ 1,506[a]	$ 1,510	$ 1,510[a]
Long-term debt, including current maturities	$ 6,054	$ 6,099[b]	$ 5,574	$ 5,652[b]

(a) Based on quoted market prices for these or similar issues.
(b) Based on market prices provided by external sources.
(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 March 31, 2009, the estimated fair value for FPL Group's interest rate swaps was as follows:

Notional Amount (millions)	Effective Date	Maturity Date	Rate Paid	Rate Received	Estimated Fair Value (millions)
Fair value hedge – FPL Group Capital:					
$ 300	June 2008	September 2011	Variable[a]	5.625%	$ 21
Cash flow hedges – NextEra Energy Resources:					
$ 57	December 2003	December 2017	4.245%	Variable[b]	(4)
$ 19	April 2004	December 2017	3.845%	Variable[b]	(1)
$ 189	December 2005	November 2019	4.905%	Variable[b]	(21)
$ 459	January 2007	January 2022	5.390%	Variable[c]	(60)
$ 147	January 2008	September 2011	3.2050%	Variable[b]	(5)
$ 373	January 2009	December 2016	2.680%	Variable[b]	(4)
$ 124	January 2009[d]	December 2023	3.725%	Variable[b]	-
$ 74	January 2009	December 2023	2.578%	Variable[e]	-
$ 22	March 2009	December 2016	2.655%	Variable[b]	-
$ 7	March 2009[d]	December 2023	3.960%	Variable[b]	-
Total cash flow hedges					(95)
Total interest rate hedges					$ (74)

(a) Three-month LIBOR plus 1.18896%
(b) Three-month LIBOR
(c) Six-month LIBOR
(d) Exchange of payments does not begin until December 2016.
(e) Three-month Banker's Acceptance Rate

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 $758 million ($341 million for FPL) at March 31, 2009.

Equity price risk – Included in the nuclear decommissioning reserve funds of FPL Group are marketable equity securities carried at their market value of approximately $1,025 million and $1,080 million ($577 million and $648 million for FPL) at March 31, 2009 and December 31, 2008, respectively. A hypothetical 10% decrease in the prices quoted by stock exchanges, which is a reasonable near-term market change, would result in a $102 million ($58 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, 2009.

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 March 31, 2009, approximately 90% 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, 2009, 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 Securities Exchange Act of 1934 (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

FPL Group and FPL are parties to various legal and regulatory proceedings in the ordinary course of their respective businesses. For information regarding legal and regulatory proceedings that could have a material effect on FPL Group or FPL, see Item 3. Legal Proceedings and Note 15 – Legal and Regulatory Proceedings to Consolidated Financial Statements in the 2008 Form 10-K for FPL Group and FPL and Note 9 – Legal Proceedings and Regulatory Proceedings herein. Such descriptions are incorporated herein by reference.

Item 1A. Risk Factors

There were no material changes from the risk factors disclosed in FPL Group's and FPL's 2008 Form 10-K. The factors discussed in Part I, Item 1A. Risk Factors in FPL Group's and FPL's 2008 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 2008 Form 10-K are not the only risks facing FPL Group and FPL. Additional risks and uncertainties 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

Information regarding purchases made by FPL Group of its common stock is as follows:

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]
01/01/09 – 01/31/09	1,752	$ 51.99	-	20,000,000
02/01/09 – 02/28/09	71,764	$ 50.79	-	20,000,000
03/01/09 – 03/31/09	490	$ 45.33	-	20,000,000
Total	74,006		-	

(a) Represents: (1) shares of common stock withheld 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 January 2009 as a reinvestment of dividends and interest thereon by the trustee of a grantor trust in connection with FPL Group's obligation under a grant of retirement share awards in February 2006 to an executive officer.

(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

(i) Reference is made to Item 1. Business – Environmental Matters in the 2008 Form 10-K for FPL Group and FPL.

In April 2009, the U.S. Supreme Court ruled that the use of a cost-benefit test is an acceptable alternative under Section 316(b) of the Clean Water Act for determining the best technology available for minimizing adverse environmental impacts from the use of large cooling water intake systems.

In April 2009, the EPA released a proposed finding under Section 202(a) of the Clean Air Act that the current and projected concentrations of greenhouse gases in the atmosphere threaten the public health and welfare of current and future generations. The EPA further proposed that the combined emissions of greenhouse gases from new motor vehicles and motor vehicle engines contribute to the atmospheric concentrations of these greenhouse gases and the threat of climate change. It is possible that this finding may also be expanded at a later date to other sources of greenhouse gases, such as electric generating units. Any actions by the EPA to regulate greenhouse gases may be superseded if Congress passes legislation establishing comprehensive climate change regulation.

Item 6. Exhibits

Exhibit Number	Description	FPL Group	FPL
*4(a)	Mortgage and Deed of Trust dated as of January 1, 1944, and One hundred and fourteen 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; Exhibit 4 to Form 8-K dated January 16, 2008, File No. 2-27612; and Exhibit 4(a) to Form 8-K dated March 17, 2009, 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 Mellon, as Trustee (filed as Exhibit 4(a) to Form 8-K dated July 16, 1999, File No. 1-8841)	x	
*4(c)	Officer's Certificate of FPL Group Capital, dated March 9, 2009, creating the 6.00% Debentures, Series due March 1, 2019 (filed as Exhibit 4 to Form 8-K dated March 9, 2009, File No. 1-8841)	x	
*4(d)	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 Mellon (as Trustee) (filed as Exhibit 4(a) to Form 8-K dated September 19, 2006, File No. 1-8841)	x	

Exhibit Number	Description	FPL Group	FPL
*4(e)	Officer's Certificate of FPL Group Capital and FPL Group, dated March 19, 2009, creating the Series F Junior Subordinated Debentures due 2069 (filed as Exhibit *4(b) to Form 8-K dated March 17, 2009, File No. 1-8841)*	x	
*4(f)	Replacement Capital Covenant, dated March 19, 2009 by FPL Group Capital and FPL Group (filed as Exhibit 4(c) to Form 8-K dated March 17, 2009, File No. 1-8841)	x	
*10(a)	Form of FPL Group Amended and Restated Long-Term Incentive Plan Performance Share Award Agreement effective February 13, 2009 (filed as Exhibit 10(l) to Form 10-K for the year ended December 31, 2008, File No. 1-8841)	x	x
*10(b)	Form of FPL Group Amended and Restated Long-Term Incentive Plan Restricted Stock Award Agreement effective February 13, 2009 (filed as Exhibit 10(q) to Form 10-K for the year ended December 31, 2008, File No. 1-8841)	x	x
10(c)	*Form of Amendment to Restricted Stock Award Agreements under* the FPL Group Amended and Restated Long-Term Incentive Plan between FPL Group and each of Christopher A. Bennett, F. Mitchell Davidson, Lewis Hay, III, Robert L. McGrath, Armando J. Olivera, Armando Pimentel, Jr., James W. Poppell, Sr., James L. Robo, Antonio Rodriguez and John A. Stall executed March 2009	x	x
*10(d)	Form of FPL Group Amended and Restated Long-Term Incentive Plan Stock Option Award - Non-Qualified Stock Option Agreement effective February 13, 2009 (filed as Exhibit 10(u) to Form 10-K for the year ended December 31, 2008, File No. 1-8841)	x	x
*10(e)	Non-Employee Director Compensation Summary effective January 1, 2009 (filed as Exhibit 10(a) to Form 10-Q for the quarter ended September 30, 2008, 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 5, 2009

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]

	Three Months Ended March 31, 2009 (millions of dollars)
Earnings, as defined:	
Net income	$ 364
Income taxes	19
Fixed charges included in the determination of net income, as below	224
Amortization of capitalized interest	4
Less: Equity in earnings of equity method investees	7
Total earnings, as defined	$ 604
Fixed charges, as defined:	
Interest expense	$ 211
Rental interest factor	7
Allowance for borrowed funds used during construction	6
Fixed charges included in the determination of net income	224
Capitalized interest	12
Total fixed charges, as defined	$ 236
Ratio of earnings to fixed charges and ratio of earnings to combined fixed charges and preferred stock dividends [a]	2.56

[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, 2009 (millions of dollars)
Earnings, as defined:	
Net income	$ 127
Income taxes	71
Fixed charges, as below	85
Total earnings, as defined	$ 283
Fixed charges, as defined:	
Interest expense	$ 77
Rental interest factor	2
Allowance for borrowed funds used during construction	6
Total fixed charges, as defined	$ 85
Ratio of earnings to fixed charges and ratio of earnings to combined fixed charges and preferred stock dividends [a]	3.33

[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, 2009 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 5, 2009

LEWIS HAY, III
Lewis Hay, III
Chairman and Chief Executive Officer
of FPL Group, Inc.

Exhibit 31(b)

Rule 13a-14(a)/15d-14(a) Certification

I, Armando Pimentel, Jr., certify that:

1. I have reviewed this Form 10-Q for the quarterly period ended March 31, 2009 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 5, 2009

ARMANDO PIMENTEL, JR.
Armando Pimentel, Jr.
Executive Vice President, Finance
and Chief Financial Officer
of FPL Group, Inc.

Exhibit 31(c)

Rule 13a-14(a)/15d-14(a) Certification

I, Armando J. Olivera, certify that:

1. I have reviewed this Form 10-Q for the quarterly period ended March 31, 2009 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 5, 2009

ARMANDO J. OLIVERA
Armando J. Olivera
President and Chief Executive Officer
of Florida Power & Light Company

Exhibit 31(d)

Rule 13a-14(a)/15d-14(a) Certification

I, Armando Pimentel, Jr., certify that:

1. I have reviewed this Form 10-Q for the quarterly period ended March 31, 2009 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 5, 2009

ARMANDO PIMENTEL, JR.
Armando Pimentel, Jr.
Executive Vice President, Finance
and Chief Financial Officer of
Florida Power & Light Company

Exhibit 32(a)

Section 1350 Certification

We, Lewis Hay, III and Armando Pimentel, Jr., 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, 2009 (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 5, 2009

LEWIS HAY, III
Lewis Hay, III
Chairman and Chief Executive Officer
of FPL Group, Inc.

ARMANDO PIMENTEL, JR.
Armando Pimentel, Jr.
Executive 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, Armando J. Olivera and Armando Pimentel, Jr., 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, 2009 (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 5, 2009

ARMANDO J. OLIVERA
Armando J. Olivera
President and Chief Executive Officer of
Florida Power & Light Company

ARMANDO PIMENTEL, JR.
Armando Pimentel, Jr.
Executive 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 3 (e)

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 **June 30, 2009**

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 ☑ No ☐ Florida Power & Light Company Yes ☑ No ☐

Indicate by check mark whether the registrants have submitted electronically and posted on their corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrants were required to submit and post such files).

FPL Group, Inc. Yes ☑ No ☐ Florida Power & Light Company Yes ☐ No ☐

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 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 ☑	Accelerated Filer ☐	Non-Accelerated Filer ☐	Smaller Reporting Company ☐
Florida Power & Light Company	Large Accelerated Filer ☐	Accelerated Filer ☐	Non-Accelerated Filer ☑	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 ☑

The number of shares outstanding of FPL Group, Inc. common stock, as of the latest practicable date: Common Stock, $0.01 par value, outstanding as of June 30, 2009: 411,461,266 shares.

As of June 30, 2009, 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 the reduced disclosure format.

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FPL Group, Inc., Florida Power & Light Company, FPL Group Capital Inc and NextEra Energy Resources, LLC each have subsidiaries and affiliates with names that include FPL, NextEra Energy Resources, NextEra Energy, FPL Energy, FPLE and similar references. For convenience and simplicity, in this report the terms FPL Group, FPL, FPL Group Capital and NextEra Energy Resources 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, future events or performance, climate change strategy or growth strategies (often, but not always, through the use of words or phrases such as will, will likely result, are expected to, will continue, is anticipated, aim, believe, could, should, would, estimated, may, plan, potential, projection, target, outlook, predict and intend or words of similar meaning) 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 or implied 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. 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, transmission and distribution 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 nuclear facilities involves inherent risks, including environmental, health, regulatory, terrorism and financial risks, that could result in fines or the closure of nuclear units owned by FPL or NextEra Energy Resources, LLC (NextEra Energy Resources), and which may present potential exposures in excess of insurance coverage.

- The construction of, and capital improvements to, power generation and transmission facilities involve substantial risks. Should construction or capital improvement efforts be unsuccessful or delayed, 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 or the payment of margin cash collateral that adversely impact the results of operations or cash flows 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, including, but not limited to, the efficient development and operation of generating assets, the successful and timely completion of project restructuring activities, the price and supply of fuel and equipment, transmission constraints, competition from other generators, including those using new sources of generation, excess generation capacity and demand for power, 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, but not limited to, the effect of increased competition for acquisitions resulting from the consolidation of the power industry.

- FPL Group and FPL participate in markets that are often subject to uncertain economic conditions, which makes it difficult to estimate growth, future income and expenditures.

- Customer growth and customer usage in FPL's service area affect FPL Group's and FPL's results of operations.

- Weather affects FPL Group's and FPL's results of operations, as can the impact of severe 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.

- Adverse capital and credit market conditions may adversely affect FPL Group's and FPL's ability to meet liquidity needs, access capital and operate and grow their businesses, and increase the cost of capital. Disruptions, uncertainty or volatility in the financial markets can also adversely impact the results of operations and financial condition of FPL Group and FPL, as well as exert downward pressure on the market price of FPL Group's common stock.

- FPL Group's, FPL Group Capital Inc's (FPL Group Capital) and FPL's inability to maintain their current credit ratings may adversely affect FPL Group's and FPL's liquidity, limit the ability of FPL Group and FPL to grow their businesses, and would likely increase interest costs.

- FPL Group and FPL are subject to credit and performance risk from third parties under supply and service contracts.

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

- 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.

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

- FPL Group and FPL are subject to employee workforce factors that could adversely 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 in FPL Group's and FPL's Annual Report on Form 10-K for the year ended December 31, 2008 (2008 Form 10-K) and investors should refer to those sections of the 2008 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, unless otherwise required by law. 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 or implied in any forward-looking statement.

Website Access to U.S. Securities and Exchange Commission (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 on FPL Group's website (or any of its subsidiaries' websites) is not incorporated by reference in this combined Form 10-Q. The SEC maintains an internet website at www.sec.gov that contains reports, proxy and other information about FPL Group and FPL filed electronically with the SEC.

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,	
	2009	2008	2009	2008
OPERATING REVENUES	$ 3,811	$ 3,585	$ 7,515	$ 7,020
OPERATING EXPENSES				
Fuel, purchased power and interchange	1,797	1,964	3,609	3,690
Other operations and maintenance	672	651	1,291	1,293
Storm cost amortization	7	15	26	25
Depreciation and amortization	428	344	818	677
Taxes other than income taxes	302	298	583	578
Total operating expenses	3,206	3,272	6,327	6,263
OPERATING INCOME	605	313	1,188	757
OTHER INCOME (DEDUCTIONS)				
Interest expense	(215)	(195)	(426)	(393)
Equity in earnings of equity method investees	13	26	20	40
Allowance for equity funds used during construction	15	8	31	13
Interest income	17	21	43	36
Other than temporary impairment losses on securities held in nuclear decommissioning funds	(1)	(13)	(54)	(20)
Other - net	7	-	22	7
Total other deductions - net	(164)	(153)	(364)	(317)
INCOME BEFORE INCOME TAXES	441	160	824	440
INCOME TAXES	71	(49)	90	(18)
NET INCOME	$ 370	$ 209	$ 734	$ 458
Earnings per share of common stock:				
Basic	$ 0.92	$ 0.52	$ 1.82	$ 1.15
Assuming dilution	$ 0.91	$ 0.52	$ 1.81	$ 1.14
Dividends per share of common stock	$ 0.4725	$ 0.4450	$ 0.945	$ 0.890
Weighted-average number of common shares outstanding:				
Basic	403.7	399.8	403.0	399.5
Assuming dilution	406.4	402.6	405.6	402.3

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 2008 Form 10-K for FPL Group and FPL.

FPL GROUP, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(millions)
(unaudited)

	June 30, 2009	December 31, 2008
PROPERTY, PLANT AND EQUIPMENT		
Electric utility plant in service and other property	$ 42,183	$ 41,638
Nuclear fuel	1,397	1,260
Construction work in progress	4,276	2,630
Less accumulated depreciation and amortization	(13,659)	(13,117)
Total property, plant and equipment - net	34,197	32,411
CURRENT ASSETS		
Cash and cash equivalents	276	535
Customer receivables, net of allowances of $23 and $29, respectively	1,448	1,443
Other receivables, net of allowances of $2 and $2, respectively	249	264
Materials, supplies and fossil fuel inventory - at average cost	906	968
Regulatory assets:		
Deferred clause and franchise expenses	89	248
Securitized storm-recovery costs	67	64
Derivatives	873	1,109
Pension	19	19
Other	4	4
Derivatives	592	433
Other	346	305
Total current assets	4,869	5,392
OTHER ASSETS		
Special use funds	3,042	2,947
Prepaid benefit costs	955	914
Other investments	946	923
Regulatory assets:		
Securitized storm-recovery costs	672	697
Deferred clause expenses	-	79
Pension	110	100
Unamortized loss on reacquired debt	31	32
Other	156	138
Other	1,426	1,188
Total other assets	7,338	7,018
TOTAL ASSETS	$ 46,404	$ 44,821
CAPITALIZATION		
Common stock	$ 4	$ 4
Additional paid-in capital	4,884	4,805
Retained earnings	7,242	6,885
Accumulated other comprehensive income (loss)	114	(13)
Total common shareholders' equity	12,244	11,681
Long-term debt	15,664	13,833
Total capitalization	27,908	25,514
CURRENT LIABILITIES		
Commercial paper	1,122	1,835
Notes payable	-	30
Current maturities of long-term debt	660	1,388
Accounts payable	1,255	1,062
Customer deposits	592	575
Accrued interest and taxes	534	374
Regulatory liabilities - deferred clause and franchise revenues	40	11
Derivatives	1,096	1,300
Other	1,351	1,114
Total current liabilities	6,650	7,689
OTHER LIABILITIES AND DEFERRED CREDITS		
Asset retirement obligations	2,347	2,283
Accumulated deferred income taxes	4,322	4,231
Regulatory liabilities:		
Accrued asset removal costs	2,194	2,142
Asset retirement obligation regulatory expense difference	518	520
Other	210	218
Derivatives	192	218
Other	2,063	2,006
Total other liabilities and deferred credits	11,846	11,618
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$ 46,404	$ 44,821

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2008 Form 10-K for FPL Group and FPL.

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

	Six Months Ended June 30,	
	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 734	$ 458
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	818	677
Nuclear fuel amortization	119	91
Recoverable storm-related costs of FPL	(10)	72
Storm cost amortization	26	25
Unrealized (gains) losses on marked to market energy contracts	27	334
Deferred income taxes	73	86
Cost recovery clauses and franchise fees	268	(302)
Change in prepaid option premiums and derivative settlements	62	(3)
Equity in earnings of equity method investees	(20)	(40)
Distributions of earnings from equity method investees	30	34
Changes in operating assets and liabilities:		
Customer receivables	(5)	(183)
Other receivables	17	(13)
Materials, supplies and fossil fuel inventory	62	(233)
Other current assets	(63)	(81)
Other assets	(30)	(105)
Accounts payable	59	660
Customer deposits	17	20
Margin cash collateral	(192)	527
Income taxes	13	(115)
Interest and other taxes	160	129
Other current liabilities	(28)	(31)
Other liabilities	31	(21)
Other - net	(24)	82
Net cash provided by operating activities	2,144	2,068
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures of FPL	(1,088)	(1,161)
Independent power investments	(1,084)	(1,222)
Nuclear fuel purchases	(167)	(78)
Other capital expenditures	(20)	(13)
Sale of independent power investments	5	-
Proceeds from sale of securities in special use funds	1,711	1,147
Purchases of securities in special use funds	(1,750)	(1,201)
Proceeds from sale of other securities	286	57
Purchases of other securities	(320)	(98)
Other - net	6	39
Net cash used in investing activities	(2,421)	(2,530)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuances of long-term debt	2,372	1,747
Retirements of long-term debt	(1,314)	(1,240)
Net change in short-term debt	(743)	409
Issuances of common stock	83	23
Dividends on common stock	(382)	(356)
Change in funds held for storm-recovery bond payments	4	12
Other - net	(2)	1
Net cash provided by financing activities	18	596
Net increase (decrease) in cash and cash equivalents	(259)	134
Cash and cash equivalents at beginning of period	535	290
Cash and cash equivalents at end of period	$ 276	$ 424

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2008 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,	
	2009	2008	2009	2008
OPERATING REVENUES	$ 2,864	$ 2,871	$ 5,437	$ 5,406
OPERATING EXPENSES				
Fuel, purchased power and interchange	1,554	1,598	3,024	3,055
Other operations and maintenance	376	379	715	757
Storm cost amortization	7	15	26	25
Depreciation and amortization	265	199	497	395
Taxes other than income taxes	266	264	517	514
Total operating expenses	2,468	2,455	4,779	4,746
OPERATING INCOME	396	416	658	660
OTHER INCOME (DEDUCTIONS)				
Interest expense	(79)	(83)	(156)	(169)
Allowance for equity funds used during construction	15	8	31	13
Interest income	-	4	1	8
Other - net	(1)	(3)	(5)	(6)
Total other deductions - net	(65)	(74)	(129)	(154)
INCOME BEFORE INCOME TAXES	331	342	529	506
INCOME TAXES	118	125	189	181
NET INCOME	$ 213	$ 217	$ 340	$ 325

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2008 Form 10-K for FPL Group and FPL.

FLORIDA POWER & LIGHT COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(millions)
(unaudited)

	June 30, 2009	December 31, 2008
ELECTRIC UTILITY PLANT		
Plant in service	$ 26,828	$ 26,497
Nuclear fuel	674	613
Construction work in progress	2,374	1,862
Less accumulated depreciation and amortization	(10,378)	(10,189)
Electric utility plant - net	19,498	18,783
CURRENT ASSETS		
Cash and cash equivalents	99	120
Customer receivables, net of allowances of $14 and $19, respectively	859	796
Other receivables, net of allowances of $1 and $1, respectively	205	143
Materials, supplies and fossil fuel inventory - at average cost	572	563
Regulatory assets:		
Deferred clause and franchise expenses	89	248
Securitized storm-recovery costs	67	64
Derivatives	873	1,109
Derivatives	8	4
Other	177	125
Total current assets	2,949	3,172
OTHER ASSETS		
Special use funds	2,201	2,158
Prepaid benefit costs	1,006	968
Regulatory assets:		
Securitized storm-recovery costs	672	697
Deferred clause expenses	-	79
Unamortized loss on reacquired debt	31	32
Other	153	133
Other	232	153
Total other assets	4,295	4,220
TOTAL ASSETS	$ 26,742	$ 26,175
CAPITALIZATION		
Common stock	$ 1,373	$ 1,373
Additional paid-in capital	4,393	4,393
Retained earnings	2,338	2,323
Total common shareholder's equity	8,104	8,089
Long-term debt	5,789	5,311
Total capitalization	13,893	13,400
CURRENT LIABILITIES		
Commercial paper	748	773
Current maturities of long-term debt	40	263
Accounts payable	770	645
Customer deposits	587	570
Accrued interest and taxes	360	449
Regulatory liabilities - deferred clause and franchise revenues	40	11
Derivatives	881	1,114
Other	662	598
Total current liabilities	4,088	4,423
OTHER LIABILITIES AND DEFERRED CREDITS		
Asset retirement obligations	1,789	1,743
Accumulated deferred income taxes	3,407	3,105
Regulatory liabilities:		
Accrued asset removal costs	2,194	2,142
Asset retirement obligation regulatory expense difference	518	520
Other	210	218
Other	643	624
Total other liabilities and deferred credits	8,761	8,352
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$ 26,742	$ 26,175

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2008 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,	
	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 340	$ 325
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	497	395
Nuclear fuel amortization	59	50
Recoverable storm-related costs	(10)	72
Storm cost amortization	26	25
Deferred income taxes	308	339
Cost recovery clauses and franchise fees	268	(302)
Change in prepaid option premiums and derivative settlements	(1)	6
Changes in operating assets and liabilities:		
Customer receivables	(63)	(74)
Other receivables	56	(6)
Materials, supplies and fossil fuel inventory	(9)	(112)
Other current assets	(58)	(77)
Other assets	(39)	(48)
Accounts payable	107	545
Customer deposits	17	21
Margin cash collateral	1	442
Income taxes	(357)	(101)
Interest and other taxes	123	127
Other current liabilities	11	16
Other liabilities	20	(8)
Other - net	(20)	45
Net cash provided by operating activities	1,276	1,680
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(1,088)	(1,161)
Nuclear fuel purchases	(90)	(56)
Proceeds from sale of securities in special use funds	1,198	760
Purchases of securities in special use funds	(1,219)	(806)
Other - net	1	-
Net cash used in investing activities	(1,198)	(1,263)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuances of long-term debt	493	589
Retirements of long-term debt	(245)	(224)
Net change in short-term debt	(25)	(519)
Dividends	(325)	(50)
Change in funds held for storm-recovery bond payments	4	12
Other - net	(1)	(1)
Net cash used in financing activities	(99)	(193)
Net increase (decrease) in cash and cash equivalents	(21)	224
Cash and cash equivalents at beginning of period	120	63
Cash and cash equivalents at end of period	$ 99	$ 287

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2008 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 2008 Form 10-K for FPL Group and FPL. In the opinion of FPL Group and FPL management, all adjustments (consisting of normal recurring accruals) considered necessary for fair financial statement presentation have been made. Certain amounts included in the prior year's 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. FPL Group and FPL have evaluated subsequent events through July 30, 2009.

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 benefit pension 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, 2009 and 2008. 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 components of net periodic benefit (income) cost for the plans are as follows:

	Pension Benefits		Other Benefits		Pension Benefits		Other Benefits	
	Three Months Ended June 30,				Six Months Ended June 30,			
	2009	2008	2009	2008	2009	2008	2009	2008
	(millions)							
Service cost	$ 13	$ 14	$ 2	$ 2	$ 26	$ 27	$ 2	$ 3
Interest cost	27	25	6	6	55	51	12	12
Expected return on plan assets	(60)	(60)	(1)	(1)	(119)	(120)	(1)	(2)
Amortization of transition obligation	-	-	1	1	-	-	2	2
Amortization of prior service benefit	(1)	(1)	-	-	(2)	(2)	-	-
Amortization of gains	(5)	(7)	-	-	(12)	(14)	-	-
Net periodic benefit (income) cost at FPL Group	$ (26)	$ (29)	$ 8	$ 8	$ (52)	$ (58)	$ 15	$ 15
Net periodic benefit (income) cost at FPL	$ (18)	$ (21)	$ 6	$ 6	$ (37)	$ (42)	$ 11	$ 12

2. Derivative Instruments

FPL Group and FPL use derivative instruments (primarily swaps, options, futures and forwards) to manage the commodity price risk inherent in the purchase and sale of fuel and electricity, as well as interest rate and foreign currency exchange rate risk associated with long-term debt. In addition, FPL Group, through NextEra Energy Resources, uses derivatives to optimize the value of power generation assets. NextEra Energy Resources also 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, 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 the derivatives' 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 NextEra Energy Resources, 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 NextEra Energy Resources' derivative transactions are entered into for the purpose of managing commodity price risk, and to reduce the impact of volatility in interest rates stemming from changes in variable interest rates on outstanding debt, 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 using regression analysis for commodity contracts, and nonstatistical methods including dollar value comparisons of the change in the fair value of the derivative to the change in the fair value or cash flows of the hedged item, for interest rate swaps. Hedge effectiveness is tested at the inception of the hedge and on at least a quarterly basis throughout its life.

At June 30, 2009, 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 May 2024. 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. See Note 6. The ineffective portion of net unrealized gains (losses) on these hedges is reported in earnings in the current period, and amounted to approximately $(1) million and $(5) million for the three months ended June 30, 2009 and 2008, respectively, and approximately $9 million and $(13) million for the six months ended June 30, 2009 and 2008, respectively. Settlement gains and losses are included within the line items in the condensed consolidated statements of income to which they relate.

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, 2009	December 31, 2008	June 30, 2009	December 31, 2008
	(millions)			
Current derivative assets [a]	$ 592	$ 433	$ 8	$ 4
Noncurrent other assets	312	212	20	2
Current derivative liabilities [b]	(1,096)	(1,300)	(881)	(1,114)
Noncurrent derivative liabilities [c]	(192)	(218)	(3)[d]	(1)[d]
Total mark-to-market derivative instrument liabilities	$ (384)	$ (873)	$ (856)	$ (1,109)

(a) At June 30, 2009 and December 31, 2008, FPL Group's balances reflect the netting of $49 million and $60 million (none at FPL), respectively, in margin cash collateral received from counterparties.
(b) At June 30, 2009 and December 31, 2008, FPL Group's balances reflect the netting of $205 million and $33 million (none at FPL), respectively, in margin cash collateral provided to counterparties.
(c) At June 30, 2009 and December 31, 2008, FPL Group's balances reflect the netting of $7 million and $25 million (none at FPL), respectively, in margin cash collateral provided to counterparties.
(d) Included in noncurrent other liabilities on FPL's condensed consolidated balance sheets.

At June 30, 2009 and December 31, 2008, FPL Group had approximately $24 million and $66 million (none at FPL), respectively, in margin cash collateral received from counterparties that was not offset against derivative assets. These amounts are included in other current liabilities in the condensed consolidated balance sheets. Additionally, at June 30, 2009 and December 31, 2008, FPL Group had approximately $83 million and $98 million (none at FPL), respectively, in margin cash collateral provided to counterparties that was not offset against derivative liabilities. These amounts are included in other current assets in the condensed consolidated balance sheets.

As discussed above, FPL Group uses derivative instruments to, among other things, manage its commodity price risk, interest rate risk and foreign currency exchange rate risk. The table above presents FPL Group's and FPL's net derivative liability positions at June 30, 2009, which reflect the offsetting of positions of certain transactions within the portfolio, the contractual ability to settle contracts under master netting arrangements and the netting of margin cash collateral. However, disclosure rules require that the following tables be presented on a gross basis.

The fair values of FPL Group's derivatives designated as hedging instruments for accounting purposes are presented below as gross asset and liability values, as required by disclosure rules. However, the majority of the underlying contracts cannot be contractually settled on a gross basis.

	June 30, 2009	
	Derivative Assets	Derivative Liabilities
	(millions)	
Commodity contracts:		
Current derivative assets	$ 80	$ 1
Current derivative liabilities	58	4
Noncurrent other assets	24	1
Noncurrent derivative liabilities	44	13
Interest rate swaps:		
Current derivative liabilities	-	46
Noncurrent other assets	57	-
Noncurrent derivative liabilities	-	32
Total	$ 263	$ 97

Gains (losses) related to FPL Group's cash flow hedges are recorded on FPL Group's condensed consolidated financial statements (none at FPL) as follows:

	Three Months Ended June 30, 2009			Six Months Ended June 30, 2009		
	Commodity Contracts	Interest Rate Swaps	Total	Commodity Contracts	Interest Rate Swaps	Total
	(millions)					
Gains (losses) recognized in OCI	$ 5	$ 53	$ 58	$ 157	$ 48	$ 205
Gains (losses) reclassified from accumulated other comprehensive income (AOCI)	$ 60[a]	$ (5)[b]	$ 55	$ 83[a]	$ (14)[b]	$ 69
Gains (losses) recognized in income [c]	$ (1)[a]	$ -	$ (1)	$ 9[a]	$ -	$ 9

(a) Included in operating revenues.
(b) Included in interest expense.
(c) Represents the ineffective portion of the hedging instrument.

For the three and six months ended June 30, 2009, FPL Group recorded a loss of $6 million and $5 million, respectively, on a fair value hedge which is reflected in interest expense in the condensed consolidated statements of income and resulted in a reduction of the related debt.

The fair values of FPL Group's and FPL's derivatives not designated as hedging instruments for accounting purposes are presented below as gross asset and liability values, as required by disclosure rules. However, the majority of the underlying contracts cannot be contractually settled on a gross basis.

	June 30, 2009			
	FPL Group		FPL	
	Derivative Assets	Derivative Liabilities	Derivative Assets	Derivative Liabilities
	(millions)			
Commodity contracts:				
Current derivative assets	$ 938	$ 375	$ 8	$ -
Current derivative liabilities	1,768	3,078	3	884
Noncurrent other assets	370	138	22	2
Noncurrent derivative liabilities	568	755	3	6
Foreign currency swap:				
Noncurrent derivative liabilities	-	11	-	-
Total	$ 3,644	$ 4,357	$ 36	$ 892

Gains (losses) related to FPL Group's derivatives not designated as hedging instruments are recorded on FPL Group's condensed consolidated statements of income (none at FPL) as follows:

	Three Months Ended June 30, 2009	Six Months Ended June 30, 2009
	(millions)	
Commodity contracts:		
Operating revenues	$ 20[a]	$ 132[a]
Fuel, purchased power and interchange	1	28
Foreign currency swap:		
Other - net	4	(9)
Total	$ 25	$ 151

(a) In addition, for the three and six months ended June 30, 2009, FPL recorded approximately $21 million and $546 million, respectively, of losses related to commodity contracts as regulatory assets on its condensed consolidated balance sheets.

At June 30, 2009, FPL Group and FPL had derivative commodity contracts for the following net notional volumes:

Commodity Type	FPL Group[a]	FPL[a]
	(millions)	
Power	(38) mwh[b]	-
Natural gas	839 mmbtu[c]	883 mmbtu[c]
Oil	1 barrels	2 barrels

(a) Volume amounts include fixed and index priced derivatives applicable to commodity and basis exposures. Amounts presented are for derivative contracts only and do not include other commodity contracts for which the normal purchases and normal sales election has been made, or which do not meet the definition of a derivative.
(b) Megawatt hours
(c) One million British thermal units

See Note 4 for additional information on interest rate and foreign currency swaps.

Certain of FPL Group's and FPL's derivative instruments contain credit-risk-related contingent features including, among other things, the requirement to maintain an investment grade credit rating from specified credit rating agencies and certain financial ratios, as well as credit-related cross default and material adverse change triggers. At June 30, 2009, the aggregate fair value of FPL Group's derivative instruments with credit-risk-related contingent features that were in a liability position was approximately $2.4 billion ($0.9 billion for FPL).

If the credit-risk-related contingent features underlying these agreements and other wholesale commodity contracts were triggered, FPL Group or FPL could be required to post collateral or settle contracts according to contractual terms which generally allow netting of contracts in offsetting positions. Certain contracts contain multiple types of credit-related triggers. To the extent these contracts contain a credit ratings downgrade trigger, the maximum exposure is included in the following credit ratings collateral posting requirements. If FPL Group Capital's or FPL's credit ratings were downgraded to BBB+/Baa1 (a two level downgrade for FPL and a one level downgrade for FPL Group Capital), FPL Group would be required to post collateral of approximately $0.5 billion, substantially all of which relates to FPL. If FPL Group Capital's and FPL's credit ratings were downgraded to below investment grade, FPL Group would be required to post additional collateral such that the total posted collateral would be approximately $2.2 billion ($1.4 billion at FPL). Some contracts at FPL Group do not contain credit ratings downgrade triggers, but do contain provisions that require certain financial measures be maintained and/or credit-related cross default triggers. In the event these provisions were triggered, FPL Group could be required to post additional collateral of up to approximately $0.6 billion.

Collateral may be posted in the form of cash or credit support. At June 30, 2009, FPL Group had posted approximately $0.3 billion ($0.3 billion at FPL) in the form of letters of credit in the normal course of business which could be applied toward the collateral requirements above. FPL and FPL Group Capital have bank revolving lines of credit in excess of the collateral requirements described above that would be available to support, among other things, derivative activities. Under the terms of the bank revolving lines of credit, maintenance of a specific credit rating is not a condition to drawing upon these credit facilities, although there are other conditions to drawing on these credit facilities.

Additionally, some contracts also contain certain adequate assurance provisions where a counterparty may demand additional collateral based on subjective events and/or conditions. Due to the subjective nature of these clauses, FPL Group and FPL are unable to determine a value for these items and they are not included in any of the quantitative disclosures above.

3. Fair Value Measurements

FPL Group and FPL use several different valuation techniques to measure the fair value of assets and liabilities, relying primarily on the market approach of using prices and other market information for identical and/or comparable assets and liabilities for those assets and liabilities that are measured on a recurring basis. Certain derivatives and financial instruments are valued using option pricing models and take into consideration multiple inputs including commodity prices, volatility factors and discount rates, as well as counterparty credit ratings and credit enhancements. Additionally, when observable market data is not sufficient, valuation models are developed that incorporate FPL Group's and FPL's proprietary views of market factors and conditions. FPL Group's and FPL's assessment of the significance of any particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

FPL Group's and FPL's financial assets and liabilities and other fair value measurements made on a recurring basis by fair value hierarchy level are as follows:

	As of June 30, 2009				
	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Netting [a]	Total
			(millions)		
Assets:					
Cash equivalents:					
FPL Group - equity securities	$ 55	$ 30	$ -	$ -	$ 85
FPL - equity securities	$ 54	$ -	$ -	$ -	$ 54
Special use funds:					
FPL Group:					
Equity securities	$ 475	$ 824[b]	$ -	$ -	$ 1,299
U.S. Government and municipal bonds	$ 216	$ 679	$ -	$ -	$ 895
Corporate debt securities	$ -	$ 326	$ -	$ -	$ 326
Mortgage-backed securities	$ -	$ 469	$ -	$ -	$ 469
Other debt securities	$ -	$ 53	$ -	$ -	$ 53
FPL:					
Equity securities	$ -	$ 722[b]	$ -	$ -	$ 722
U.S. Government and municipal bonds	$ 176	$ 645	$ -	$ -	$ 821
Corporate debt securities	$ -	$ 239	$ -	$ -	$ 239
Mortgage-backed securities	$ -	$ 373	$ -	$ -	$ 373
Other debt securities	$ -	$ 46	$ -	$ -	$ 46
Other investments:					
FPL Group:					
Equity securities	$ 2	$ 5	$ -	$ -	$ 7
U.S. Government and municipal bonds	$ -	$ 42	$ -	$ -	$ 42
Corporate debt securities	$ -	$ 30	$ -	$ -	$ 30[c]
Mortgage-backed securities	$ -	$ 53	$ -	$ -	$ 53[c]
Other	$ 4	$ -	$ -	$ -	$ 4
FPL	$ -	$ 2	$ -	$ -	$ 2
Net derivative assets (liabilities):					
FPL Group	$ (172)	$ (800)	$ 485	$ 103	$ (384)[d]
FPL	$ -	$ (864)	$ 8	$ -	$ (856)[d]

(a) Includes amounts for margin cash collateral and net option premium payments and receipts.
(b) At FPL Group, approximately $740 million ($677 million at FPL) are invested in commingled funds whose underlying investments would be Level 1 if those investments were held directly by FPL Group or FPL.
(c) Current maturities of approximately $1 million of corporate debt securities and approximately $6 million of mortgage-backed securities are included in other current assets on FPL Group's condensed consolidated balance sheets.
(d) See Note 2 for a reconciliation of net derivatives to FPL Group's and FPL's condensed consolidated balance sheets.

	As of December 31, 2008				
	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Netting [a]	Total
			(millions)		
Assets:					
Cash equivalents:					
FPL Group	$ 109	$ -	$ -	$ -	$ 109
FPL	$ 27	$ -	$ -	$ -	$ 27
Other current assets:					
FPL Group	$ -	$ 17	$ -	$ -	$ 17
Special use funds:					
FPL Group	$ 536	$ 2,411[b]	$ -	$ -	$ 2,947
FPL	$ 149	$ 2,009[b]	$ -	$ -	$ 2,158
Other investments:					
FPL Group	$ 6	$ 101	$ -	$ -	$ 107
Net derivative assets (liabilities):					
FPL Group	$ (55)	$ (1,227)	$ 404	$ 5	$ (873)[c]
FPL	$ -	$ (1,108)	$ (1)	$ -	$ (1,109)[c]

(a) Includes amounts for margin cash collateral and net option premium payments and receipts.
(b) At FPL Group, approximately $712 million ($650 million at FPL) are invested in commingled funds whose underlying investments would be Level 1 if those investments were held directly by FPL Group or FPL. The remaining investments are primarily comprised of fixed income securities including municipal, mortgage-backed, corporate and governmental bonds.
(c) See Note 2 for a reconciliation of net derivatives to FPL Group's and FPL's condensed consolidated balance sheets.

The reconciliation of changes in the fair value of derivatives that are based on significant unobservable inputs is as follows:

	Three Months Ended June 30,			
	2009		2008	
	FPL Group	FPL	FPL Group	FPL
	(millions)			
Fair value of derivatives based on significant unobservable inputs at March 31	$ 539	$ 5	$ (217)	$ (10)
Realized and unrealized gains (losses):				
Included in earnings [a]	47	-	(401)	-
Included in regulatory assets and liabilities	-	-	3	3
Settlements	(116)	3	32	-
Net transfers in/out	15	-	12	-
Fair value of derivatives based on significant unobservable inputs at June 30	$ 485	$ 8	$ (571)	$ (7)
The amount of gains (losses) for the period included in earnings attributable to the change in unrealized gains (losses) relating to derivatives still held at the reporting date [a]	$ 49	$ -	$ (561)	$ -

(a) Realized and unrealized gains (losses) are reflected in operating revenues in the condensed consolidated statements of income.

	Six Months Ended June 30,			
	2009		2008	
	FPL Group	FPL	FPL Group	FPL
	(millions)			
Fair value of derivatives based on significant unobservable inputs at December 31 of prior year	$ 404	$ (1)	$ (127)	$ (10)
Realized and unrealized gains (losses):				
Included in earnings [a]	385	-	(623)	-
Included in regulatory assets and liabilities	5	5	2	2
Settlements	(246)	5	(5)	1
Net transfers in/out	(63)	(1)	182	-
Fair value of derivatives based on significant unobservable inputs at June 30	$ 485	$ 8	$ (571)	$ (7)
The amount of gains (losses) for the period included in earnings attributable to the change in unrealized gains (losses) relating to derivatives still held at the reporting date [a]	$ 321	$ 1	$ (399)	$ -

(a) Realized and unrealized gains (losses) are reflected in operating revenues in the condensed consolidated statements of income.

4. Financial Instruments

FPL Group and FPL adopted new accounting and disclosure provisions related to other than temporary impairments and the fair value of financial instruments effective for the quarter ended June 30, 2009. Under the new accounting provisions, an investment in a debt security is required to be assessed for an other than temporary impairment based on whether the entity has an intent to sell or more likely than not will be required to sell the debt security before recovery of its amortized cost basis. Additionally, if the entity does not expect to recover the amortized cost of a debt security, an impairment is recognized in earnings equal to the estimated credit loss. For debt securities held as of April 1, 2009 for which an other than temporary impairment had been previously recognized but for which assessment under the new accounting provisions indicates the impairment is temporary, FPL Group recorded an adjustment to increase April 1, 2009 retained earnings by approximately $5 million with a corresponding reduction in AOCI.

The carrying amounts of cash equivalents, notes payable and commercial paper approximate their fair values. At June 30, 2009 and December 31, 2008, other investments of FPL Group, not included in the table below, included financial instruments of approximately $43 million and $39 million, respectively, which primarily consist of notes receivable that are carried at estimated fair value or cost, which approximates fair value.

The following estimates of the fair value of financial instruments have been made primarily using available market information. However, the use of different market assumptions or methods of valuation could result in different estimated fair values.

	June 30, 2009		December 31, 2008	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
	(millions)			
FPL Group:				
Other current assets	$ 4	$ 4[a]	$ 9	$ 9[a]
Special use funds	$ 3,042[b]	$ 3,042[a]	$ 2,947	$ 2,947[a]
Other investments:				
Notes receivable	$ 534	$ 529[c]	$ 534	$ 524[c]
Debt securities	$ 125[d]	$ 125[a]	$ 105[d]	$ 105[a]
Equity securities	$ 35	$ 51[e]	$ 27	$ 43[e]
Long-term debt, including current maturities	$ 16,324	$ 16,373[f]	$ 15,221	$ 15,152[f]
Interest rate swaps - net unrealized losses	$ (21)	$ (21)[g]	$ (78)	$ (78)[g]
Foreign currency swaps - net unrealized losses	$ (11)	$ (11)[g]	$ (4)	$ (4)[g]
FPL:				
Special use funds	$ 2,201[b]	$ 2,201[a]	$ 2,158	$ 2,158[a]
Long-term debt, including current maturities	$ 5,829	$ 6,042[f]	$ 5,574	$ 5,652[f]

(a) Based on quoted market prices for these or similar issues.
(b) See Note 3 for classification by major security type. The amortized cost of debt and equity securities is $1,694 million and $1,146 million, respectively ($1,433 million and $646 million, respectively, for FPL).
(c) Classified as held to maturity, of which $500 million is carried at cost which approximates fair value. The balance is based on market prices provided by external sources. Additionally, includes maturity dates ranging from 2014 to 2033.
(d) Classified as trading securities. Approximately $7 million and $8 million, respectively, of current maturities are included in other current assets in FPL Group's condensed consolidated balance sheets.
(e) Modeled internally.
(f) Based on market prices provided by external sources.
(g) Based on market prices modeled internally.

Special Use Funds - The special use funds consist of FPL's storm fund assets of $119 million and FPL Group's and FPL's nuclear decommissioning fund assets of $2,923 million and $2,082 million, respectively, at June 30, 2009. Securities held in the special use funds consist of equity and debt securities which are classified as available for sale and are carried at estimated fair value based on quoted market prices. For FPL's special use funds, consistent with regulatory treatment, market adjustments, including any other than temporary impairment losses, result in a corresponding adjustment to the related regulatory liability accounts. For FPL Group's non-rate regulated operations, market adjustments result in a corresponding adjustment to OCI, except for unrealized losses associated with marketable securities considered to be other than temporary, including any credit losses, which are recognized as an expense in FPL Group's condensed consolidated statements of income. Debt securities included in the nuclear decommissioning funds have a weighted-average maturity at June 30, 2009 of approximately seven years at both FPL Group and FPL. FPL's storm fund primarily consists of municipal debt securities with a weighted-average maturity of approximately three years. The cost of securities sold is determined using the specific identification method.

The realized gains and losses and proceeds from the sale of available for sale securities are as follows:

	Three Months Ended June 30, 2009	
	FPL Group	FPL
	(millions)	
Realized gains	$ 10	$ 5
Realized losses	$ 12	$ 11
Proceeds from sale of securities	$ 835	$ 682

The total unrealized gains and losses on all available for sale securities and the fair value of available for sale securities in an unrealized loss position are as follows:

	June 30, 2009					
	FPL Group [a]			FPL [a]		
	Unrealized Gains	Unrealized Losses	Fair Value	Unrealized Gains	Unrealized Losses	Fair Value
	(millions)					
Equity securities	$ 170	$ -	$ -	$ 85	$ -	$ -
U.S. Government and municipal bonds	$ 28	$ 6	$ 262	$ 27	$ 5	$ 220
Corporate debt securities	$ 17	$ 3	$ 47	$ 11	$ 2	$ 36
Mortgage-backed securities	$ 21	$ 5	$ 52	$ 18	$ 5	$ 38
Other debt securities	$ 2	$ -	$ 10	$ 1	$ -	$ 8

(a) At June 30, 2009, FPL Group had 79 securities in an unrealized loss position for greater than twelve months, including 54 securities for FPL. The total unrealized loss on these securities was less than $10 million and the fair value was approximately $96 million for FPL Group, including less than $9 million of unrealized losses with a fair value of approximately $83 million for FPL. Consistent with regulatory treatment for FPL, marketable securities held in special use 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.

Regulations issued by the Federal Energy Regulatory Commission (FERC) and the U.S. Nuclear Regulatory Commission (NRC) provide general risk management guidelines to protect nuclear decommissioning 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 mutual funds. Similar restrictions applicable to the decommissioning funds for NextEra Energy Resources' nuclear plants are contained in the NRC operating licenses for those facilities or in NRC regulations applicable to NRC licensees not in cost-of-service environments. With respect to the decommissioning fund for NextEra Energy Resources' Seabrook nuclear plant, decommissioning fund contributions and withdrawals are also regulated by the Nuclear Decommissioning Financing Committee pursuant to New Hampshire law.

The nuclear decommissioning 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 and Foreign Currency 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. In addition, FPL Group Capital entered into a cross currency basis swap to hedge against currency movements with respect to both interest and principal payments on a loan and a cross currency swap to hedge against currency and interest rate movements with respect to both interest and principal payments on a loan.

At June 30, 2009, the estimated fair values for FPL Group's interest rate and foreign currency swaps were as follows:

Notional Amount (millions)	Effective Date	Maturity Date	Rate Paid	Rate Received	Estimated Fair Value (millions)
Fair value hedge - FPL Group Capital:					
$ 300	June 2008	September 2011	Variable[a]	5.625%	$ 16
Cash flow hedges - NextEra Energy Resources:					
$ 57	December 2003	December 2017	4.245%	Variable[b]	(3)
$ 19	April 2004	December 2017	3.845%	Variable[b]	(1)
$ 176	December 2005	November 2019	4.905%	Variable[b]	(14)
$ 459	January 2007	January 2022	5.390%	Variable[c]	(43)
$ 138	January 2008	September 2011	3.2050%	Variable[b]	(4)
$ 359	January 2009	December 2016	2.680%	Variable[b]	10
$ 124	January 2009[d]	December 2023	3.725%	Variable[b]	3
$ 79	January 2009	December 2023	2.578%	Variable[e]	5
$ 21	March 2009	December 2016	2.655%	Variable[b]	1
$ 7	March 2009[d]	December 2023	3.960%	Variable[b]	-
$ 341	May 2009	May 2017	3.015%	Variable[b]	8
$ 106	May 2009	May 2024	4.663%	Variable[b]	1
Total cash flow hedges					(37)
Total interest rate hedges					$ (21)
Foreign currency swaps - FPL Group Capital:					
$ 141	December 2008	December 2011	Variable[f]	Variable[g]	$ (11)
$ 146	June 2009	December 2011	4.11%	Variable[g]	-
Total foreign currency swaps					$ (11)

(a) Three-month London InterBank Offered Rate (LIBOR) plus 1.18896%
(b) Three-month LIBOR
(c) Six-month LIBOR
(d) Exchange of payments does not begin until December 2016
(e) Three-month Banker's Acceptance Rate
(f) Three-month LIBOR plus 2.14%
(g) Three-month Japanese yen LIBOR plus 1.75%

5. Income Taxes

FPL Group's effective income tax rate for the three months ended June 30, 2009 and 2008 was approximately 16.2% and (30.3)%, respectively. The reduction from the federal statutory rate mainly reflects the benefit of wind production tax credits (PTCs) of approximately $69 million and $79 million, respectively, related to NextEra Energy Resources' wind projects. PTCs can significantly affect FPL Group's effective income tax rate depending on the amount of pretax income and wind generation. The corresponding rates and amounts for the six months ended June 30, 2009 and 2008 were approximately 10.9% and (4.2)%, respectively, and approximately $141 million and $146 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 uses 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.

FPL Group's effective income tax rate for the three months ended June 30, 2009 also reflects a $17 million benefit (convertible investment tax credits (ITCs) tax benefit) related to the effect on the estimated annual effective income tax rate of expected book/tax basis differences resulting from additional incentives NextEra Energy Resources expects to receive under the American Recovery and Reinvestment Act of 2009 (Recovery Act) for certain wind projects expected to be placed in service in 2009.

FPL Group's effective income tax rate for the six months ended June 30, 2009 also reflects the following:

- an approximately $18 million benefit (foreign tax benefit) reflecting the reduction of previously deferred income taxes resulting from an additional equity investment in Canadian operations;
- a $17 million benefit (state tax benefit) related to a change in state tax law that extended the carry forward period of ITCs on certain wind projects; and
- a $32 million convertible ITCs tax benefit.

6. Comprehensive Income

FPL Group's comprehensive income is as follows:

	Three Months Ended June 30,	
	2009	2008
	(millions)	
Net income of FPL Group	$ 370	$ 209
Net unrealized gains (losses) on commodity cash flow hedges:		
Effective portion of net unrealized gains (losses) (net of $2 tax expense and $141 tax benefit, respectively)	3	(210)
Reclassification from AOCI to net income (net of $24 tax benefit and $10 tax expense, respectively)	(35)	16
Net unrealized gains (losses) on interest rate cash flow hedges:		
Effective portion of net unrealized gains (net of $21 and $13 tax expense, respectively)	32	19
Reclassification from AOCI to net income (net of $1 and $0.3 tax expense, respectively)	3	2
Net unrealized gains (losses) on available for sale securities (net of $35 tax expense and $2 tax benefit, respectively)	49	(3)
Defined benefit pension and other benefits plans (net of $1 and $0.8 tax benefit, respectively)	(1)	(1)
Net unrealized gains on foreign currency translation (net of $3 tax expense)	6	-
Comprehensive income of FPL Group	$ 427	$ 32

	Six Months Ended June 30,	
	2009	2008
	(millions)	
Net income of FPL Group	$ 734	$ 458
Net unrealized gains (losses) on commodity cash flow hedges:		
Effective portion of net unrealized gains (losses) (net of $64 tax expense and $205 tax benefit, respectively)	93	(306)
Reclassification from AOCI to net income (net of $32 tax benefit and $20 tax expense, respectively)	(47)	30
Net unrealized gains (losses) on interest rate cash flow hedges:		
Effective portion of net unrealized gains (net of $19 and $1 tax expense, respectively)	29	-
Reclassification from AOCI to net income (net of $5 tax expense in 2009)	9	2
Net unrealized gains (losses) on available for sale securities (net of $33 tax expense and $16 tax benefit, respectively)	47	(24)
Defined benefit pension and other benefits plans (net of $1 and $2 tax benefit, respectively)	(2)	(3)
Net unrealized gains on foreign currency translation (net of $2 tax expense)	3	-
Comprehensive income of FPL Group	$ 866	$ 157

Approximately $47 million of gains included in FPL Group's AOCI at June 30, 2009 is expected to 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. AOCI is separately displayed on the condensed consolidated balance sheets of FPL Group. FPL's comprehensive income is the same as its reported net income.

7. Variable Interest Entities

FPL - FPL is considered the primary beneficiary of, and therefore consolidates, a variable interest entity (VIE) from which it leases nuclear fuel for its nuclear units. FPL is considered the primary beneficiary of this VIE because, in the case of default by the VIE on its debt, FPL would be required to purchase the VIE's nuclear fuel and because FPL guarantees the VIE's debt. The VIE 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, which consists primarily of commercial paper (approximately $376 million and $347 million at June 30, 2009 and December 31, 2008, respectively) would become due. The consolidated assets of the VIE consist primarily of nuclear fuel, which had a net carrying value of approximately $374 million and $338 million at June 30, 2009 and December 31, 2008, respectively.

FPL is considered the primary beneficiary of, and therefore consolidates, a VIE that is a wholly-owned bankruptcy remote special purpose subsidiary that it formed in 2007 for the sole purpose of issuing storm-recovery bonds pursuant to the securitization provisions of the Florida Statutes and a Florida Public Service Commission (FPSC) financing order. Four hurricanes in 2005 and three hurricanes in 2004 caused major damage in parts of FPL's service territory. Storm restoration costs incurred by FPL during 2005 and 2004 exceeded the amount in FPL's funded storm and property insurance reserve, resulting in a storm reserve deficiency. In 2007, the VIE 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 outstanding at June 30, 2009 and December 31, 2008 were approximately $591 million and $611 million, respectively, which are included in long-term debt and current maturities of long-term debt on FPL Group's and FPL's condensed consolidated balance sheets. In connection with this financing, net proceeds, after debt issuance costs, to the VIE (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 VIE that issued the bonds. The storm-recovery bonds are payable only from and secured by the storm-recovery property. The consolidated assets of the VIE were approximately $607 million and $628 million at June 30, 2009 and December 31, 2008, respectively, and consisted primarily of storm-recovery property, which is included in securitized storm-recovery costs on FPL Group's and FPL's balance sheets.

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 through 2024. For each 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 project has a capacity of 250 megawatts (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 fluctuation 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 three months ended June 30, 2009 and 2008, FPL purchased 335,064 mwh and 371,625 mwh, respectively, from the project at a total cost of approximately $41 million and $37 million, respectively. During the six months ended June 30, 2009 and 2008, FPL purchased 808,829 mwh and 850,448 mwh, respectively, from the project at a total cost of approximately $83 million and $78 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 three months ended June 30, 2009 and 2008, FPL purchased 419,992 mwh and 524,568 mwh, respectively, from the Facility at a total cost of approximately $55 million and $53 million, respectively. During the six months ended June 30, 2009 and 2008, FPL purchased 827,077 mwh and 1,127,812 mwh, respectively, from the Facility at a total cost of approximately $107 million and $111 million, respectively. 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 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. 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. The junior subordinated debentures are FPL Group's maximum exposure to loss. The junior subordinated debentures outstanding at both June 30, 2009 and December 31, 2008 were approximately $309 million, which are included in long-term debt on FPL Group's condensed consolidated balance sheets.

See Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations - New Accounting Rules and Interpretations - Variable Interest Entities.

8. Common Stock

Earnings Per Share - The reconciliation of FPL Group's basic and diluted earnings per share of common stock is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
	(millions, except per share amounts)			
Numerator - net income	$ 370	$ 209	$ 734	$ 458
Denominator:				
Weighted-average number of common shares outstanding - basic	403.7	399.8	403.0	399.5
Restricted stock, performance share awards, options, warrants and equity units [a]	2.7	2.8	2.6	2.8
Weighted-average number of common shares outstanding - assuming dilution	406.4	402.6	405.6	402.3
Earnings per share of common stock:				
Basic	$ 0.92	$ 0.52	$ 1.82	$ 1.15
Assuming dilution	$ 0.91	$ 0.52	$ 1.81	$ 1.14

(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 was the end of the term of the award. Restricted stock, performance share awards, options, warrants and equity units are included in diluted weighted-average number of common shares outstanding by applying the treasury stock method.

Restricted stock, performance share awards and common shares issuable upon the exercise of stock options which were not included in the denominator above due to their antidilutive effect were approximately 0.8 million and 0.3 million for the three months ended June 30, 2009 and 2008, respectively, and 0.9 million and 0.4 million for the six months ended June 30, 2009 and 2008, respectively.

Continuous Offering of FPL Group Common Stock - In January 2009, FPL Group entered into an agreement under which FPL Group may offer and sell, from time to time, FPL Group common stock having a gross sales price of up to $400 million. During the three and six months ended June 30, 2009, FPL Group received gross proceeds through the sale and issuance of common stock under this agreement of approximately $26 million and $65 million, respectively, consisting of 450,000 shares and 1,210,000 shares, respectively, at an average price of $57.08 and $53.95 per share, respectively.

9. Debt

Debt issuances and borrowings by subsidiaries of FPL Group during the six months ended June 30, 2009 were as follows:

Date Issued	Company	Debt Issued	Interest Rate	Principal Amount (millions)	Maturity Date
January 2009	NextEra Energy Resources subsidiary	Canadian dollar denominated limited-recourse senior secured term loan	Variable	$ 76	2023[a]
January 2009	FPL Group Capital	Term loan	Variable	$ 72	2011
March 2009	FPL Group Capital	Debentures	6.00%	$ 500	2019
March 2009	FPL	First mortgage bonds	5.96%	$ 500	2039
March 2009	FPL Group Capital	Junior subordinated debentures	8.75%	$ 375	2069
March 2009	NextEra Energy Resources subsidiary	Limited-recourse senior secured notes	Variable	$ 22	2016[b]
May 2009	NextEra Energy Resources subsidiary	Limited-recourse senior secured term loan	Variable	$ 343	2017[b]
May 2009	FPL Group Capital	Debentures related to FPL Group's equity units	3.60%	$ 350	2014
June 2009	FPL Group Capital	Japanese yen denominated term loan	Variable	$ 146	2011
June 2009	FPL Group Capital	Term loan	Variable	$ 50	2011

(a) Proceeds from this loan were used to repay a portion of the NextEra Energy Resources subsidiary's Canadian dollar denominated variable rate term loan maturing in 2011. In March 2009, the remaining balance of the term loan maturing in 2011 was paid off.
(b) Partially amortizing with a balloon payment at maturity.

In May 2009, FPL Group sold $350 million of equity units (initially consisting of Corporate Units). Each equity unit has a stated amount of $50 and consists of a purchase contract issued by FPL Group and, initially, a 1/20, or 5%, undivided beneficial ownership interest in $1,000 principal amount of a Series C Debenture due June 1, 2014 issued by FPL Group Capital (see table above). Total annual distributions on the equity units will be at the rate of 8.375%, consisting of interest on the debentures (3.60% per year) and payments under the stock purchase contracts (4.775% per year). The interest rate on the debentures is expected to be reset on or after December 1, 2011. Each stock purchase contract will require the holder to purchase FPL Group common stock for cash, which can be satisfied from proceeds raised from remarketing the FPL Group Capital debentures, based on a price per share range of $55.67 to $66.80 no later than the settlement date of June 1, 2012. The debentures are fully and unconditionally guaranteed by FPL Group.

In 2008, FPL entered into a reclaimed water agreement with Palm Beach County (PBC) to provide FPL's West County Energy Center with reclaimed water for cooling purposes beginning in January 2011. Under the reclaimed water agreement, FPL is to construct a reclaimed water system that PBC will legally own and operate. The reclaimed water agreement also requires PBC to issue bonds for the purpose of paying the costs associated with the construction of the reclaimed water system, including reimbursing FPL for costs it incurred prior to issuance of the bonds. On July 22, 2009, PBC issued approximately $68 million principal amount of Palm Beach County, Florida Water and Sewer Revenue Bonds, Series 2009 with coupon rates ranging from 4.000% to 5.250% and maturity dates ranging from 2011 to 2040. Under the reclaimed water agreement, FPL will pay PBC an operating fee for the reclaimed water delivered, which will be used by PBC to, among other things, service the principal of and interest on the bonds. The portion of the operating fee related to PBC's servicing principal of and interest on the bonds will be paid by FPL annually as to principal and semi-annually as to interest, beginning October 2011, until final maturity of the bonds. FPL does not have a direct obligation to the bondholders; however, if FPL or PBC were to terminate the reclaimed water agreement, FPL would be obligated to continue to pay the portion of the operating fee intended to reimburse PBC for costs related to issuance of the bonds, including amounts to be used by PBC to service the principal of and interest on the bonds. For financial reporting purposes, FPL is considered the owner of the reclaimed water system and FPL and FPL Group will record electric utility plant in service and other property as costs are incurred and long-term debt as costs are reimbursed to FPL.

10. Commitments and Contingencies

Commitments - FPL Group and its subsidiaries have made commitments in connection with a portion of their projected capital expenditures. Capital expenditures at FPL 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 NextEra Energy Resources, 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 maintain its fiber-optic network.

At June 30, 2009, planned capital expenditures for the remainder of 2009 through 2013 were estimated as follows:

	2009	2010	2011	2012	2013	Total
			(millions)			
FPL:						
Generation: [a]						
New [b] [c] [d]	$ 710	$ 1,205	$ 865	$ 350	$ 25	$ 3,155
Existing	355	680	610	515	430	2,590
Transmission and distribution	295	865	925	930	975	3,990
Nuclear fuel	90	135	215	220	265	925
General and other	95	290	315	300	230	1,230
Total	$ 1,545	$ 3,175	$ 2,930	$ 2,315	$ 1,925	$ 11,890
NextEra Energy Resources:						
Wind [e]	$ 1,085	$ 20	$ 20	$ 20	$ 10	$ 1,155
Nuclear [f]	180	410	300	270	290	1,450
Natural gas	40	60	75	85	50	310
Other	60	55	45	35	35	230
Total	$ 1,365	$ 545	$ 440	$ 410	$ 385	$ 3,145
FPL FiberNet	$ 30	$ 30	$ 20	$ 20	$ 20	$ 120

(a) Includes allowance for funds used during construction (AFUDC) of approximately $31 million, $53 million, $30 million and $4 million in 2009 to 2012, respectively.
(b) Includes land, generating structures, transmission interconnection and integration and licensing.
(c) Includes pre-construction costs and carrying charges (equal to the pretax AFUDC rate) on construction costs recoverable through the capacity clause of approximately $37 million, $143 million, $363 million, $51 million and $22 million in 2009 to 2013, respectively.
(d) Excludes: capital expenditures of approximately $2.2 billion for the modernization of the Cape Canaveral and Riviera power plants for the period from early-2010 (when a decision regarding approval by the Florida Power Plant Siting Board (Siting Board), comprised of the Florida governor and cabinet, is expected) through 2013; construction costs of approximately $2.5 billion during the period 2012 to 2013 for the two additional nuclear units at FPL's Turkey Point site (construction costs will not begin until license approval is received from the NRC, which is expected in 2012); and capital expenditures of approximately $1.6 billion, including AFUDC, for an approximately 300-mile underground natural gas pipeline in Florida, which FPL is proposing to build.
(e) Includes capital expenditures for new wind projects that have been identified and related transmission. NextEra Energy Resources expects to add new wind generation of approximately 1,000 mw in 2009 and in 2010 and 1,000 mw to 2,000 mw in 2011 and in 2012, subject to, among other things, continued public policy support, which includes, but is not limited to, support for the construction and availability of sufficient transmission facilities and capacity, and access to reasonable capital and credit markets. The cost of the planned wind additions for the 2010 through 2012 period is estimated to be approximately $2 billion to $4 billion in each year, which is not included in the table above.
(f) Includes nuclear fuel.

FPL Group has guaranteed certain payment obligations of FPL Group Capital, including most payment obligations under FPL Group Capital's debt and guarantees. Additionally, at June 30, 2009, subsidiaries of FPL Group, other than FPL, in the normal course of business, have guaranteed certain debt service, fuel and turbine purchase payments of non-consolidated entities of NextEra Energy Resources or certain other third parties. The terms of the guarantees are equal to the terms of the related agreements/contracts, with remaining terms ranging from less than one year to nine years. The maximum potential amount of future payments that could be required under these guarantees at June 30, 2009 was approximately $130 million. At June 30, 2009, FPL Group did not have any liabilities recorded for these guarantees. In certain instances, FPL Group can seek recourse from third parties for amounts paid under the guarantees. At June 30, 2009, the fair value of these guarantees was not material.

Certain subsidiaries of NextEra Energy Resources have contracts that require certain projects to meet annual minimum generation amounts. Failure to meet the annual minimum generation amounts would result in the NextEra Energy Resources subsidiary becoming liable for liquidated damages. Based on past performance of these and similar projects and current forward prices, management believes that it is unlikely to experience a material exposure as a result of these liquidated damages' provisions.

Contracts - In addition to the planned capital expenditures included in the table in Commitments above, FPL has commitments under 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-2010, approximately 1,330 mw annually from mid-2010 to 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 August 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 800 mw of power with expiration dates ranging from December 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 2032 for the purchase and transportation of natural gas and coal, and storage of natural gas.

NextEra Energy Resources has entered into several contracts primarily for the purchase of wind turbines and towers and related construction activities, approximately $1.3 billion of which is included in the planned capital expenditures table in Commitments above. In addition, NextEra Energy Resources has contracts primarily for the purchase, transportation and storage of natural gas and firm transmission service with expiration dates ranging from 2009 through 2036, as well as for the supply, conversion, enrichment and fabrication of nuclear fuel with expiration dates ranging from 2009 through 2023.

The required capacity and/or minimum payments under these contracts as of June 30, 2009 were estimated as follows:

	2009	2010	2011	2012	2013	Thereafter
			(millions)			
FPL:						
Capacity payments: [a]						
JEA and Southern subsidiaries [b]	$ 110	$ 230	$ 210	$ 210	$ 210	$ 550
Qualifying facilities [b]	$ 160	$ 290	$ 260	$ 270	$ 250	$ 2,670
Other electricity suppliers [b]	$ 30	$ 10	$ 10	$ 5	$ -	$ -
Minimum payments, at projected prices:						
Southern subsidiaries - energy [b]	$ 50	$ 40	$ -	$ -	$ -	$ -
Natural gas, including transportation and storage [c]	$ 1,100	$ 1,925	$ 1,370	$ 555	$ 515	$ 4,325
Coal [c]	$ 45	$ 70	$ 20	$ -	$ -	$ -
NextEra Energy Resources [d]	$ 1,200	$ 225	$ 105	$ 105	$ 80	$ 875

(a) Capacity payments under these contracts, the majority of which are recoverable through the capacity clause, totaled approximately $154 million and $146 million for the three months ended June 30, 2009 and 2008, respectively, and approximately $307 million and $290 million for the six months ended June 30, 2009 and 2008, respectively.

(b) Energy payments under these contracts, which are recoverable through the fuel clause, totaled approximately $108 million and $126 million for the three months ended June 30, 2009 and 2008, respectively, and approximately $204 million and $242 million for the six months ended June 30, 2009 and 2008, respectively.

(c) Recoverable through the fuel clause.

(d) Includes termination payments primarily associated with wind turbine contracts beyond 2009.

In addition, FPL has entered into several long-term agreements for storage capacity and transportation of natural gas from facilities that have not yet started construction or, if started, have not yet completed construction. These agreements range from 15 to 25 years in length and contain firm commitments by FPL totaling up to approximately $175 million annually or $4.3 billion over the terms of the agreements. These firm commitments are contingent upon the occurrence of certain events, including approval by the FERC and/or completion of construction of the facilities in 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, which provides up to $12.2 billion of liability insurance coverage per incident at any nuclear reactor in the United States. Under the secondary financial protection system, FPL Group is subject to retrospective assessments of up to $940 million ($470 million for FPL), plus any applicable taxes, per incident at any nuclear reactor in the United States, payable at a rate not to exceed $140 million ($70 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 $14 million, $35 million and $18 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 $175 million ($102 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, $4 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 established through the issuance of storm-recovery bonds, FPL may recover storm restoration costs, subject to prudence review by the FPSC, either through securitization provisions pursuant to Florida law 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.

Legal Proceedings - In November 1999, the Attorney General of the United States, on behalf of the U.S. Environmental Protection Agency (EPA), brought an action in the U.S. District Court for the Northern District of Georgia against Georgia Power Company and other subsidiaries of The Southern Company for 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. The EPA has made revisions to its civil penalty rule such that the maximum penalty is $27,500 per day for each violation from January 31, 1997 through March 15, 2004, $32,500 per day for each violation from March 16, 2004 through January 12, 2009 and $37,500 per day for each violation thereafter. Georgia Power Company has answered the amended complaint, asserting that it has complied with all requirements of the Clean Air Act, denying the plaintiff's allegations of liability, denying that the plaintiff is entitled to any of the relief that it seeks and raising various other defenses. In June 2001, 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 February 2009, Florida Municipal Power Agency (FMPA) filed a petition for review with the U.S. Court of Appeals for the District of Columbia (DC Circuit) asking the DC Circuit to reverse and remand orders of the FERC denying FMPA's request for certain 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 in this case have been closed by the FERC. If FMPA is successful in its petition, any reduction in FPL's network service rates also would apply effective January 1, 2004 to Seminole Electric Cooperative Inc. (Seminole), FPL's other network customer. FPL's position, which was approved by the FERC, was to reduce its current network service rates by $0.04 per kilowatt (kw) per month, which resulted in FPL issuing refunds of approximately $4 million to FMPA and $2 million to Seminole in March 2008. FMPA's position is that FPL's rates should be reduced by an additional $0.20 per kw per month, which, if upheld, would result in an additional refund obligation to FMPA of approximately $25 million, and approximately $16 million to Seminole, at June 30, 2009.

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. In June 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 December 2010.

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 (NextEra Energy Resources Affiliates) as defendants in a civil action filed in the District Court in Dallas County, Texas. FPL Energy, LLC, now known as NextEra Energy Resources, was added as a defendant in 2005. The petition alleged that the NextEra Energy Resources Affiliates had a contractual obligation to produce and sell to TXU a minimum quantity of renewable energy credits each year and that the NextEra Energy Resources 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 NextEra Energy Resources 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 NextEra Energy Resources Affiliates were found to have breached the contract. In August 2008, the judge issued a final judgment pursuant to which the contract is not terminated and neither party will recover any damages. In November 2008, TXU appealed the final judgment to the Fifth District Court of Appeals in Dallas, Texas.

FPL Group and FPL are vigorously defending, and believe that they or their affiliates have meritorious defenses to, the lawsuits described above. While management is unable to predict with certainty the outcome of these lawsuits, 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.

Regulatory Proceedings - In February 2008, a fault occurred at an FPL substation causing a system loss of about 3,400 mw of generating capacity, which left approximately 596,000 FPL customers without power. Power was restored to approximately two-thirds of affected customers within one hour and all customers were restored within three hours. FPL's investigation into the root cause of the problem determined the fault occurred as a result of human error. In March 2008, the Florida Reliability Coordinating Council (FRCC) initiated an investigation of the event and the FERC opened a nonpublic formal investigation to determine whether the event involved any violations of mandatory reliability standards. The North American Electric Reliability Corporation (NERC) is participating in both investigations. In November 2008, the FRCC's event analysis team issued its final report on the outage, which did not identify any potential violations of NERC reliability standards by FPL. Following a period of fact finding and written correspondence by and between FPL and the FERC enforcement staff, FPL and the FERC staff have been engaged in continuing discussions to determine whether the investigation can be resolved by settlement. FPL believes that, absent settlement, the FERC staff will pursue formal enforcement proceedings in which FPL expects the FERC may assert up to 25 or more violations of the reliability standards. The statutory penalty for any violation of a reliability standard is up to $1 million per day. FPL believes that, in any such enforcement proceeding, the FERC may assert that some of the alleged violations have continued from January 1, 2008, or earlier.

In March 2009, FPL filed a petition with the FPSC requesting, among other things, a permanent increase in base rates and charges effective January 2010 and an additional permanent base rate increase effective January 2011. To address the addition of FPL's West County Energy Center Unit No. 3 and any subsequent power plant additions, FPL is also requesting FPSC approval to continue the Generation Base Rate Adjustment (GBRA) mechanism previously approved by the FPSC as part of the stipulation and settlement agreement regarding FPL's 2005 base rate case. If approved, the requested permanent base rate increases would increase annual retail base revenues by approximately $1 billion in 2010 and an additional $250 million in 2011. FPL's requested increases are based on a regulatory return on common equity of 12.5% and exclude amounts associated with the proposed extension of the GBRA mechanism and certain proposed cost recovery clause adjustments. FPSC hearings on this base rate proceeding are expected during the third quarter of 2009 and a final decision is expected by the end of 2009. The final decision may approve rates and other terms that are different from those that FPL has requested. The 2005 rate agreement and its provisions will terminate on the date new retail base rates become effective pursuant to an FPSC order.

In addition to the legal and regulatory proceedings discussed above, FPL Group and its subsidiaries, including FPL, are involved in other legal and regulatory proceedings, actions 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 and regulatory proceedings, actions 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 legal and regulatory proceedings, actions and claims, there may be a material adverse effect on their financial statements. While management is unable to predict with certainty the outcome of these legal and regulatory proceedings, actions and claims, 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.

11. Segment Information

FPL Group's reportable segments include FPL, a rate-regulated utility, and NextEra Energy Resources, 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,							
	2009				2008			
	FPL	NextEra Energy Resources [a]	Corporate & Other	FPL Group Consolidated	FPL	NextEra Energy Resources [a]	Corporate & Other	FPL Group Consolidated
	(millions)							
Operating revenues	$ 2,864	$ 911	$ 36	$ 3,811	$ 2,871	$ 663	$ 51	$ 3,585
Operating expenses	$ 2,468	$ 700	$ 38	$ 3,206	$ 2,455	$ 765	$ 52	$ 3,272
Net income (loss) [b]	$ 213	$ 186	$ (29)	$ 370	$ 217	$ 3	$ (11)	$ 209

	Six Months Ended June 30,							
	2009				2008			
	FPL	NextEra Energy Resources	Corporate & Other	FPL Group Consolidated	FPL	NextEra Energy Resources	Corporate & Other	FPL Group Consolidated
	(millions)							
Operating revenues	$ 5,437	$ 2,000	$ 78	$ 7,515	$ 5,406	$ 1,517	$ 97	$ 7,020
Operating expenses	$ 4,779	$ 1,466	$ 82	$ 6,327	$ 4,746	$ 1,423	$ 94	$ 6,263
Net income (loss) [b]	$ 340	$ 438	$ (44)	$ 734	$ 325	$ 167	$ (34)	$ 458

	June 30, 2009				December 31, 2008			
	FPL	NextEra Energy Resources	Corporate & Other	FPL Group Consolidated	FPL	NextEra Energy Resources	Corporate & Other	FPL Group Consolidated
	(millions)							
Total assets	$ 26,742	$ 18,369	$ 1,293	$ 46,404	$ 26,175	$ 17,157	$ 1,489	$ 44,821

(a) NextEra Energy Resources' interest expense is based on a deemed capital structure of 50% debt for operating projects and 100% debt for projects under construction. For these purposes, the deferred credit associated with differential membership interests sold by a NextEra Energy Resources subsidiary in 2007 is included with debt. Residual non-utility interest expense is included in Corporate and Other.

(b) See Note 5 for a discussion of NextEra Energy Resources' tax benefits related to PTCs that were recognized based on its tax sharing agreement with FPL Group.

12. Summarized Financial Information of FPL Group Capital

FPL Group Capital, a 100% owned subsidiary of FPL Group, provides funding for and holds ownership interests 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,							
	2009				2008			
	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	$ -	$ 949	$ 2,862	$ 3,811	$ -	$ 716	$ 2,869	$ 3,585
Operating expenses	1	(740)	(2,467)	(3,206)	(1)	(818)	(2,453)	(3,272)
Interest expense	(4)	(136)	(75)	(215)	(4)	(112)	(79)	(195)
Other income (deductions) - net	380	40	(369)	51	218	33	(209)	42
Income (loss) before income taxes	377	113	(49)	441	213	(181)	128	160
Income tax expense (benefit)	7	(54)	118	71	4	(178)	125	(49)
Net income (loss)	$ 370	$ 167	$ (167)	$ 370	$ 209	$ (3)	$ 3	$ 209

(a) Represents FPL and consolidating adjustments.

	Six Months Ended June 30,							
	2009				2008			
	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	$ -	$ 2,084	$ 5,431	$ 7,515	$ -	$ 1,618	$ 5,402	$ 7,020
Operating expenses	(1)	(1,553)	(4,773)	(6,327)	(1)	(1,521)	(4,741)	(6,263)
Interest expense	(8)	(270)	(148)	(426)	(9)	(224)	(160)	(393)
Other income (deductions) - net	756	31	(725)	62	474	66	(464)	76
Income (loss) before income taxes	747	292	(215)	824	464	(61)	37	440
Income tax expense (benefit)	13	(112)	189	90	6	(205)	181	(18)
Net income (loss)	$ 734	$ 404	$ (404)	$ 734	$ 458	$ 144	$ (144)	$ 458

(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

	June 30, 2009				December 31, 2008			
	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	$ 2	$ 17,977	$ 29,877	$ 47,856	$ 2	$ 16,554	$ 28,972	$ 45,528
Less accumulated depreciation and amortization	-	(3,281)	(10,378)	(13,659)	-	(2,928)	(10,189)	(13,117)
Total property, plant and equipment - net	2	14,696	19,499	34,197	2	13,626	18,783	32,411
CURRENT ASSETS								
Cash and cash equivalents	-	177	99	276	-	414	121	535
Receivables	282	779	636	1,697	339	948	420	1,707
Other	23	1,094	1,779	2,896	19	1,016	2,115	3,150
Total current assets	305	2,050	2,514	4,869	358	2,378	2,656	5,392
OTHER ASSETS								
Investment in subsidiaries	12,125	-	(12,125)	-	11,511	-	(11,511)	-
Other	487	2,937	3,914	7,338	251	2,695	4,072	7,018
Total other assets	12,612	2,937	(8,211)	7,338	11,762	2,695	(7,439)	7,018
TOTAL ASSETS	$ 12,919	$ 19,683	$ 13,802	$ 46,404	$ 12,122	$ 18,699	$ 14,000	$ 44,821
CAPITALIZATION								
Common shareholders' equity	$ 12,244	$ 4,021	$ (4,021)	$ 12,244	$ 11,681	$ 3,422	$ (3,422)	$ 11,681
Long-term debt	-	9,875	5,789	15,664	-	8,522	5,311	13,833
Total capitalization	12,244	13,896	1,768	27,908	11,681	11,944	1,889	25,514
CURRENT LIABILITIES								
Debt due within one year	-	994	788	1,782	-	2,217	1,036	3,253
Accounts payable	1	489	765	1,255	-	421	641	1,062
Other	213	1,300	2,100	3,613	265	887	2,222	3,374
Total current liabilities	214	2,783	3,653	6,650	265	3,525	3,899	7,689
OTHER LIABILITIES AND DEFERRED CREDITS								
Asset retirement obligations	-	558	1,789	2,347	-	539	1,744	2,283
Accumulated deferred income taxes	57	931	3,334	4,322	(78)	1,153	3,156	4,231
Regulatory liabilities	-	-	2,922	2,922	-	-	2,880	2,880
Other	404	1,515	336	2,255	254	1,538	432	2,224
Total other liabilities and deferred credits	461	3,004	8,381	11,846	176	3,230	8,212	11,618
COMMITMENTS AND CONTINGENCIES								
TOTAL CAPITALIZATION AND LIABILITIES	$ 12,919	$ 19,683	$ 13,802	$ 46,404	$ 12,122	$ 18,699	$ 14,000	$ 44,821

(a) Represents FPL and consolidating adjustments.

FPL GROUP, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Concluded)
(unaudited)

Condensed Consolidating Statements of Cash Flows

	Six Months Ended June 30,							
	2009				2008			
	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	$ 361	$ 833	$ 950	$ 2,144	$ 338	$ 441	$ 1,289	$ 2,068
CASH FLOWS FROM INVESTING ACTIVITIES								
Capital expenditures, independent power investments and nuclear fuel purchases	-	(1,181)	(1,178)	(2,359)	(1)	(1,256)	(1,217)	(2,474)
Sale of independent power investments	-	5	-	5	-	-	-	-
Other - net	(53)	(48)	34	(67)	-	(3)	(53)	(56)
Net cash used in investing activities	(53)	(1,224)	(1,144)	(2,421)	(1)	(1,259)	(1,270)	(2,530)
CASH FLOWS FROM FINANCING ACTIVITIES								
Issuances of long-term debt	-	1,879	493	2,372	-	1,159	588	1,747
Retirements of long-term debt	-	(1,069)	(245)	(1,314)	-	(1,016)	(224)	(1,240)
Net change in short-term debt	-	(718)	(25)	(743)	-	928	(519)	409
Issuances of common stock	83	-	-	83	23	-	-	23
Dividends on common stock	(382)	-	-	(382)	(356)	-	-	(356)
Other - net	(9)	62	(51)	2	(4)	(343)	360	13
Net cash provided by (used in) financing activities	(308)	154	172	18	(337)	728	205	596
Net increase (decrease) in cash and cash equivalents	-	(237)	(22)	(259)	-	(90)	224	134
Cash and cash equivalents at beginning of period	-	414	121	535	-	227	63	290
Cash and cash equivalents at end of period	$ -	$ 177	$ 99	$ 276	$ -	$ 137	$ 287	$ 424

(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 2008 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 period.

Results of Operations

FPL Group and NextEra Energy Resources segregate into two categories unrealized mark-to-market gains and losses on energy derivative transactions which are used to manage commodity price risk. 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 and the ineffective portion of transactions accounted for as cash flow hedges. At FPL, substantially all changes in the fair value of energy derivative transactions 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 clause or the capacity clause.

FPL Group's management uses earnings excluding certain items (adjusted earnings) 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. Adjusted earnings exclude the unrealized mark-to-market effect of non-qualifying hedges and other than temporary impairment (OTTI) losses on securities held in NextEra Energy Resources' nuclear decommissioning funds, net of the reversal of previously recognized OTTI losses on securities sold and losses on securities where price recovery was deemed unlikely (collectively, OTTI reversals). 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. Adjusted earnings does not represent a substitute for net income, as prepared in accordance with generally accepted accounting principles.

In March 2009, FPL, certain subsidiaries of NextEra Energy Resources and certain nuclear plant joint owners signed a settlement agreement (spent fuel settlement agreement) with the U.S. Government agreeing to dismiss with prejudice lawsuits filed against the U.S. Government seeking damages caused by the U.S. Department of Energy's failure to dispose of spent nuclear fuel from FPL's and NextEra Energy Resources' nuclear plants. As a result of the spent fuel settlement agreement, in the first quarter of 2009 FPL Group reduced its property, plant and equipment balances by $107 million ($83 million for FPL) and operating expenses by $15 million ($12 million for FPL) and increased operating revenues by $9 million. The spent fuel settlement agreement increased FPL Group's first quarter 2009 net income by approximately $16 million ($9 million for FPL). The amount received from the U.S. Government related to property, plant and equipment is netted against capital expenditures of FPL and independent power investments on FPL's and FPL Group's condensed consolidated statements of cash flows. Through June 30, 2009, FPL Group has collected approximately $124 million ($82 million for FPL) of the amount due from the U.S. Government and has paid approximately $23 million ($5 million for FPL) to the joint owners of certain of its nuclear plants. An additional payment of approximately $30 million ($18 million for FPL) from the U.S. Government is pending. FPL and NextEra Energy Resources will continue to pay fees to the U.S. Government's nuclear waste fund.

Summary - Presented below is a summary of net income (loss) by reportable segment (see Note 11):

	Three Months Ended June 30,			Six Months Ended June 30,		
	2009	2008	Increase (Decrease)	2009	2008	Increase (Decrease)
	(millions)					
FPL	$ 213	$ 217	$ (4)	$ 340	$ 325	$ 15
NextEra Energy Resources	186	3	183	438	167	271
Corporate and Other	(29)	(11)	(18)	(44)	(34)	(10)
FPL Group Consolidated	$ 370	$ 209	$ 161	$ 734	$ 458	$ 276

The decrease in FPL's results for the three months ended June 30, 2009 reflects lower retail customer usage partly offset by higher equity component of AFUDC (AFUDC - equity). The increase for the six-month period reflects the spent fuel settlement agreement, lower operations and maintenance (O&M) expenses and higher AFUDC - equity, partly offset by lower retail customer usage.

NextEra Energy Resources' results for the three and six months ended June 30, 2009 reflect additional earnings from new investments, the convertible ITCs tax benefit in the three-month period and foreign, state and convertible ITCs tax benefits in the six-month period (see Note 5), the absence of planned and unplanned outages at the Seabrook nuclear facility, favorable margins from NextEra Energy Resources' retail energy provider and, for the six-month period, the spent fuel settlement agreement. These results were partially offset by lower results in the remainder of the existing portfolio due to unfavorable market conditions in the Electric Reliability Council of Texas (ERCOT) region and lower wind generation due to a lower wind resource this year and a particularly strong wind resource last year and, during the six-month period, a refueling outage at the Duane Arnold nuclear facility. In addition, interest expense and administrative and general expenses for the three- and six-month periods were higher to support growth of the business. FPL Group's and NextEra Energy Resources' net income for the three months ended June 30, 2009 reflects net unrealized mark-to-market after-tax losses from non-qualifying hedges of $31 million while in the prior period net income reflects $157 million of such losses. FPL Group's and NextEra Energy Resources' net income for the six months ended June 30, 2009 reflects net unrealized mark-to-market after-tax losses from non-qualifying hedges of $1 million while in the prior period net income reflects $209 million of such losses. 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. For the three months ended June 30, 2008, NextEra Energy Resources recorded $9 million of after-tax OTTI losses on securities held in NextEra Energy Resources' nuclear decommissioning funds. There were no OTTI reversals for the three months ended June 30, 2009 or 2008. For the six months ended June 30, 2009 and 2008, NextEra Energy Resources recorded $31 million and $12 million, respectively, of after-tax OTTI losses on securities held in NextEra Energy Resources' nuclear decommissioning funds. For the six months ended June 30, 2009, NextEra Energy Resources had approximately $2 million of after-tax OTTI reversals; there were no such OTTI reversals for the six months ended June 30, 2008.

The decline in results for Corporate and Other in the 2009 periods is primarily due to consolidating income tax adjustments.

FPL - FPL's net income for the three months ended June 30, 2009 and 2008 was $213 million and $217 million, respectively, a decrease of $4 million. FPL's net income for the six months ended June 30, 2009 and 2008 was $340 million and $325 million, respectively, an increase of $15 million. The decrease for the three-month period reflects lower retail customer usage partly offset by higher AFUDC - equity. The increase for the six-month period reflects the spent fuel settlement agreement, lower O&M expenses and higher AFUDC - equity, partly offset by lower retail customer usage.

In March 2009, FPL filed a petition with the FPSC requesting, among other things, a permanent increase in base rates and charges effective January 2010 and an additional permanent base rate increase effective January 2011. To address the addition of FPL's West County Energy Center Unit No. 3 and any subsequent power plant additions, FPL is also requesting FPSC approval to continue the GBRA mechanism previously approved by the FPSC as part of the stipulation and settlement agreement regarding FPL's 2005 base rate case. If approved, the requested permanent base rate increases would increase annual retail base revenues by approximately $1 billion in 2010 and an additional $250 million in 2011. FPL's requested increases are based on a regulatory return on common equity of 12.5% and exclude amounts associated with the proposed extension of the GBRA mechanism and certain proposed cost recovery clause adjustments. FPSC hearings on this base rate proceeding are expected during the third quarter of 2009 and a final decision is expected by the end of 2009. The final decision may approve rates and other terms that are different from those that FPL has requested. The 2005 rate agreement and its provisions will terminate on the date new retail base rates become effective pursuant to an FPSC order. FPL expects that retail base revenues will increase approximately $65 million in 2009 when retail base rates are changed pursuant to the GBRA mechanism to reflect the placements in service of West County Energy Center Unit Nos. 1 and 2, which are expected to occur in the third quarter of 2009 and fourth quarter of 2009, respectively.

FPL's operating revenues consisted of the following:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
	(millions)			
Retail base	$ 966	$ 989	$ 1,759	$ 1,811
Fuel cost recovery	1,422	1,460	2,747	2,791
Other cost recovery clauses and pass-through costs	429	373	833	707
Other, primarily pole attachment rentals, transmission and wholesale sales and customer-related fees	47	49	98	97
Total	$ 2,864	$ 2,871	$ 5,437	$ 5,406

For the three months ended June 30, 2009, a decrease in the average number of retail customers of 0.3% decreased retail base revenues by approximately $3 million while a 2.5% decrease in usage per retail customer, primarily reflecting factors other than weather conditions, decreased retail base revenues by approximately $20 million. For the six months ended June 30, 2009, a decrease in the average number of retail customers of 0.4% decreased retail base revenues by approximately $7 million while a 3.4% decrease in usage per retail customer, primarily reflecting factors other than weather conditions, decreased retail base revenues by approximately $45 million. The decline FPL experienced in the average number of retail customers in the fourth quarter of 2008 as well as a continued decline in non-weather related retail customer usage, which FPL believes is reflective of the economic slowdown and housing crisis that has affected the country and the state of Florida, has continued into 2009. FPL is unable to predict whether growth in customers and non-weather related customer usage will return to previous trends. The decline in retail customer usage for the six months ended June 30, 2009 also reflects one less day of sales in 2009, as 2008 was a leap year.

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 in the condensed consolidated statements of income, 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 expenses 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.

FPL uses 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 manage fuel price volatility by locking in fuel prices for a portion of FPL's fuel requirements; any resulting gains or losses are passed through the fuel clause. The current regulatory asset for the change in fair value of derivative instruments used in the fuel procurement program amounted to approximately $873 million and $1,109 million at June 30, 2009 and December 31, 2008, respectively. The decrease in fuel revenues for the three months ended June 30, 2009 reflects approximately $58 million attributable to lower energy sales partly offset by approximately $20 million related to a higher average fuel factor. The decrease in fuel revenues for the six months ended June 30, 2009 reflects approximately $115 million attributable to lower energy sales partly offset by approximately $71 million related to a higher average fuel factor. The increase in revenues from other cost recovery clauses and pass-through costs for both the three- and six-month periods is primarily due to additional revenues associated with the nuclear cost recovery rule.

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,	
	2009	2008	2009	2008
	(millions)			
Fuel and energy charges during the period	$ 1,433	$ 1,841	$ 2,517	$ 3,078
Net collection of previously deferred retail fuel costs	1	-	256	-
Net deferral of retail fuel costs	-	(371)	-	(267)
Other, primarily capacity charges net of any capacity deferral	120	128	251	244
Total	$ 1,554	$ 1,598	$ 3,024	$ 3,055

The decrease in fuel and energy charges for the three months ended June 30, 2009 reflects lower fuel and energy prices of approximately $353 million and $55 million attributable to lower energy sales. The decrease in fuel and energy charges for the six months ended June 30, 2009 reflects lower fuel and energy prices of approximately $455 million and $106 million attributable to lower energy sales. At June 30, 2009, approximately $25 million of retail fuel costs were deferred pending refund to retail customers in a subsequent period. The decrease from December 31, 2008 to June 30, 2009 in deferred clause and franchise expenses and the increase in deferred clause and franchise revenues (current and noncurrent, collectively) on FPL Group's and FPL's condensed consolidated balance sheets totaled approximately $268 million and positively affected FPL Group's and FPL's cash flows from operating activities for the six months ended June 30, 2009.

FPL's O&M expenses decreased $3 million for the three months ended June 30, 2009 reflecting lower fossil generation and distribution costs of approximately $4 million and $10 million, respectively, partly offset by higher medical and other employee benefit costs of $13 million and a reserve for ongoing regulatory matters. FPL's O&M expenses decreased $42 million for the six months ended June 30, 2009 reflecting lower nuclear, fossil generation and distribution costs of approximately $21 million, $16 million and $22 million, respectively, partly offset by higher medical and other employee benefit costs of $14 million and a reserve for ongoing regulatory matters. The decline in nuclear costs for the six months ended June 30, 2009 reflects a reimbursement of costs expected under the terms of the spent fuel settlement agreement, as well as lower costs related to plant improvement initiatives and refueling and maintenance outages. The decline in fossil generation costs is primarily due to differences in the timing of plant overhauls which are expected to occur later this year. The decline in distribution costs reflects lower support costs and the timing of work activities. 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 2009 to exceed the 2008 level, primarily due to the absence of an environmental insurance policy termination which occurred in the fourth quarter of 2008, as well as higher expected nuclear, fossil generation, transmission, customer service, information management and other support costs and employee benefit costs.

Depreciation and amortization expense for the three and six months ended June 30, 2009 increased $66 million and $102 million, respectively, reflecting the amortization of approximately $62 million and $94 million, respectively, of pre-construction costs associated with FPL's planned nuclear units recovered under the nuclear cost recovery rule and higher depreciation on transmission and distribution facilities (collectively, approximately $5 million and $11 million, respectively). For the six months ended June 30, 2009, these increases were partially offset by a reduction in depreciation due to the spent fuel settlement agreement.

The decline in interest expense for the three and six months ended June 30, 2009 is primarily due to a decline in average interest rates of approximately 34 basis points and 40 basis points, respectively, partly offset by higher average debt balances. The decline in interest expense also reflects a higher debt component of AFUDC. The increase in AFUDC - equity for the three and six months ended June 30, 2009 is primarily attributable to additional AFUDC - equity on three 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 decline in interest income reflects lower average investment balances and lower average interest rates.

FPL is currently constructing three units at its West County Energy Center, which are expected to be placed in service in the third quarter of 2009, in the fourth quarter of 2009 and in mid-2011, respectively. In addition, 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 placed in service by the end of 2012. In 2008, the FPSC approved FPL's plan to modernize its Cape Canaveral and Riviera power plants to high-efficiency natural gas-fired units. Each modernized plant is expected to provide approximately 1,200 mw of capacity and be placed in service by 2013 and 2014, respectively. Siting Board approval is pending and a decision is expected in early 2010. In April 2009, FPL filed a need petition with the FPSC for an approximately 300-mile underground natural gas pipeline in Florida, which, if approved, is projected to be in service in 2014. The pipeline would supply natural gas to the Cape Canaveral and Riviera power plants following modernization. An FPSC decision is expected in September 2009. The pipeline requires additional approvals from, among others, the Siting Board.

In 2008, the FPSC approved FPL's need petition for two additional nuclear units at its Turkey Point site with projected in-service dates between 2018 and 2020. The two units combined are expected to add approximately 2,200 mw of baseload capacity. Additional approvals from other regulatory agencies will be required later in the process. In 2009, FPL began recovering under the capacity clause, in accordance with the FPSC's nuclear cost recovery rule, pre-construction costs associated with the planned nuclear units and carrying charges (equal to the pretax AFUDC rate) on construction costs associated with the addition of approximately 400 mw of baseload capacity at its existing nuclear units. Substantially all of these costs are subject to a prudence review by the FPSC. The same rule provides for the recovery of construction costs, once the new capacity goes into service, through a base rate increase.

NextEra Energy Resources - NextEra Energy Resources' net income for the three months ended June 30, 2009 and 2008 was $186 million and $3 million, respectively, an increase of $183 million. NextEra Energy Resources' net income for the six months ended June 30, 2009 and 2008 was $438 million and $167 million, respectively, an increase of $271 million. The primary drivers, on an after-tax basis, of these increases were as follows:

	Increase (Decrease)	
	Three Months Ended June 30, 2009	Six Months Ended June 30, 2009
	(millions)	
New investments [(a)]	$ 37	$ 96
Existing assets [(a)]	(9)	(40)
Full energy and capacity requirements services and trading	35	29
Asset sale	-	3
Interest expense, differential membership costs and other	(15)	(8)
Change in unrealized mark-to-market non-qualifying hedge activity [(b)]	126	208
Change in OTTI losses on securities held in nuclear decommissioning funds, net of OTTI reversals	9	(17)
Net income increase	$ 183	$ 271

(a) Includes PTCs and ITCs on wind projects and ITCs on solar projects as well as tax benefits from convertible ITCs under the Recovery Act (see Note 5) but does not include allocation of interest expense or corporate general and administrative expenses. 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) See Note 2 and discussion above related to derivative instruments.

The increase in NextEra Energy Resources' results from new investments reflects the addition of over 1,370 mw of wind generation during or after the three and six months ended June 30, 2008. In addition, results from new investments for the three months ended June 30, 2009 include the convertible ITCs tax benefit and for the six months ended June 30, 2009 included state and convertible ITCs tax benefits (see Note 5). Results from NextEra Energy Resources' existing asset portfolio decreased in both the three- and six-month periods ended June 30, 2009, primarily due to unfavorable market conditions in the ERCOT region and lower wind generation due to a lower wind resource this year and a particularly strong wind resource last year, and decreased during the six-month period due to a refueling outage at the Duane Arnold nuclear facility. During the three- and six-month periods, these decreased results from the existing asset portfolio were partially offset by the absence of outages at the Seabrook nuclear facility, favorable commodity margins from NextEra Energy Resources' retail energy provider and, in the six-month period, the spent fuel settlement agreement.

NextEra Energy Resources' results for the three and six months ended June 30, 2009 reflect higher 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 asset sale represents the sale of wind development rights in the first quarter of 2009. The increase in interest expense, differential membership costs and other for the three and six months ended June 30, 2009 reflects higher interest expense and corporate general and administrative costs due to growth of the business. For the six-month period, these increases were partially offset by the foreign tax benefit (see Note 5).

During the three months ended June 30, 2009, NextEra Energy Resources recorded net unrealized mark-to-market after-tax losses from non-qualifying hedges of approximately $31 million while in the prior period NextEra Energy Resources recorded $157 million of such losses. During the six months ended June 30, 2009, NextEra Energy Resources recorded net unrealized mark-to-market after-tax losses from non-qualifying hedges of approximately $1 million while in the prior period NextEra Energy Resources recorded $209 million of such losses. 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 or losses as the underlying transactions were realized. For the three months ended June 30, 2008 NextEra Energy Resources recorded $9 million of after-tax OTTI losses on securities held in NextEra Energy Resources' nuclear decommissioning funds. There were no OTTI reversals for the three months ended June 30, 2009 or 2008. For the six months ended June 30, 2009 and 2008, NextEra Energy Resources recorded $31 million and $12 million, respectively, of after-tax OTTI losses on securities held in NextEra Energy Resources' nuclear decommissioning funds. For the six months ended June 30, 2009, NextEra Energy Resources had approximately $2 million of after-tax OTTI reversals; there were no such OTTI reversals for the six months ended June 30, 2008.

Operating revenues for the three months ended June 30, 2009 increased $248 million primarily due to losses of $58 million on unrealized mark-to-market non-qualifying hedge activity during the three months ended June 30, 2009 compared to $336 million of such losses in the prior period. Operating revenues for the six months ended June 30, 2009 increased $483 million primarily due to gains of $32 million on unrealized mark-to-market non-qualifying hedge activity during the six months ended June 30, 2009 compared to $540 million of such losses in the prior period. Excluding this mark-to-market activity, operating revenues decreased due to unfavorable market conditions in the ERCOT region and lower wind resource partially offset by the absence of planned and unplanned outages at the Seabrook nuclear facility.

Operating expenses for the three months ended June 30, 2009 decreased $65 million, reflecting $7 million of unrealized mark-to-market gains from non-qualifying hedges compared to $76 million of gains on such hedges in the prior period. Operating expenses for the six months ended June 30, 2009 increased $43 million, reflecting $32 million of unrealized mark-to-market losses from non-qualifying hedges compared to $200 million of gains on such hedges in the prior 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 decreased primarily due to lower fuel costs, partly offset by project additions and higher corporate general and administrative expenses to support the growth of NextEra Energy Resources' business.

Equity in earnings of equity method investees for the three and six months ended June 30, 2009 decreased $13 million and $20 million, respectively, due to the absence of certain favorable contractual provisions which benefited the prior periods at a project in the PJM Interconnection, L.L.C. region. NextEra Energy Resources' interest expense for the three and six months ended June 30, 2009 increased $16 million and $31 million, respectively, reflecting higher average debt balances to support growth of the business, partly offset by slightly lower average interest rates.

FPL Group's effective income tax rate for all periods presented reflects PTCs for wind projects at NextEra Energy Resources. 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 $69 million and $141 million for the three and six months ended June 30, 2009, respectively, and approximately $79 million and $146 million for the comparable periods in 2008. In addition, FPL Group's effective income tax rate for the three months ended June 30, 2009 was affected by the convertible ITCs tax benefit and for the six months ended June 30, 2009 was affected by the foreign, state and convertible ITCs tax benefits. See Note 5.

NextEra Energy Resources expects its future portfolio capacity growth to come primarily from wind and solar development and from asset acquisitions. NextEra Energy Resources expects to add approximately 1,000 mw of new wind generation in 2009, of which approximately 820 mw are either under construction or have obtained applicable internal approvals for construction, and approximately 1,000 mw in 2010. NextEra Energy Resources expects to add approximately 1,000 mw to 2,000 mw of new wind generation in 2011 and in 2012. In addition, NextEra Energy Resources intends to pursue opportunities for new solar generating facilities. The wind and solar expansions are subject to, among other things, continued public policy support, which includes, but is not limited to, support for the construction and availability of sufficient transmission facilities and capacity, and access to reasonable capital and credit markets. Currently, in the United States, 29 states have renewable portfolio standards requiring electricity providers in the state to meet a certain percentage of their retail sales with energy from renewable sources. These standards vary by state, but the majority include requirements to meet 10% to 25% of the electricity providers' retail sales with energy from renewable sources by 2025. NextEra Energy Resources believes that these standards will create incremental demand for renewable energy in the future.

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 expense to NextEra Energy Resources based on a deemed capital structure at NextEra Energy Resources of 50% debt for operating projects and 100% debt for projects under construction. For these purposes, the deferred credit associated with differential membership interests sold by a NextEra Energy Resources subsidiary in 2007 is included with debt. Each subsidiary's income taxes are calculated based on the "separate return method," except that tax benefits that could not be used on a separate return basis, but are used on the consolidated tax return, are recorded by the subsidiary that generated the tax benefits. Any remaining consolidated income tax benefits or expenses are recorded at Corporate and Other. The major components of Corporate and Other's results, on an after-tax basis, are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
	(millions)			
Interest expense, net of allocations to NextEra Energy Resources	$ (29)	$ (23)	$ (57)	$ (47)
Interest income	7	5	20	7
Federal and state income tax (expenses) benefits	(7)	7	(13)	5
Other	-	-	6	1
Net loss	$ (29)	$ (11)	$ (44)	$ (34)

The increase in interest expense for the three and six months ended June 30, 2009 reflects additional debt outstanding partly offset by lower average interest rates of approximately 38 basis points and 89 basis points, respectively. The increase in interest income reflects additional earnings on energy-related loans made to a third party by an FPL Group Capital subsidiary and, for the six months ended June 30, 2009, higher interest recorded on unrecognized tax benefits. The federal and state income tax expenses and benefits reflect consolidating income tax adjustments. Other includes all other corporate income and expenses, as well as other business activities.

Liquidity and Capital Resources

FPL Group and its subsidiaries, including FPL, require funds to support and grow their businesses. These funds are used for working capital, capital expenditures, investments in or acquisitions of assets and businesses, to pay maturing debt obligations and, from time to time, to redeem or repurchase outstanding debt or equity securities. It is anticipated that these requirements will be satisfied through a combination of internally generated funds, borrowings, 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. FPL Group, FPL and FPL Group Capital access the credit and capital markets as significant sources of liquidity for capital requirements that are not satisfied by operating cash flows. The inability of FPL Group, FPL and FPL Group Capital to maintain their current credit ratings could affect their ability to raise short- and long-term capital, their cost of capital and the execution of their respective financing strategies, and could require the posting of additional collateral under certain agreements.

The global and domestic credit and capital markets have experienced unprecedented levels of volatility and disruption. This has significantly affected the cost and available sources of liquidity in the financial markets. FPL and FPL Group Capital have continued to have access to commercial paper and short- and long-term credit and capital markets. If capital and credit market conditions change, this could alter spending plans at FPL and NextEra Energy Resources.

Available Liquidity - At June 30, 2009, FPL Group's total net available liquidity was approximately $5.1 billion, of which FPL's portion was approximately $1.7 billion. The components of each company's net available liquidity at June 30, 2009 were as follows:

				Maturity Date	
	FPL	FPL Group Capital	FPL Group Consolidated	FPL	FPL Group Capital
		(millions)			
Bank revolving lines of credit [a]	$ 2,473	$ 3,917	$ 6,390	[b]	[b]
Less letters of credit	(343)	(382)	(725)		
	2,130	3,535	5,665		
Revolving term loan facility	250	-	250	2011	
Less borrowings	-	-	-		
	250	-	250		
Subtotal	2,380	3,535	5,915		
Cash and cash equivalents	99	177	276		
Less commercial paper	(748)	(374)	(1,122)		
Net available liquidity	$ 1,731	$ 3,338	$ 5,069		

(a) Provide for the issuance of letters of credit up to $6,390 million ($2,473 million for FPL) and are available to support FPL's and FPL Group Capital's commercial paper programs and short-term borrowings 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's bank revolving lines of credit are also available to support the purchase of $633 million of pollution control, solid waste disposal and industrial development revenue bonds (tax exempt bonds) in the event they are tendered by individual bond holders and not remarketed prior to maturity.

(b) $17 million of FPL's and $40 million of FPL Group Capital's bank revolving lines of credit expire in 2012. The remaining portion of bank revolving lines of credit for FPL and FPL Group Capital expire in 2013.

As of July 30, 2009, 37 banks participate in FPL's and FPL Group Capital's credit facilities and FPL's revolving term loan facility, with no one bank providing more than 8% of the combined credit facilities and FPL's revolving term loan facility. In order for FPL Group Capital to borrow under the terms of its credit facility, FPL Group (which guarantees the payment of FPL Group Capital's credit facility pursuant to a 1998 guarantee agreement) is required to maintain a ratio of funded debt to total capitalization that does not exceed a stated ratio. The FPL Group Capital credit facility also contains default and related acceleration provisions relating to, among other things, failure of FPL Group to maintain a ratio of funded debt to total capitalization at or below the specified ratio. Similarly, in order for FPL to borrow under the terms of its credit facility and revolving term loan facility, FPL is required to maintain a ratio of funded debt to total capitalization that does not exceed a stated ratio. The FPL credit facility and revolving term loan facility also contain default and related acceleration provisions relating to, among other things, failure of FPL to maintain a ratio of funded debt to total capitalization at or below the specified ratio. At June 30, 2009, each of FPL Group and FPL was in compliance with its required ratio.

In January 2009, FPL Group entered into an agreement under which FPL Group may offer and sell, from time to time, FPL Group common stock having a gross sales price of up to $400 million. During the three and six months ended June 30, 2009, FPL Group received gross proceeds through the sale and issuance of common stock under this agreement of approximately $26 million and $65 million, respectively, consisting of 450,000 shares and 1,210,000 shares, respectively, at an average price of $57.08 and $53.95 per share, respectively.

At June 30, 2009, FPL had the capacity to absorb up to approximately $194 million in future prudently incurred storm restoration costs without seeking recovery through a rate adjustment from the FPSC. Also, an indirect wholly-owned subsidiary of NextEra Energy Resources 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.

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, 2009, FPL Group had standby letters of credit of approximately $975 million ($355 million for FPL) and approximately $9.2 billion notional amount of guarantees ($648 million for FPL), of which approximately $7.1 billion ($365 million for FPL) have expirations within the next five years. An aggregate of approximately $725 million of the standby letters of credit at June 30, 2009 were issued under FPL's and FPL Group Capital's credit facilities. See Available Liquidity above. Letters of credit and guarantees support the buying and selling of wholesale energy commodities, debt and related reserves, nuclear activities, capital expenditures for wind development, 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 June 30, 2009, FPL Group and FPL accordingly 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 NextEra Energy Resources and its subsidiaries. Due to declines in the value of investments held in the nuclear decommissioning trusts for Duane Arnold and Point Beach Nuclear Power Plant (Point Beach), the balances in those trusts are currently less than the NRC minimum funding requirements. In July 2009, NextEra Energy Resources submitted its proposed plan to the NRC for providing financial assurance for decommissioning funding for Duane Arnold and Point Beach under which FPL Group Capital would increase its existing decommissioning funding parent guarantees from a total of approximately $93 million to approximately $160 million by December 31, 2009. The ultimate amount of the guarantees could vary depending on the market performance of the investments held in the trusts and on the NRC's position on NextEra Energy Resources' proposed plan. See Note 10 - Commitments.

Certain subsidiaries of NextEra Energy Resources have contracts that require certain projects to meet annual minimum generation amounts. Failure to meet the annual minimum generation amounts would result in the NextEra Energy Resources subsidiary becoming liable for liquidated damages. Based on past performance of these and similar projects and current forward prices, management believes that it is unlikely to experience a material exposure as a result of these liquidated damages' provisions.

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 July 30, 2009, 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 July 30, 2009, FPL Group and FPL Group Capital had approximately $1.9 billion (issuable by either or both of them up to such aggregate amount) of board-authorized available capacity, and FPL had $1.0 billion of board-authorized available capacity.

Cash Flow - The changes in cash and cash equivalents are summarized as follows:

	FPL Group		FPL	
	Six Months Ended June 30,			
	2009	2008	2009	2008
	(millions)			
Net cash provided by operating activities	$ 2,144	$ 2,068	$ 1,276	$ 1,680
Net cash used in investing activities	(2,421)	(2,530)	(1,198)	(1,263)
Net cash provided by (used in) financing activities	18	596	(99)	(193)
Net increase (decrease) in cash and cash equivalents	$ (259)	$ 134	$ (21)	$ 224

FPL Group's cash and cash equivalents decreased for the six months ended June 30, 2009 reflecting capital investments by FPL and NextEra Energy Resources, a net decrease in short-term debt, the payment of common stock dividends to FPL Group shareholders and the payment of margin cash collateral to NextEra Energy Resources' counterparties. These outflows were partially offset by the receipt of cash from the net issuance of long-term debt and the recovery of fuel costs.

FPL Group's cash flows from operating activities for the six months ended June 30, 2009 reflect cash generated by net income, the recovery by FPL of fuel costs for prior period deferrals and an increase in other taxes at FPL primarily due to property taxes, which are payable in the fourth quarter. These inflows were partially offset by the payment of margin cash collateral to NextEra Energy Resources' counterparties as a result of changing energy prices.

FPL Group's cash flows from investing activities for the six months ended June 30, 2009 reflect capital investments, including nuclear fuel purchases, of approximately $1.2 billion by FPL to expand and enhance its electric system and generating facilities to continue to provide reliable service to meet the power needs of present and future customers and investments in independent power projects of approximately $1.2 billion. 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 by NextEra Energy Resources, as well as other investment activity, primarily at FPL Group Capital.

During the six months ended June 30, 2009, FPL Group generated proceeds from financing activities, net of related issuance costs, of approximately $2.5 billion, including $83 million in proceeds from the issuance of common stock, primarily under FPL Group's continuous offering agreement (see Available Liquidity above), and the following long-term debt issuances and borrowings:

Date Issued	Company	Debt Issued	Interest Rate	Principal Amount	Maturity Date
				(millions)	
January 2009	NextEra Energy Resources subsidiary	Canadian dollar denominated limited-recourse senior secured term loan	Variable	$ 76	2023[a]
January 2009	FPL Group Capital	Term loan	Variable	72	2011
March 2009	FPL Group Capital	Debentures	6.00%	500	2019
March 2009	FPL	First mortgage bonds	5.96%	500	2039
March 2009	FPL Group Capital	Junior subordinated debentures	8.75%	375	2069
March 2009	NextEra Energy Resources subsidiary	Limited-recourse senior secured notes	Variable	22	2016[b]
May 2009	NextEra Energy Resources subsidiary	Limited-recourse senior secured term loan	Variable	343	2017[b]
May 2009	FPL Group Capital	Debentures related to FPL Group's equity units	3.60%	350	2014
June 2009	FPL Group Capital	Japanese yen denominated term loan	Variable	146	2011
June 2009	FPL Group Capital	Term loan	Variable	50	2011
				$ 2,434	

(a) Proceeds from this loan were used to repay a portion of the NextEra Energy Resources subsidiary's Canadian dollar denominated variable rate term loan maturing in 2011. In March 2009, the remaining balance of the term loan maturing in 2011 was paid off.
(b) Partially amortizing with a balloon payment at maturity.

During the six months ended June 30, 2009, FPL Group paid approximately $2.4 billion in connection with financing activities, including $625 million for FPL Group Capital debt maturities, $225 million for maturing FPL first mortgage bonds, approximately $303 million principal repayments on NextEra Energy Resources debt, approximately $141 million of FPL Group Capital debt payments including principal prepayment on a term loan and repurchase of junior subordinated debentures, approximately $20 million principal repayment on FPL subsidiary storm-recovery bonds, the net decrease in short-term debt of $743 million (comprised of $718 million and $25 million at FPL Group Capital and FPL, respectively) and $382 million for the payment of dividends on FPL Group's common stock.

During the six months ended June 30, 2009, indirect wholly-owned subsidiaries of NextEra Energy Resources and FPL Group Capital entered into interest rate swap agreements. See Energy Marketing and Trading and Market Risk Sensitivity - Market Risk Sensitivity.

FPL Group's cash and cash equivalents increased for the six months ended June 30, 2008 reflecting cash generated by net income, the receipt of cash from the net issuance of long-term debt, the return and receipt of margin cash collateral from counterparties, storm-related insurance proceeds, a decrease in customer receivables and an increase in accounts payable. These inflows were partially offset by capital investments, the payment of common stock dividends to FPL Group shareholders and a net decrease in short-term debt.

In 2008, FPL entered into a reclaimed water agreement with PBC to provide FPL's West County Energy Center with reclaimed water beginning in January 2011. Under the reclaimed water agreement, FPL is to construct a reclaimed water system that PBC will legally own and operate. The reclaimed water agreement also requires PBC to issue bonds for the purpose of paying the costs associated with the construction of the reclaimed water system. On July 22, 2009, PBC issued approximately $68 million principal amount of bonds. For financial reporting purposes, FPL is considered the owner of the reclaimed water system and FPL and FPL Group will record electric utility plant in service and other property as costs are incurred and long-term debt as costs are reimbursed to FPL. See Note 9.

New Accounting Rules and Interpretations

Variable Interest Entities - In June 2009, new accounting guidance was issued which modifies the consolidation model in previous guidance and expands the required disclosure related to VIEs. FPL Group and FPL will be required to adopt the new accounting guidance on January 1, 2010. FPL Group and FPL are currently evaluating the impact of the new accounting guidance. See Note 7.

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,							
	2009				2008			
	(millions)							
	Net Unrealized Gains (Losses) On Cash Flow Hedges	Pension and Other Benefits	Other	Total	Net Unrealized Gains (Losses) On Cash Flow Hedges	Pension and Other Benefits	Other	Total
Balances at December 31 of prior year	$ 5	$ (25)	$ 7	$ (13)	$ (81)	$ 143	$ 54	$ 116
Net unrealized gains (losses) on commodity cash flow hedges:								
Effective portion of net unrealized gains (losses) (net of $64 tax expense and $205 tax benefit, respectively)	93	-	-	93	(306)	-	-	(306)
Reclassification from AOCI to net income (net of $32 tax benefit and $20 tax expense, respectively)	(47)	-	-	(47)	30	-	-	30
Net unrealized gains (losses) on interest rate cash flow hedges:								
Effective portion of net unrealized gains (net of $19 and $1 tax expense, respectively)	29	-	-	29	-	-	-	-
Reclassification from AOCI to net income (net of $5 tax expense in 2009)	9	-	-	9	2	-	-	2
Net unrealized gains (losses) on available for sale securities (net of $33 tax expense and $16 tax benefit, respectively)	-	-	47	47	-	-	(24)	(24)
Adjustments between AOCI and retained earnings	-	-	(5)	(5)	-	-	(1)	(1)
Defined benefit pension and other benefits plans (net of $1 and $2 tax benefit, respectively)	-	(2)		(2)	-	(4)	-	(4)
Net unrealized loss on foreign currency translation (net of $2 tax expense)	-	-	3	3	-	-	-	-
Balances at June 30	$ 89	$ (27)	$ 52	$ 114	$ (355)	$ 139	$ 29	$ (187)

Energy Marketing and Trading and Market Risk Sensitivity

Energy Marketing and Trading - Certain of FPL Group's subsidiaries, including FPL and NextEra Energy Resources, use derivative instruments (primarily swaps, options, futures and forwards) to manage the commodity price risk inherent in the purchase and sale of fuel and electricity. In addition, FPL Group, through NextEra Energy Resources, uses derivatives to optimize the value of power generation assets. NextEra Energy Resources 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, 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, and, 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 NextEra Energy Resources, 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. 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, 2009 were as follows:

		Hedges on Owned Assets			
	Trading	Non-Qualifying	OCI	FPL Cost Recovery Clauses	FPL Group Total
			(millions)		
Three months ended June 30, 2009					
Fair value of contracts outstanding at March 31, 2009	$ 105	$ 194	$ 242	$ (1,326)	$ (785)
Reclassification to realized at settlement of contracts	(53)	(52)	(60)	491	326
Effective portion of changes in fair value recorded in OCI	-	-	5	-	5
Ineffective portion of changes in fair value recorded in earnings	-	(1)	-	-	(1)
Changes in fair value excluding reclassification to realized	21	-	-	(21)	-
Fair value of contracts outstanding at June 30, 2009	73	141	187	(856)	(455)
Net option premium payments (receipts)	(78)	17	-	-	(61)
Net margin cash collateral paid					164
Total mark-to-market energy contract net assets (liabilities) at June 30, 2009	$ (5)	$ 158	$ 187	$ (856)	$ (352)

		Hedges on Owned Assets			
	Trading	Non-Qualifying	OCI	FPL Cost Recovery Clauses	FPL Group Total
			(millions)		
Six months ended June 30, 2009					
Fair value of contracts outstanding at December 31, 2008	$ 56	$ 143	$ 114	$ (1,108)	$ (795)
Reclassification to realized at settlement of contracts	(48)	(107)	(84)	800	561
Effective portion of changes in fair value recorded in OCI	-	-	157	-	157
Ineffective portion of changes in fair value recorded in earnings	-	9	-	-	9
Changes in fair value excluding reclassification to realized	65	96	-	(548)	(387)
Fair value of contracts outstanding at June 30, 2009	73	141	187	(856)	(455)
Net option premium payments (receipts)	(78)	17	-	-	(61)
Net margin cash collateral paid					164
Total mark-to-market energy contract net assets (liabilities) at June 30, 2009	$ (5)	$ 158	$ 187	$ (856)	$ (352)

FPL Group's total mark-to-market energy contract net assets (liabilities) at June 30, 2009 shown above are included in the condensed consolidated balance sheet as follows:

	June 30, 2009
	(millions)
Current derivative assets	$ 592
Noncurrent other assets	255
Current derivative liabilities	(1,051)
Noncurrent derivative liabilities	(148)
FPL Group's total mark-to-market energy contract net assets (liabilities)	$ (352)

The sources of fair value estimates and maturity of energy contract derivative instruments at June 30, 2009 were as follows:

	Maturity						
	2009	2010	2011	2012	2013	Thereafter	Total
				(millions)			
Trading:							
Quoted prices in active markets for identical assets	$ (84)	$ (152)	$ (9)	$ (12)	$ (5)	$ -	$ (262)
Significant other observable inputs	3	(23)	1	2	1	-	(16)
Significant unobservable inputs	186	131	27	2	5	-	351
Total	105	(44)	19	(8)	1	-	73
Owned Assets - Non-Qualifying:							
Quoted prices in active markets for identical assets	25	28	(10)	(2)	-	-	41
Significant other observable inputs	16	13	(3)	(7)	(14)	(31)	(26)
Significant unobservable inputs	57	50	10	4	2	3	126
Total	98	91	(3)	(5)	(12)	(28)	141
Owned Assets - OCI:							
Quoted prices in active markets for identical assets	4	26	17	2	-	-	49
Significant other observable inputs	89	52	-	(3)	-	-	138
Significant unobservable inputs	-	-	-	-	-	-	-
Total	93	78	17	(1)	-	-	187
Owned Assets - FPL Cost Recovery Clauses:							
Quoted prices in active markets for identical assets	-	-	-	-	-	-	-
Significant other observable inputs	(842)	(22)	-	-	-	-	(864)
Significant unobservable inputs	-	5	3	-	-	-	8
Total	(842)	(17)	3	-	-	-	(856)
Total sources of fair value	$ (546)	$ 108	$ 36	$ (14)	$ (11)	$ (28)	$ (455)

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, 2008 were as follows:

		Hedges on Owned Assets			
	Trading	Non-Qualifying	OCI	FPL Cost Recovery Clauses	FPL Group Total
			(millions)		
Three months ended June 30, 2008					
Fair value of contracts outstanding at March 31, 2008	$ 56	$ (224)	$ (245)	$ 464	$ 51
Reclassification to realized at settlement of contracts	(5)	(18)	26	(150)	(147)
Effective portion of changes in fair value recorded in OCI	-	-	(351)	-	(351)
Ineffective portion of changes in fair value recorded in earnings	-	(4)	-	-	(4)
Changes in fair value excluding reclassification to realized	(9)	(242)	-	684	433
Fair value of contracts outstanding at June 30, 2008	42	(488)	(570)	998	(18)
Net option premium payments (receipts)	(17)	21	-	-	4
Net margin cash collateral received	-	(15)	-	(379)	(394)
Total mark-to-market energy contract net assets (liabilities) at June 30, 2008	$ 25	$ (482)	$ (570)	$ 619	$ (408)

		Hedges on Owned Assets			
	Trading	Non-Qualifying	OCI	FPL Cost Recovery Clauses	FPL Group Total
			(millions)		
Six months ended June 30, 2008					
Fair value of contracts outstanding at December 31, 2007	$ 2	$ (138)	$ (109)	$ (119)	$ (364)
Reclassification to realized at settlement of contracts	1	(63)	49	(77)	(90)
Effective portion of changes in fair value recorded in OCI	-	-	(510)	-	(510)
Ineffective portion of changes in fair value recorded in earnings	-	(13)	-	-	(13)
Changes in fair value excluding reclassification to realized	39	(274)	-	1,194	959
Fair value of contracts outstanding at June 30, 2008	42	(488)	(570)	998	(18)
Net option premium payments (receipts)	(17)	21	-	-	4
Net margin cash collateral received	-	(15)	-	(379)	(394)
Total mark-to-market energy contract net assets (liabilities) at June 30, 2008	$ 25	$ (482)	$ (570)	$ 619	$ (408)

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. In December 2008, FPL Group Capital entered into a cross currency basis swap to hedge against currency movements with respect to both interest and principal payments on a loan and, in June 2009, FPL Group Capital entered into a cross currency swap to hedge against currency and interest rate movements with respect to both interest and principal payments on a loan. The fair value of these cross currency swaps was not material at June 30, 2009. 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, 2009 and December 31, 2008, the VaR figures were as follows:

	Trading			Non-Qualifying Hedges and Hedges in OCI and FPL Cost Recovery Clauses [a]			Total		
	FPL	NextEra Energy Resources	FPL Group	FPL	NextEra Energy Resources	FPL Group	FPL	NextEra Energy Resources	FPL Group
					(millions)				
December 31, 2008	$ -	$ 5	$ 5	$ 86	$ 54	$ 31	$ 86	$ 58	$ 30
June 30, 2009	$ -	$ 6	$ 6	$ 45	$ 41	$ 24	$ 45	$ 44	$ 27
Average for the period ended June 30, 2009	$ -	$ 6	$ 6	$ 62	$ 36	$ 27	$ 62	$ 39	$ 27

(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 other investments. 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, 2009		December 31, 2008	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
		(millions)		
FPL Group:				
Fixed income securities:				
Special use funds	$ 1,743	$ 1,743[a]	$ 1,867	$ 1,867[a]
Other investments	$ 125	$ 125[a]	$ 105	$ 105[a]
Long-term debt, including current maturities	$ 16,324	$ 16,373[b]	$ 15,221	$ 15,152[b]
Interest rate swaps - net unrealized losses	$ (21)	$ (21)[c]	$ (78)	$ (78)[c]
FPL:				
Fixed income securities - special use funds	$ 1,479	$ 1,479[a]	$ 1,510	$ 1,510[a]
Long-term debt, including current maturities	$ 5,829	$ 6,042[b]	$ 5,574	$ 5,652[b]

(a) Based on quoted market prices for these or similar issues.
(b) Based on market prices provided by external sources.
(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 June 30, 2009, the estimated fair values for FPL Group's interest rate swaps were as follows:

Notional Amount (millions)	Effective Date	Maturity Date	Rate Paid	Rate Received	Estimated Fair Value (millions)
Fair value hedge - FPL Group Capital:					
$ 300	June 2008	September 2011	Variable[a]	5.625%	$ 16
Cash flow hedges - NextEra Energy Resources:					
$ 57	December 2003	December 2017	4.245%	Variable[b]	(3)
$ 19	April 2004	December 2017	3.845%	Variable[b]	(1)
$ 176	December 2005	November 2019	4.905%	Variable[b]	(14)
$ 459	January 2007	January 2022	5.390%	Variable[c]	(43)
$ 138	January 2008	September 2011	3.2050%	Variable[b]	(4)
$ 359	January 2009	December 2016	2.680%	Variable[b]	10
$ 124	January 2009[d]	December 2023	3.725%	Variable[b]	3
$ 79	January 2009	December 2023	2.578%	Variable[e]	5
$ 21	March 2009	December 2016	2.655%	Variable[b]	1
$ 7	March 2009[d]	December 2023	3.960%	Variable[b]	-
$ 341	May 2009	May 2017	3.015%	Variable[b]	8
$ 106	May 2009	May 2024	4.663%	Variable[b]	1
Total cash flow hedges					(37)
Total interest rate hedges					$ (21)

(a) Three-month LIBOR plus 1.18896%
(b) Three-month LIBOR
(c) Six-month LIBOR
(d) Exchange of payments does not begin until December 2016
(e) Three-month Banker's Acceptance Rate

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 $795 million ($337 million for FPL) at June 30, 2009.

Equity price risk - Included in the nuclear decommissioning funds of FPL Group are marketable equity securities carried at their market value of approximately $1,299 million and $1,080 million ($722 million and $648 million for FPL) at June 30, 2009 and December 31, 2008, respectively. A hypothetical 10% decrease in the prices quoted by stock exchanges, which is a reasonable near-term market change, would result in a $121 million ($68 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, 2009.

Credit risk - For all derivative and contractual transactions, FPL Group's energy marketing and trading operations, which include 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 June 30, 2009, 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 June 30, 2009, 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 Securities Exchange Act of 1934 (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

FPL Group and FPL are parties to various legal and regulatory proceedings in the ordinary course of their respective businesses. For information regarding legal and regulatory proceedings that could have a material effect on FPL Group or FPL, see Item 3. Legal Proceedings and Note 15 - Legal and Regulatory Proceedings to Consolidated Financial Statements in the 2008 Form 10-K for FPL Group and FPL and Note 10 - Legal Proceedings and Regulatory Proceedings herein. Such descriptions are incorporated herein by reference.

Item 1A. Risk Factors

There were no material changes from the risk factors disclosed in FPL Group's and FPL's 2008 Form 10-K. The factors discussed in Part I, Item 1A. Risk Factors in FPL Group's and FPL's 2008 Form 10-K, as well as other information set forth in this report, which could materially adversely 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 2008 Form 10-K are not the only risks facing FPL Group and FPL. Additional risks and uncertainties 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

Information regarding purchases made by FPL Group of its common stock is as follows:

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]
04/01/09 - 04/30/09	132	$ 51.17	-	20,000,000
05/01/09 - 05/31/09	2,516	$ 55.61	-	20,000,000
06/01/09 - 06/30/09	3,233	$ 58.20	-	20,000,000
Total	5,881	$ 56.93	-	

(a) Represents shares of common stock withheld 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 22, 2009. Of the 410,788,460 shares of common stock outstanding on the record date of March 23, 2009, a total of 349,767,159 shares (or 85.15% of the outstanding shares) were represented in person or by proxy.

The following directors were elected effective May 22, 2009:

	For	Withheld
Sherry S. Barrat	250,069,534	99,697,625
Robert M. Beall, II	271,446,134	78,321,025
J. Hyatt Brown	328,562,704	21,204,455
James L. Camaren	272,193,539	77,573,620
J. Brian Ferguson	272,047,699	77,719,460
Lewis Hay, III	333,752,237	16,014,922
Toni Jennings	270,296,577	79,470,582
Oliver D. Kingsley, Jr.	339,049,151	10,718,008
Rudy E. Schupp	339,155,525	10,611,634
Michael H. Thaman	339,359,753	10,407,406
Hansel E. Tookes, II	336,970,686	12,796,473
Paul R. Tregurtha	270,945,867	78,821,292

The vote ratifying the appointment of Deloitte & Touche LLP as FPL Group's independent registered public accounting firm for 2009 was 343,727,113 for, 4,740,244 against and 1,299,802 abstaining.

The vote to approve the material terms under the FPL Group Amended and Restated Long Term Incentive Plan for payment of performance-based compensation as required by Internal Revenue Code section 162(m) was 268,642,165 for, 18,460,726 against and 2,084,594 abstaining. There were also 60,579,674 broker non-votes.

Item 6. Exhibits

Exhibit Number	Description	FPL Group	FPL
*4(a)	Purchase Contract Agreement dated as of May 1, 2009, between FPL Group and The Bank of New York Mellon, as Purchase Contract Agent (filed as Exhibit 4(a) to Form 8-K dated May 22, 2009, File No. 1-8841)	x	
*4(b)	Pledge Agreement, dated as of May 1, 2009, among FPL Group, Deutsche Bank Trust Company Americas, as Collateral Agent, Custodial Agent and Securities Intermediary, and The Bank of New York Mellon, as Purchase Contract Agent and Trustee (filed as Exhibit 4(b) to Form 8-K dated May 22, 2009, File No. 1-8841)	x	
*4(c)	Officer's Certificate of FPL Group Capital, dated May 26, 2009, creating the Series C Debentures due June 1, 2014 (filed as Exhibit 4(c) to Form 8-K dated May 22, 2009, File No. 1-8841)	x	
10(a)	FPL Group Amended and Restated Long Term Incentive Plan, most recently amended and restated on May 22, 2009	x	x
10(b)	Executive Retention Employment Agreement between FPL Group and Joseph T. Kelliher	x	x
10(c)	Appendix A2 (revised as of May 21, 2009) to the FPL Group Supplemental Executive Retirement Plan, amended and restated effective January 1, 2005	x	x
12(a)	Computation of Ratios	x	
12(b)	Computation of Ratios		x
31(a)	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer of FPL Group	x	
31(b)	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer of FPL Group	x	
31(c)	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer of FPL		x
31(d)	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer of FPL		x
32(a)	Section 1350 Certification of FPL Group	x	
32(b)	Section 1350 Certification of FPL		x
101.INS	XBRL Instance Document of FPL Group	x	
101.SCH	XBRL Schema Document	x	
101.PRE	XBRL Presentation Linkbase Document	x	
101.CAL	XBRL Calculation Linkbase Document	x	
101.LAB	XBRL Label Linkbase Document	x	
101.DEF	XBRL Definition Linkbase Document	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: July 30, 2009

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]

	Six Months Ended June 30, 2009 (millions of dollars)
Earnings, as defined:	
Net income	$ 734
Income taxes	90
Fixed charges included in the determination of net income, as below	453
Amortization of capitalized interest	9
Distributed income of equity method investees	30
Less: Equity in earnings of equity method investees	20
Total earnings, as defined	$ 1,296
Fixed charges, as defined:	
Interest expense	$ 426
Rental interest factor	14
Allowance for borrowed funds used during construction	13
Fixed charges included in the determination of net income	453
Capitalized interest	32
Total fixed charges, as defined	$ 485
Ratio of earnings to fixed charges and ratio of earnings to combined fixed charges and preferred stock dividends [a]	2.67

(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]

	Six Months Ended June 30, 2009 (millions of dollars)
Earnings, as defined:	
Net income	$ 340
Income taxes	189
Fixed charges, as below	173
Total earnings, as defined	$ 702
Fixed charges, as defined:	
Interest expense	$ 156
Rental interest factor	4
Allowance for borrowed funds used during construction	13
Total fixed charges, as defined	$ 173
Ratio of earnings to fixed charges and ratio of earnings to combined fixed charges and preferred stock dividends [a]	4.06

(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, 2009 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: July 30, 2009

LEWIS HAY, III
Lewis Hay, III
Chairman and Chief Executive Officer
of FPL Group, Inc.

Exhibit 31(b)

Rule 13a-14(a)/15d-14(a) Certification

I, Armando Pimentel, Jr., certify that:

1. I have reviewed this Form 10-Q for the quarterly period ended June 30, 2009 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: July 30, 2009

ARMANDO PIMENTEL, JR.
Armando Pimentel, Jr.
Executive Vice President, Finance
and Chief Financial Officer
of FPL Group, Inc.

Exhibit 31(c)

Rule 13a-14(a)/15d-14(a) Certification

I, Armando J. Olivera, certify that:

1. I have reviewed this Form 10-Q for the quarterly period ended June 30, 2009 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: July 30, 2009

ARMANDO J. OLIVERA
Armando J. Olivera
President and Chief Executive Officer
of Florida Power & Light Company

Exhibit 31(d)

Rule 13a-14(a)/15d-14(a) Certification

I, Armando Pimentel, Jr., certify that:

1. I have reviewed this Form 10-Q for the quarterly period ended June 30, 2009 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: July 30, 2009

ARMANDO PIMENTEL, JR.
Armando Pimentel, Jr.
Executive Vice President, Finance
and Chief Financial Officer of
Florida Power & Light Company

Exhibit 32(a)

Section 1350 Certification

We, Lewis Hay, III and Armando Pimentel, Jr., 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, 2009 (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: July 30, 2009

LEWIS HAY, III
Lewis Hay, III
Chairman and Chief Executive Officer
of FPL Group, Inc.

ARMANDO PIMENTEL, JR.
Armando Pimentel, Jr.
Executive 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, Armando J. Olivera and Armando Pimentel, Jr., 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, 2009 (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: July 30, 2009

ARMANDO J. OLIVERA
Armando J. Olivera
President and Chief Executive Officer of
Florida Power & Light Company

ARMANDO PIMENTEL, JR.
Armando Pimentel, Jr.
Executive 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 3 (f)

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, 2009**

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 ☑ No ☐ Florida Power & Light Company Yes ☑ No ☐

Indicate by check mark whether the registrants have submitted electronically and posted on their corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrants were required to submit and post such files).

FPL Group, Inc. Yes ☑ No ☐ Florida Power & Light Company Yes ☐ No ☐

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 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 ☑	Accelerated Filer ☐	Non-Accelerated Filer ☐	Smaller Reporting Company ☐
Florida Power & Light Company	Large Accelerated Filer ☐	Accelerated Filer ☐	Non-Accelerated Filer ☑	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 ☑

The number of shares outstanding of FPL Group, Inc. common stock, as of the latest practicable date: common stock, $0.01 par value, outstanding as of September 30, 2009: 413,347,264 shares.

As of September 30, 2009, 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 the reduced disclosure format.

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FPL Group, Inc., Florida Power & Light Company, FPL Group Capital Inc and NextEra Energy Resources, LLC each have subsidiaries and affiliates with names that include FPL, NextEra Energy Resources, NextEra Energy, FPL Energy, FPLE and similar references. For convenience and simplicity, in this report the terms FPL Group, FPL, FPL Group Capital and NextEra Energy Resources 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, future events or performance, climate change strategy or growth strategies (often, but not always, through the use of words or phrases such as will, will likely result, are expected to, will continue, is anticipated, aim, believe, could, should, would, estimated, may, plan, potential, projection, target, outlook, predict and intend or words of similar meaning) 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 or implied 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. 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, transmission and distribution 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 nuclear facilities involves inherent risks, including environmental, health, regulatory, terrorism and financial risks, that could result in fines or the closure of nuclear units owned by FPL or NextEra Energy Resources, LLC (NextEra Energy Resources), and which may present potential exposures in excess of insurance coverage.

- The construction of, and capital improvements to, power generation and transmission facilities involve substantial risks. Should construction or capital improvement efforts be unsuccessful or delayed, 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 or the payment of margin cash collateral that could adversely impact the results of operations or cash flows 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, including, but not limited to, the efficient development and operation of generating assets, the successful and timely completion of project restructuring activities, the price and supply of fuel and equipment, transmission constraints, competition from other generators, including those using new sources of generation, excess generation capacity and demand for power, 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, but not limited to, the effect of increased competition for acquisitions resulting from the consolidation of the power industry.

- FPL Group and FPL participate in markets that are often subject to uncertain economic conditions, which makes it difficult to estimate growth, future income and expenditures.

- Customer growth and customer usage in FPL's service area affect FPL Group's and FPL's results of operations.

- Weather affects FPL Group's and FPL's results of operations, as can the impact of severe 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.

- Adverse capital and credit market conditions may adversely affect FPL Group's and FPL's ability to meet liquidity needs, access capital and operate and grow their businesses, and increase the cost of capital. Disruptions, uncertainty or volatility in the financial markets can also adversely impact the results of operations and financial condition of FPL Group and FPL, as well as exert downward pressure on the market price of FPL Group's common stock.

- FPL Group's, FPL Group Capital Inc's (FPL Group Capital) and FPL's inability to maintain their current credit ratings may adversely affect FPL Group's and FPL's liquidity, limit the ability of FPL Group and FPL to grow their businesses, and would likely increase interest costs.

- FPL Group and FPL are subject to credit and performance risk from third parties under supply and service contracts.

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

- 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.

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

- FPL Group and FPL are subject to employee workforce factors that could adversely 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 in FPL Group's and FPL's Annual Report on Form 10-K for the year ended December 31, 2008 (2008 Form 10-K) and investors should refer to those sections of the 2008 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, unless otherwise required by law. 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 or implied in any forward-looking statement.

Website Access to U.S. Securities and Exchange Commission (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 on FPL Group's website (or any of its subsidiaries' websites) is not incorporated by reference in this combined Form 10-Q. The SEC maintains an internet website at www.sec.gov that contains reports, proxy and other information about FPL Group and FPL filed electronically with the SEC.

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,	
	2009	2008	2009	2008
OPERATING REVENUES	$ 4,473	$ 5,387	$ 11,988	$ 12,407
OPERATING EXPENSES				
Fuel, purchased power and interchange	2,164	2,728	5,773	6,418
Other operations and maintenance	682	633	1,972	1,926
Storm cost amortization	3	20	29	46
Depreciation and amortization	430	348	1,248	1,025
Taxes other than income taxes	345	342	929	919
Total operating expenses	3,624	4,071	9,951	10,334
OPERATING INCOME	849	1,316	2,037	2,073
OTHER INCOME (DEDUCTIONS)				
Interest expense	(204)	(203)	(631)	(597)
Equity in earnings of equity method investees	29	46	49	85
Allowance for equity funds used during construction	15	9	46	22
Interest income	15	13	58	49
Other than temporary impairment losses on securities held in nuclear decommissioning funds	-	(40)	(54)	(60)
Other - net	11	(6)	34	2
Total other deductions - net	(134)	(181)	(498)	(499)
INCOME BEFORE INCOME TAXES	715	1,135	1,539	1,574
INCOME TAXES	182	361	272	342
NET INCOME	$ 533	$ 774	$ 1,267	$ 1,232
Earnings per share of common stock:				
Basic	$ 1.32	$ 1.93	$ 3.14	$ 3.08
Assuming dilution	$ 1.31	$ 1.92	$ 3.12	$ 3.06
Dividends per share of common stock	$ 0.4725	$ 0.4450	$ 1.4175	$ 1.3350
Weighted-average number of common shares outstanding:				
Basic	405.1	400.4	403.7	399.8
Assuming dilution	408.0	403.0	406.4	402.5

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 2008 Form 10-K for FPL Group and FPL.

FPL GROUP, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(millions)
(unaudited)

	September 30, 2009	December 31, 2008
PROPERTY, PLANT AND EQUIPMENT		
Electric utility plant in service and other property	$ 43,456	$ 41,638
Nuclear fuel	1,499	1,260
Construction work in progress	4,270	2,630
Less accumulated depreciation and amortization	(14,009)	(13,117)
Total property, plant and equipment - net	35,216	32,411
CURRENT ASSETS		
Cash and cash equivalents	164	535
Customer receivables, net of allowances of $23 and $29, respectively	1,594	1,443
Other receivables, net of allowances of $1 and $2, respectively	304	264
Materials, supplies and fossil fuel inventory - at average cost	884	968
Regulatory assets:		
Deferred clause and franchise expenses	68	248
Securitized storm-recovery costs	68	64
Derivatives	344	1,109
Pension	19	19
Other	4	4
Derivatives	435	433
Other	292	305
Total current assets	4,176	5,392
OTHER ASSETS		
Special use funds	3,322	2,947
Other investments	979	923
Prepaid benefit costs	975	914
Regulatory assets:		
Securitized storm-recovery costs	669	697
Deferred clause expenses	-	79
Pension	114	100
Unamortized loss on reacquired debt	30	32
Other	165	138
Other	1,509	1,188
Total other assets	7,763	7,018
TOTAL ASSETS	$ 47,155	$ 44,821
CAPITALIZATION		
Common stock	$ 4	$ 4
Additional paid-in capital	5,013	4,805
Retained earnings	7,583	6,885
Accumulated other comprehensive income (loss)	132	(13)
Total common shareholders' equity	12,732	11,681
Long-term debt	15,601	13,833
Total capitalization	28,333	25,514
CURRENT LIABILITIES		
Commercial paper	1,581	1,835
Notes payable	-	30
Current maturities of long-term debt	662	1,388
Accounts payable	1,057	1,062
Customer deposits	601	575
Accrued interest and taxes	605	374
Regulatory liabilities - deferred clause and franchise revenues	168	11
Derivatives	519	1,300
Other	1,364	1,114
Total current liabilities	6,557	7,689
OTHER LIABILITIES AND DEFERRED CREDITS		
Asset retirement obligations	2,384	2,283
Accumulated deferred income taxes	4,493	4,231
Regulatory liabilities:		
Accrued asset removal costs	2,231	2,142
Asset retirement obligation regulatory expense difference	655	520
Other	251	218
Derivatives	206	218
Other	2,045	2,006
Total other liabilities and deferred credits	12,265	11,618
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$ 47,155	$ 44,821

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2008 Form 10-K for FPL Group and FPL.

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

	Nine Months Ended September 30,	
	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 1,267	$ 1,232
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,248	1,025
Nuclear fuel amortization	186	146
Recoverable storm-related costs of FPL	(16)	47
Storm cost amortization	29	46
Unrealized (gains) losses on marked to market energy contracts	63	(170)
Deferred income taxes	182	508
Cost recovery clauses and franchise fees	417	(465)
Change in prepaid option premiums and derivative settlements	11	(6)
Equity in earnings of equity method investees	(49)	(85)
Distributions of earnings from equity method investees	33	50
Changes in operating assets and liabilities:		
Customer receivables	(146)	(235)
Other receivables	14	(6)
Materials, supplies and fossil fuel inventory	74	(156)
Other current assets	(32)	(47)
Other assets	(44)	(108)
Accounts payable	(99)	234
Customer deposits	26	27
Margin cash collateral	(191)	28
Income taxes	39	(173)
Interest and other taxes	229	242
Other current liabilities	(61)	73
Other liabilities	8	(15)
Other - net	138	167
Net cash provided by operating activities	3,326	2,359
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures of FPL	(1,841)	(1,665)
Independent power investments	(1,884)	(1,854)
Funds received from the spent fuel settlement agreement	86	-
Nuclear fuel purchases	(278)	(164)
Other capital expenditures	(37)	(32)
Sale of independent power investments	15	-
Proceeds from sale of securities in special use funds	2,713	1,718
Purchases of securities in special use funds	(2,783)	(1,797)
Proceeds from sale of other securities	542	84
Purchases of other securities	(556)	(188)
Other - net	5	41
Net cash used in investing activities	(4,018)	(3,857)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuances of long-term debt	2,389	2,587
Retirements of long-term debt	(1,412)	(1,324)
Net change in short-term debt	(284)	2,023
Issuances of common stock	186	32
Dividends on common stock	(574)	(535)
Change in funds held for storm-recovery bond payments	18	14
Other - net	(2)	3
Net cash provided by financing activities	321	2,800
Net increase (decrease) in cash and cash equivalents	(371)	1,302
Cash and cash equivalents at beginning of period	535	290
Cash and cash equivalents at end of period	$ 164	$ 1,592

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2008 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,	
	2009	2008	2009	2008
OPERATING REVENUES	$ 3,301	$ 3,423	$ 8,738	$ 8,829
OPERATING EXPENSES				
Fuel, purchased power and interchange	1,786	1,992	4,810	5,047
Other operations and maintenance	392	356	1,108	1,114
Storm cost amortization	3	20	29	46
Depreciation and amortization	260	200	757	596
Taxes other than income taxes	306	306	821	817
Total operating expenses	2,747	2,874	7,525	7,620
OPERATING INCOME	554	549	1,213	1,209
OTHER INCOME (DEDUCTIONS)				
Interest expense	(78)	(83)	(235)	(252)
Allowance for equity funds used during construction	15	9	46	22
Interest income	-	2	1	10
Other - net	(5)	(2)	(10)	(9)
Total other deductions - net	(68)	(74)	(198)	(229)
INCOME BEFORE INCOME TAXES	486	475	1,015	980
INCOME TAXES	180	161	369	342
NET INCOME	$ 306	$ 314	$ 646	$ 638

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2008 Form 10-K for FPL Group and FPL.

FLORIDA POWER & LIGHT COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(millions)
(unaudited)

	September 30, 2009	December 31, 2008
ELECTRIC UTILITY PLANT		
Plant in service	$ 27,767	$ 26,497
Nuclear fuel	726	613
Construction work in progress	1,949	1,862
Less accumulated depreciation and amortization	(10,538)	(10,189)
Electric utility plant - net	19,904	18,783
CURRENT ASSETS		
Cash and cash equivalents	34	120
Customer receivables, net of allowances of $22 and $19, respectively	1,022	796
Other receivables, net of allowances of $1 and $1, respectively	117	143
Materials, supplies and fossil fuel inventory - at average cost	550	563
Regulatory assets:		
Deferred clause and franchise expenses	68	248
Securitized storm-recovery costs	68	64
Derivatives	344	1,109
Derivatives	13	4
Other	129	125
Total current assets	2,345	3,172
OTHER ASSETS		
Special use funds	2,375	2,158
Prepaid benefit costs	1,024	968
Regulatory assets:		
Securitized storm-recovery costs	669	697
Deferred clause expenses	-	79
Unamortized loss on reacquired debt	30	32
Other	162	133
Other	252	153
Total other assets	4,512	4,220
TOTAL ASSETS	$ 26,761	$ 26,175
CAPITALIZATION		
Common stock	$ 1,373	$ 1,373
Additional paid-in capital	4,393	4,393
Retained earnings	2,484	2,323
Total common shareholder's equity	8,250	8,089
Long-term debt	5,782	5,311
Total capitalization	14,032	13,400
CURRENT LIABILITIES		
Commercial paper	827	773
Current maturities of long-term debt	42	263
Accounts payable	612	645
Customer deposits	596	570
Accrued interest and taxes	466	449
Regulatory liabilities - deferred clause and franchise revenues	168	11
Derivatives	357	1,114
Other	548	598
Total current liabilities	3,616	4,423
OTHER LIABILITIES AND DEFERRED CREDITS		
Asset retirement obligations	1,813	1,743
Accumulated deferred income taxes	3,509	3,105
Regulatory liabilities:		
Accrued asset removal costs	2,231	2,142
Asset retirement obligation regulatory expense difference	655	520
Other	251	218
Other	654	624
Total other liabilities and deferred credits	9,113	8,352
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$ 26,761	$ 26,175

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2008 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,	
	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 646	$ 638
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	757	596
Nuclear fuel amortization	93	78
Recoverable storm-related costs	(16)	47
Storm cost amortization	29	46
Deferred income taxes	383	317
Cost recovery clauses and franchise fees	417	(465)
Change in prepaid option premiums and derivative settlements	(1)	-
Changes in operating assets and liabilities:		
Customer receivables	(226)	(257)
Other receivables	54	(6)
Materials, supplies and fossil fuel inventory	13	(42)
Other current assets	(31)	(46)
Other assets	(82)	(66)
Accounts payable	(44)	228
Customer deposits	26	28
Margin cash collateral	6	18
Income taxes	(228)	88
Interest and other taxes	224	221
Other current liabilities	(24)	81
Other liabilities	32	14
Other - net	3	23
Net cash provided by operating activities	2,031	1,541
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(1,841)	(1,665)
Funds received from the spent fuel settlement agreement	71	-
Nuclear fuel purchases	(132)	(88)
Proceeds from sale of securities in special use funds	1,940	1,102
Purchases of securities in special use funds	(1,982)	(1,168)
Other - net	(1)	1
Net cash used in investing activities	(1,945)	(1,818)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuances of long-term debt	505	589
Retirements of long-term debt	(263)	(241)
Net change in short-term debt	54	708
Dividends	(485)	(50)
Change in funds held for storm-recovery bond payments	18	14
Capital contribution from FPL Group	-	75
Other - net	(1)	-
Net cash provided by (used in) financing activities	(172)	1,095
Net increase (decrease) in cash and cash equivalents	(86)	818
Cash and cash equivalents at beginning of period	120	63
Cash and cash equivalents at end of period	$ 34	$ 881

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2008 Form 10-K for FPL Group and FPL.

The accompanying condensed consolidated financial statements should be read in conjunction with the 2008 Form 10-K for FPL Group and FPL. In the opinion of FPL Group and FPL management, all adjustments (consisting of normal recurring accruals) considered necessary for fair financial statement presentation have been made. Certain amounts included in the prior year's 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. FPL Group and FPL have evaluated subsequent events through October 29, 2009.

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 benefit pension 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, 2009 and 2008. 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 components of net periodic benefit (income) cost for the plans are as follows:

	Pension Benefits		Other Benefits		Pension Benefits		Other Benefits	
	Three Months Ended September 30,				Nine Months Ended September 30,			
	2009	2008	2009	2008	2009	2008	2009	2008
	(millions)							
Service cost	$ 13	$ 13	$ 2	$ 1	$ 38	$ 40	$ 4	$ 4
Interest cost	27	26	6	6	82	77	18	19
Expected return on plan assets	(60)	(60)	(1)	-	(179)	(180)	(2)	(3)
Amortization of transition obligation	-	-	1	1	-	-	3	3
Amortization of prior service benefit	(1)	(1)	-	-	(3)	(3)	-	-
Amortization of gains	(5)	(7)	-	-	(17)	(21)	-	-
Net periodic benefit (income) cost at FPL Group	$ (26)	$ (29)	$ 8	$ 8	$ (79)	$ (87)	$ 23	$ 23
Net periodic benefit (income) cost at FPL	$ (18)	$ (21)	$ 6	$ 6	$ (55)	$ (63)	$ 17	$ 18

2. Derivative Instruments

FPL Group and FPL use derivative instruments (primarily swaps, options, futures and forwards) to manage the commodity price risk inherent in the purchase and sale of fuel and electricity, as well as interest rate and foreign currency exchange rate risk associated with long-term debt. In addition, FPL Group, through NextEra Energy Resources, uses derivatives to optimize the value of power generation assets. NextEra Energy Resources also 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, 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 the derivatives' 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 NextEra Energy Resources, 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 NextEra Energy Resources' derivative transactions are entered into for the purpose of managing commodity price risk, and to reduce the impact of volatility in interest rates stemming from changes in variable interest rates on outstanding debt, 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 using regression analysis for commodity contracts, and nonstatistical methods including dollar value comparisons of the change in the fair value of the derivative to the change in the fair value or cash flows of the hedged item, for interest rate swaps. Hedge effectiveness is tested at the inception of the hedge and on at least a quarterly basis throughout its life.

At September 30, 2009, FPL Group had cash flow hedges with expiration dates through December 2012 for energy contract derivative instruments, interest rate cash flow hedges with expiration dates through May 2024 and a foreign currency cash flow hedge that expires in December 2011. 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. See Note 6. The ineffective portion of net unrealized gains (losses) on these hedges is reported in earnings in the current period, and amounted to approximately $4 million and $11 million for the three months ended September 30, 2009 and 2008, respectively, and approximately $14 million and $(2) million for the nine months ended September 30, 2009 and 2008, respectively. Settlement gains and losses are included within the line items in the condensed consolidated statements of income to which they relate.

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, 2009	December 31, 2008	September 30, 2009	December 31, 2008
	(millions)			
Current derivative assets [a]	$ 435	$ 433	$ 13	$ 4
Noncurrent other assets	331	212	42	2
Current derivative liabilities [b]	(519)	(1,300)	(357)	(1,114)
Noncurrent derivative liabilities [c]	(206)	(218)	(1)[d]	(1)[d]
Total mark-to-market derivative instrument liabilities	$ 41	$ (873)	$ (303)	$ (1,109)

(a) At September 30, 2009 and December 31, 2008, FPL Group's balances reflect the netting of $19 million and $60 million (none at FPL), respectively, in margin cash collateral received from counterparties.
(b) At September 30, 2009 and December 31, 2008, FPL Group's balances reflect the netting of $187 million and $33 million (none at FPL), respectively, in margin cash collateral provided to counterparties.
(c) At December 31, 2008, FPL Group's balances reflect the netting of $25 million (none at FPL), in margin cash collateral provided to counterparties.
(d) Included in noncurrent other liabilities on FPL's condensed consolidated balance sheets.

At September 30, 2009 and December 31, 2008, FPL Group had approximately $26 million and $66 million (none at FPL), respectively, in margin cash collateral received from counterparties that was not offset against derivative assets. These amounts are included in other current liabilities in the condensed consolidated balance sheets. Additionally, at September 30, 2009 and December 31, 2008, FPL Group had approximately $87 million and $98 million (none at FPL), respectively, in margin cash collateral provided to counterparties that was not offset against derivative liabilities. These amounts are included in other current assets in the condensed consolidated balance sheets.

As discussed above, FPL Group uses derivative instruments to, among other things, manage its commodity price risk, interest rate risk and foreign currency exchange rate risk. The table above presents FPL Group's and FPL's net derivative positions at September 30, 2009, which reflect the offsetting of positions of certain transactions within the portfolio, the contractual ability to settle contracts under master netting arrangements and the netting of margin cash collateral. However, disclosure rules require that the following tables be presented on a gross basis.

The fair values of FPL Group's derivatives designated as hedging instruments for accounting purposes are presented below as gross asset and liability values, as required by disclosure rules. However, the majority of the underlying contracts cannot be contractually settled on a gross basis.

	September 30, 2009	
	Derivative Assets	Derivative Liabilities
	(millions)	
Commodity contracts:		
Current derivative assets	$ 75	$ 1
Current derivative liabilities	36	3
Noncurrent other assets	45	4
Noncurrent derivative liabilities	9	10
Interest rate swaps:		
Current derivative liabilities	-	48
Noncurrent other assets	46	-
Noncurrent derivative liabilities	-	39
Foreign currency swap:		
Noncurrent other assets	9	-
Total	$ 220	$ 105

Gains (losses) related to FPL Group's cash flow hedges are recorded on FPL Group's condensed consolidated financial statements (none at FPL) as follows:

	Three Months Ended September 30, 2009				Nine Months Ended September 30, 2009			
	Commodity Contracts	Interest Rate Swaps	Foreign Currency Swap	Total	Commodity Contracts	Interest Rate Swaps	Foreign Currency Swap	Total
	(millions)							
Gains (losses) recognized in OCI	$ 22	$ (37)	$ 8	$ (7)	$ 179	$ 12	$ 8	$ 199
Gains (losses) reclassified from accumulated other comprehensive income (AOCI)	$ 62[a]	$ (17)[b]	$ 9[c]	$ 54	$ 146[a]	$ (31)[b]	$ 8[c]	$ 123
Gains (losses) recognized in income [d]	$ 4[a]	$ -	$ -	$ 4	$ 14[a]	$ -	$ -	$ 14

(a) Included in operating revenues.
(b) Included in interest expense.
(c) $1 million loss is included in interest expense, and the balance is included in other - net.
(d) Represents the ineffective portion of the hedging instrument.

For the three and nine months ended September 30, 2009, FPL Group recorded a gain (loss) of $1 million and $(4) million, respectively, on a fair value hedge which is reflected in interest expense in the condensed consolidated statements of income and resulted in a corresponding increase in and reduction of the related debt.

The fair values of FPL Group's and FPL's derivatives not designated as hedging instruments for accounting purposes are presented below as gross asset and liability values, as required by disclosure rules. However, the majority of the underlying contracts are subject to master netting arrangements and would not be contractually settled on a gross basis prior to expiration.

	September 30, 2009			
	FPL Group		FPL	
	Derivative Assets	Derivative Liabilities	Derivative Assets	Derivative Liabilities
	(millions)			
Commodity contracts:				
Current derivative assets	$ 774	$ 394	$ 14	$ 1
Current derivative liabilities	1,321	2,012	28	385
Noncurrent other assets	881	646	38	(4)
Noncurrent derivative liabilities	179	343	-	1
Foreign currency swap:				
Noncurrent derivative liabilities	-	2	-	-
Total	$ 3,155	$ 3,397	$ 80	$ 383

Gains (losses) related to FPL Group's derivatives not designated as hedging instruments are recorded on FPL Group's condensed consolidated statements of income (none at FPL) as follows:

	Three Months Ended September 30, 2009	Nine Months Ended September 30, 2009
	(millions)	
Commodity contracts:		
Operating revenues	$ 24[a]	$ 156[a]
Fuel, purchased power and interchange	(3)	26
Foreign currency swap:		
Other - net	9	-
Total	$ 30	$ 182

(a) In addition, for the three and nine months ended September 30, 2009, FPL recorded approximately $3 million and $(543) million, respectively, of gains (losses) related to commodity contracts as regulatory assets and liabilities on its condensed consolidated balance sheets.

The following table represents net notional volumes associated with derivative instruments that are required to be reported at fair value in FPL Group's and FPL's condensed consolidated financial statements. The table includes significant volumes of transactions that have minimal exposure to commodity price changes because they are variable priced agreements. The table does not present a complete picture of FPL Group's and FPL's overall net economic exposure because FPL Group and FPL do not use derivative instruments to hedge all of their commodity exposures. At September 30, 2009, FPL Group and FPL had derivative commodity contracts for the following net notional volumes:

Commodity Type	FPL Group	FPL
	(millions)	
Power	(24) mwh[a]	-
Natural gas	906 mmbtu[b]	905 mmbtu[b]
Oil	- barrels	1 barrels

(a) Megawatt hours
(b) One million British thermal units

See Note 4 for additional information on interest rate and foreign currency swaps.

Certain of FPL Group's and FPL's derivative instruments contain credit-risk-related contingent features including, among other things, the requirement to maintain an investment grade credit rating from specified credit rating agencies and certain financial ratios, as well as credit-related cross default and material adverse change triggers. At September 30, 2009, the aggregate fair value of FPL Group's derivative instruments with credit-risk-related contingent features that were in a liability position was approximately $1.6 billion ($0.4 billion for FPL).

If the credit-risk-related contingent features underlying these agreements and other wholesale commodity contracts were triggered, FPL Group or FPL could be required to post collateral or settle contracts according to contractual terms which generally allow netting of contracts in offsetting positions. Certain contracts contain multiple types of credit-related triggers. To the extent these contracts contain a credit ratings downgrade trigger, the maximum exposure is included in the following credit ratings collateral posting requirements. If FPL Group Capital's or FPL's credit ratings were downgraded to BBB+/Baa1 (a two level downgrade for FPL and a one level downgrade for FPL Group Capital), FPL Group would be required to post collateral of approximately $100 million, a majority of which relates to FPL. If FPL Group Capital's and FPL's credit ratings were downgraded to below investment grade, FPL Group would be required to post additional collateral such that the total posted collateral would be approximately $1.7 billion ($0.9 billion at FPL). Some contracts at FPL Group, including some FPL contracts, do not contain credit ratings downgrade triggers, but do contain provisions that require certain financial measures be maintained and/or have credit-related cross-default triggers. In the event these provisions were triggered, FPL Group could be required to post additional collateral of up to approximately $500 million ($100 million at FPL).

Collateral may be posted in the form of cash or credit support. At September 30, 2009, FPL Group had posted approximately $100 million ($20 million at FPL) in the form of letters of credit in the normal course of business which could be applied toward the collateral requirements described above. FPL and FPL Group Capital have bank revolving lines of credit in excess of the collateral requirements described above that would be available to support, among other things, derivative activities. Under the terms of the bank revolving lines of credit, maintenance of a specific credit rating is not a condition to drawing on these credit facilities, although there are other conditions to drawing on these credit facilities.

Additionally, some contracts contain certain adequate assurance provisions where a counterparty may demand additional collateral based on subjective events and/or conditions. Due to the subjective nature of these provisions, FPL Group and FPL are unable to determine an exact value for these items and they are not included in any of the quantitative disclosures above.

3. Fair Value Measurements

FPL Group and FPL use several different valuation techniques to measure the fair value of assets and liabilities, relying primarily on the market approach of using prices and other market information for identical and/or comparable assets and liabilities for those assets and liabilities that are measured on a recurring basis. Certain derivatives and financial instruments are valued using option pricing models and take into consideration multiple inputs including commodity prices, volatility factors and discount rates, as well as counterparty credit ratings and credit enhancements. Additionally, when observable market data is not sufficient, valuation models are developed that incorporate FPL Group's and FPL's proprietary views of market factors and conditions. FPL Group's and FPL's assessment of the significance of any particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

FPL Group's and FPL's financial assets and liabilities and other fair value measurements made on a recurring basis by fair value hierarchy level are as follows:

	As of September 30, 2009				
	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Netting [a]	Total
			(millions)		
Assets:					
Cash equivalents:					
FPL Group - equity securities	$ 9	$ 27	$ -	$ -	$ 36
FPL - equity securities	$ 1	$ -	$ -	$ -	$ 1
Special use funds:					
FPL Group:					
Equity securities	$ 543	$ 943[b]	$ -	$ -	$ 1,486
U.S. Government and municipal bonds	$ 178	$ 759	$ -	$ -	$ 937
Corporate debt securities	$ -	$ 346	$ -	$ -	$ 346
Mortgage-backed securities	$ -	$ 505	$ -	$ -	$ 505
Other debt securities	$ -	$ 48	$ -	$ -	$ 48
FPL:					
Equity securities	$ -	$ 836[b]	$ -	$ -	$ 836
U.S. Government and municipal bonds	$ 124	$ 738	$ -	$ -	$ 862
Corporate debt securities	$ -	$ 249	$ -	$ -	$ 249
Mortgage-backed securities	$ -	$ 393	$ -	$ -	$ 393
Other debt securities	$ -	$ 35	$ -	$ -	$ 35
Other investments:					
FPL Group:					
Equity securities	$ 3	$ 4	$ -	$ -	$ 7
U.S. Government and municipal bonds	$ -	$ 38	$ -	$ -	$ 38
Corporate debt securities	$ -	$ 30	$ -	$ -	$ 30
Mortgage-backed securities	$ -	$ 59	$ -	$ -	$ 59[c]
Other	$ 4	$ -	$ -	$ -	$ 4
FPL	$ -	$ 2	$ -	$ -	$ 2
Derivatives:					
FPL Group	$ 1,090	$ 1,371	$ 914	$ (2,609)	$ 766[d]
FPL	$ -	$ 69	$ 11	$ (25)	$ 55[d]
Liabilities:					
Derivatives:					
FPL Group	$ 1,308	$ 1,648	$ 545	$ (2,776)	$ 725[d]
FPL	$ -	$ 379	$ 4	$ (25)	$ 358[d]

(a) Includes the effect of the contractual ability to settle contracts under master netting arrangements and margin cash collateral payments and receipts.
(b) At FPL Group, approximately $862 million ($790 million at FPL) are invested in commingled funds whose underlying investments would be Level 1 if those investments were held directly by FPL Group or FPL.
(c) Current maturities of approximately $3 million of mortgage-backed securities are included in other current assets on FPL Group's condensed consolidated balance sheets.
(d) See Note 2 for a reconciliation of net derivatives to FPL Group's and FPL's condensed consolidated balance sheets.

	As of December 31, 2008				
	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Netting [a]	Total
			(millions)		
Assets:					
Cash equivalents:					
FPL Group	$ 109	$ -	$ -	$ -	$ 109
FPL	$ 27	$ -	$ -	$ -	$ 27
Other current assets:					
FPL Group	$ -	$ 17	$ -	$ -	$ 17
Special use funds:					
FPL Group	$ 536	$ 2,411[b]	$ -	$ -	$ 2,947
FPL	$ 149	$ 2,009[b]	$ -	$ -	$ 2,158
Other investments:					
FPL Group	$ 6	$ 101	$ -	$ -	$ 107
Net derivative assets (liabilities):					
FPL Group	$ (55)	$ (1,227)	$ 404	$ 5	$ (873)[c]
FPL	$ -	$ (1,108)	$ (1)	$ -	$ (1,109)[c]

(a) Includes amounts for margin cash collateral and net option premium payments and receipts.
(b) At FPL Group, approximately $712 million ($650 million at FPL) are invested in commingled funds whose underlying investments would be Level 1 if those investments were held directly by FPL Group or FPL. The remaining investments are primarily comprised of fixed income securities including municipal, mortgage-backed, corporate and governmental bonds.
(c) See Note 2 for a reconciliation of net derivatives to FPL Group's and FPL's condensed consolidated balance sheets.

The reconciliation of changes in the fair value of derivatives that are based on significant unobservable inputs is as follows:

	Three Months Ended September 30,			
	2009		2008	
	FPL Group	FPL	FPL Group	FPL
	(millions)			
Fair value of derivatives based on significant unobservable inputs at June 30	$ 485	$ 8	$ (571)	$ (7)
Realized and unrealized gains (losses):				
Included in earnings [a]	52	-	545	-
Included in regulatory assets and liabilities	(2)	(2)	6	6
Settlements and net option premiums	(157)	1	277	4
Net transfers in/out	(9)	-	(2)	-
Fair value of derivatives based on significant unobservable inputs at September 30	$ 369	$ 7	$ 255	$ 3
The amount of gains for the period included in earnings attributable to the change in unrealized gains (losses) relating to derivatives still held at the reporting date [a]	$ 54	$ -	$ 544	$ -

(a) Realized and unrealized gains (losses) are reflected in operating revenues in the condensed consolidated statements of income.

	Nine Months Ended September 30,			
	2009		2008	
	FPL Group	FPL	FPL Group	FPL
	(millions)			
Fair value of derivatives based on significant unobservable inputs at December 31 of prior year	$ 404	$ (1)	$ (127)	$ (10)
Realized and unrealized gains (losses):				
Included in earnings [a]	437	-	(78)	-
Included in regulatory assets and liabilities	3	3	8	8
Settlements and net option premiums	(403)	6	272	5
Net transfers in/out	(72)	(1)	180	-
Fair value of derivatives based on significant unobservable inputs at September 30	$ 369	$ 7	$ 255	$ 3
The amount of gains for the period included in earnings attributable to the change in unrealized gains (losses) relating to derivatives still held at the reporting date [a]	$ 260	$ -	$ 228	$ -

(a) Realized and unrealized gains (losses) are reflected in operating revenues in the condensed consolidated statements of income.

4. Financial Instruments

FPL Group and FPL adopted new accounting and disclosure provisions related to other than temporary impairments and the fair value of financial instruments beginning the quarter ended June 30, 2009. Under the new accounting provisions, an investment in a debt security is required to be assessed for an other than temporary impairment based on whether the entity has an intent to sell or more likely than not will be required to sell the debt security before recovery of its amortized cost basis. Additionally, if the entity does not expect to recover the amortized cost of a debt security, an impairment is recognized in earnings equal to the estimated credit loss. For debt securities held as of April 1, 2009 for which an other than temporary impairment had been previously recognized but for which assessment under the new accounting provisions indicates the impairment is temporary, FPL Group recorded an adjustment to increase April 1, 2009 retained earnings by approximately $5 million with a corresponding reduction in AOCI.

The carrying amounts of cash equivalents, notes payable and commercial paper approximate their fair values. At September 30, 2009 and December 31, 2008, other investments of FPL Group, not included in the table below, included financial instruments of approximately $43 million and $39 million, respectively, which primarily consist of notes receivable that are carried at estimated fair value or cost, which approximates fair value.

The following estimates of the fair value of financial instruments have been made primarily using available market information. However, the use of different market assumptions or methods of valuation could result in different estimated fair values.

	September 30, 2009		December 31, 2008	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
	(millions)			
FPL Group:				
Other current assets	$ 4	$ 4[a]	$ 9	$ 9[a]
Special use funds	$ 3,322[b]	$ 3,322[a]	$ 2,947	$ 2,947[a]
Other investments:				
Notes receivable	$ 534	$ 533[c]	$ 534	$ 524[c]
Debt securities	$ 127[d]	$ 127[a]	$ 105[d]	$ 105[a]
Equity securities	$ 35	$ 51[e]	$ 27	$ 43[e]
Long-term debt, including current maturities	$ 16,263	$ 17,033[f]	$ 15,221	$ 15,152[f]
Interest rate swaps - net unrealized losses	$ (41)	$ (41)[g]	$ (78)	$ (78)[g]
Foreign currency swaps - net unrealized gains (losses)	$ 7	$ 7[g]	$ (4)	$ (4)[g]
FPL:				
Special use funds	$ 2,375[b]	$ 2,375[a]	$ 2,158	$ 2,158[a]
Long-term debt, including current maturities	$ 5,824	$ 6,389[f]	$ 5,574	$ 5,652[f]

(a) Based on quoted market prices for these or similar issues.
(b) See Note 3 for classification by major security type. The amortized cost of debt and equity securities is $1,733 million and $1,150 million, respectively ($1,448 million and $662 million, respectively, for FPL).
(c) Classified as held to maturity. Based on market prices provided by external sources. Additionally, includes maturity dates ranging from 2014 to 2029.
(d) Classified as trading securities. Approximately $3 million and $8 million, respectively, of current maturities are included in other current assets in FPL Group's condensed consolidated balance sheets.
(e) Modeled internally.
(f) Based on market prices provided by external sources.
(g) Modeled internally based on market values.

Special Use Funds - The special use funds consist of FPL's storm fund assets of $123 million and FPL Group's and FPL's nuclear decommissioning fund assets of $3,199 million and $2,252 million, respectively, at September 30, 2009. Securities held in the special use funds consist of equity and debt securities which are classified as available for sale and are carried at estimated fair value based on quoted market prices. For FPL's special use funds, consistent with regulatory treatment, market adjustments, including any other than temporary impairment losses, result in a corresponding adjustment to the related regulatory liability accounts. For FPL Group's non-rate regulated operations, market adjustments result in a corresponding adjustment to OCI, except for unrealized losses associated with marketable securities considered to be other than temporary, including any credit losses, which are recognized as a loss in FPL Group's condensed consolidated statements of income. Debt securities included in the nuclear decommissioning funds have a weighted-average maturity at September 30, 2009 of approximately seven years at both FPL Group and FPL. FPL's storm fund primarily consists of municipal debt securities with a weighted-average maturity at September 30, 2009 of approximately three years. The cost of securities sold is determined using the specific identification method.

The realized gains and losses and proceeds from the sale of available for sale securities are as follows:

	Three Months Ended September 30, 2009		Six Months Ended September 30, 2009	
	FPL Group	FPL	FPL Group	FPL
	(millions)			
Realized gains	$ 23	$ 10	$ 33	$ 15
Realized losses	$ 5	$ 2	$ 17	$ 13
Proceeds from sale of securities	$ 1,003	$ 743	$ 1,838	$ 1,425

The total unrealized gains and losses on all available for sale securities and the fair value of available for sale securities in an unrealized loss position are as follows:

	September 30, 2009					
	FPL Group [a]			FPL [a]		
	Unrealized Gains	Unrealized Losses	Fair Value	Unrealized Gains	Unrealized Losses	Fair Value
	(millions)					
Equity securities	$ 355	$ -	$ -	$ 193	$ -	$ -
U.S. Government and municipal bonds	$ 52	$ 1	$ 66	$ 50	$ 1	$ 58
Corporate debt securities	$ 27	$ 1	$ 24	$ 20	$ -	$ 10
Mortgage-backed securities	$ 26	$ 3	$ 40	$ 22	$ 2	$ 27
Other debt securities	$ 2	$ -	$ 1	$ 2	$ -	$ -

(a) At September 30, 2009, FPL Group had 53 securities in an unrealized loss position for greater than twelve months, including 22 securities for FPL. The total unrealized loss on these securities was less than $5 million and the fair value was approximately $51 million for FPL Group, including less than $4 million of unrealized losses with a fair value of approximately $38 million for FPL. Consistent with regulatory treatment for FPL, marketable securities held in special use 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.

Regulations issued by the Federal Energy Regulatory Commission (FERC) and the U.S. Nuclear Regulatory Commission (NRC) provide general risk management guidelines to protect nuclear decommissioning 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 mutual funds. Similar restrictions applicable to the decommissioning funds for NextEra Energy Resources' nuclear plants are contained in the NRC operating licenses for those facilities or in NRC regulations applicable to NRC licensees not in cost-of-service environments. With respect to the decommissioning fund for NextEra Energy Resources' Seabrook nuclear plant, decommissioning fund contributions and withdrawals are also regulated by the Nuclear Decommissioning Financing Committee pursuant to New Hampshire law.

The nuclear decommissioning funds are managed by investment managers who must comply with the guidelines of FPL Group and FPL and rules of the applicable regulatory authorities. 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 and Foreign Currency 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. In addition, FPL Group Capital entered into a cross currency basis swap to hedge against currency movements with respect to both interest and principal payments on a loan and a cross currency swap to hedge against currency and interest rate movements with respect to both interest and principal payments on a loan.

At September 30, 2009, the estimated fair values for FPL Group's interest rate and foreign currency swaps were as follows:

Notional Amount (millions)	Effective Date	Maturity Date	Rate Paid	Rate Received	Estimated Fair Value (millions)
Interest rate swaps:					
Fair value hedge - FPL Group Capital:					
$ 300	June 2008	September 2011	Variable[a]	5.625%	$ 16
Cash flow hedges - NextEra Energy Resources:					
$ 52	December 2003	December 2017	4.245%	Variable[b]	(3)
$ 17	April 2004	December 2017	3.845%	Variable[b]	(1)
$ 176	December 2005	November 2019	4.905%	Variable[b]	(15)
$ 430	January 2007	January 2022	5.390%	Variable[c]	(46)
$ 131	January 2008	September 2011	3.2050%	Variable[b]	(4)
$ 359	January 2009	December 2016	2.680%	Variable[b]	4
$ 124	January 2009[d]	December 2023	3.725%	Variable[b]	2
$ 84	January 2009	December 2023	2.578%	Variable[e]	4
$ 21	March 2009	December 2016	2.655%	Variable[b]	-
$ 7	March 2009[d]	December 2023	3.960%	Variable[b]	-
$ 341	May 2009	May 2017	3.015%	Variable[b]	2
$ 106	May 2009	May 2024	4.663%	Variable[b]	-
Total cash flow hedges					(57)
Total interest rate swaps					$ (41)
Foreign currency swaps - FPL Group Capital:					
$ 141	December 2008	December 2011	Variable[f]	Variable[g]	$ (2)
$ 146	June 2009	December 2011	4.11%	Variable[g]	9
Total foreign currency swaps					$ 7

(a) Three-month London InterBank Offered Rate (LIBOR) plus 1.18896%
(b) Three-month LIBOR
(c) Six-month LIBOR
(d) Exchange of payments does not begin until December 2016
(e) Three-month Banker's Acceptance Rate
(f) Three-month LIBOR plus 2.14%
(g) Three-month Japanese yen LIBOR plus 1.75%

5. Income Taxes

FPL Group's effective income tax rate for the three months ended September 30, 2009 and 2008 was approximately 25.5% and 31.8%, respectively. The reduction from the federal statutory rate mainly reflects the benefit of wind production tax credits (PTCs) of approximately $50 million and $94 million, respectively, related to NextEra Energy Resources' wind projects. PTCs can significantly affect FPL Group's effective income tax rate depending on the amount of pretax income and wind generation. The corresponding rates and amounts for the nine months ended September 30, 2009 and 2008 were approximately 17.7% and 21.7%, respectively, and approximately $190 million and $193 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 uses 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.

FPL Group's effective income tax rate for the three months ended September 30, 2009 also reflects a $26 million benefit (convertible investment tax credits (ITCs) tax benefit) related to the effect on the estimated annual effective income tax rate of expected book/tax basis differences resulting from additional incentives NextEra Energy Resources expects to receive under the American Recovery and Reinvestment Act of 2009 (Recovery Act) for certain wind projects expected to be placed in service in 2009.

FPL Group's effective income tax rate for the nine months ended September 30, 2009 also reflects the following:

- an approximately $18 million benefit (foreign tax benefit) reflecting the reduction of previously deferred income taxes resulting from an additional equity investment in Canadian operations;
- a $17 million benefit (state tax benefit) related to a change in state tax law that extended the carry forward period of ITCs on certain wind projects; and
- a $58 million convertible ITCs tax benefit.

6. Comprehensive Income

FPL Group's comprehensive income is as follows:

	Three Months Ended September 30,	
	2009	2008
	(millions)	
Net income of FPL Group	$ 533	$ 774
Net unrealized gains (losses) on commodity cash flow hedges:		
Effective portion of net unrealized gains (net of $9 and $167 tax expense, respectively)	13	256
Reclassification from AOCI to net income (net of $25 tax benefit and $39 tax expense, respectively)	(37)	50
Net unrealized gains (losses) on interest rate cash flow hedges:		
Effective portion of net unrealized losses (net of $14 and $6 tax benefit, respectively)	(22)	(8)
Reclassification from AOCI to net income (net of $6 and $3 tax expense, respectively)	10	4
Net unrealized gains (losses) on foreign currency cash flow hedge:		
Effective portion of net unrealized gains (net of $3 tax expense)	5	-
Reclassification from AOCI to net income (net of $4 tax benefit)	(6)	-
Net unrealized gains (losses) on available for sale securities (net of $33 tax expense and $7 tax benefit, respectively)	50	(11)
Defined benefit pension and other benefits plans (net of $1 and $0.8 tax benefit, respectively)	(1)	(1)
Net unrealized gains on foreign currency translation (net of $3 tax expense)	6	-
Comprehensive income of FPL Group	$ 551	$ 1,064

	Nine Months Ended September 30,	
	2009	2008
	(millions)	
Net income of FPL Group	$ 1,267	$ 1,232
Net unrealized gains (losses) on commodity cash flow hedges:		
Effective portion of net unrealized gains (losses) (net of $72 tax expense and $38 tax benefit, respectively)	106	(49)
Reclassification from AOCI to net income (net of $58 tax benefit and $59 tax expense, respectively)	(85)	80
Net unrealized gains (losses) on interest rate cash flow hedges:		
Effective portion of net unrealized gains (losses) (net of $5 tax expense and $5 tax benefit, respectively)	7	(8)
Reclassification from AOCI to net income (net of $11 and $4 tax expense, respectively)	19	6
Net unrealized gains (losses) on foreign currency cash flow hedge:		
Effective portion of net unrealized gains (net of $3 tax expense)	5	-
Reclassification from AOCI to net income (net of $3 tax benefit)	(5)	-
Net unrealized gains (losses) on available for sale securities (net of $66 tax expense and $23 tax benefit, respectively)	97	(36)
Defined benefit pension and other benefits plans (net of $2 and $2 tax benefit, respectively)	(3)	(4)
Net unrealized gains on foreign currency translation (net of $4 tax expense)	9	-
Comprehensive income of FPL Group	$ 1,417	$ 1,221

Approximately $36 million of gains included in FPL Group's AOCI at September 30, 2009 is expected to be reclassified into earnings within the next twelve months as either the hedged fuel is consumed, electricity is sold or principal and/or interest payments are made. Such amount assumes no change in fuel prices, power prices, interest rates or scheduled principal payments. AOCI is separately displayed on the condensed consolidated balance sheets of FPL Group. FPL's comprehensive income is the same as its reported net income.

7. Variable Interest Entities

FPL - FPL is considered the primary beneficiary of, and therefore consolidates, a variable interest entity (VIE) from which it leases nuclear fuel for its nuclear units. FPL is considered the primary beneficiary of this VIE because, in the case of default by the VIE on its debt, FPL would be required to purchase the VIE's nuclear fuel and because FPL guarantees the VIE's debt. The VIE 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, which consists primarily of commercial paper (approximately $392 million and $347 million at September 30, 2009 and December 31, 2008, respectively) would become due. The consolidated assets of the VIE consist primarily of nuclear fuel, which had a net carrying value of approximately $392 million and $338 million at September 30, 2009 and December 31, 2008, respectively.

FPL is considered the primary beneficiary of, and therefore consolidates, a VIE that is a wholly-owned bankruptcy remote special purpose subsidiary that it formed in 2007 for the sole purpose of issuing storm-recovery bonds pursuant to the securitization provisions of the Florida Statutes and a Florida Public Service Commission (FPSC) financing order. Four hurricanes in 2005 and three hurricanes in 2004 caused major damage in parts of FPL's service territory. Storm restoration costs incurred by FPL during 2005 and 2004 exceeded the amount in FPL's funded storm and property insurance reserve, resulting in a storm reserve deficiency. In 2007, the VIE 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 outstanding at September 30, 2009 and December 31, 2008 were approximately $573 million and $611 million, respectively, which are included in long-term debt and current maturities of long-term debt on FPL Group's and FPL's condensed consolidated balance sheets. In connection with this financing, net proceeds, after debt issuance costs, to the VIE (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 VIE that issued the bonds. The storm-recovery bonds are payable only from and secured by the storm-recovery property. The consolidated assets of the VIE were approximately $581 million and $628 million at September 30, 2009 and December 31, 2008, respectively, and consisted primarily of storm-recovery property, which is included in securitized storm-recovery costs on FPL Group's and FPL's balance sheets.

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 through 2024. For each 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 project has a capacity of 250 megawatts (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 fluctuation 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 three months ended September 30, 2009 and 2008, FPL purchased 458,727 mwh and 461,226 mwh, respectively, from the project at a total cost of approximately $47 million and $40 million, respectively. During the nine months ended September 30, 2009 and 2008, FPL purchased 1,267,556 mwh and 1,311,674 mwh, respectively, from the project at a total cost of approximately $130 million and $118 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 three months ended September 30, 2009 and 2008, FPL purchased 448,740 mwh and 682,514 mwh, respectively, from the Facility at a total cost of approximately $54 million and $56 million, respectively. During the nine months ended September 30, 2009 and 2008, FPL purchased 1,275,817 mwh and 1,810,326 mwh, respectively, from the Facility at a total cost of approximately $161 million and $166 million, respectively. 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 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. 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. The junior subordinated debentures are FPL Group's maximum exposure to loss. The junior subordinated debentures outstanding at both September 30, 2009 and December 31, 2008 were approximately $309 million, which are included in long-term debt on FPL Group's condensed consolidated balance sheets.

See Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations - New Accounting Rules and Interpretations - Variable Interest Entities.

8. Common Stock

Earnings Per Share - The reconciliation of FPL Group's basic and diluted earnings per share of common stock is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
	(millions, except per share amounts)			
Numerator - net income	$ 533	$ 774	$ 1,267	$ 1,232
Denominator:				
Weighted-average number of common shares outstanding - basic	405.1	400.4	403.7	399.8
Restricted stock, performance share awards, options, warrants and equity units [a]	2.9	2.6	2.7	2.7
Weighted-average number of common shares outstanding - assuming dilution	408.0	403.0	406.4	402.5
Earnings per share of common stock:				
Basic	$ 1.32	$ 1.93	$ 3.14	$ 3.08
Assuming dilution	$ 1.31	$ 1.92	$ 3.12	$ 3.06

(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 was the end of the term of the award. Restricted stock, performance share awards, options, warrants and equity units are included in diluted weighted-average number of common shares outstanding by applying the treasury stock method.

Restricted stock, performance share awards and common shares issuable upon the exercise of stock options which were not included in the denominator above due to their antidilutive effect were approximately 0.5 million and 0.6 million for the three months ended September 30, 2009 and 2008, respectively, and 0.8 million and 0.5 million for the nine months ended September 30, 2009 and 2008, respectively.

Continuous Offering of FPL Group Common Stock - In January 2009, FPL Group entered into an agreement under which FPL Group may offer and sell, from time to time, FPL Group common stock having a gross sales price of up to $400 million. During the three and nine months ended September 30, 2009, FPL Group received gross proceeds through the sale and issuance of common stock under this agreement of approximately $95 million and $160 million, respectively, consisting of 1,680,000 shares and 2,890,000 shares, respectively, at an average price of $56.66 and $55.53 per share, respectively.

9. Debt

As of October 29, 2009, debt issuances and borrowings by subsidiaries of FPL Group during 2009 were as follows:

Date Issued	Company	Debt Issued	Interest Rate	Principal Amount (millions)	Maturity Date
January 2009	NextEra Energy Resources subsidiary	Canadian dollar denominated limited-recourse senior secured term loan	Variable	$ 76	2023[a]
January 2009	FPL Group Capital	Term loan	Variable	$ 72	2011
March 2009	FPL Group Capital	Debentures	6.00%	$ 500	2019
March 2009	FPL	First mortgage bonds	5.96%	$ 500	2039
March 2009	FPL Group Capital	Junior subordinated debentures	8.75%	$ 375	2069
March 2009	NextEra Energy Resources subsidiary	Limited-recourse senior secured notes	Variable	$ 22	2016[b]
May 2009	NextEra Energy Resources subsidiary	Limited-recourse senior secured term loan	Variable	$ 343	2017[b]
May 2009	FPL Group Capital	Debentures related to FPL Group's equity units	3.60%	$ 350	2014
June 2009	FPL Group Capital	Japanese yen denominated term loan	Variable	$ 146	2011
June 2009	FPL Group Capital	Term loan	Variable	$ 50	2011
October 2009	FPL Group Capital subsidiary	Senior secured bonds	7.500%	$ 500	2030[b][c]

(a) Proceeds from this loan were used to repay a portion of the NextEra Energy Resources subsidiary's Canadian dollar denominated variable rate term loan maturing in 2011. In March 2009, the remaining balance of the term loan maturing in 2011 was paid off.
(b) Partially amortizing with a balloon payment at maturity.
(c) Collateralized by a note receivable of a wholly-owned subsidiary of FPL Group Capital.

In May 2009, FPL Group sold $350 million of equity units (initially consisting of Corporate Units). Each equity unit has a stated amount of $50 and consists of a purchase contract issued by FPL Group and, initially, a 1/20, or 5%, undivided beneficial ownership interest in $1,000 principal amount of a Series C Debenture due June 1, 2014 issued by FPL Group Capital (see table above). Total annual distributions on the equity units will be at the rate of 8.375%, consisting of interest on the debentures (3.60% per year) and payments under the stock purchase contracts (4.775% per year). The interest rate on the debentures is expected to be reset on or after December 1, 2011. Each stock purchase contract will require the holder to purchase FPL Group common stock for cash, which can be satisfied from proceeds raised from remarketing the FPL Group Capital debentures, based on a price per share range of $55.67 to $66.80 no later than the settlement date of June 1, 2012. The debentures are fully and unconditionally guaranteed by FPL Group.

In 2008, FPL entered into a reclaimed water agreement with Palm Beach County, Florida (PBC) to provide FPL's West County Energy Center (WCEC) with reclaimed water for cooling purposes beginning in January 2011. Under the reclaimed water agreement, FPL is to construct a reclaimed water system, including modifications to an existing treatment plant and a water pipeline, that PBC will legally own and operate. The reclaimed water agreement also requires PBC to issue bonds for the purpose of paying the costs associated with the construction of the reclaimed water system, including reimbursing FPL for costs it incurred prior to issuance of the bonds. In July 2009, PBC issued approximately $68 million principal amount of Palm Beach County, Florida Water and Sewer Revenue Bonds, Series 2009 with coupon rates ranging from 4.000% to 5.250% and maturity dates ranging from 2011 to 2040. Under the reclaimed water agreement, FPL will pay PBC an operating fee for the reclaimed water delivered which will be used by PBC to, among other things, service the principal of, and interest on, the bonds. The portion of the operating fee related to PBC's servicing principal of, and interest on, the bonds will be paid by FPL annually as to principal and semi-annually as to interest, beginning October 2011, until final maturity of the bonds. FPL does not have a direct obligation to the bondholders; however, if FPL or PBC were to terminate the reclaimed water agreement, FPL would be obligated to continue to pay the portion of the operating fee intended to reimburse PBC for costs related to issuance of the bonds, including amounts to be used by PBC to service the principal of, and interest on, the bonds. In the event of a default by PBC under the reclaimed water agreement, FPL would have certain rights, including, among other things, the right to appoint a third party contractor to repair, and restore operations of, the reclaimed water treatment plant, and, in the event of a termination of the reclaimed water agreement by FPL relating to a PBC default, the right to assume ownership of the reclaimed water pipeline from PBC. For financial reporting purposes, FPL is considered the owner of the reclaimed water system and FPL and FPL Group are recording electric utility plant in service and other property as costs are incurred (approximately $12 million at September 30, 2009) and long-term debt as costs are eligible for reimbursement by PBC to FPL (approximately $12 million at September 30, 2009).

10. Commitments and Contingencies

Commitments - FPL Group and its subsidiaries have made commitments in connection with a portion of their projected capital expenditures. Capital expenditures at FPL 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 NextEra Energy Resources, 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 maintain its fiber-optic network.

At September 30, 2009, planned capital expenditures for the remainder of 2009 through 2013 were estimated as follows:

	2009	2010	2011	2012	2013	Total
			(millions)			
FPL:						
Generation: [a]						
New [b][c][d]	$ 420	$ 1,280	$ 1,520	$ 640	$ 165	$ 4,025
Existing	180	645	600	515	415	2,355
Transmission and distribution	155	865	925	930	975	3,850
Nuclear fuel	40	135	215	220	265	875
General and other	50	290	315	300	240	1,195
Total	$ 845	$ 3,215	$ 3,575	$ 2,605	$ 2,060	$ 12,300
NextEra Energy Resources:						
Wind [e]	$ 645	$ 25	$ 10	$ 10	$ 10	$ 700
Nuclear [f]	105	495	315	305	280	1,500
Natural gas	25	85	80	80	50	320
Other	50	65	60	45	40	260
Total	$ 825	$ 670	$ 465	$ 440	$ 380	$ 2,780
FPL FiberNet	$ 15	$ 30	$ 20	$ 20	$ 20	$ 105

(a) Includes allowance for funds used during construction (AFUDC) of approximately $12 million, $52 million, $45 million, $56 million and $27 million in 2009 to 2013, respectively.
(b) Includes land, generating structures, transmission interconnection and integration and licensing.
(c) Includes pre-construction costs and carrying charges (equal to the pretax AFUDC rate) on construction costs recoverable through the capacity clause of approximately $23 million, $146 million, $390 million and $38 million in 2009 to 2012, respectively.
(d) Excludes capital expenditures of approximately $1.1 billion for the modernization of the Riviera power plant for the period from late-November 2009 (when final project approval is expected) through 2013 and construction costs of approximately $2.5 billion during the period 2012 to 2013 for the two additional nuclear units at FPL's Turkey Point site (construction costs will not begin until license approval is received from the NRC, which is expected no earlier than 2012).
(e) Includes capital expenditures for new wind projects that have been identified and related transmission, as well as the pending acquisition of 185 mw of wind generation. NextEra Energy Resources expects to add new wind generation of 1,170 mw in 2009 (including the pending acquisition of 185 mw), 1,000 mw in 2010 and 1,000 mw to 1,500 mw in 2011 and in 2012, subject to, among other things, continued public policy support, which includes, but is not limited to, support for the construction and availability of sufficient transmission facilities and capacity, continued market demand for wind generation and access to reasonable capital and credit markets. The cost of the planned wind additions for the 2010 through 2012 period is estimated to be approximately $2 billion to $3.5 billion in each year, which is not included in the table above.
(f) Includes nuclear fuel.

FPL Group has guaranteed certain payment obligations of FPL Group Capital, including most payment obligations under FPL Group Capital's debt and guarantees. Additionally, at September 30, 2009, subsidiaries of FPL Group, other than FPL, in the normal course of business, have guaranteed certain debt service, fuel and turbine purchase payments of non-consolidated entities of NextEra Energy Resources or certain other third parties. The terms of the guarantees are equal to the terms of the related agreements/contracts, with remaining terms ranging from less than one year to nine years. The maximum potential amount of future payments that could be required under these guarantees at September 30, 2009 was approximately $85 million. At September 30, 2009, FPL Group did not have any liabilities recorded for these guarantees. In certain instances, FPL Group can seek recourse from third parties for amounts paid under the guarantees. At September 30, 2009, the fair value of these guarantees was not material.

Certain subsidiaries of NextEra Energy Resources have contracts that require certain projects to meet annual minimum generation amounts. Failure to meet the annual minimum generation amounts would result in the NextEra Energy Resources subsidiary becoming liable for liquidated damages. Based on past performance of these and similar projects and current forward prices, management believes that it is unlikely to experience a material exposure as a result of these liquidated damages' provisions.

Contracts - In addition to the planned capital expenditures included in the table in Commitments above, FPL has commitments under 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-2010, approximately 1,330 mw annually from mid-2010 to 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 March 2010 through 2032. 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 810 mw of power with expiration dates ranging from December 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 2032 for the purchase and transportation of natural gas and coal, and storage of natural gas.

NextEra Energy Resources has entered into several contracts primarily for the purchase of wind turbines and towers and related construction activities, as well as for the supply, conversion, enrichment and fabrication of nuclear fuel, with expiration dates ranging from November 2009 through 2023, approximately $1 billion of which is included in the planned capital expenditures table in Commitments above. In addition, NextEra Energy Resources has contracts primarily for the purchase, transportation and storage of natural gas and firm transmission service with expiration dates ranging from October 2009 through 2033.

The required capacity and/or minimum payments under these contracts as of September 30, 2009 were estimated as follows:

	2009	2010	2011	2012	2013	Thereafter
			(millions)			
FPL:						
Capacity payments: [a]						
JEA and Southern subsidiaries [b]	$ 60	$ 230	$ 210	$ 210	$ 210	$ 540
Qualifying facilities [b]	$ 80	$ 300	$ 270	$ 290	$ 270	$ 3,160
Other electricity suppliers [b]	$ 10	$ 10	$ 10	$ 5	$ -	$ -
Minimum payments, at projected prices:						
Southern subsidiaries - energy [b]	$ 20	$ 40	$ -	$ -	$ -	$ -
Natural gas, including transportation and storage [c]	$ 490	$ 2,530	$ 1,660	$ 555	$ 515	$ 4,325
Oil	$ 10	$ 10	$ -	$ -	$ -	$ -
Coal [c]	$ 25	$ 70	$ 25	$ 10	$ -	$ -
NextEra Energy Resources [d]	$ 1,005	$ 215	$ 105	$ 110	$ 80	$ 855

(a) Capacity payments under these contracts, the majority of which are recoverable through the capacity clause, totaled approximately $152 million and $146 million for the three months ended September 30, 2009 and 2008, respectively, and approximately $459 million and $436 million for the nine months ended September 30, 2009 and 2008, respectively.
(b) Energy payments under these contracts, which are recoverable through the fuel clause, totaled approximately $132 million and $150 million for the three months ended September 30, 2009 and 2008, respectively, and approximately $336 million and $391 million for the nine months ended September 30, 2009 and 2008, respectively.
(c) Recoverable through the fuel clause.
(d) Includes termination payments primarily associated with wind turbine contracts beyond 2009.

In addition, FPL has entered into several long-term agreements for storage capacity and transportation of natural gas from facilities that have not yet started construction or, if started, have not yet completed construction. These agreements range from 15 to 25 years in length and contain firm commitments by FPL totaling up to approximately $175 million annually or $4.3 billion over the terms of the agreements. These firm commitments are contingent upon the occurrence of certain events, including approval by the FERC and/or completion of construction of the facilities in 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, which provides up to $12.2 billion of liability insurance coverage per incident at any nuclear reactor in the United States. Under the secondary financial protection system, FPL Group is subject to retrospective assessments of up to $940 million ($470 million for FPL), plus any applicable taxes, per incident at any nuclear reactor in the United States, payable at a rate not to exceed $140 million ($70 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 $14 million, $35 million and $18 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 $175 million ($102 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, $4 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 established through the issuance of storm-recovery bonds, FPL may recover storm restoration costs, subject to prudence review by the FPSC, either through securitization provisions pursuant to Florida law 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.

Legal Proceedings - In November 1999, the Attorney General of the United States, on behalf of the U.S. Environmental Protection Agency (EPA), brought an action in the U.S. District Court for the Northern District of Georgia against Georgia Power Company and other subsidiaries of The Southern Company for 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. The EPA has made revisions to its civil penalty rule such that the maximum penalty is $27,500 per day for each violation from January 31, 1997 through March 15, 2004, $32,500 per day for each violation from March 16, 2004 through January 12, 2009 and $37,500 per day for each violation thereafter. Georgia Power Company has answered the amended complaint, asserting that it has complied with all requirements of the Clean Air Act, denying the plaintiff's allegations of liability, denying that the plaintiff is entitled to any of the relief that it seeks and raising various other defenses. In June 2001, 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 February 2009, Florida Municipal Power Agency (FMPA) filed a petition for review with the U.S. Court of Appeals for the District of Columbia (DC Circuit) asking the DC Circuit to reverse and remand orders of the FERC denying FMPA's request for certain 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 in this case have been closed by the FERC. If FMPA is successful in its petition, any reduction in FPL's network service rates also would apply effective January 1, 2004 to Seminole Electric Cooperative Inc. (Seminole), FPL's other network customer. FPL's position, which was approved by the FERC, was to reduce its current network service rates by $0.04 per kilowatt (kw) per month, which resulted in FPL issuing refunds of approximately $4 million to FMPA and $2 million to Seminole in March 2008. FMPA's position is that FPL's rates should be reduced by an additional $0.20 per kw per month, which, if upheld, would result in an additional refund obligation to FMPA of approximately $26 million, and approximately $17 million to Seminole, at September 30, 2009.

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. In June 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 June 2011.

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 (NextEra Energy Resources Affiliates) as defendants in a civil action filed in the District Court in Dallas County, Texas. FPL Energy, LLC, now known as NextEra Energy Resources, was added as a defendant in 2005. The petition alleged that the NextEra Energy Resources Affiliates had a contractual obligation to produce and sell to TXU a minimum quantity of renewable energy credits each year and that the NextEra Energy Resources 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 NextEra Energy Resources 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 NextEra Energy Resources Affiliates were found to have breached the contract. In August 2008, the judge issued a final judgment pursuant to which the contract is not terminated and neither party will recover any damages. In November 2008, TXU appealed the final judgment to the Fifth District Court of Appeals in Dallas, Texas.

FPL Group and FPL are vigorously defending, and believe that they or their affiliates have meritorious defenses to, the lawsuits described above. In addition to the legal proceedings discussed above, FPL Group and its subsidiaries, including FPL, are involved in other legal and regulatory proceedings, actions 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 and regulatory proceedings, actions 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 legal and regulatory proceedings, actions and claims, there may be a material adverse effect on their financial statements. While management is unable to predict with certainty the outcome of these legal and regulatory proceedings, actions and claims, 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.

Regulatory Proceedings - In February 2008, a fault occurred at an FPL substation causing a system loss of about 3,400 mw of generating capacity, which left approximately 596,000 FPL customers without power. Power was restored to approximately two-thirds of affected customers within one hour and all customers were restored within three hours. FPL's investigation into the root cause of the problem determined the fault occurred as a result of human error. In March 2008, the Florida Reliability Coordinating Council (FRCC) initiated an investigation of the event and the FERC opened a nonpublic formal investigation to determine whether the event involved any violations of mandatory reliability standards. The North American Electric Reliability Corporation (NERC) participated in both investigations. In November 2008, the FRCC's event analysis team issued its final report on the outage, which did not identify any violations of NERC reliability standards by FPL. Following a period of fact finding and written correspondence by and between FPL and the FERC enforcement staff, FPL, the FERC staff and the NERC engaged in settlement discussions. On October 8, 2009, the FERC approved a stipulation and consent agreement (FERC settlement) whereby FPL paid a civil penalty, which is not recoverable from FPL's customers, of $10 million each to the U.S. Treasury and to the NERC, and will, among other things, invest $5 million in incremental transmission reliability enhancements subject to FERC and NERC approval. In addition, the FERC settlement requires FPL to undertake several specific reliability enhancement measures above and beyond those mentioned above. FPL did not admit any liability or wrongdoing in connection with the outage event.

In March 2009, FPL filed a petition with the FPSC requesting, among other things, a permanent increase in base rates and charges effective January 2010 and an additional permanent base rate increase effective January 2011. To address the addition of FPL's WCEC Unit No. 3 and any subsequent power plant additions, FPL is also requesting FPSC approval to continue the Generation Base Rate Adjustment (GBRA) mechanism previously approved by the FPSC as part of the stipulation and settlement agreement regarding FPL's 2005 base rate case. If approved, the requested permanent base rate increases would increase annual retail base revenues by approximately $1 billion in 2010 and an additional $250 million in 2011. FPL's requested increases are based on a regulatory return on common equity of 12.5% and exclude amounts associated with the proposed extension of the GBRA mechanism and certain proposed cost recovery clause adjustments. FPSC hearings on this base rate proceeding concluded in October 2009 and a final decision is scheduled for January 2010. Although FPL cannot predict the ultimate outcome of the rate proceeding, FPL believes it is likely that the final decision may approve rates and other terms that are different from those that FPL has requested. A final decision that approves rates that are significantly less than those that FPL requested could materially impact the future results and growth prospects of FPL Group and FPL. The 2005 rate agreement and its provisions will terminate on the date new retail base rates become effective, which is expected to be no earlier than February 28, 2010.

11. Segment Information

FPL Group's reportable segments include FPL, a rate-regulated utility, and NextEra Energy Resources, 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,							
	2009				2008			
	FPL	NextEra Energy Resources [a]	Corporate & Other	FPL Group Consolidated	FPL	NextEra Energy Resources [a]	Corporate & Other	FPL Group Consolidated
	(millions)							
Operating revenues	$ 3,301	$ 1,136	$ 36	$ 4,473	$ 3,423	$ 1,916	$ 48	$ 5,387
Operating expenses	$ 2,747	$ 840	$ 37	$ 3,624	$ 2,874	$ 1,150	$ 47	$ 4,071
Net income (loss) [b]	$ 306	$ 233	$ (6)	$ 533	$ 314	$ 483	$ (23)	$ 774

	Nine Months Ended September 30,							
	2009				2008			
	FPL	NextEra Energy Resources [a]	Corporate & Other	FPL Group Consolidated	FPL	NextEra Energy Resources [a]	Corporate & Other	FPL Group Consolidated
	(millions)							
Operating revenues	$ 8,738	$ 3,136	$ 114	$ 11,988	$ 8,829	$ 3,432	$ 146	$ 12,407
Operating expenses	$ 7,525	$ 2,307	$ 119	$ 9,951	$ 7,620	$ 2,572	$ 142	$ 10,334
Net income (loss) [b]	$ 646	$ 671	$ (50)	$ 1,267	$ 638	$ 650	$ (56)	$ 1,232

	September 30, 2009				December 31, 2008			
	FPL	NextEra Energy Resources	Corporate & Other	FPL Group Consolidated	FPL	NextEra Energy Resources	Corporate & Other	FPL Group Consolidated
	(millions)							
Total assets	$ 26,761	$ 18,973	$ 1,421	$ 47,155	$ 26,175	$ 17,157	$ 1,489	$ 44,821

(a) NextEra Energy Resources' interest expense is based on a deemed capital structure of 50% debt for operating projects and 100% debt for projects under construction. For these purposes, the deferred credit associated with differential membership interests sold by a NextEra Energy Resources subsidiary in 2007 is included with debt. Residual non-utility interest expense is included in Corporate and Other.
(b) See Note 5 for a discussion of NextEra Energy Resources' tax benefits related to PTCs.

12. Summarized Financial Information of FPL Group Capital

FPL Group Capital, a 100% owned subsidiary of FPL Group, provides funding for and holds ownership interests 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,							
	2009				2008			
	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	$ -	$ 1,174	$ 3,299	$ 4,473	$ -	$ 1,965	$ 3,422	$ 5,387
Operating expenses	-	(879)	(2,745)	(3,624)	1	(1,199)	(2,873)	(4,071)
Interest expense	(4)	(126)	(74)	(204)	(4)	(120)	(79)	(203)
Other income (deductions) - net	526	64	(520)	70	784	17	(779)	22
Income (loss) before income taxes	522	233	(40)	715	781	663	(309)	1,135
Income tax expense (benefit)	(11)	13	180	182	7	192	162	361
Net income (loss)	$ 533	$ 220	$ (220)	$ 533	$ 774	$ 471	$ (471)	$ 774

(a) Represents FPL and consolidating adjustments.

	Nine Months Ended September 30,							
	2009				2008			
	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	$ -	$ 3,258	$ 8,730	$ 11,988	$ -	$ 3,584	$ 8,823	$ 12,407
Operating expenses	(1)	(2,433)	(7,517)	(9,951)	-	(2,720)	(7,614)	(10,334)
Interest expense	(12)	(396)	(223)	(631)	(14)	(344)	(239)	(597)
Other income (deductions) - net	1,282	96	(1,245)	133	1,259	82	(1,243)	98
Income (loss) before income taxes	1,269	525	(255)	1,539	1,245	602	(273)	1,574
Income tax expense (benefit)	2	(98)	368	272	13	(13)	342	342
Net income (loss)	$ 1,267	$ 623	$ (623)	$ 1,267	$ 1,232	$ 615	$ (615)	$ 1,232

(a) Represents FPL and consolidating adjustments.

Condensed Consolidating Balance Sheets

	September 30, 2009				December 31, 2008			
	FPL Group (Guaran-tor)	FPL Group Capital	Other[a]	FPL Group Consoli-dated	FPL Group (Guaran-tor)	FPL Group Capital	Other[a]	FPL Group Consoli-dated
	(millions)							
PROPERTY, PLANT AND EQUIPMENT								
Electric utility plant in service and other property	$ 2	$ 18,782	$ 30,441	$ 49,225	$ 2	$ 16,554	$ 28,972	$ 45,528
Less accumulated depreciation and amortization	-	(3,471)	(10,538)	(14,009)	-	(2,928)	(10,189)	(13,117)
Total property, plant and equipment - net	2	15,311	19,903	35,216	2	13,626	18,783	32,411
CURRENT ASSETS								
Cash and cash equivalents	-	130	34	164	-	414	121	535
Receivables	205	842	851	1,898	339	948	420	1,707
Other	24	923	1,167	2,114	19	1,016	2,115	3,150
Total current assets	229	1,895	2,052	4,176	358	2,378	2,656	5,392
OTHER ASSETS								
Investment in subsidiaries	12,571	-	(12,571)	-	11,511	-	(11,511)	-
Other	527	3,106	4,130	7,763	251	2,695	4,072	7,018
Total other assets	13,098	3,106	(8,441)	7,763	11,762	2,695	(7,439)	7,018
TOTAL ASSETS	$ 13,329	$ 20,312	$ 13,514	$ 47,155	$ 12,122	$ 18,699	$ 14,000	$ 44,821
CAPITALIZATION								
Common shareholders' equity	$ 12,732	$ 4,321	$ (4,321)	$ 12,732	$ 11,681	$ 3,422	$ (3,422)	$ 11,681
Long-term debt	-	9,819	5,782	15,601	-	8,522	5,311	13,833
Total capitalization	12,732	14,140	1,461	28,333	11,681	11,944	1,889	25,514
CURRENT LIABILITIES								
Debt due within one year	-	1,374	869	2,243	-	2,217	1,036	3,253
Accounts payable	-	445	612	1,057	-	421	641	1,062
Other	144	1,270	1,843	3,257	265	887	2,222	3,374
Total current liabilities	144	3,089	3,324	6,557	265	3,525	3,899	7,689
OTHER LIABILITIES AND DEFERRED CREDITS								
Asset retirement obligations	-	571	1,813	2,384	-	539	1,744	2,283
Accumulated deferred income taxes	52	1,008	3,433	4,493	(78)	1,153	3,156	4,231
Regulatory liabilities	-	-	3,137	3,137	-	-	2,880	2,880
Other	401	1,504	346	2,251	254	1,538	432	2,224
Total other liabilities and deferred credits	453	3,083	8,729	12,265	176	3,230	8,212	11,618
COMMITMENTS AND CONTINGENCIES								
TOTAL CAPITALIZATION AND LIABILITIES	$ 13,329	$ 20,312	$ 13,514	$ 47,155	$ 12,122	$ 18,699	$ 14,000	$ 44,821

(a) Represents FPL and consolidating adjustments.

FPL GROUP, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Concluded)
(unaudited)

Condensed Consolidating Statements of Cash Flows

	Nine Months Ended September 30,							
	2009				2008			
	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	$ 532	$ 1,250	$ 1,544	$ 3,326	$ 596	$ 855	$ 908	$ 2,359
CASH FLOWS FROM INVESTING ACTIVITIES								
Capital expenditures, independent power investments and nuclear fuel purchases	-	(2,067)	(1,973)	(4,040)	(12)	(1,951)	(1,752)	(3,715)
Capital contribution to FPL	-	-	-	-	(75)	-	75	-
Sale of independent power investments	-	15	-	15	-	-	-	-
Other - net	(131)	(2)	140	7	-	(67)	(75)	(142)
Net cash used in investing activities	(131)	(2,054)	(1,833)	(4,018)	(87)	(2,018)	(1,752)	(3,857)
CASH FLOWS FROM FINANCING ACTIVITIES								
Issuances of long-term debt	-	1,884	505	2,389	-	1,998	589	2,587
Retirements of long-term debt	-	(1,149)	(263)	(1,412)	-	(1,083)	(241)	(1,324)
Net change in short-term debt	-	(338)	54	(284)	-	1,315	708	2,023
Issuances of common stock	186	-	-	186	32	-	-	32
Dividends on common stock	(574)	-	-	(574)	(535)	-	-	(535)
Other - net	(13)	123	(94)	16	(6)	(582)	605	17
Net cash provided by (used in) financing activities	(401)	520	202	321	(509)	1,648	1,661	2,800
Net increase (decrease) in cash and cash equivalents	-	(284)	(87)	(371)	-	485	817	1,302
Cash and cash equivalents at beginning of period	-	414	121	535	-	227	63	290
Cash and cash equivalents at end of period	$ -	$ 130	$ 34	$ 164	$ -	$ 712	$ 880	$ 1,592

(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 2008 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 period.

Results of Operations

FPL Group and NextEra Energy Resources segregate into two categories unrealized mark-to-market gains and losses on energy derivative transactions which are used to manage commodity price risk. 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 and the ineffective portion of transactions accounted for as cash flow hedges. At FPL, substantially all changes in the fair value of energy derivative transactions 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 clause or the capacity clause.

FPL Group's management uses earnings excluding certain items (adjusted earnings) 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. Adjusted earnings exclude the unrealized mark-to-market effect of non-qualifying hedges and other than temporary impairment (OTTI) losses on securities held in NextEra Energy Resources' nuclear decommissioning funds, net of the reversal of previously recognized OTTI losses on securities sold and losses on securities where price recovery was deemed unlikely (collectively, OTTI reversals). 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. Adjusted earnings does not represent a substitute for net income, as prepared in accordance with generally accepted accounting principles.

In March 2009, FPL, certain subsidiaries of NextEra Energy Resources and certain nuclear plant joint owners signed a settlement agreement (spent fuel settlement agreement) with the U.S. Government agreeing to dismiss with prejudice lawsuits filed against the U.S. Government seeking damages caused by the U.S. Department of Energy's failure to dispose of spent nuclear fuel from FPL's and NextEra Energy Resources' nuclear plants. As a result of the spent fuel settlement agreement, in the first quarter of 2009 FPL Group reduced its property, plant and equipment balances by $107 million ($83 million for FPL) and operating expenses by $15 million ($12 million for FPL) and increased operating revenues by $9 million. The spent fuel settlement agreement increased FPL Group's first quarter 2009 net income by approximately $16 million ($9 million for FPL). The amount received from the U.S. Government related to property, plant and equipment is included in cash flows from investing activities on FPL Group's and FPL's condensed consolidated statements of cash flows. Through September 30, 2009, FPL Group has collected approximately $124 million ($82 million for FPL) of the amount due from the U.S. Government and has paid approximately $23 million ($5 million for FPL) to the joint owners of certain of its nuclear plants. An additional payment of approximately $30 million ($18 million for FPL) from the U.S. Government is pending. FPL and NextEra Energy Resources will continue to pay fees to the U.S. Government's nuclear waste fund.

Summary - Presented below is a summary of net income (loss) by reportable segment (see Note 11):

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2009	2008	Increase (Decrease)	2009	2008	Increase (Decrease)
	(millions)					
FPL	$ 306	$ 314	$ (8)	$ 646	$ 638	$ 8
NextEra Energy Resources	233	483	(250)	671	650	21
Corporate and Other	(6)	(23)	17	(50)	(56)	6
FPL Group Consolidated	$ 533	$ 774	$ (241)	$ 1,267	$ 1,232	$ 35

The decrease in FPL's results for the three months ended September 30, 2009 is primarily due to the impact of income tax adjustments and higher operations and maintenance (O&M) and depreciation expenses partly offset by a base rate increase resulting from WCEC Unit No. 1 commencing commercial operation in August 2009, higher equity component of AFUDC (AFUDC - equity) and higher customer usage. The increase for the nine-month period reflects higher AFUDC - equity, a base rate increase resulting from WCEC Unit No. 1 commencing commercial operation in August 2009, lower O&M expenses and the spent fuel settlement agreement, partly offset by lower retail customer usage, the impact of income tax adjustments and higher depreciation expense.

NextEra Energy Resources' results for the three and nine months ended September 30, 2009 reflect additional earnings from new investments, favorable margins from NextEra Energy Resources' retail energy provider, a higher contribution from full energy and capacity requirements services and trading and convertible ITCs tax benefits (see Note 5) and, for the nine-month period, the absence of planned and unplanned outages at the Seabrook nuclear facility, foreign and state tax benefits (see Note 5) and the spent fuel settlement agreement. These results were partially offset by unfavorable market conditions in the Electric Reliability Council of Texas (ERCOT) region and, during the nine-month period, lower generation due to a lower wind resource and a refueling outage at the Duane Arnold nuclear facility. In addition, interest expense and corporate administrative and general expenses for the three- and nine-month periods were higher to support growth of the business. FPL Group's and NextEra Energy Resources' net income for the three months ended September 30, 2009 reflects net unrealized mark-to-market after-tax losses from non-qualifying hedges of $32 million while in the prior period net income reflects $285 million of after-tax gains from such hedges. FPL Group's and NextEra Energy Resources' net income for the nine months ended September 30, 2009 reflects net unrealized mark-to-market after-tax losses from non-qualifying hedges of $33 million while the prior period net income reflects $76 million of after-tax gains from such hedges. 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. For the three months ended September 30, 2008, NextEra Energy Resources recorded $17 million of after-tax OTTI losses on securities held in NextEra Energy Resources' nuclear decommissioning funds. For the three months ended September 30, 2009, NextEra Energy Resources had approximately $3 million of after-tax OTTI reversals. There were no OTTI reversals for the three months ended September 30, 2008. For the nine months ended September 30, 2009 and 2008, NextEra Energy Resources recorded $33 million and $29 million, respectively, of after-tax OTTI losses on securities held in NextEra Energy Resources' nuclear decommissioning funds. For the nine months ended September 30, 2009, NextEra Energy Resources had approximately $7 million of after-tax OTTI reversals; there were no such OTTI reversals for the nine months ended September 30, 2008.

The improvement in results for Corporate and Other for the three-month period is primarily due to favorable consolidating income tax adjustments. The improvement in results for the nine-month period is primarily due to higher interest income partly offset by unfavorable consolidating income tax adjustments.

FPL - FPL's net income for the three months ended September 30, 2009 and 2008 was $306 million and $314 million, respectively, a decrease of $8 million. FPL's net income for the nine months ended September 30, 2009 and 2008 was $646 million and $638 million, respectively, an increase of $8 million. The decrease for the three months ended September 30, 2009 is primarily due to the impact of income tax adjustments and higher O&M and depreciation expenses partly offset by a base rate increase resulting from WCEC Unit No. 1 commencing commercial operation in August 2009, higher AFUDC - equity and higher customer usage. The increase for the nine-month period reflects higher AFUDC - equity, a base rate increase resulting from WCEC Unit No. 1 commencing commercial operation in August 2009, lower O&M expenses and the spent fuel settlement agreement, partly offset by lower retail customer usage, the impact of income tax adjustments and higher depreciation expense.

In March 2009, FPL filed a petition with the FPSC requesting, among other things, a permanent increase in base rates and charges effective January 2010 and an additional permanent base rate increase effective January 2011. To address the addition of FPL's WCEC Unit No. 3 and any subsequent power plant additions, FPL is also requesting FPSC approval to continue the GBRA mechanism previously approved by the FPSC as part of the stipulation and settlement agreement regarding FPL's 2005 base rate case. If approved, the requested permanent base rate increases would increase annual retail base revenues by approximately $1 billion in 2010 and an additional $250 million in 2011. FPL's requested increases are based on a regulatory return on common equity of 12.5% and exclude amounts associated with the proposed extension of the GBRA mechanism and certain proposed cost recovery clause adjustments. FPSC hearings on this base rate proceeding concluded in October 2009 and a final decision is scheduled for January 2010. Although FPL cannot predict the ultimate outcome of the rate proceeding, FPL believes it is likely that the final decision may approve rates and other terms that are different from those that FPL has requested. A final decision that approves rates that are significantly less than those that FPL requested could materially impact the future results and growth prospects of FPL Group and FPL. The 2005 rate agreement and its provisions will terminate on the date new retail base rates become effective, which is expected to be no earlier than February 28, 2010.

FPL's operating revenues consisted of the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
	(millions)			
Retail base	$ 1,123	$ 1,098	$ 2,882	$ 2,908
Fuel cost recovery	1,734	1,840	4,505	4,631
Net deferral of retail fuel revenues	(122)	-	(146)	-
Other cost recovery clauses and pass-through costs, net of any deferrals	514	432	1,348	1,139
Other, primarily pole attachment rentals, transmission and wholesale sales and customer-related fees	52	53	149	151
Total	$ 3,301	$ 3,423	$ 8,738	$ 8,829

For the three months ended September 30, 2009, a decrease in the average number of retail customers of 0.2% decreased retail base revenues by approximately $2 million while a 0.6% increase in usage per retail customer, primarily reflecting warmer weather partly offset by other factors, increased retail base revenues by $8 million. For the nine months ended September 30, 2009, a decrease in the average number of retail customers of 0.3% decreased retail base revenues by approximately $9 million while a 1.9% decrease in usage per retail customer, primarily reflecting factors other than weather conditions partly offset by warmer weather, decreased retail base revenues by $36 million. In addition, a base rate increase resulting from WCEC Unit No. 1 commencing commercial operation in August 2009 increased retail base revenues for both the three and nine months ended September 30, 2009 by approximately $19 million. The decline FPL experienced in the average number of retail customers in the fourth quarter of 2008 as well as a continued decline in non-weather related retail customer usage, which FPL believes is reflective of the economic slowdown and housing crisis that has affected the country and the state of Florida, has continued into 2009. FPL is unable to predict whether growth in customers and non-weather related customer usage will return to previous trends. The decline in retail customer usage for the nine months ended September 30, 2009 also reflects one less day of sales in 2009, as 2008 was a leap year.

FPL expects that retail base revenues will increase approximately $65 million in 2009, or approximately $265 million on an annualized basis, when retail base rates are changed pursuant to the GBRA mechanism to reflect the placements in service of WCEC Unit No. 1, which occurred in August 2009, and WCEC Unit No. 2, which is expected to occur in the fourth quarter of 2009. These additional units are expected to realize significant fuel savings from the time the units are placed in service.

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 in the condensed consolidated statements of income, 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 expenses 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.

FPL uses 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 manage fuel price volatility by locking in fuel prices for a portion of FPL's fuel requirements; any resulting gains or losses are passed through the fuel clause. The current regulatory asset for the change in fair value of derivative instruments used in the fuel procurement program amounted to approximately $344 million and $1,109 million at September 30, 2009 and December 31, 2008, respectively. The decrease in fuel revenues for the three months ended September 30, 2009 reflects approximately $120 million attributable to a lower average fuel factor partly offset by $14 million attributable to higher energy sales. The decrease in fuel revenues for the nine months ended September 30, 2009 reflects approximately $102 million attributable to lower energy sales and $24 million related to a lower average fuel factor. At September 30, 2009, approximately $146 million of retail fuel revenues were deferred pending refund to retail customers in a subsequent period. The increase from December 31, 2008 to September 30, 2009 in deferred clause and franchise revenues and the decrease in deferred clause and franchise expenses (current and noncurrent, collectively) on FPL Group's and FPL's condensed consolidated balance sheets totaled approximately $417 million and positively affected FPL Group's and FPL's cash flows from operating activities for the nine months ended September 30, 2009. The increase in revenues from other cost recovery clauses and pass-through costs for both the three- and nine-month periods is primarily due to additional revenues associated with the nuclear cost recovery rule.

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,	
	2009	2008	2009	2008
	(millions)			
Fuel and energy charges during the period	$ 1,626	$ 2,011	$ 4,143	$ 5,089
Net collection of previously deferred retail fuel costs	-	-	256	-
Net deferral of retail fuel costs	-	(166)	-	(434)
Other, primarily capacity charges net of any capacity deferral	160	147	411	392
Total	$ 1,786	$ 1,992	$ 4,810	$ 5,047

The decrease in fuel and energy charges for the three months ended September 30, 2009 reflects lower fuel and energy prices of approximately $396 million partly offset by $11 million attributable to higher energy sales. The decrease in fuel and energy charges for the nine months ended September 30, 2009 reflects lower fuel and energy prices of approximately $860 million and $86 million attributable to lower energy sales.

FPL's O&M expenses increased $36 million for the three months ended September 30, 2009 primarily due to higher pass-through costs which did not significantly affect net income. In addition, employee benefit costs, primarily medical, increased $11 million. FPL's O&M expenses decreased $6 million for the nine months ended September 30, 2009 reflecting lower nuclear generation, fossil generation and distribution costs of approximately $21 million, $13 million and $19 million, respectively. The decline in nuclear generation costs for the nine months ended September 30, 2009 reflects a reimbursement of costs related to the spent fuel settlement agreement, as well as lower costs related to plant improvement initiatives and refueling and maintenance outages. The decline in fossil generation costs is primarily due to differences in the timing of plant overhauls which are expected to occur later this year. The decline in distribution costs reflects lower support costs. These decreases in O&M expenses were partly offset by higher medical and other employee benefit costs of approximately $25 million, and by higher pass-through costs which did not significantly affect net income. Management expects O&M expenses in 2009 to exceed the 2008 level, primarily due to the absence of an environmental insurance policy termination which occurred in the fourth quarter of 2008, as well as higher expected nuclear, fossil generation, transmission, customer service, information management and other support costs and employee benefit costs.

Depreciation and amortization expense for the three and nine months ended September 30, 2009 increased $60 million and $161 million, respectively, reflecting the amortization of approximately $51 million and $145 million, respectively, of pre-construction costs associated with FPL's planned nuclear units recovered under the nuclear cost recovery rule, higher depreciation on transmission and distribution facilities (collectively, approximately $6 million and $16 million, respectively) and depreciation of $3 million on WCEC Unit No. 1, which was placed in service in August 2009.

The decline in interest expense for the three and nine months ended September 30, 2009 is primarily due to a decline in average interest rates of approximately 25 basis points and 32 basis points, respectively, partly offset by higher average debt balances. The decline in interest expense also reflects a higher debt component of AFUDC. The increase in AFUDC - equity for the three and nine months ended September 30, 2009 is primarily attributable to additional AFUDC - equity on three natural gas-fired combined-cycle units of approximately 1,220 mw each at FPL's WCEC in western Palm Beach County, Florida. AFUDC - equity on WCEC Unit No. 1 ceased in August when the unit went into commercial operation. The decline in interest income reflects lower average investment balances and lower average interest rates. The increase in FPL's effective income tax rate for the three and nine months ended September 30, 2009 reflects certain income tax expenses recorded this year and the absence of certain income tax benefits recorded last year.

FPL is currently constructing two additional natural gas-fired units at its WCEC, which are expected to be placed in service in the fourth quarter of 2009 and in mid-2011, respectively. In addition, 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 placed in service by the end of 2012. In 2008, the FPSC approved FPL's plan to modernize its Cape Canaveral and Riviera power plants to high-efficiency natural gas-fired units. Each modernized plant is expected to provide approximately 1,200 mw of capacity and be placed in service by 2013 and 2014, respectively. Final project approval for the Cape Canaveral power plant was received in October 2009; final project approval for the Riviera power plant is expected in late November 2009. In October 2009, the FPSC did not approve FPL's need petition for an approximately 300-mile underground natural gas pipeline in Florida and instead asked FPL to redevelop a proposal in order to proceed. The natural gas pipeline was intended to supply natural gas to the Cape Canaveral and Riviera power plants following modernization. FPL is currently evaluating its options.

In 2008, the FPSC approved FPL's need petition for two additional nuclear units at its Turkey Point site with projected in-service dates between 2018 and 2020. The two units combined are expected to add approximately 2,200 mw of baseload capacity. Additional approvals from other regulatory agencies will be required later in the development process. In 2009, FPL began recovering under the capacity clause, in accordance with the FPSC's nuclear cost recovery rule, pre-construction costs associated with the planned nuclear units and carrying charges (equal to the pretax AFUDC rate) on construction costs associated with the addition of approximately 400 mw of baseload capacity at its existing nuclear units. Substantially all of these costs are subject to a prudence review by the FPSC. The same rule provides for the recovery of construction costs, once the new capacity goes into service, through a base rate increase.

NextEra Energy Resources - NextEra Energy Resources' net income for the three months ended September 30, 2009 and 2008 was $233 million and $483 million, respectively, a decrease of $250 million. NextEra Energy Resources' net income for the nine months ended September 30, 2009 and 2008 was $671 million and $650 million, respectively, an increase of $21 million. The primary drivers, on an after-tax basis, of these changes were as follows:

	Increase (Decrease) From Prior Period	
	Three Months Ended September 30, 2009	Nine Months Ended September 30, 2009
	(millions)	
New investments [(a)]	$ 39	$ 135
Existing assets [(a)]	2	(39)
Full energy and capacity requirements services and trading	11	40
Asset sales	6	9
Interest expense, differential membership costs and other	(11)	(18)
Change in unrealized mark-to-market non-qualifying hedge activity [(b)]	(317)	(109)
Change in OTTI losses on securities held in nuclear decommissioning funds, net of OTTI reversals	20	3
Net income increase (decrease)	$ (250)	$ 21

(a) Includes PTCs and ITCs on wind projects and ITCs on solar projects and, for new investments, tax benefits from convertible ITCs under the Recovery Act (see Note 5) but does not include allocation of interest expense or corporate general and administrative expenses. 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) See Note 2 and discussion above related to derivative instruments.

The increase in NextEra Energy Resources' results from new investments reflects the addition of over 1,170 mw of wind generation during or after the three months ended September 30, 2008 and over 1,560 mw of wind generation during or after the nine months ended September 30, 2008. In addition, results from new investments for the three months ended September 30, 2009 include the convertible ITCs tax benefit and for the nine months ended September 30, 2009 include the state and convertible ITCs tax benefits (see Note 5). During the three-month period, results from NextEra Energy Resources' existing asset portfolio increased primarily due to favorable commodity margins from NextEra Energy Resources' retail energy provider, partially offset by unfavorable market conditions in the ERCOT region. During the nine-month period, results from NextEra Energy Resources' existing asset portfolio decreased primarily due to unfavorable market conditions in the ERCOT region and lower wind generation due to a lower wind resource partially offset by favorable commodity margins from NextEra Energy Resources' retail energy provider, the absence of outages at the Seabrook nuclear facility and a reimbursement of costs related to the spent fuel settlement agreement.

NextEra Energy Resources' results for the three and nine months ended September 30, 2009 reflect higher 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.

Asset sales represent the sale of wind development rights in the first quarter of 2009 and the sale of a 50 mw wind project in the third quarter of 2009. The increase in interest expense, differential membership costs and other for the three and nine months ended September 30, 2009 reflects higher interest expense and corporate general and administrative costs due to growth of the business. For the nine-month period, these increases were partially offset by the foreign tax benefit (see Note 5).

During the three months ended September 30, 2009, NextEra Energy Resources recorded net unrealized mark-to-market after-tax losses from non-qualifying hedges of approximately $32 million while in the prior period it recorded $285 million of after-tax gains from such hedges. During the nine months ended September 30, 2009, NextEra Energy Resources recorded net unrealized mark-to-market after-tax losses from non-qualifying hedges of approximately $33 million while in the prior period it recorded $76 million of after-tax gains from such hedges. 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 or losses as the underlying transactions were realized. For the three months ended September 30, 2008, NextEra Energy Resources recorded approximately $17 million of after-tax OTTI losses on securities held in its nuclear decommissioning funds. For the three months ended September 30, 2009, NextEra Energy Resources had approximately $3 million of after-tax OTTI reversals. There were no OTTI reversals for the three months ended September 30, 2008. For the nine months ended September 30, 2009 and 2008, NextEra Energy Resources recorded $33 million and $29 million, respectively, of after-tax OTTI losses on securities held in its nuclear decommissioning funds. For the nine months ended September 30, 2009, NextEra Energy Resources had approximately $7 million of after-tax OTTI reversals; there were no such OTTI reversals for the nine months ended September 30, 2008.

Operating revenues for the three months ended September 30, 2009 decreased $780 million primarily due to losses of approximately $54 million on unrealized mark-to-market non-qualifying hedge activity during the three months ended September 30, 2009 compared to $632 million of gains on such hedges in the prior period. Operating revenues for the nine months ended September 30, 2009 decreased $296 million primarily due to losses of approximately $22 million on unrealized mark-to-market non-qualifying hedge activity during the nine months ended September 30, 2009 compared to $92 million of such gains in the prior period. Excluding this mark-to-market activity, operating revenues decreased due to unfavorable market conditions in the ERCOT region, partially offset by favorable commodity margins from NextEra Energy Resources' retail energy provider, higher full energy and capacity requirements services and trading and, for the nine-month period, the absence of planned and unplanned outages at the Seabrook nuclear facility.

Operating expenses for the three months ended September 30, 2009 decreased $310 million, reflecting approximately $2 million of unrealized mark-to-market gains from non-qualifying hedges compared to $166 million of losses on such hedges in the prior period. Operating expenses for the nine months ended September 30, 2009 decreased $265 million, reflecting approximately $30 million of unrealized mark-to-market losses from non-qualifying hedges compared to $34 million of gains on such hedges in the prior 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 decreased primarily due to lower fuel costs, partially offset by project additions and higher corporate general and administrative expenses to support the growth of NextEra Energy Resources' business.

Equity in earnings of equity method investees for the three and nine months ended September 30, 2009 decreased $17 million and $36 million, respectively, due to lower energy margins related to market conditions and the absence of certain favorable contractual provisions at a project in the PJM Interconnection, L.L.C. region that benefited the prior periods. NextEra Energy Resources' interest expense for the three and nine months ended September 30, 2009 increased $5 million and $36 million, respectively, reflecting higher average debt balances to support growth of the business, partly offset by slightly lower average interest rates.

FPL Group's effective income tax rate for all periods presented reflects PTCs for wind projects at NextEra Energy Resources. 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 $190 million for the three and nine months ended September 30, 2009, respectively, and $94 million and $193 million for the comparable periods in 2008. In addition, FPL Group's effective income tax rate for the three months ended September 30, 2009 was affected by the convertible ITCs tax benefit and for the nine months ended September 30, 2009 was affected by the foreign, state and convertible ITCs tax benefits. See Note 5.

NextEra Energy Resources expects its future portfolio capacity growth to come primarily from wind and solar development and from asset acquisitions. NextEra Energy Resources expects to add 1,170 mw of wind generation in 2009, of which approximately 234 mw are in service, 751 mw are under construction and 185 mw are from three operating wind projects NextEra Energy Resources expects to purchase in the fourth quarter of 2009. NextEra Energy Resources expects to add approximately 1,000 mw of new wind generation in 2010 and 1,000 mw to 1,500 mw in 2011 and in 2012. In addition, NextEra Energy Resources intends to pursue opportunities for new solar generating facilities. The wind and solar expansions are subject to, among other things, continued public policy support, which includes, but is not limited to, support for the construction and availability of sufficient transmission facilities and capacity, continued market demand for wind generation and access to reasonable capital and credit markets. Currently, in the United States, 29 states have renewable portfolio standards requiring electricity providers in the state to meet a certain percentage of their retail sales with energy from renewable sources. These standards vary by state, but the majority include requirements to meet 10% to 25% of the electricity providers' retail sales with energy from renewable sources by 2025. NextEra Energy Resources believes that these standards will create incremental demand for renewable energy in the future.

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 expense to NextEra Energy Resources based on a deemed capital structure at NextEra Energy Resources of 50% debt for operating projects and 100% debt for projects under construction. For these purposes, the deferred credit associated with differential membership interests sold by a NextEra Energy Resources subsidiary in 2007 is included with debt. Each subsidiary's income taxes are calculated based on the "separate return method," except that tax benefits that could not be used on a separate return basis, but are used on the consolidated tax return, are recorded by the subsidiary that generated the tax benefits. Any remaining consolidated income tax benefits or expenses are recorded at Corporate and Other. The major components of Corporate and Other's results, on an after-tax basis, are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
	(millions)			
Interest expense, net of allocations to NextEra Energy Resources	$ (24)	$ (24)	$ (81)	$ (71)
Interest income	6	2	26	8
Federal and state income tax benefits (expenses)	11	2	(2)	8
Other	1	(3)	7	(1)
Net loss	$ (6)	$ (23)	$ (50)	$ (56)

Interest expense for the three and nine months ended September 30, 2009 reflects additional debt outstanding partly offset by lower average interest rates of approximately 56 basis points and 76 basis points, respectively, and a higher allocation of interest costs to NextEra Energy Resources. The increase in interest income is primarily due to additional earnings on an energy-related loan made to a third party by an FPL Group Capital subsidiary and, for the nine months ended September 30, 2009, higher interest recorded on unrecognized tax benefits. The federal and state income tax expenses and benefits reflect consolidating income tax adjustments. Other includes all other corporate income and expenses, as well as other business activities. The increase in other primarily reflects realized and unrealized gains on trading securities which are reflected in other - net in the condensed consolidated statements of income.

Liquidity and Capital Resources

FPL Group and its subsidiaries, including FPL, require funds to support and grow their businesses. These funds are used for working capital, capital expenditures, investments in or acquisitions of assets and businesses, to pay maturing debt obligations and, from time to time, to redeem or repurchase outstanding debt or equity securities. It is anticipated that these requirements will be satisfied through a combination of internally generated funds, borrowings, 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. FPL Group, FPL and FPL Group Capital access the credit and capital markets as significant sources of liquidity for capital requirements that are not satisfied by operating cash flows. The inability of FPL Group, FPL and FPL Group Capital to maintain their current credit ratings could affect their ability to raise short- and long-term capital, their cost of capital and the execution of their respective financing strategies, and could require the posting of additional collateral under certain agreements.

The global and domestic credit and capital markets have experienced unprecedented levels of volatility and disruption. This has significantly affected the cost and available sources of liquidity in the financial markets. FPL and FPL Group Capital have continued to have access to commercial paper and short- and long-term credit and capital markets. If capital and credit market conditions change, this could alter spending plans at FPL and NextEra Energy Resources.

Available Liquidity - At September 30, 2009, FPL Group's total net available liquidity was approximately $4.7 billion, of which FPL's portion was approximately $1.9 billion. The components of each company's net available liquidity at September 30, 2009 were as follows:

				Maturity Date	
	FPL	FPL Group Capital	FPL Group Consolidated	FPL	FPL Group Capital
		(millions)			
Bank revolving lines of credit [a]	$ 2,473	$ 3,917	$ 6,390	[b]	[b]
Less letters of credit	(21)	(453)	(474)		
	2,452	3,464	5,916		
Revolving term loan facility	250	-	250	2011	
Less borrowings	-	-	-		
	250	-	250		
Subtotal	2,702	3,464	6,166		
Cash and cash equivalents	34	130	164		
Less commercial paper	(827)	(754)	(1,581)		
Net available liquidity	$ 1,909	$ 2,840	$ 4,749		

(a) Provide for the issuance of letters of credit up to $6,390 million ($2,473 million for FPL) and are available to support FPL's and FPL Group Capital's commercial paper programs and short-term borrowings 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's bank revolving lines of credit are also available to support the purchase of $633 million of pollution control, solid waste disposal and industrial development revenue bonds (tax exempt bonds) in the event they are tendered by individual bond holders and not remarketed prior to maturity.

(b) $17 million of FPL's and $40 million of FPL Group Capital's bank revolving lines of credit expire in 2012. The remaining portion of bank revolving lines of credit for FPL and FPL Group Capital expire in 2013.

As of October 29, 2009, 37 banks participate in FPL's and FPL Group Capital's credit facilities and FPL's revolving term loan facility, with no one bank providing more than 8% of the combined credit facilities and FPL's revolving term loan facility. In order for FPL Group Capital to borrow under the terms of its credit facility, FPL Group (which guarantees the payment of FPL Group Capital's credit facility pursuant to a 1998 guarantee agreement) is required to maintain a ratio of funded debt to total capitalization that does not exceed a stated ratio. The FPL Group Capital credit facility also contains default and related acceleration provisions relating to, among other things, failure of FPL Group to maintain a ratio of funded debt to total capitalization at or below the specified ratio. Similarly, in order for FPL to borrow under the terms of its credit facility and revolving term loan facility, FPL is required to maintain a ratio of funded debt to total capitalization that does not exceed a stated ratio. The FPL credit facility and revolving term loan facility also contain default and related acceleration provisions relating to, among other things, failure of FPL to maintain a ratio of funded debt to total capitalization at or below the specified ratio. At September 30, 2009, each of FPL Group and FPL was in compliance with its required ratio.

In January 2009, FPL Group entered into an agreement under which FPL Group may offer and sell, from time to time, FPL Group common stock having a gross sales price of up to $400 million. During the three and nine months ended September 30, 2009, FPL Group received gross proceeds through the sale and issuance of common stock under this agreement of approximately $95 million and $160 million, respectively, consisting of 1,680,000 shares and 2,890,000 shares, respectively, at an average price of $56.66 and $55.53 per share, respectively.

At September 30, 2009, FPL had the capacity to absorb up to approximately $197 million in future prudently incurred storm restoration costs without seeking recovery through a rate adjustment from the FPSC. Also, an indirect wholly-owned subsidiary of NextEra Energy Resources 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.

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, 2009, FPL Group had standby letters of credit of approximately $737 million ($33 million for FPL) and approximately $9.6 billion notional amount of guarantees ($648 million for FPL), of which approximately $7.1 billion ($43 million for FPL) have expirations within the next five years. An aggregate of approximately $474 million of the standby letters of credit at September 30, 2009 were issued under FPL's and FPL Group Capital's credit facilities. See Available Liquidity above. Letters of credit and guarantees support the buying and selling of wholesale energy commodities, debt and related reserves, nuclear activities, capital expenditures for wind development, 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. Accordingly, at September 30, 2009, 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 NextEra Energy Resources and its subsidiaries. Due to fluctuations in the value of investments held in the nuclear decommissioning trusts for Duane Arnold and Point Beach Nuclear Power Plant (Point Beach), the balances in those trusts are at certain times below the NRC minimum funding requirements. As required by the NRC, in July 2009, NextEra Energy Resources submitted its proposed plan to the NRC for providing financial assurance for decommissioning funding for Duane Arnold and Point Beach under which FPL Group Capital would increase its existing decommissioning funding parent guarantees from a total of approximately $93 million to approximately $160 million by December 31, 2009. The ultimate amount of the guarantees, if any, could vary depending on the market performance of the investments held in the trusts and on the NRC's position on NextEra Energy Resources' proposed plan. See Note 10 - Commitments.

Certain subsidiaries of NextEra Energy Resources have contracts that require certain projects to meet annual minimum generation amounts. Failure to meet the annual minimum generation amounts would result in the NextEra Energy Resources subsidiary becoming liable for liquidated damages. Based on past performance of these and similar projects and current forward prices, management believes that it is unlikely to experience a material exposure as a result of these liquidated damages' provisions.

Shelf Registration - In August 2009, 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 boards of directors. As of October 29, 2009, 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, junior subordinated debentures, first mortgage bonds, preferred trust securities, common stock, preferred stock, stock purchase contracts, stock purchase units, warrants and guarantees related to certain of those securities. As of October 29, 2009, FPL Group and FPL Group Capital had approximately $1.9 billion (issuable by either or both of them up to such aggregate amount) of board-authorized available capacity, and FPL had $1.0 billion of board-authorized available capacity.

Credit Ratings - At October 29, 2009, Moody's Investors Service, Inc. (Moody's), Standard & Poor's Ratings Services (S&P) and Fitch Ratings (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	Aa2	A	AA-
Pollution control, solid waste disposal and industrial development revenue bonds	VMIG-1	A	A+
Commercial paper	P-1	A-1	F1
FPL Group Capital: [b]			
Corporate credit rating	A2	A	A
Debentures	A2	A-	A
Junior subordinated debentures	A3	BBB+	A-
Commercial paper	P-1	A-1	F1

(a) A security rating is not a recommendation to buy, sell or hold securities and should be evaluated independently of any other rating. The rating is subject to revision or withdrawal at any time by the assigning rating organization.
(b) The outlook indicated by each of Moody's, S&P and Fitch was stable.

FPL Group and its subsidiaries, including FPL, have no credit rating downgrade triggers that would accelerate the maturity dates of outstanding debt. 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 and FPL Group Capital, the maintenance of a specific minimum credit rating is not a condition to drawing on those credit facilities. Commitment fees and interest rates on loans under the credit facilities' agreements are tied to credit ratings. A ratings downgrade also could reduce the accessibility and increase the cost of commercial paper and other short-term debt issuances and additional or replacement credit facilities, and could result in the requirement that FPL Group subsidiaries, including FPL, post collateral under certain agreements, including those related to fuel procurement, power sales and purchases, nuclear decommissioning funding, debt-related reserves and trading activities. FPL's and FPL Group Capital's bank revolving lines of credit are available to support these potential requirements. See Available Liquidity above.

Cash Flow - The changes in cash and cash equivalents are summarized as follows:

	FPL Group		FPL	
	Nine Months Ended September 30,			
	2009	2008	2009	2008
	(millions)			
Net cash provided by operating activities	$ 3,326	$ 2,359	$ 2,031	$ 1,541
Net cash used in investing activities	(4,018)	(3,857)	(1,945)	(1,818)
Net cash provided by (used in) financing activities	321	2,800	(172)	1,095
Net increase (decrease) in cash and cash equivalents	$ (371)	$ 1,302	$ (86)	$ 818

FPL Group's cash and cash equivalents decreased for the nine months ended September 30, 2009 reflecting capital investments by FPL and NextEra Energy Resources, a net decrease in short-term debt, the payment of common stock dividends to FPL Group shareholders and the payment of margin cash collateral to NextEra Energy Resources' counterparties. These outflows were partially offset by the receipt of cash from the net issuance of long-term debt, the recovery of fuel costs and the issuance of common stock.

FPL Group's cash flows from operating activities for the nine months ended September 30, 2009 reflect cash generated by net income, the recovery by FPL of fuel costs for prior period deferrals and an increase in other taxes at FPL primarily due to property taxes, which are payable in the fourth quarter. These inflows were partially offset by the payment of margin cash collateral to NextEra Energy Resources' counterparties as a result of changing energy prices and an increase of customer receivables at FPL.

FPL Group's cash flows from investing activities for the nine months ended September 30, 2009 reflect capital investments, including nuclear fuel purchases, of approximately $2.0 billion by FPL to expand and enhance its electric system and generating facilities to continue to provide reliable service to meet the power needs of present and future customers and investments in independent power projects of approximately $2.0 billion. FPL Group's cash flows from investing activities also include the receipt of funds from the spent fuel settlement agreement, the purchase and sale of restricted securities held in the special use funds, including the reinvestment of fund earnings and new contributions by NextEra Energy Resources, as well as other investment activity, primarily at FPL Group Capital.

During the nine months ended September 30, 2009, FPL Group generated proceeds from financing activities, net of related issuance costs, of approximately $2.6 billion, including $186 million in proceeds from the issuance of common stock, primarily under FPL Group's continuous offering agreement (see Available Liquidity above), and the following long-term debt issuances and borrowings:

Date Issued	Company	Debt Issued	Interest Rate	Principal Amount (millions)	Maturity Date
January 2009	NextEra Energy Resources subsidiary	Canadian dollar denominated limited-recourse senior secured term loan	Variable	$ 76	2023[a]
January 2009	FPL Group Capital	Term loan	Variable	72	2011
March 2009	FPL Group Capital	Debentures	6.00%	500	2019
March 2009	FPL	First mortgage bonds	5.96%	500	2039
March 2009	FPL Group Capital	Junior subordinated debentures	8.75%	375	2069
March 2009	NextEra Energy Resources subsidiary	Limited-recourse senior secured notes	Variable	22	2016[b]
May 2009	NextEra Energy Resources subsidiary	Limited-recourse senior secured term loan	Variable	343	2017[b]
May 2009	FPL Group Capital	Debentures related to FPL Group's equity units	3.60%	350	2014
June 2009	FPL Group Capital	Japanese yen denominated term loan	Variable	146	2011
June 2009	FPL Group Capital	Term loan	Variable	50	2011
				$ 2,434	

(a) Proceeds from this loan were used to repay a portion of the NextEra Energy Resources subsidiary's Canadian dollar denominated variable rate term loan maturing in 2011. In March 2009, the remaining balance of the term loan maturing in 2011 was paid off.
(b) Partially amortizing with a balloon payment at maturity.

During the nine months ended September 30, 2009, FPL Group paid approximately $2.3 billion in connection with financing activities, including $625 million for FPL Group Capital debt maturities, $225 million for maturing FPL first mortgage bonds, approximately $383 million principal repayments on NextEra Energy Resources debt, approximately $141 million of FPL Group Capital debt payments including principal prepayment on a term loan and repurchase of junior subordinated debentures, approximately $38 million principal repayment on FPL subsidiary storm-recovery bonds, the net decrease in short-term debt of $284 million (comprised of a $338 million decrease at FPL Group Capital and a $54 million increase at FPL, respectively) and $574 million for the payment of dividends on FPL Group's common stock. In October 2009, Pipeline Funding Company, LLC, a wholly-owned subsidiary of FPL Group Capital, issued $500 million principal amount of 7.500% senior secured bonds (see Note 9).

In 2008, FPL entered into a reclaimed water agreement with PBC to provide FPL's WCEC with reclaimed water beginning in January 2011. Under the reclaimed water agreement, FPL is to construct a reclaimed water system, including modifications to an existing treatment plant and a water pipeline, that PBC will legally own and operate. The reclaimed water agreement also requires PBC to issue bonds for the purpose of paying the costs associated with the construction of the reclaimed water system. In July 2009, PBC issued approximately $68 million principal amount of bonds. For financial reporting purposes, FPL is considered the owner of the reclaimed water system and FPL and FPL Group are recording electric utility plant in service and other property as costs are incurred and long-term debt as costs are eligible for reimbursement by PBC to FPL. See Note 9.

During the nine months ended September 30, 2009, indirect wholly-owned subsidiaries of NextEra Energy Resources and FPL Group Capital entered into interest rate swap agreements. See Energy Marketing and Trading and Market Risk Sensitivity - Market Risk Sensitivity.

FPL Group's cash and cash equivalents increased for the nine months ended September 30, 2008 reflecting cash generated by net income, the receipt of cash from the net issuance of long-term debt and a net increase in short-term debt. These inflows were partially offset by capital investments and the payment of common stock dividends to FPL Group shareholders.

New Accounting Rules and Interpretations

Variable Interest Entities - In June 2009, new accounting guidance was issued which modifies the consolidation model in previous guidance and expands the required disclosure related to VIEs. FPL Group and FPL will be required to adopt the new accounting guidance on January 1, 2010. FPL Group and FPL are currently evaluating the impact of the new accounting guidance.

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,							
	2009				2008			
	(millions)							
	Net Unrealized Gains (Losses) On Cash Flow Hedges	Pension and Other Benefits	Other	Total	Net Unrealized Gains (Losses) On Cash Flow Hedges	Pension and Other Benefits	Other	Total
Balances at December 31 of prior year	$ 5	$ (25)	$ 7	$ (13)	$ (81)	$ 143	$ 54	$ 116
Net unrealized gains (losses) on commodity cash flow hedges:								
Effective portion of net unrealized gains (losses) (net of $72 tax expense and $38 tax benefit, respectively)	106	-	-	106	(49)	-	-	(49)
Reclassification from AOCI to net income (net of $58 tax benefit and $59 tax expense, respectively)	(85)	-	-	(85)	80	-	-	80
Net unrealized gains (losses) on interest rate cash flow hedges:								
Effective portion of net unrealized gains (losses) (net of $5 tax expense and $5 tax benefit, respectively)	7	-	-	7	(8)	-	-	(8)
Reclassification from AOCI to net income (net of $11 and $4 tax expense, respectively)	19	-	-	19	6	-	-	6
Net unrealized gains (losses) on foreign currency cash flow hedge:								
Effective portion of net unrealized gains (net of $3 tax expense)	5	-	-	5	-	-	-	-
Reclassification from AOCI to net income (net of $3 tax benefit)	(5)	-	-	(5)	-	-	-	-
Net unrealized gains (losses) on available for sale securities (net of $66 tax expense and $23 tax benefit, respectively)	-	-	97	97	-	-	(36)	(36)
Adjustments between AOCI and retained earnings	-	-	(5)	(5)	-	-	(1)	(1)
Defined benefit pension and other benefits plans (net of $2 and $3 tax benefit, respectively)	-	(3)	-	(3)	-	(5)	-	(5)
Net unrealized gains on foreign currency translation (net of $4 tax expense)	-	-	9	9	-	-	-	-
Balances at September 30	$ 52	$ (28)	$ 108	$ 132	$ (52)	$ 138	$ 17	$ 103

Energy Marketing and Trading and Market Risk Sensitivity

Energy Marketing and Trading - Certain of FPL Group's subsidiaries, including FPL and NextEra Energy Resources, use derivative instruments (primarily swaps, options, futures and forwards) to manage the commodity price risk inherent in the purchase and sale of fuel and electricity. In addition, FPL Group, through NextEra Energy Resources, uses derivatives to optimize the value of power generation assets. NextEra Energy Resources 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, 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, and, 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 NextEra Energy Resources, 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. 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, 2009 were as follows:

		Hedges on Owned Assets			
	Trading	Non-Qualifying	OCI	FPL Cost Recovery Clauses	FPL Group Total
			(millions)		
Three months ended September 30, 2009					
Fair value of contracts outstanding at June 30, 2009	$ 73	$ 141	$ 187	$ (856)	$ (455)
Reclassification to realized at settlement of contracts	(121)	(44)	(62)	550	323
Effective portion of changes in fair value recorded in OCI	-	-	22	-	22
Ineffective portion of changes in fair value recorded in earnings	-	4	-	-	4
Changes in fair value excluding reclassification to realized	30	(9)	-	3	24
Fair value of contracts outstanding at September 30, 2009	(18)	92	147	(303)	(82)
Net option premium payments (receipts)	(25)	17	-	-	(8)
Net margin cash collateral paid					167
Total mark-to-market energy contract net assets (liabilities) at September 30, 2009	$ (43)	$ 109	$ 147	$ (303)	$ 77

		Hedges on Owned Assets			
	Trading	Non-Qualifying	OCI	FPL Cost Recovery Clauses	FPL Group Total
			(millions)		
Nine months ended September 30, 2009					
Fair value of contracts outstanding at December 31, 2008	$ 56	$ 143	$ 114	$ (1,108)	$ (795)
Reclassification to realized at settlement of contracts	(169)	(151)	(146)	1,350	884
Effective portion of changes in fair value recorded in OCI	-	-	179	-	179
Ineffective portion of changes in fair value recorded in earnings	-	13	-	-	13
Changes in fair value excluding reclassification to realized	95	87	-	(545)	(363)
Fair value of contracts outstanding at September 30, 2009	(18)	92	147	(303)	(82)
Net option premium payments (receipts)	(25)	17	-	-	(8)
Net margin cash collateral paid					167
Total mark-to-market energy contract net assets (liabilities) at September 30, 2009	$ (43)	$ 109	$ 147	$ (303)	$ 77

FPL Group's total mark-to-market energy contract net assets (liabilities) at September 30, 2009 shown above are included in the condensed consolidated balance sheet as follows:

	September 30, 2009
	(millions)
Current derivative assets	$ 436
Noncurrent other assets	277
Current derivative liabilities	(471)
Noncurrent derivative liabilities	(165)
FPL Group's total mark-to-market energy contract net assets (liabilities)	$ 77

The sources of fair value estimates and maturity of energy contract derivative instruments at September 30, 2009 were as follows:

	Maturity						
	2009	2010	2011	2012	2013	Thereafter	Total
				(millions)			
Trading:							
Quoted prices in active markets for identical assets	$ (94)	$ (165)	$ (7)	$ (15)	$ (10)	$ -	$ (291)
Significant other observable inputs	1	(34)	(21)	(28)	(4)	1	(85)
Significant unobservable inputs	67	147	52	55	12	-	333
Total	(26)	(52)	24	12	(2)	1	(43)
Owned Assets - Non-Qualifying:							
Quoted prices in active markets for identical assets	3	34	(6)	(3)	-	-	28
Significant other observable inputs	13	33	15	21	(6)	(25)	51
Significant unobservable inputs	37	14	(11)	(16)	(2)	8	30
Total	53	81	(2)	2	(8)	(17)	109
Owned Assets - OCI:							
Quoted prices in active markets for identical assets	2	21	17	6	-	-	46
Significant other observable inputs	42	60	3	(4)	-	-	101
Significant unobservable inputs	-	-	-	-	-	-	-
Total	44	81	20	2	-	-	147
Owned Assets - FPL Cost Recovery Clauses:							
Quoted prices in active markets for identical assets	-	-	-	-	-	-	-
Significant other observable inputs	(348)	39	-	-	-	-	(309)
Significant unobservable inputs	-	4	2	-	-	-	6
Total	(348)	43	2	-	-	-	(303)
Total sources of fair value	$ (277)	$ 153	$ 44	$ 16	$ (10)	$ (16)	$ (90)

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, 2008 were as follows:

		Hedges on Owned Assets			
	Trading	Non-Qualifying	OCI	FPL Cost Recovery Clauses	FPL Group Total
			(millions)		
Three months ended September 30, 2008					
Fair value of contracts outstanding at June 30, 2008	$ 42	$ (488)	$ (570)	$ 998	$ (18)
Reclassification to realized at settlement of contracts	5	93	90	(617)	(429)
Effective portion of changes in fair value recorded in OCI	-	-	423	-	423
Ineffective portion of changes in fair value recorded in earnings	-	11	-	-	11
Changes in fair value excluding reclassification to realized	(26)	371	-	(906)	(561)
Fair value of contracts outstanding at September 30, 2008	21	(13)	(57)	(525)	(574)
Net option premium payments (receipts)	(20)	20	-	-	-
Net margin cash collateral received	-	38	-	3	41
Total mark-to-market energy contract net assets (liabilities) at September 30, 2008	$ 1	$ 45	$ (57)	$ (522)	$ (533)

		Hedges on Owned Assets			
	Trading	Non-Qualifying	OCI	FPL Cost Recovery Clauses	FPL Group Total
			(millions)		
Nine months ended September 30, 2008					
Fair value of contracts outstanding at December 31, 2007	$ 2	$ (138)	$ (109)	$ (119)	$ (364)
Reclassification to realized at settlement of contracts	6	30	139	(694)	(519)
Effective portion of changes in fair value recorded in OCI	-	-	(87)	-	(87)
Ineffective portion of changes in fair value recorded in earnings	-	(2)	-	-	(2)
Changes in fair value excluding reclassification to realized	13	97	-	288	398
Fair value of contracts outstanding at September 30, 2008	21	(13)	(57)	(525)	(574)
Net option premium payments (receipts)	(20)	20	-	-	-
Net margin cash collateral received	-	38	-	3	41
Total mark-to-market energy contract net assets (liabilities) at September 30, 2008	$ 1	$ 45	$ (57)	$ (522)	$ (533)

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. In December 2008, FPL Group Capital entered into a cross currency basis swap to hedge against currency movements with respect to both interest and principal payments on a loan and, in June 2009, FPL Group Capital entered into a cross currency swap to hedge against currency and interest rate movements with respect to both interest and principal payments on a loan. The fair value of these cross currency swaps was not material at September 30, 2009. 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, 2009 and December 31, 2008, the VaR figures were as follows:

	Trading			Non-Qualifying Hedges and Hedges in OCI and FPL Cost Recovery Clauses [a]			Total		
	FPL	NextEra Energy Resources	FPL Group	FPL	NextEra Energy Resources	FPL Group	FPL	NextEra Energy Resources	FPL Group
					(millions)				
December 31, 2008	$ -	$ 5	$ 5	$ 86	$ 54	$ 31	$ 86	$ 58	$ 30
September 30, 2009	$ -	$ 5	$ 5	$ 60	$ 56	$ 29	$ 60	$ 58	$ 27
Average for the nine months ended September 30, 2009	$ -	$ 6	$ 6	$ 55	$ 39	$ 25	$ 55	$ 42	$ 25

(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 other investments. 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, 2009		December 31, 2008	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
		(millions)		
FPL Group:				
Fixed income securities:				
Special use funds	$ 1,836	$ 1,836[a]	$ 1,867	$ 1,867[a]
Other investments	$ 127	$ 127[a]	$ 105	$ 105[a]
Long-term debt, including current maturities	$ 16,263	$ 17,033[b]	$ 15,221	$ 15,152[b]
Interest rate swaps - net unrealized losses	$ (41)	$ (41)[c]	$ (78)	$ (78)[c]
FPL:				
Fixed income securities - special use funds	$ 1,539	$ 1,539[a]	$ 1,510	$ 1,510[a]
Long-term debt, including current maturities	$ 5,824	$ 6,389[b]	$ 5,574	$ 5,652[b]

(a) Based on quoted market prices for these or similar issues.
(b) Based on market prices provided by external sources.
(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 September 30, 2009, the estimated fair values for FPL Group's interest rate swaps were as follows:

Notional Amount (millions)	Effective Date	Maturity Date	Rate Paid	Rate Received	Estimated Fair Value (millions)
Fair value hedge - FPL Group Capital:					
$ 300	June 2008	September 2011	Variable[a]	5.625%	$ 16
Cash flow hedges - NextEra Energy Resources:					
$ 52	December 2003	December 2017	4.245%	Variable[b]	(3)
$ 17	April 2004	December 2017	3.845%	Variable[b]	(1)
$ 176	December 2005	November 2019	4.905%	Variable[b]	(15)
$ 430	January 2007	January 2022	5.390%	Variable[c]	(46)
$ 131	January 2008	September 2011	3.2050%	Variable[b]	(4)
$ 359	January 2009	December 2016	2.680%	Variable[b]	4
$ 124	January 2009[d]	December 2023	3.725%	Variable[b]	2
$ 84	January 2009	December 2023	2.578%	Variable[e]	4
$ 21	March 2009	December 2016	2.655%	Variable[b]	-
$ 7	March 2009[d]	December 2023	3.960%	Variable[b]	-
$ 341	May 2009	May 2017	3.015%	Variable[b]	2
$ 106	May 2009	May 2024	4.663%	Variable[b]	-
Total cash flow hedges					(57)
Total interest rate swaps					$ (41)

(a) Three-month LIBOR plus 1.18896%
(b) Three-month LIBOR
(c) Six-month LIBOR
(d) Exchange of payments does not begin until December 2016
(e) Three-month Banker's Acceptance Rate

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 $790 million ($327 million for FPL) at September 30, 2009.

Equity price risk - Included in the nuclear decommissioning funds of FPL Group are marketable equity securities carried at their market value of approximately $1,486 million and $1,080 million ($836 million and $648 million for FPL) at September 30, 2009 and December 31, 2008, respectively. A hypothetical 10% decrease in the prices quoted by stock exchanges, which is a reasonable near-term market change, would result in a $139 million ($79 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, 2009.

Credit risk - For all derivative and contractual transactions, FPL Group's energy marketing and trading operations, which include 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 September 30, 2009, 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, 2009, 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 Securities Exchange Act of 1934 (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

FPL Group and FPL are parties to various legal and regulatory proceedings in the ordinary course of their respective businesses. For information regarding legal and regulatory proceedings that could have a material effect on FPL Group or FPL, see Item 3. Legal Proceedings and Note 15 - Legal and Regulatory Proceedings to Consolidated Financial Statements in the 2008 Form 10-K for FPL Group and FPL and Note 10 - Legal Proceedings and Regulatory Proceedings herein. Such descriptions are incorporated herein by reference.

Item 1A. Risk Factors

There were no material changes from the risk factors disclosed in FPL Group's and FPL's 2008 Form 10-K. The factors discussed in Part I, Item 1A. Risk Factors in FPL Group's and FPL's 2008 Form 10-K, as well as other information set forth in this report, which could materially adversely 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 2008 Form 10-K are not the only risks facing FPL Group and FPL. Additional risks and uncertainties 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

(a) As set forth below, during the quarter ended September 30, 2009, FPL Group issued shares of its common stock, par value $0.01 per share (Common Stock) upon the exercise of warrants issued by Gexa Corp. (Gexa) and assumed by FPL Group upon its acquisition of Gexa in 2005. FPL Group relied on the exemption from registration under the Securities Act of 1933, as amended (Securities Act), afforded by Section 4(2) of the Securities Act as a transaction not involving a public offering of Common Stock.

Date	Holder	Exercise Price Per Share	Number of Shares Issued
7/8/09	Prospect Street Ventures I LLC	$23.78	12,190[(a)]
9/23/09	Individual holder	$35.79	28[(b)]

(a) Shares were issued as a result of a cashless exercise of 21,025 warrants.

(b) Shares were issued as a result of a cashless exercise of 84 warrants.

(b) None

(c) Information regarding purchases made by FPL Group of its Common Stock is as follows:

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)]
7/1/09 - 7/31/09	2,291	$ 56.82	-	20,000,000
8/1/09 - 8/31/09	3,462	$ 56.82	-	20,000,000
9/1/09 - 9/30/09	-	$ -	-	20,000,000
Total	5,753	$ 56.82	-	

(a) Represents shares of Common Stock withheld 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

(i) Reference is made to Item 1. Business - FPL Operations - Employees in the 2008 Form 10-K for FPL Group and FPL.

In October 2009, the International Brotherhood of Electrical Workers approved a new collective bargaining agreement with FPL, which expires on October 31, 2011.

(ii) Reference is made to Item 1. Business - Environmental Matters in the 2008 Form 10-K for FPL Group and FPL.

In September 2009, the EPA and the U.S. Department of Transportation issued a proposed rule under the Clean Air Act to regulate greenhouse gas emissions from light duty vehicles. The EPA's proposed rule is expected to be finalized in March 2010, which will then trigger certain permitting requirements under the Clean Air Act for any new or modified stationary sources of greenhouse gases, including power plants, that exceed certain emissions levels. The final requirements and their impact on FPL Group and FPL cannot be determined at this time.

Item 6. Exhibits

Exhibit Number	Description	FPL Group	FPL
3(a)	Amended and Restated Bylaws of FPL Group	x	
10(a)	Appendix A1 (revised as of August 17, 2009 to add Moray P. Dewhurst) to the FPL Group Supplemental Executive Retirement Plan, amended and restated effective January 1, 2005	x	x

Exhibit Number	Description	FPL Group	FPL
10(b)	Executive Retention Employment Agreement between FPL Group and Moray P. Dewhurst dated as of August 17, 2009	x	x
10(c)	FPL Group Amended and Restated Long-Term Incentive Plan Deferred Stock Award Agreement between FPL Group and Moray P. Dewhurst dated August 17, 2009	x	x
12(a)	Computation of Ratios	x	
12(b)	Computation of Ratios		x
31(a)	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer of FPL Group	x	
31(b)	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer of FPL Group	x	
31(c)	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer of FPL		x
31(d)	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer of FPL		x
32(a)	Section 1350 Certification of FPL Group	x	
32(b)	Section 1350 Certification of FPL		x
101.INS	XBRL Instance Document of FPL Group	x	
101.SCH	XBRL Schema Document	x	
101.PRE	XBRL Presentation Linkbase Document	x	
101.CAL	XBRL Calculation Linkbase Document	x	
101.LAB	XBRL Label Linkbase Document	x	

FPL Group and FPL agree to furnish to the SEC upon request any instrument with respect to long-term debt that FPL Group and FPL have not filed as an exhibit pursuant to the exemption provided by Item 601(b)(4)(iii)(A) of Regulation S-K.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned thereunto duly authorized.

FPL GROUP, INC.
FLORIDA POWER & LIGHT COMPANY
(Registrants)

Date: October 29, 2009

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, 2009 (millions of dollars)
Earnings, as defined:	
Net income	$ 1,267
Income taxes	272
Fixed charges included in the determination of net income, as below	671
Amortization of capitalized interest	12
Distributed income of equity method investees	33
Less: Equity in earnings of equity method investees	49
Total earnings, as defined	$ 2,206
Fixed charges, as defined:	
Interest expense	$ 631
Rental interest factor	21
Allowance for borrowed funds used during construction	19
Fixed charges included in the determination of net income	671
Capitalized interest	61
Total fixed charges, as defined	$ 732
Ratio of earnings to fixed charges and ratio of earnings to combined fixed charges and preferred stock dividends [(a)]	3.01

(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]

	Nine Months Ended September 30, 2009 (millions of dollars)
Earnings, as defined:	
Net income	$ 646
Income taxes	369
Fixed charges included in the determination of net income, as below	259
Total earnings, as defined	$ 1,274
Fixed charges, as defined:	
Interest expense	$ 235
Rental interest factor	5
Allowance for borrowed funds used during construction	19
Fixed charges included in the determination of net income	259
Capitalized interest	1
Total fixed charges, as defined	$ 260
Ratio of earnings to fixed charges and ratio of earnings to combined fixed charges and preferred stock dividends [a]	4.89

(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, 2009 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: October 29, 2009

LEWIS HAY, III
Lewis Hay, III
Chairman and Chief Executive Officer
of FPL Group, Inc.

Exhibit 31(b)

Rule 13a-14(a)/15d-14(a) Certification

I, Armando Pimentel, Jr., certify that:

1. I have reviewed this Form 10-Q for the quarterly period ended September 30, 2009 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: October 29, 2009

ARMANDO PIMENTEL, JR.
Armando Pimentel, Jr.
Executive Vice President, Finance
and Chief Financial Officer
of FPL Group, Inc.

Exhibit 31(c)

Rule 13a-14(a)/15d-14(a) Certification

I, Armando J. Olivera, certify that:

1. I have reviewed this Form 10-Q for the quarterly period ended September 30, 2009 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: October 29, 2009

ARMANDO J. OLIVERA
Armando J. Olivera
President and Chief Executive Officer
of Florida Power & Light Company

Exhibit 31(d)

Rule 13a-14(a)/15d-14(a) Certification

I, Armando Pimentel, Jr., certify that:

1. I have reviewed this Form 10-Q for the quarterly period ended September 30, 2009 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: October 29, 2009

ARMANDO PIMENTEL, JR.
Armando Pimentel, Jr.
Executive Vice President, Finance
and Chief Financial Officer of
Florida Power & Light Company

Exhibit 32(a)

Section 1350 Certification

We, Lewis Hay, III and Armando Pimentel, Jr., 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, 2009 (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: October 29, 2009

LEWIS HAY, III
Lewis Hay, III
Chairman and Chief Executive Officer
of FPL Group, Inc.

ARMANDO PIMENTEL, JR.
Armando Pimentel, Jr.
Executive 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, Armando J. Olivera and Armando Pimentel, Jr., 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, 2009 (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: October 29, 2009

ARMANDO J. OLIVERA
Armando J. Olivera
President and Chief Executive Officer of
Florida Power & Light Company

ARMANDO PIMENTEL, JR.
Armando Pimentel, Jr.
Executive 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 3(g)





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, 2009**

Commission File Number	Exact name of registrants as specified in their charters, address of principal executive offices and registrants' telephone number	IRS Employer Identification Number
1-8841	**FPL GROUP, INC.**	59-2449419
2-27612	**FLORIDA POWER & LIGHT COMPANY**	59-0247775
	700 Universe Boulevard Juno Beach, Florida 33408 (561) 694-4000	

State or other jurisdiction of incorporation or organization: Florida

	Name of exchange on which registered
Securities registered pursuant to Section 12(b) of the Act:	
FPL Group, Inc.: Common Stock, $0.01 Par Value	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 ☑ No ☐ Florida Power & Light Company Yes ☑ 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 ☑ Florida Power & Light Company Yes ☐ No ☑

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 ☑ No ☐ Florida Power & Light Company Yes ☑ No ☐

Indicate by check mark whether the registrants have submitted electronically and posted on their corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrants were required to submit and post such files).
FPL Group, Inc. Yes ☑ No ☐ *Florida Power & Light Company* Yes ☐ No ☐

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

Indicate by check mark whether 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 ☑	Accelerated Filer ☐	Non-Accelerated Filer ☐	Smaller Reporting Company ☐
Florida Power & Light Company	Large Accelerated Filer ☐	Accelerated Filer ☐	Non-Accelerated Filer ☑	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 ☑

Aggregate market value of the voting and non-voting common equity of FPL Group, Inc. held by non-affiliates as of June 30, 2009 (based on the closing market price on the Composite Tape on June 30, 2009) was $23,304,012,377.

There was no voting or non-voting common equity of Florida Power & Light Company held by non-affiliates as of June 30, 2009.

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, 2010: 413,689,884 shares.

As of January 31, 2010, 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 2010 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 in General Instruction I.(1)(a) and (b) of Form 10-K and is therefore filing this Form with the reduced disclosure format.

DEFINITIONS

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

Term	Meaning
AFUDC	allowance for funds used during construction
AFUDC - equity	equity component of 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
conservation clause	energy conservation cost recovery clause, as established by the FPSC
DOE	U.S. Department of Energy
Duane Arnold	Duane Arnold Energy Center
EMF	electric and magnetic field(s)
EMT	Energy Marketing & Trading, a division of FPL
environmental clause	environmental compliance cost recovery clause, as established by the FPSC
EPA	U.S. Environmental Protection Agency
ERCOT	Electric Reliability Council of Texas
Exchange Act	Securities Exchange Act of 1934, as amended
FDEP	Florida Department of Environmental Protection
FERC	Federal Energy Regulatory Commission
FGT	Florida Gas Transmission Company
FMPA	Florida Municipal Power Agency
FPL	Florida Power & Light Company
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
GHG	greenhouse gas(es)
Gulfstream	Gulfstream Natural Gas System, L.L.C.
Holding Company Act	Public Utility Holding Company Act of 2005
IRS	Internal Revenue Service
ITCs	investment tax credits
kv	kilovolt(s)
kw	kilowatt
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
MISO	Midwest Independent Transmission System Operator, Inc.
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
NERC	North American Electric Reliability Corporation
NextEra Energy Resources	NextEra Energy Resources, LLC, formerly known as FPL Energy, LLC
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, as amended
O&M expenses	other operations and maintenance expenses in the consolidated statements of income
PJM	PJM Interconnection, L.L.C.
PMI	NextEra Energy Power Marketing, LLC
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
Recovery Act	American Recovery and Reinvestment Act of 2009
regulatory ROE	return on common equity as determined for regulatory purposes
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
WCEC	FPL's West County Energy Center in western Palm Beach County, Florida

FPL Group, FPL, FPL Group Capital and NextEra Energy Resources each has subsidiaries and affiliates with names that may include FPL, NextEra Energy Resources, NextEra Energy, FPL Energy, FPLE and similar references. For convenience and simplicity, in this report the terms FPL Group, FPL, FPL Group Capital and NextEra Energy Resources 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, will likely result, are expected to, will continue, is anticipated, aim, believe, could, should, would, estimated, may, plan, potential, projection, target, outlook, predict and intend or words of similar meaning) 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, 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 or implied 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, unless otherwise required by law. 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 or implied in any forward-looking statement.

PART I

Item 1. Business

FPL GROUP

FPL Group was incorporated in 1984 under the laws of Florida. FPL Group has two principal operating subsidiaries, FPL and NextEra Energy Resources. FPL is a rate-regulated utility engaged primarily in the generation, transmission, distribution and sale of electric energy in Florida. NextEra Energy Resources 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 NextEra Energy Resources. At December 31, 2009, FPL Group and its subsidiaries employed approximately 15,400 people. For a discussion of FPL's and NextEra Energy Resources' businesses, see FPL Operations and NextEra Energy Resources Operations. For financial information regarding FPL Group's business segments, see Note 15.

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 on FPL Group's website (or any of its subsidiaries' websites) is not incorporated by reference in this combined annual report on Form 10-K. The SEC maintains an internet website at www.sec.gov that contains reports, proxy and other information about FPL Group and FPL filed electronically with the SEC.

FPL OPERATIONS

General. FPL was incorporated under the laws of Florida in 1925 and is a wholly-owned subsidiary of FPL Group. FPL supplies electric service to a population of more than 8.7 million throughout most of the east and lower west coasts of Florida. During 2009, 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,		
	2009	2008	2007
Residential	56%	53%	54%
Commercial	41	40	39
Industrial	3	3	3
Wholesale	1	1	1
Other, including deferred or recovered retail clause revenues, the net change in retail unbilled revenues, transmission sales and customer-related fees	(1)	3	3
	100%	100%	100%

Over the last ten years, FPL's average annual customer growth has been 1.8%. However, beginning in 2007, FPL has experienced a slowdown in retail customer growth and a decline in non-weather related usage per retail customer. Retail customer growth in 2008 was 0.3%. FPL's average number of retail customers declined slightly during the first three quarters of 2009 and remained essentially unchanged during the fourth quarter of 2009; the decline for the full year was 0.2%. FPL believes that the economic slowdown, the downturn in the housing market and the credit crisis that have affected the country and the state of Florida have contributed to the slowdown in customer growth and to the decline in non-weather related usage per retail customer. In December 2009, the unemployment rate in Florida was 11.8%. Beginning in 2007, FPL experienced an increase in inactive accounts (accounts with installed meters without corresponding customer names) and in low-usage customers (customers using less than 200 kwh per month), which have contributed to the decline in retail customer growth and non-weather related usage per retail customer. In 2009, inactive accounts and low-usage customers continued to increase much of the year but declined slightly in the fourth quarter. FPL is unable to predict whether or when growth in customers and non-weather related customer usage might return to previous trends.

Regulation. FPL's retail operations provided approximately 99% of FPL's 2009 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. The NERC established mandatory reliability standards in 2007 to ensure the reliability of the U.S. electric transmission and generation system and to prevent major system blackouts. Violations for non-compliance are subject to penalties of up to $1 million per day per violation. 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, including, among other things, base rates and cost recovery clauses.

Base Rates - 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 negotiated settlements, 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. Base rates remain in effect until new base rates are approved by the FPSC.

In March 2009, FPL filed a petition with the FPSC requesting, among other things, a permanent base rate increase of approximately $1 billion in 2010 and an additional $250 million in 2011, which included additions to the storm and property insurance reserve. The requested increases were based on a proposed regulatory ROE of 12.5% and excluded amounts associated with the proposed extension of a Generation Base Rate Adjustment (GBRA) mechanism, which allowed for automatic adjustments in retail base rates when approved power plants achieved commercial operation, and certain proposed cost recovery clause adjustments.

In January 2010, the FPSC orally ruled with respect to FPL's March 2009 petition (January 2010 rate ruling) and indicated that the ruling would be reflected in a final written order to be issued in February 2010 (final order). The January 2010 rate ruling indicated that new retail base rates would be established for FPL effective March 1, 2010, would increase retail base rates by approximately $75 million on an annualized basis, would establish a regulatory ROE of 10.0% with a range of plus or minus 100 basis points and would shift certain costs from retail base rates to the capacity clause. The January 2010 rate ruling also indicated that depreciation expense would be reduced over the next four years. See Management's Discussion - Results of Operations - FPL. The January 2010 rate ruling also indicated, among other things, that any additional base rate increase for 2011, the continuation of the GBRA mechanism and any additions to the storm and property insurance reserve would be denied. As of the date of this report, the final order remains pending. Upon issuance of the final order, parties have the right to file motions with the FPSC for reconsideration of some or all of the final order, or to appeal some or all of the final order to the Florida Supreme Court. In response to inquiries regarding potential inconsistencies in calculations underlying the January 2010 rate ruling, staff for the FPSC has indicated it would address any matters raised by the parties before the final order following the filing of any motions for reconsideration. FPL cannot predict the specific treatment of any particular issue in the final order.

FPL is evaluating the impact of the January 2010 rate ruling on its financial position, including its credit quality and ability to attract capital over the long term (see Management's Discussion - Liquidity and Capital Resources). FPL has suspended activities on the following projects representing approximately $10 billion of investment over the next five years until the financial impact of the final order, along with other factors, such as load-growth estimates, fuel cost forecasts, demand side management and environmental incentives, can be reviewed (see Capital Expenditures below):

- development of two additional nuclear units at FPL's Turkey Point site beyond what is required to receive an NRC license for each unit (see Nuclear Operations below);
- modernization of FPL's Cape Canaveral and Riviera power plants (see Fossil Operations below);
- reevaluation of options related to a proposed 300-mile underground natural gas pipeline in Florida; and
- other infrastructure projects.

FPL is also evaluating its options with respect to future regulatory actions regarding the January 2010 rate ruling and, when it is issued, the final order, as well as assessing the cost structure of its ongoing operations and reviewing other planned capital expenditures for appropriate reductions.

Under a rate agreement approved in 2005 (2005 rate agreement), retail base rates did not increase except to allow recovery, under the GBRA mechanism, of the revenue requirements of FPL's three power plants that achieved commercial operation during the term of the 2005 rate agreement. Retail base rates increased when Turkey Point Unit No. 5 was placed in service in 2007 and when WCEC Units Nos. 1 and 2 were placed in service in 2009. During the term of the 2005 rate agreement, FPL did not have an authorized regulatory ROE for the purpose of addressing earnings levels; however, for all other regulatory purposes, FPL had an ROE of 11.75%. Under the terms of the 2005 rate agreement, FPL's electric property depreciation rates were based upon the comprehensive depreciation studies it filed with the FPSC in March 2005; however, FPL reduced depreciation on its plant in service by $125 million each year, as allowed by the 2005 rate agreement. The 2005 rate agreement also provided for a revenue sharing mechanism, whereby revenues from retail base operations in excess of certain thresholds would be shared with customers. During the term of the 2005 rate agreement, FPL's revenues did not exceed the thresholds.

Cost Recovery Clauses - 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. Beginning in 2009, pre-construction costs and carrying charges on construction costs for new nuclear capacity and costs incurred for FPL's three solar generating facilities, one of which was placed into service in 2009 and two of which are under construction, are also recovered through cost recovery clauses. These costs are recovered through levelized monthly charges per kwh or kw, depending on the customer's rate class, pursuant to the FPSC's cost recovery clauses. These cost recovery clause charges are calculated at least annually based on estimated 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 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 2009, fuel clause recoveries were approximately $5.9 billion. FPL uses 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 manage fuel price volatility by locking in fuel prices for a portion of FPL's fuel requirements. See Energy Marketing and Trading below, Management's Discussion - Results of Operations - FPL, Note 1 - Regulation and Note 3. Pursuant to an FPSC order, FPL was required to refund in the form of a one-time credit to retail customers' bills the 2009 year-end estimated fuel overrecovery; in January 2010, approximately $403 million was refunded to retail customers. At December 31, 2009, approximately $356 million of retail fuel revenues were overrecovered. The difference between the refund and the December 31, 2009 overrecovery will be collected from retail customers in a subsequent period.

Capacity payments to other utilities and generating companies for purchased power are recovered from customers through the capacity clause and base rates. Beginning in March 2010, such payments will be recovered entirely through the capacity clause. In accordance with the FPSC's nuclear cost recovery rule, FPL also recovers pre-construction costs and carrying charges (equal to a pretax AFUDC rate) on construction costs for new nuclear capacity through the capacity clause. Once the new capacity goes into service, it is expected that construction costs will be recovered through base rate increases. See Nuclear Operations below. In 2009, capacity clause recoveries were approximately $772 million.

Costs associated with implementing energy conservation programs are recovered from customers through the conservation clause. In 2009, conservation clause recoveries were approximately $198 million. Certain costs of complying with federal, state and local environmental regulations enacted after April 1993 and costs associated with FPL's three solar facilities are recovered through the environmental clause. In 2009, environmental clause recoveries were approximately $91 million. See Environmental and Solar Operations below.

Other Recovery Mechanisms - FPL maintains a funded storm and property insurance reserve. Four hurricanes in 2005 and three hurricanes in 2004 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 9 - FPL.

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 2040. Of the 176 franchise agreements, 10 expire in 2010, 9 expire in 2011 and 157 expire during the period 2012 through 2040. Negotiations are ongoing to renew franchises with upcoming expirations. FPL also provides service to 13 other municipalities and to 22 unincorporated areas within its service area without franchise agreements. 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 2009, 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 except when the FPSC determines that an exception from the RFP process is in the public interest. 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 generating 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 generating capacity. In 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 the approval by the FPSC for two additional nuclear units.

Environmental. FPL is subject to environmental laws and regulations and is affected by some of the emerging issues included in the Environmental Matters section. FPL expects to seek recovery through the environmental clause for compliance costs associated with any new environmental laws and regulations.

During 2009, FPL spent approximately $214 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 $424 million for 2010 through 2012, including approximately $236 million in 2010, and are included in estimated planned capital expenditures set forth in Capital Expenditures below.

System Capability and Load. At December 31, 2009, FPL's resources for serving load consisted of 26,682 mw, of which 24,530 mw were from FPL-owned facilities (see Item 2 - Generating Facilities) and 2,152 mw were available through purchased power contracts (see Note 14 - Contracts). FPL's projected reserve margin for the summer of 2010 is approximately 22%. This reserve margin is expected to be achieved through the combination of output from FPL's active generating units (excluding solar which is considered non-firm), purchased power contracts and the capability to reduce peak demand through the implementation of demand side management programs, including load management, which was estimated to be capable of reducing demand by 1,801 mw at December 31, 2009, and energy efficiency and conservation programs. In December 2009, the FPSC issued an order that will require Florida utilities, including FPL, to meet higher demand side management goals for both demand and energy beginning in 2010, and to file plans to meet these goals by March 30, 2010. FPL and the other Florida utilities have filed motions for reconsideration of the FPSC order. Occasionally, unusually cold temperatures during the winter months result in significant increases in electricity usage for short periods of time. However, customer usage and operating revenues are typically higher during the summer months, largely due to the prevalent use of air conditioning in FPL's service territory. During 2009, the highest peak load FPL served was 22,351 mw. The highest peak load FPL has served to date was 24,346 mw, which occurred on January 11, 2010. FPL had adequate resources available at the time of this peak to meet customer demand. See Fossil Operations, Nuclear Operations and Solar Operations below regarding generation projects currently under construction.

Fuel Mix. FPL's generating plants use a variety of fuels. The diverse fuel options, along with purchased power, are intended to enable FPL to shift between sources of generation to achieve a more economical fuel mix. See Fossil Operations and Nuclear Operations below, and Item 2 - Generating Facilities.

FPL's 2009 fuel mix based on kwh produced was as follows:

Fuel Source	Percentage of kwh Produced
Natural gas	56%
Nuclear	21%
Purchased power	13%
Coal	6%
Oil	4%

Fossil Operations. FPL owns and operates 81 units that use 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 reduced electricity demand. FPL is currently constructing a natural gas-fired combined-cycle unit of approximately 1,220 mw at its WCEC, which is expected to be placed in service by mid-2011. In 2008, the FPSC approved FPL's plan to modernize its Cape Canaveral and Riviera power plants to high-efficiency natural gas-fired units. Each modernized plant is expected to provide approximately 1,200 mw of capacity and be placed in service by 2013 and 2014, respectively. However, FPL has suspended activities on the modernization of the two power plants. See Retail Ratemaking above and Capital Expenditures below.

FPL has four firm transportation contracts in place with FGT, two firm transportation contracts with Gulfstream and one firm transportation contract with Southeast Supply Header, LLC, 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 2021 and 2025, while both Gulfstream contracts expire in 2032. The Southeast Supply Header contract expires in 2020. To the extent desirable, FPL can also purchase interruptible natural 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 natural gas requirements is purchased 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 started construction, or if started, have not yet completed construction. These agreements range from 15 to 25 years in length and contain firm commitments by FPL totaling up to approximately $175 million annually or $4.3 billion over the terms of the agreements. These firm commitments are contingent upon the occurrence of certain events, including completion of construction of the facilities in 2011. See Note 14 - Contracts. FPL's oil requirements are obtained under short- and medium-term contracts and in the spot market.

FPL has, through its joint ownership interest in St. Johns River Power Park (SJRPP) Units Nos. 1 and 2, a coal supply and transportation contract for all of the 2010 fuel needs and a portion of the 2011 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 14 - 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. This duration is longer for expanded scope outages. The following table summarizes certain information related to FPL's nuclear units:

Facility	Unit	Net Capability (mw)	Operating License Expiration Dates	Next Scheduled Refueling Outage
St. Lucie	1	839	2036	April 2010
St. Lucie	2	714	2043	January 2011
Turkey Point	3	693	2032	September 2010
Turkey Point	4	693	2033	March 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 additional capacity is projected to be placed in service by the end of 2012. The construction costs relating to the 400 mw of baseload capacity yet to be incurred as of December 31, 2009 are included in the estimated planned capital expenditures set forth in Capital Expenditures below. As part of the conditions of certification by the state of Florida for this project, FPL is required to implement a monitoring plan on the Turkey Point cooling canals due to concerns over potential saltwater intrusion beyond FPL's property. Monitoring under the plan includes collection of data for two years prior to and two years after the date the additional capacity is placed in service in order to establish a baseline and assess various environmental impacts of the cooling canals on surrounding areas. The potential results of the monitoring plan are uncertain and the financial and operational impacts on FPL, if any, cannot be determined at this time. In 2008, the FPSC approved FPL's need petition for two additional nuclear units at its Turkey Point site with projected in-service dates between 2018 and 2020. The two units combined are expected to add approximately 2,200 mw of baseload capacity. Additional approvals from other regulatory agencies will be required later in the development process. However, FPL has suspended development activities on the two new nuclear units at its Turkey Point site beyond what is required to receive a license for each unit from the NRC. See Retail Ratemaking above and Capital Expenditures below.

FPL leases nuclear fuel for all four of its nuclear units. See Note 1 - Nuclear Fuel. FPL Group and FPL consolidate the lessor entity, a VIE. See Note 9 - FPL. The contracts for the supply, conversion, enrichment and fabrication of FPL's nuclear fuel have expiration dates ranging from March 2010 through 2022. Under the Nuclear Waste Policy Act, 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 Nuclear Waste Policy Act, 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 31, 2009, FPL has paid approximately $629 million in such fees to the U.S. Government's nuclear waste fund. The DOE did not meet its statutory obligation for disposal of spent nuclear fuel under the Nuclear Waste Policy Act. In 2009, FPL and certain nuclear plant joint owners signed a settlement agreement (spent fuel settlement agreement) with the U.S. Government agreeing to dismiss with prejudice lawsuits filed against the U.S. Government seeking damages caused by the DOE's failure to dispose of spent nuclear fuel from FPL's nuclear plants. The spent fuel settlement agreement permits FPL to make annual filings to recover certain spent fuel storage costs incurred by FPL which will be payable by the U.S. Government on an annual basis. Through December 31, 2009, FPL has collected approximately $82 million of the amount due from the U.S. Government pursuant to the spent fuel settlement agreement and has paid approximately $5 million to the joint owners of St. Lucie Unit No. 2. An additional payment from the U.S. Government of approximately $18 million relating to costs incurred in 2008 is pending. FPL plans to file a claim for spent fuel storage costs incurred during 2009 by April 2010. FPL will continue to pay fees to the U.S. Government's nuclear waste fund. The DOE filed a license application for a permanent disposal facility for spent nuclear fuel with the NRC in 2008, and a licensing proceeding is ongoing before the NRC. 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 uses both on-site storage pools and dry storage casks to store spent nuclear fuel generated by St. Lucie Units Nos. 1 and 2, which should allow FPL to store all spent nuclear fuel at this facility through license expiration. FPL currently stores all spent nuclear fuel generated by Turkey Point Units Nos. 3 and 4 in on-site storage pools. These spent nuclear fuel storage pools do not have sufficient storage capacity for the life of the respective units. Beginning in 2011, FPL plans to begin using dry storage casks to store spent nuclear fuel generated by the Turkey Point facility, which should allow FPL to store all spent nuclear fuel at this facility through license expiration.

The NRC's regulations require FPL to submit a plan for decontamination and decommissioning five years before the projected end of plant operation. FPL's current plans, under the 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.

Solar Operations. In 2009, FPL placed into service its first utility-scale solar generating facility, a 25 mw photovoltaic (PV) facility in DeSoto County, Florida. FPL is currently constructing a 75 mw solar thermal facility in Martin County, Florida and a 10 mw solar PV facility in Brevard County, Florida, which are expected to be placed into service by the end of 2010. The construction costs of the Martin County and Brevard County solar generating facilities yet to be incurred as of December 31, 2009 are included in estimated planned capital expenditures set forth in Capital Expenditures below.

Energy Marketing and Trading. EMT 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 natural gas, oil and electricity. EMT also uses derivative instruments, such as swaps, options and forwards, to manage the commodity price risk inherent in the purchase and sale of fuel and electricity. Substantially all of the results of EMT's activities are passed through to customers in the fuel or capacity clauses. See Retail Ratemaking above, Management's Discussion - Results of Operations - FPL and Energy Marketing and Trading and Market Risk Sensitivity and Note 3.

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. Planned capital expenditures that are conditional on obtaining regulatory approvals are not included in the table below until such approvals are received.

FPL's actual capital expenditures for 2007 through 2009 and estimated planned capital expenditures for 2010 through 2014 as of December 31, 2009 were as follows:

	Actual			Planned [a]					
	2007	2008	2009	2010	2011	2012	2013	2014	Total
					(millions)				
Generation: [b]									
New [c] [d]	$ 396	$ 880	$ 1,203	$ 1,120	$ 985	$ 305	$ 5	$ -	$ 2,415
Existing	586	601	651	530	490	390	320	330	2,060
Transmission and distribution	875	737	600	440	460	480	480	480	2,340
Nuclear fuel	194	130	178	105	200	175	250	205	935
General and other	77	101	135	260	270	270	260	130	1,190
Total	$ 2,128	$ 2,449	$ 2,767	$ 2,455	$ 2,405	$ 1,620	$ 1,315	$ 1,145	$ 8,940

(a) Excludes capital expenditures of approximately $685 million in 2010, $1,310 million in 2011, $2,505 million in 2012, $2,605 million in 2013 and $1,805 million in 2014 for the following: (1) construction costs for the two additional nuclear units at FPL's Turkey Point site beyond what is required to receive an NRC license for each unit, (2) modernization of the Cape Canaveral and Riviera power plants and (3) other infrastructure projects. See Retail Ratemaking above.
(b) Includes AFUDC of approximately $36 million, $50 million, $74 million, $47 million, $27 million and $4 million in 2007 to 2012, respectively.
(c) Includes land, generating structures, transmission interconnection and integration and licensing.
(d) Includes pre-construction costs and carrying charges (equal to a pretax AFUDC rate) on construction costs recoverable through the capacity clause of approximately $50 million, $41 million, $147 million, $390 million and $37 million in 2008 to 2012, respectively.

These estimates are subject to continuing review and adjustment and actual capital expenditures may vary significantly from these estimates. See Management's Discussion - Liquidity and Capital Resources - Contractual Obligations and Estimated Planned Capital Expenditures and Note 14 - 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 and FPL facilities comply with these 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, 2009. Approximately 31% of the employees are represented by the International Brotherhood of Electrical Workers (IBEW) under a collective bargaining agreement with FPL that expires October 31, 2011.

NEXTERA ENERGY RESOURCES OPERATIONS

General. NextEra Energy Resources, a wholly-owned subsidiary of FPL Group Capital, was formed in 1998 to aggregate FPL Group's existing competitive energy businesses. It is a limited liability company organized under the laws of Delaware. Through its subsidiaries, NextEra Energy Resources currently owns, develops, constructs, manages and operates primarily domestic electric-generating facilities in wholesale energy markets. NextEra Energy Resources also provides full energy and capacity requirements services primarily to distribution utilities in certain markets and owns a retail electric provider based in Texas. NextEra Energy Resources also engages in power and gas marketing and trading activities.

At December 31, 2009, NextEra Energy Resources managed or participated in the management of approximately 97% of its projects, which represented approximately 99% of the net generating capacity in which NextEra Energy Resources has an ownership interest. NextEra Energy Resources had ownership interests in operating independent power projects with a net generating capability totaling 18,148 mw (see Item 2 - Generating Facilities). Generation capacity spans various regions and is produced using a variety of fuel sources, thereby reducing overall volatility related to varying market conditions and seasonality on a portfolio basis. At December 31, 2009, the percentage of capacity by geographic region was:

Geographic Region	Percentage of Generation Capacity
ERCOT	29%
Northeast	28%
Midwest	21%
West	15%
Other South	7%

At December 31, 2009, fuel sources for these projects were as follows:

Fuel Source	Percentage of Generation Capacity
Wind	41%
Natural Gas	37%
Nuclear	14%
Oil	5%
Hydro	2%
Solar and other	1%

NextEra Energy Resources' strategy is, among other things, to continue to maintain its leadership position in wind, accelerate growth in solar development, continue to expand its transmission capability, grow its supply-related and non-asset based businesses, and to develop its natural gas infrastructure business. NextEra Energy Resources' supply-related business includes full energy and capacity requirements services and retail operations, and the non-asset based business includes power and gas marketing and trading operations. NextEra Energy Resources seeks to expand its portfolio primarily through wind and solar development and acquisitions where economic prospects are attractive. In 2009, NextEra Energy Resources added approximately 1,170 mw of wind generation to its portfolio and expects to add approximately 1,000 mw of new wind generation in 2010 and 1,000 mw to 1,500 mw in each of 2011 and 2012. In addition to wind expansion, NextEra Energy Resources is considering several solar development opportunities in the U.S., as well as in Europe. The wind and solar expansions are subject to, among other things, continued public policy support, support for the construction and availability of sufficient transmission facilities and capacity, continued market demand, supply chain expansion and access to capital at reasonable cost and on reasonable terms. NextEra Energy Resources is evaluating additional natural gas infrastructure opportunities in the U.S. and will continue to explore additional projects as opportunities become available.

NextEra Energy Resources' actual capital expenditures and investments for 2007 through 2009 and estimated planned capital expenditures for 2010 through 2014 as of December 31, 2009 were as follows:

	Actual			Planned					
	2007	2008	2009	2010	2011	2012	2013	2014	Total
					(millions)				
Wind [a]	$ 1,795	$ 2,255	$ 2,625	$ 1,895	$ 15	$ 15	$ 10	$ 5	$ 1,940
Nuclear [b]	1,120	335	455	560	325	315	255	235	1,690
Natural gas	120	115	120	75	75	70	50	20	290
Solar	10	20	40	195	440	485	95	-	1,215
Other	30	80	110	65	60	45	45	50	265
Total	$ 3,075	$ 2,805	$ 3,350	$ 2,790	$ 915	$ 930	$ 455	$ 310	$ 5,400

(a) Includes capital expenditures for new wind projects that have been identified and related transmission. NextEra Energy Resources expects to add new wind generation of approximately 1,000 mw in 2010 and 1,000 mw to 1,500 mw in each of 2011 and 2012, subject to, among other things, continued public policy support, support for the construction and availability of sufficient transmission facilities and capacity, continued market demand, supply chain expansion and access to capital at reasonable cost and on reasonable terms. The cost of the planned wind additions for 2011 and 2012 is estimated to be approximately $2.2 billion to $3.3 billion in each year, which is not included in the table above.

(b) Includes nuclear fuel.

These estimates are subject to continuing review and adjustment and actual capital expenditures may vary significantly from these estimates. See Management's Discussion - Liquidity and Capital Resources - Contractual Obligations and Estimated Planned Capital Expenditures and Note 14 - Commitments.

Portfolio by Category. NextEra Energy Resources' generating assets are categorized as follows:

Wind Assets - At December 31, 2009, NextEra Energy Resources had ownership interests in wind plants with a combined capacity of approximately 7,544 mw (net ownership), of which approximately 75% have long-term contracts with utilities and power marketers, predominantly under fixed-price agreements with expiration dates ranging from 2011 to 2034. The expected output of the remaining 25% is substantially hedged through 2011 and partially hedged through 2016 against changes in commodity prices. NextEra Energy Resources operates substantially all of these wind facilities. Approximately 92% of NextEra Energy Resources' net ownership in wind facilities has received exempt wholesale generator status as defined under the Holding Company Act. Essentially all of the remaining facilities have qualifying facility status under PURPA. NextEra Energy Resources' wind facilities are located in 17 states and Canada. NextEra Energy Resources expects to add approximately 1,000 mw of new wind generation in 2010.

Contracted Assets - At December 31, 2009, NextEra Energy Resources had 3,533 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 2011 to 2033 and have firm fuel and transportation agreements with expiration dates ranging from December 2010 to 2022. See Note 14 - Contracts. Approximately 1,825 mw of this capacity is natural gas-fired generation. The remaining 1,708 mw uses a variety of fuels and technologies such as nuclear, oil, solar, coal and petroleum coke. As of December 31, 2009, approximately 93% of NextEra Energy Resources' contracted generating capacity is from power plants that have received exempt wholesale generator status under the Holding Company Act, while the remaining 7% has qualifying facility status under PURPA.

Merchant Assets - At December 31, 2009, NextEra Energy Resources' portfolio of merchant assets includes 7,071 mw of owned nuclear, natural gas, oil and hydro generation, of which 3,772 mw is located in the Northeast region, 2,792 mw in the ERCOT region and 507 mw in the West region. The merchant assets include 1,017 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 75% (based on net mw capability) of the natural gas fueled merchant assets have natural gas supply agreements or a combination of natural gas supply and transportation agreements to provide for on-peak natural gas requirements. In mid-2010, two natural gas fired plants, located in California and Pennsylvania, with a combined net generating capacity of approximately 1,250 mw, will move to the contracted assets category when their respective long-term power sales agreements become effective. See Note 14 - Contracts. Derivative instruments (primarily swaps, options, futures 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. NextEra Energy Resources wholly owns, or has undivided interests in, three nuclear power plants with a total net generating capability of 2,552 mw. NextEra Energy Resources 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 for the jointly owned plants. See estimated decommissioning cost data in Note 1 - Decommissioning of Nuclear Plants, Dismantlement of Plants and Other Accrued Asset Removal Costs - NextEra Energy Resources. The nuclear units are periodically removed from service to accommodate normal refueling and maintenance outages, repairs and certain other modifications. The following table summarizes certain information related to NextEra Energy Resources' nuclear units:

Facility	Location	Net Capability (mw)	Portfolio Category	Operating License Expiration Dates	Next Scheduled Refueling Outage
Seabrook	New Hampshire	1,098	Merchant	2030[a]	April 2011
Duane Arnold	Iowa	431	Contracted[b]	2014[c]	October 2010
Point Beach Unit No. 1	Wisconsin	509	Contracted[d]	2030	March 2010
Point Beach Unit No. 2	Wisconsin	514	Contracted[d]	2033	March 2011

(a) NextEra Energy Resources intends to seek approval from the NRC to renew Seabrook's operating license for an additional 20 years.
(b) NextEra Energy Resources sells substantially all of its share of the output of Duane Arnold under a long-term contract expiring in 2014.
(c) In 2008, NextEra Energy Resources filed an application with the NRC to renew Duane Arnold's operating license for an additional 20 years.
(d) NextEra Energy Resources sells 100% of the output of Point Beach Units Nos. 1 and 2 under a long-term contract through the current license terms.

NextEra Energy Resources is in the process of adding approximately 80 mw of capacity at each of its existing nuclear units at Point Beach during the scheduled refueling outages in the fall of 2011 for Unit No. 1 and the spring of 2011 for Unit No. 2. The construction costs relating to the capacity additions yet to be incurred as of December 31, 2009 are included in estimated planned capital expenditures set forth in Capital Expenditures above. See Note 14 - Commitments.

NextEra Energy Resources' nuclear facilities have several contracts for the supply, conversion, enrichment and fabrication of nuclear fuel with expiration dates ranging from March 2010 to 2022. See Note 14 - Contracts. Under the Nuclear Waste Policy Act, 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 Nuclear Waste Policy Act, subsidiaries of NextEra Energy Resources 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 U.S. Government'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 31, 2009, is approximately $514 million, of which NextEra Energy Resources has paid approximately $83 million since the date of the plants' acquisition. The DOE did not meet its statutory obligation for disposal of spent nuclear fuel under the Nuclear Waste Policy Act. In 2009, certain subsidiaries of NextEra Energy Resources and certain nuclear plant joint owners signed the spent fuel settlement agreement with the U.S. Government agreeing to dismiss with prejudice lawsuits filed against the U.S. Government seeking damages caused by the DOE's failure to dispose of spent nuclear fuel from the Seabrook, Duane Arnold and Point Beach nuclear plants. The spent fuel settlement agreement permits NextEra Energy Resources to make annual filings to recover certain spent fuel storage costs incurred by NextEra Energy Resources which will be payable by the U.S. Government on an annual basis. Through December 31, 2009, NextEra Energy Resources has collected approximately $42 million of the amount due from the U.S. Government pursuant to the spent fuel settlement agreement and has paid approximately $18 million to the joint owners of Duane Arnold and Seabrook. An additional payment from the U.S. Government of approximately $12 million relating to costs incurred in 2008 is pending. NextEra Energy Resources plans to file a claim for spent fuel storage costs incurred during 2009 by April 2010. NextEra Energy Resources will continue to pay fees to the U.S. Government's nuclear waste fund. The DOE filed a license application for a permanent disposal facility for spent nuclear fuel with the NRC in 2008, and a licensing proceeding is ongoing before the NRC. 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. All of NextEra Energy Resources' nuclear facilities use both on-site storage pools and dry storage casks to store spent nuclear fuel generated by these facilities, which should allow NextEra Energy Resources to store spent nuclear fuel at these facilities through license expiration.

Energy Marketing and Trading. PMI, a subsidiary of NextEra Energy Resources, buys and sells wholesale energy commodities, such as natural gas, oil and electricity. Its primary role is to manage the commodity risk of NextEra Energy Resources' portfolio. PMI sells the output from NextEra Energy Resources' plants that has not been sold under long-term contracts. PMI procures natural gas and oil for NextEra Energy Resources' use in power generation, as well as substantially all of the electricity needs for NextEra Energy Resources' retail operations conducted primarily in Texas, which at December 31, 2009 served approximately 1,010 mw of peak load to approximately 148,000 customers. PMI uses derivative instruments such as swaps, options, futures and forwards to manage the risk associated with fluctuating commodity prices and to optimize the value of NextEra Energy Resources' power generation assets. PMI also provides full energy and capacity requirements services primarily to distribution utilities in certain markets and engages in power and gas marketing and 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, 2009, PMI provided full energy and capacity requirements services totaling approximately 5,000 mw of peak load in the NEPOOL, PJM, ERCOT and MISO markets. The results of PMI's activities are included in NextEra Energy Resources' operating results. See Management's Discussion - Energy Marketing and Trading and Market Risk Sensitivity, Note 1 - Energy Trading and Note 3.

Regulation. At December 31, 2009, NextEra Energy Resources 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 95% of NextEra Energy Resources' 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. NextEra Energy Resources' exempt wholesale generators produce electricity from wind, hydropower, fossil fuels and nuclear facilities. Essentially all of the remaining 5% of NextEra Energy Resources' net generating capacity has qualifying facility status under PURPA. NextEra Energy Resources' qualifying facilities generate electricity from wind, solar, fossil fuels or waste coal. 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/or 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 NextEra Energy Resources operates is subject to regulation and specific rules. NextEra Energy Resources continues to evaluate regional market redesigns of existing operating rules for the integration of renewable energy resources and for the purchase and sale of energy commodities. ERCOT is scheduled to implement a locational marginal price (LMP) market design (a market-pricing approach used to manage the efficient use of the transmission system when congestion occurs on the electricity grid) in late 2010. The final ERCOT market design has not yet been determined, therefore, NextEra Energy Resources is currently unable to determine the effects, if any, on its business resulting from implementation of the final market design. In the second quarter of 2009, California implemented a LMP market design, which did not have a material effect on NextEra Energy Resources' business. Additionally, certain NextEra Energy Resources facilities are subject to the NERC's mandatory reliability standards, and its nuclear facilities are subject to the jurisdiction of the NRC.

Competition. Competitive wholesale markets in the United States continue to evolve and vary among and within geographic regions. 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 regulated utilities and new sources of generation, effective risk management, demand growth, environmental requirements and exposure to legal and regulatory changes.

Expanded competition in a frequently changing regulatory environment presents both opportunities and risks for NextEra Energy Resources. 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. NextEra Energy Resources 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.

Environmental. NextEra Energy Resources is subject to environmental laws and regulations and is affected by some of the emerging issues included in the Environmental Matters section.

During 2009, NextEra Energy Resources spent approximately $4 million on capital additions to comply with existing environmental laws and regulations. NextEra Energy Resources' capital expenditures to comply with existing environmental laws and regulations are estimated to be $14 million for 2010 through 2012, including approximately $6 million in 2010, and are included in estimated planned capital expenditures set forth in General above.

Employees. NextEra Energy Resources and its subsidiaries had approximately 4,570 employees at December 31, 2009. Subsidiaries of NextEra Energy Resources have collective bargaining agreements with various unions which are summarized in the table below.

Union	Location	Contract Expiration Date	% of NextEra Energy Resources Employees Covered
IBEW	Wisconsin	August 2010 - August 2012 [(a)]	10%
Utility Workers Union of America	New Hampshire	December 2013	5
IBEW	Iowa	May 2012	4
IBEW	Maine	February 2013	2
Security Police and Fire Professionals of America	Iowa	July 2012	2
IBEW	California	March 2012	-[(b)]
Total			23%

(a) Various employees at Point Beach are represented by the IBEW under four separate contracts with different expiration dates.
(b) Employees constitute less than 1% of NextEra Energy Resources' employees.

OTHER FPL GROUP OPERATIONS

FPL Group's Corporate and Other segment represents other business activities, primarily FPL FiberNet and Lone Star Transmission, that are not separately reportable. See Note 15.

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, wireless carriers, 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, 2009, FPL FiberNet's network consisted of approximately 2,950 route miles, which interconnect major cities throughout Florida.

At December 31, 2009, FPL Group's investment in FPL FiberNet totaled approximately $164 million. FPL FiberNet invested approximately $54 million during 2009 and plans to invest a total of approximately $110 million over the next five years primarily to meet customers' specific requirements under contract.

Lone Star Transmission. In 2008, the Public Utility Commission of Texas (PUCT) approved a $4.9 billion transmission grid improvement program that would add approximately 2,300 miles of 345 kv lines to deliver wind power from the Competitive Renewable Energy Zones (CREZ) in west Texas and the Texas panhandle to the Dallas/Fort Worth area and other population centers in Texas. In May 2009, Lone Star Transmission, LLC (Lone Star), an indirect wholly-owned subsidiary of FPL Group Capital, was, under the PUCT's Transmission Service Provider (TSP) Order, allocated $565 million in transmission projects by the PUCT under the CREZ program. Lone Star's CREZ project would include constructing and operating 250 miles of 345 kv transmission lines in Texas. Lone Star intends to file a certificate of convenience and need (CCN) with the PUCT by mid-2010, which will begin the process of both establishing Lone Star as a regulated transmission provider in Texas and obtaining approval to begin construction of Lone Star's CREZ project. An order from the PUCT regarding Lone Star's CCN application is expected later in 2010. In January 2010, the TSP order was reversed and remanded back to the PUCT to consider certain issues raised in an appeal of the TSP order. The Lone Star CREZ transmission project is subject to, among other things, issuance of the revised TSP order, receipt, and possible petition for reconsideration and appeal, of all applicable ERCOT and PUCT approvals. Once all required approvals are obtained, Lone Star expects to commence construction on its CREZ transmission project. Due to the contingencies discussed above, the estimated costs associated with this project are not included in the capital expenditures table in Note 14 - Commitments.

ENVIRONMENTAL MATTERS

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 and its subsidiaries, including FPL and NextEra Energy Resources.

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 GHG emissions. In June 2009, the U.S. House of Representatives passed the American Clean Energy and Security Act of 2009 (ACESA) to encourage the development of clean energy sources and reduce GHG emissions. ACESA would establish, among other things, provisions for federal renewable energy standards for electric suppliers and a national cap and trade program to reduce GHG emissions. The U.S. Senate is considering similar proposals. It is not clear whether and when this or similar legislation may be enacted. The economic and operational impact of this or any similar legislation on FPL Group and FPL depends on a variety of factors, including, but not limited to, the allowed emissions, whether the permitted emissions will be allocated or auctioned, the cost to reduce emissions or buy allowances in the marketplace, and the availability of offsets and mitigating factors to moderate the costs of compliance. If and until legislation is enacted and implementing regulations are adopted, the economic and operational impact (either positive or negative) on FPL Group and FPL cannot be determined but could be material.

Meanwhile, the EPA is implementing regulatory action under the Clean Air Act to address climate change. In April 2009, the EPA released a proposed endangerment finding under Section 202(a) of the Clean Air Act that the current and projected concentrations of GHG in the atmosphere threaten the public health and welfare of current and future generations, and issued a final finding in December 2009. The final finding noted that, among other things, climate change is expected to result in an increase in electricity production, especially supply for peak demand, a potentially adverse impact on hydropower resources as well as the potential risk of serious adverse effects on energy infrastructure from extreme weather events. In September 2009, the EPA and the U.S. Department of Transportation issued a proposed rule under the Clean Air Act to regulate GHG emissions from light duty vehicles. The EPA's proposed rule is expected to be finalized in March 2010, which will then trigger certain permitting requirements under the Clean Air Act for any new or modified stationary sources of GHG, including power plants, that exceed certain GHG emissions levels. Also, in September 2009, the EPA released a proposed rule under the Clean Air Act to tailor requirements for GHG emissions which would increase applicability thresholds for major sources from 100 or 250 tons per year (tpy) to 25,000 tpy. New facilities emitting 25,000 tpy or more of GHG and modifications to existing facilities resulting in an increase of GHG emissions in the range of 10,000 - 25,000 tpy or more will have to meet additional requirements. In September 2009, the EPA issued a final rule for mandatory reporting of GHG emissions from facilities with emissions of 25,000 tpy or more, which includes all of FPL's and NextEra Energy Resources' fossil plants. Affected facilities must begin collecting data in January 2010 and the first emissions report is due on March 31, 2011 for the 2010 period.

Based on current reference data available from government sources, FPL Group is among the lowest emitters, among electric generators, of GHG in the United States measured by its rate of emissions expressed as pounds of CO_2 per megawatt-hour (mwh) of generation. However, the legislative and regulatory proposals have differing methods of implementation and the impact on FPL's and NextEra Energy Resources' 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 for further imposition of GHG emission limits on the electric industry in the future, FPL Group has taken a leadership role in the debate of climate change regulation and is involved in several climate change initiatives, including, but not limited to, the following:

- voluntary reporting of its GHG 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 January 2009 issued the Blueprint for Legislative Action, a set of legislative principles and recommendations to address global climate change and the reduction of GHG 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);

- participated in the EPA's Climate Leaders Program to reduce GHG intensity in the United States 18% by 2012, including reporting of emissions data annually. During 2008, FPL Group met its commitment to achieve a 2008 target emissions rate reduction of 18% below a 2001 baseline emission rate measured in pounds per mwh;

- supporting Edison Electric Institute's climate change framework, which supports the concept of mandatory legislation capping carbon emissions economy wide and recommends, among other things, an 80% reduction of carbon emissions from current levels by 2050;

- participation in various groups, including working with the Governor of Florida on the Governor's Action Team on Energy and Climate Change, the FDEP, the Florida Energy and Climate Commission and the FPSC in addressing executive orders issued in 2007 by the Governor of Florida (see below for additional information); and

- focusing on customer energy efficiency and conservation through programs such as Energy Smart Florida and EarthEra Renewable Energy Trust.

In 2007, the Governor of Florida issued three executive orders aimed at reducing Florida GHG 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% 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% of their energy from renewable sources, with an emphasis on wind and solar energy. The FPSC submitted a draft rule in January 2009 which was not adopted by the legislature. The FDEP is currently evaluating various options regarding GHG emissions reductions. Any rule issued by FDEP or FPSC would require approval by the legislature. The impact of any future legislation on FPL and FPL Group cannot be determined at this time.

NextEra Energy Resources' plants operate in many states and regions that have developed or are in the process of developing legislation to reduce GHG emissions, including, but not limited to, the following:

- Renewable portfolio standards (RPS), currently in place in 31 states, require electricity providers in the state to meet a certain percentage of their retail sales with energy from renewable sources. These standards vary by state, but the majority include requirements to meet 10% to 25% of the electricity providers' retail sales with energy from renewable sources by 2025.

- The Regional Greenhouse Gas Initiative (RGGI) is a GHG reduction initiative whereby ten Northeast and Mid-Atlantic member states have established a cap and trade program 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 2009 levels through the end of 2014 and to further reduce the sector's emissions another 10% by the end of 2018. The RGGI GHG reduction requirements will affect 12 NextEra Energy Resources' 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. All RGGI states have enacted legislation and regulations. Based on NextEra Energy Resources' clean generating portfolio in the RGGI marketplace, NextEra Energy Resources experienced a positive impact on earnings in 2009 and expects that the requirements will have a positive overall impact on NextEra Energy Resources' earnings in 2010.

- The Western Climate Initiative is a GHG reduction initiative with a goal of reducing CO_2 emissions by 15% below 2005 levels by 2020 for participants (Arizona, California, Oregon, Montana, New Mexico, Washington and Utah, as well as British Columbia, Manitoba, Ontario and Quebec, Canada).

- California Greenhouse Gas Regulation - California has enacted legislation to reduce GHG emissions in the state to 1990 emissions levels by 2020. Pursuant to the legislation, the California Air Resources Board (CARB) must implement multi-sector GHG reduction measures by January 1, 2012. The CARB has released a proposed GHG program which includes a cap and trade program and administrative fee on GHG emissions sources but excludes certain details. The CARB anticipates supplementing its proposal in the spring of 2010 and finalizing it in November 2010.

- The Midwestern Greenhouse Gas Reduction Accord (MGGRA) is an initiative to reduce GHG emissions through the establishment of targets for GHG reductions and the development of a cap and trade program. Participants in MGGRA are Illinois, Iowa, Kansas, Michigan, Minnesota, Wisconsin and Manitoba, Canada. MGGRA has proposed a multi-sector program that, if implemented, will initially be focused on the electricity generation and imports, industrial combustion and industrial processes sectors. Currently, NextEra Energy Resources does not have any fossil-fired generation in the MGGRA region.

Except as discussed above regarding RPS and the RGGI, the final requirements to be enacted in connection with these initiatives are uncertain and the financial and operational impacts on FPL Group cannot be determined at this time. However, NextEra Energy Resources' 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).

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 sets 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 2008, the U.S. Court of Appeals for the District of Columbia (DC Circuit) vacated both the EPA's mercury and nickel delisting rule and the Clean Air Mercury Rule, requiring the EPA to proceed with rulemaking under Section 112. In November 2009, the EPA issued a final information collection request (ICR) for hazardous air pollutants for coal and oil-fired electric generating units which requires extensive fuel and emissions stack testing from oil and gas facilities throughout the U.S. which must be completed by August 2010. The ICR lists certain FPL oil-fired units, Scherer Unit No. 4, SJRPP Units Nos. 1 and 2, certain coal-fired units from which FPL purchases power and three of NextEra Energy Resources' oil-fired units in Maine for stack testing. Depending upon the final outcome of the EPA's rulemaking, it is possible that these units may be required to add additional pollution control equipment.

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 areas. In July 2008, the DC Circuit issued an opinion vacating the CAIR and remanded the rule to the EPA for further rulemaking. In September 2008, the EPA and three other parties petitioned for rehearing of that order. In December 2008, the DC Circuit remanded the CAIR back to the EPA for further rulemaking without vacating the rule. Because the DC Circuit chose not to vacate the rule, FPL Group and FPL were required to begin complying with the current version of the CAIR on January 1, 2009 and must continue to comply until the EPA rewrites the rule; a proposed rule is expected to be published in mid-2010. The impact of complying with the current version of the CAIR has not had, and is not expected to have, a material effect on the financial statements of FPL Group and FPL.

FPL Group and others have urged the EPA to move forward with separate rulemaking that removes the NOx fuel adjustment factors deemed unlawful by the court. FPL Group contends that the NOx fuel adjustment factors are used to unfairly skew the allocation of emission allowances to states with relatively higher emissions.

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 and allows for a five-year period to implement pollution controls. The impact of the final BART requirements of the Clean Air Visibility Rule on FPL's Turkey Point Fossil Units Nos. 1 and 2 and on one of NextEra Energy Resources' units located in Maine are not expected to be material to the financial statements of FPL Group or FPL.

In 2007, the FDEP began the process to expand the number of units covered under the "Reasonable Further Progress" provision of the Clean 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. Eight 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, Turkey Point Fossil Units Nos. 1 and 2 and SJRPP 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 switch fuels, install additional emission controls or make adjustments to existing controls to meet the provision's emissions requirements.

Clean Water Act Section 316(b) - In 2004, the EPA issued a rule under Section 316(b) of the Clean Water Act to address the 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. 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 a "cost-benefit test" and 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 and directed its jurisdictions to address Section 316(b) compliance based on best professional judgment when issuing and renewing permits. In April 2009, the U.S. Supreme Court ruled that the use of a cost-benefit test is an acceptable alternative under Section 316(b) of the Clean Water Act for determining the best technology available for minimizing adverse environmental impacts from the use of large cooling water intake systems. The EPA is working on new rulemaking which is expected to be published in the second quarter of 2010. Depending upon the final outcome of the litigation, 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) and three NextEra Energy Resources plants (Seabrook, Point Beach and an oil-fired plant in Maine).

Revisions to the National Ambient Air Quality Standards for Ozone - In 2008, the EPA issued a final rule establishing a new standard for ground-level ozone at 75 parts per billion (ppb). After reconsideration, in January 2010, the EPA issued a proposed revision to the national ambient air quality standards for ground-level ozone by revising the 2008 primary standard to a more restrictive primary standard of between 60 ppb and 70 ppb. It is anticipated that the EPA will issue a final rule by August 2010 which will require states to (i) identify areas which will be designated as non-attainment for ground-level ozone within 120 days of the final rule, (ii) develop plans to meet the attainment standard by 2013 and (iii) begin meeting the attainment standard between 2014 and 2031 based on non-attainment severity. Generating facilities located in areas designated as non-attainment may be required to add additional pollution control equipment. A review of recent ozone monitoring data indicates that some or all of FPL's generating facilities may be located in or affected by non-attainment areas, or areas projected to be in non-attainment depending on the primary standard adopted.

EXECUTIVE OFFICERS OF FPL GROUP [a]

Name	Age	Position	Effective Date
Christopher A. Bennett	51	Executive Vice President & Chief Strategy, Policy & Business Process Improvement Officer of FPL Group	February 15, 2008 [b]
Paul I. Cutler	50	Treasurer of FPL Group	February 19, 2003
		Treasurer of FPL	February 18, 2003
		Assistant Secretary of FPL Group and FPL	December 10, 1997
F. Mitchell Davidson	47	Chief Executive Officer of NextEra Energy Resources	July 29, 2008
		President of NextEra Energy Resources	December 15, 2006
K. Michael Davis	63	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	54	Vice Chairman and Chief of Staff of FPL Group	August 17, 2009
Chris N. Froggatt	52	Vice President of FPL Group	October 19, 2009
Lewis Hay, III	54	Chief Executive Officer of FPL Group	June 11, 2001
		Chairman of FPL Group and FPL	January 1, 2002
Joseph T. Kelliher	49	Executive Vice President, Federal Regulatory Affairs of FPL Group	May 18, 2009
Robert L. McGrath	56	Executive Vice President, Engineering, Construction & Corporate Services of FPL Group and FPL	February 21, 2005 [b]
Manoochehr K. Nazar	55	Executive Vice President, Nuclear Division and Chief Nuclear Officer of FPL Group	January 1, 2010
		Executive Vice President, Nuclear Division and Chief Nuclear Officer of FPL	January 15, 2010
Armando J. Olivera	60	Chief Executive Officer of FPL	July 17, 2008
		President of FPL	June 24, 2003
Armando Pimentel, Jr.	47	Chief Financial Officer of FPL Group and FPL	May 3, 2008
		Executive Vice President, Finance of FPL Group and FPL	February 15, 2008 [b]
James W. Poppell, Sr.	59	Executive Vice President, Human Resources of FPL Group and FPL	December 12, 2008
		Assistant Secretary of FPL Group and FPL	January 28, 2005
James L. Robo	47	President and Chief Operating Officer of FPL Group	December 15, 2006
Antonio Rodriguez	67	Executive Vice President, Power Generation Division of FPL Group	January 1, 2007 [b]
		Executive Vice President, Power Generation Division of FPL	July 1, 1999 [b]
Charles E. Sieving	37	Executive Vice President and General Counsel of FPL Group	December 1, 2008
		Executive Vice President and General Counsel of FPL	January 1, 2009

(a) Information is as of February 25, 2010. 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 NextEra Energy Resources from March 2005 to December 2006. Prior to that, he was vice president of business management of NextEra Energy Resources. Mr. Davis was also controller of FPL from July 1991 to September 2007. Mr. Dewhurst was vice president, finance and chief financial officer of FPL Group and senior vice president, finance and chief financial officer of FPL from July 2001 to May 2008. Mr. Froggatt was the vice president and treasurer of Pinnacle West Capital Corporation, a public utility holding company, and its major subsidiary, Arizona Public Service Company (APS), a regulated utility, from December 2008 to October 2009. Prior to that, he was vice president, controller and chief accounting officer of APS. Mr. Hay was also chief executive officer of FPL from January 2002 to July 2008. Mr. Hay was president of FPL Group from June 2001 to December 2006. Mr. Kelliher was chairman of the FERC from July 2005 to January 2009. Prior to that, he was a commissioner at the FERC. Mr. Nazar was the chief nuclear officer of FPL Group from January 2009 to December 2009. He was senior vice president and chief nuclear officer of FPL from November 2007 to January 2009. Prior to that, Mr. Nazar was senior vice president & chief nuclear officer of American Electric Power Company, Inc., a public utility holding company. Mr. Pimentel was a partner of Deloitte & Touche LLP, an independent registered public accounting firm, from June 1998 to February 2008. Mr. Poppell was vice president, human resources of FPL from November 2006 to December 2008. He was director, employee relations of FPL from January 2005 to November 2006. Mr. Robo was president of NextEra Energy Resources 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. Sieving was executive vice president, general counsel and secretary of PAETEC Holding Corp., a communications services and solutions provider, from February 2007 to November 2008 and was primarily responsible for all legal and regulatory matters. Prior to that, Mr. Sieving was a partner in the corporate, securities and finance practice group of Hogan & Hartson LLP, an international law firm, with which he had been associated since October 1998.

(b) FPL Group title changed from vice president to executive vice president effective May 23, 2008. Where applicable, FPL title changed from senior vice president to executive vice president effective July 17, 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. 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, with respect to, among other things, allowed rates of return, industry and rate structure, operation of nuclear power facilities, construction and operation of generation facilities, construction and operation of transmission and distribution facilities, acquisition, disposal, depreciation and amortization of assets and facilities, recovery of fuel, purchased power and environmental costs, decommissioning costs, ROE and equity ratio limits, transmission reliability and present or prospective wholesale and retail competition. This substantial and complex framework exposes FPL Group and FPL to increased compliance costs and potentially significant monetary penalties for non-compliance. 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 also 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 that relate to, or in the future may relate to, for example, air quality, water quality, climate change, GHG emissions, CO_2 emissions, radioactive emissions, waste management, marine and wildlife mortality, natural resources, health, safety and renewable portfolio standards 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. Violations of certain of these statutes, rules and regulations could expose FPL Group and FPL to third-party disputes and potentially significant monetary penalties for non-compliance.

- FPL Group and FPL operate in a changing market environment influenced by various legislative and regulatory initiatives regarding regulation, deregulation or restructuring of the energy industry, including, for example, deregulation or restructuring of the production and sale of electricity, as well as increased focus on renewable and clean energy sources and reduction of CO_2 emissions and other GHG emissions. FPL Group and its subsidiaries will need to adapt to these changes and may face increasing costs and competitive pressure in doing so.

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

The operation and maintenance of power generation, transmission and distribution 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 power generation, transmission and distribution facilities involve many risks, including, for example, start up risks, breakdown or failure of equipment, transmission and distribution lines or pipelines and the availability of replacement equipment, the inability to properly manage or mitigate known equipment defects throughout FPL Group's and FPL's generation fleets and transmission and distribution systems, use of new or unproven technology, the dependence on a specific fuel source, failures in the supply or transportation of fuel, the impact of unusual or adverse weather conditions (including natural disasters such as hurricanes, floods and droughts), and performance below expected or contracted levels of output or efficiency. This could result in lost revenues and/or increased expenses, including, for example, lost revenues due to prolonged outages and increased expenses due to monetary penalties or fines, replacement equipment costs or an obligation to purchase or generate replacement power 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. Breakdown or failure of an operating facility of NextEra Energy Resources may, for example, prevent the facility from performing under applicable power sales agreements which, in certain situations, could result in termination of the agreement or subject NextEra Energy Resources to incurring a liability for liquidated damages.

The operation and maintenance of nuclear facilities involves inherent risks, including environmental, health, regulatory, terrorism and financial risks, that could result in fines or the closure of nuclear units owned by FPL or NextEra Energy Resources, and which may present potential exposures in excess of insurance coverage.

- FPL and NextEra Energy Resources own, or hold undivided interests in, nuclear generation facilities in four states. These nuclear facilities are subject to environmental, health and financial risks such as on-site storage of spent nuclear fuel, the ability to dispose of spent nuclear fuel, the ability to maintain adequate reserves for decommissioning, potential liabilities arising out of the operation of these facilities, and the threat of a possible terrorist attack. Although FPL and NextEra Energy Resources maintain decommissioning funds and external insurance coverage to minimize the financial exposure to these risks, it is possible that the cost of decommissioning the facilities could exceed the amount available in the decommissioning funds, and that liability and property damages could exceed the amount of insurance coverage.

- The NRC has broad authority to impose licensing and safety-related requirements for the construction and operation and maintenance of nuclear generation facilities. In the event of non-compliance, the NRC has the authority to impose fines or shut down a unit, or both, depending upon its assessment of the severity of the situation, until compliance is achieved. NRC orders or new regulations related to increased security measures and any future safety requirements promulgated by the NRC could require FPL and NextEra Energy Resources to incur substantial operating and capital expenditures at their nuclear plants. In addition, if a serious nuclear incident were to occur at an FPL or NextEra Energy Resources plant, it could result in substantial costs. A major incident at a nuclear facility anywhere in the world could cause the NRC to limit or prohibit the operation or licensing of any domestic nuclear unit.

- In addition, potential terrorist threats and increased public scrutiny of utilities could result in increased nuclear licensing or compliance costs which are difficult or impossible to predict.

The construction of, and capital improvements to, power generation and transmission facilities involve substantial risks. Should construction or capital improvement efforts be unsuccessful or delayed, the results of operations and financial condition of FPL Group and FPL could be adversely affected.

- The ability of FPL Group and FPL to complete construction of, and capital improvement projects for, their power generation and transmission facilities on schedule and within budget are contingent upon many variables that could delay completion, increase costs or otherwise adversely affect operational and financial results, including, for example, limitations related to transmission interconnection issues, escalating costs for materials and labor and environmental compliance, delays with respect to permits and other approvals, and disputes involving third parties, and are subject to substantial risks. Should any such efforts be unsuccessful or delayed, FPL Group and FPL could be subject to additional costs, termination payments under committed contracts, loss of tax credits 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 or the payment of margin cash collateral that could adversely impact the results of operations or cash flows of FPL Group and FPL.

- FPL Group and FPL use derivative instruments, such as swaps, options, futures and forwards, some of which are traded in the over-the-counter markets or on exchanges, to manage their commodity and financial market risks, and for FPL Group to engage in trading and marketing 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 or make payments under these derivative instruments and could suffer a reduction in operating cash flows as a result of the requirement to post margin cash collateral. 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 prudence challenges and, if found imprudent, cost recovery could be disallowed by the FPSC.

- FPL Group provides full energy and capacity requirement services, which include load-following services and various ancillary services, primarily to distribution utilities to satisfy all or a portion of such utilities' power supply obligations to their customers. The supply costs for these transactions may be affected by a number of factors, including by events that may occur after FPL Group has committed to supply power, such as weather conditions, fluctuating prices for energy and ancillary services, and the ability of the distribution utilities' customers to elect to receive service from competing suppliers. If the supply costs are not favorable, FPL Group's operating costs could increase and result in the possibility of reduced earnings or incurring losses.

- FPL Group and FPL have hedging procedures and associated risk management tools that may not work as planned. Risk management tools and metrics such as daily value at risk, earnings at risk, stop loss limits and liquidity guidelines are based on historical price movements. If price movements significantly or persistently deviate from historical behavior, the risk management tools may not protect against significant losses. As a result of these and other factors, FPL Group and FPL cannot predict with precision the impact that risk management decisions may have on financial results.

FPL Group's competitive energy business is subject to risks, many of which are beyond the control of FPL Group, including, but not limited to, the efficient development and operation of generating assets, the successful and timely completion of project restructuring activities, the price and supply of fuel and equipment, transmission constraints, competition from other generators, including those using new sources of generation, excess generation capacity and demand for power, that may reduce revenues, increase costs or otherwise adversely impact the results of operations and financial condition of FPL Group.

- There are various risks associated with FPL Group's competitive energy business. In addition to risks discussed elsewhere, risk factors specifically affecting NextEra Energy Resources' success in competitive wholesale markets include, for example, 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) and equipment, transmission constraints, the ability to utilize PTCs or qualify for convertible ITCs, competition from other and new sources of generation, excess generation capacity and shifting demand for power. There can be significant volatility in market prices for fuel, electricity and renewable and other energy commodities, and there are other financial, counterparty and market risks that are beyond the control of NextEra Energy Resources. NextEra Energy Resources' 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. A portion of NextEra Energy Resources' 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 increase the volatility of FPL Group's financial results. In addition, NextEra Energy Resources' business depends upon power transmission and natural gas transportation facilities owned and operated by others; if transmission or transportation is disrupted or capacity is inadequate or unavailable, NextEra Energy Resources' ability to sell and deliver its wholesale power or natural gas 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. 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.

FPL Group and FPL participate in markets that are often subject to uncertain economic conditions, which makes it difficult to estimate growth, future income and expenditures.

- FPL Group and FPL participate in markets that are susceptible to uncertain economic conditions, which complicate estimates of revenue growth. Because components of budgeting and forecasting are dependent upon estimates of revenue growth in the markets FPL Group and FPL serve, the uncertainty makes estimates of future income and expenditures more difficult. As a result, FPL Group and FPL may make significant investments and expenditures but never realize the anticipated benefits, which could adversely affect results of operations. The future direction of the overall economy also may have a significant effect on the overall performance and financial condition of FPL Group and FPL.

Changes in the number of customer accounts and customer usage in FPL's service area affect FPL Group's and FPL's results of operations.

- FPL Group's and FPL's results of operations are affected by the change in the number of customer accounts in FPL's service area and customer usage. Changes in the number of customer accounts can be affected by growth or decline in population. Changes in the number of customer accounts and customer usage can be affected by economic factors in Florida and elsewhere, including, for example, job and income growth or decline, housing starts and new home prices. Changes in the number of customer accounts and customer usage directly influence the demand for electricity and the need, or lack of need, for additional power generation and power delivery facilities at FPL.

Weather affects FPL Group's and FPL's results of operations, as can the impact of severe 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.

- 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 rely on access to capital and credit markets as significant sources of liquidity for capital requirements not satisfied by operating cash flows. Adverse capital and credit market conditions may adversely affect FPL Group's and FPL's ability to meet liquidity needs, access capital and operate and grow their businesses, and increase the cost of capital. Disruptions, uncertainty or volatility in the financial markets can also adversely impact the results of operations and financial condition of FPL Group and FPL, as well as exert downward pressure on the market price of FPL Group's common stock.

- Having access to the credit and capital markets, at a reasonable cost, is necessary for FPL Group and FPL to fund their operations, including their capital requirements. Those markets have provided FPL Group and FPL with the liquidity to operate and grow their businesses that is not otherwise provided from operating cash flows. Disruptions, uncertainty or volatility in those markets can increase FPL Group's and FPL's cost of capital. If FPL Group and FPL are unable to access the credit and capital markets on terms that are reasonable, they may have to delay raising capital, issue shorter-term securities and/or bear an unfavorable cost of capital, which, in turn, could adversely impact their ability to grow their businesses, decrease earnings, significantly reduce financial flexibility and/or limit FPL Group's ability to sustain its current common stock dividend level.

- The market price and trading volume of FPL Group's common stock could be subject to significant fluctuations due to, among other things, general stock market conditions and changes in market sentiment regarding FPL Group and its subsidiaries' operations, business, growth prospects and financing strategies.

FPL Group's, FPL Group Capital's and FPL's inability to maintain their current credit ratings may adversely affect FPL Group's and FPL's liquidity, limit the ability of FPL Group and FPL to grow their businesses, and would likely increase interest costs. In addition, FPL Group's, FPL Group Capital's or FPL's credit providers' inability to maintain their current credit ratings, or to fund their credit commitments, may adversely affect FPL Group's and FPL's liquidity.

- The inability of FPL Group, FPL Group Capital and FPL to maintain their current credit ratings could affect their ability to raise capital or obtain credit on favorable terms, which, in turn, could impact FPL Group's and FPL's ability to grow their businesses, service indebtedness or repay borrowings, and would likely increase their interest costs. Some of the factors that can affect credit ratings are cash flows, liquidity, the amount of debt as a component of total capitalization, and political, legislative and regulatory actions. FPL Group, FPL Group Capital or FPL cannot assure that their current credit ratings will remain in effect for any given period of time or that one or more of its ratings will not be lowered or withdrawn entirely by a rating agency.

- The inability of FPL Group's, FPL Group Capital's and FPL's credit providers to maintain credit ratings acceptable under various agreements, or to fund their credit commitments, could require FPL Group, FPL Group Capital or FPL to, among other things, renegotiate requirements in agreements, find an alternative credit provider with acceptable credit ratings to meet the requirement, or post cash collateral.

FPL Group may be unable to meet its ongoing and future financial obligations and to pay dividends on its common stock if its subsidiaries are unable to pay upstream dividends or repay funds to FPL Group.

- FPL Group is a holding company and, as such, has no material operations of its own. Substantially all of FPL Group's consolidated assets are held by subsidiaries. FPL Group's ability to meet its financial obligations and to pay dividends on its common stock is primarily dependent on the subsidiaries' net income and cash flows, which are subject to the risks of their respective businesses, and their ability to pay upstream dividends or to repay funds to FPL Group. The subsidiaries have financial obligations, including payment of debt service, which they must satisfy before they can fund FPL Group. FPL Group's subsidiaries are separate legal entities and have no obligation to provide FPL Group with funds for its payment obligations. In addition, the dividend-paying ability of some of the subsidiaries is limited by contractual restrictions which are contained in outstanding financing agreements and which may be included in future financing agreements.

Changes in tax laws, as well as judgments and estimates used in the determination of tax-related asset and liability amounts, could adversely affect FPL Group's and FPL's results of operations, financial condition and liquidity.

- FPL Group's and FPL's provision for income taxes and reporting of tax-related assets and liabilities requires significant judgments and the use of estimates. Amounts of tax-related assets and liabilities involve judgments and estimates of the timing and probability of recognition of income, deductions and tax credits, including estimates for potential adverse outcomes regarding tax positions that have been taken and the ability to utilize tax benefit carryforwards, such as net operating loss and tax credit carryforwards. Actual income taxes could vary significantly from estimated amounts due to the future impacts of, among other things, changes in tax laws, regulations and interpretations, financial condition and results of operations of FPL Group and its subsidiaries, including FPL, as well as the resolution of audit issues raised by taxing authorities. Ultimate resolution of income tax matters may result in material adjustments to tax-related assets and liabilities which could impact, either positively or negatively, FPL Group's and FPL's results of operations, financial condition and liquidity.

FPL Group and FPL are subject to credit and performance risk from third parties under supply and service contracts.

- FPL Group and FPL rely on contracts with vendors for the supply of equipment, materials, fuel and other goods and services required for the construction and operation of, and for capital improvements to, their facilities, as well as for business operations. If vendors fail to fulfill their contractual obligations, FPL Group and FPL may need to make arrangements with other suppliers, which could result in higher costs, untimely completion of power generation facilities and other projects, and/or a disruption to their operations.

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

- FPL Group and FPL are subject to costs and other potentially adverse effects of legal and regulatory proceedings, settlements, investigations and claims, as well as regulatory compliance and the effect of new, or changes in, tax laws, rates or policies, rates of inflation, accounting standards and interpretations, securities laws, corporate governance requirements and labor and employment laws.

- FPL and NextEra Energy Resources, as owners and operators of transmission systems and/or critical assets within various regions throughout the United States, are subject to mandatory reliability standards established by the NERC. Non-compliance with these mandatory reliability standards could result in sanctions, including substantial monetary penalties.

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 and could adversely affect FPL Group's and FPL's results of operations, financial condition and liquidity.

- 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, such as generation, transmission and distribution facilities and information systems, have been identified as potential targets. The effects of these threats and activities could affect FPL Group's and FPL's ability to generate, purchase or transmit power, could cause delays in FPL Group's and FPL's development and construction of new generating facilities, could result in a significant slowdown in growth or a decline in the U.S. economy, could delay an economic recovery in the United States, and could increase the cost and adequacy of security and insurance, which could adversely affect FPL Group's and FPL's results of operations, financial condition and liquidity. In addition, these types of events could disrupt FPL Group's or FPL's operations, require significant management attention and resources, and could adversely affect FPL Group's and FPL's reputation among customers and the public.

The ability of FPL Group and FPL to obtain insurance and the terms of any available insurance coverage could be adversely affected by international, national, state or local events and company-specific events, as well as the financial condition of insurers.

- FPL Group's and FPL's ability to obtain insurance, and the cost of and coverage provided by such insurance, could be adversely affected by international, national, state or local events as well as company-specific events, as well as the financial condition of insurers.

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

- FPL Group and FPL are subject to employee workforce factors, including, for example, loss or retirement of key executives, availability of qualified personnel, inflationary pressures on payroll and benefits costs and collective bargaining agreements with union employees and work stoppage that could adversely 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 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, 2009, the electric generating, transmission, distribution and general facilities of FPL represented approximately 46%, 13%, 37% and 4%, respectively, of FPL's gross investment in electric utility plant in service.

Generating Facilities. At December 31, 2009, 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[c]
Cutler	Miami, FL	2	Gas	205
Manatee	Parrish, FL	2	Oil/Gas	1,624
Martin	Indiantown, FL	2	Oil/Gas	1,652
Port Everglades	Port Everglades, FL	4	Oil/Gas	1,205
Riviera	Riviera Beach, FL	2	Oil/Gas	565[c]
St. Johns River Power Park	Jacksonville, FL	2	Coal/Petroleum Coke	254[d]
Sanford	Lake Monroe, FL	1	Oil/Gas	138
Scherer	Monroe County, GA	1	Coal	646[e]
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	884
Manatee	Parrish, FL	1	Gas	1,111
Martin	Indiantown, FL	1	Gas/Oil	1,105
Martin	Indiantown, FL	2	Gas	938
Putnam	Palatka, FL	2	Gas/Oil	498
Sanford	Lake Monroe, FL	2	Gas	1,912
Turkey Point	Florida City, FL	1	Gas/Oil	1,148
West County	West Palm Beach, FL	2	Gas/Oil	2,438
Simple-cycle combustion turbines				
Fort Myers	Fort Myers, FL	2	Gas/Oil	315
Gas turbines				
Fort Myers	Fort Myers, FL	12	Oil	648
Lauderdale	Dania, FL	24	Oil/Gas	840
Port Everglades	Port Everglades, FL	12	Oil/Gas	420
Solar				
DeSoto	Arcadia, FL	1	Solar	25
TOTAL				24,530[f]

(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) See Item 1 - FPL Operations - Fossil Operations.
(d) Represents FPL's 20% ownership interest in each of SJRPP Units Nos. 1 and 2, which are jointly owned with JEA.
(e) Represents FPL's approximately 76% ownership of Scherer Unit No. 4, which is jointly owned with JEA.
(f) Substantially all of FPL's properties are subject to the lien of FPL's mortgage.

NextEra Energy Resources Facilities	Location	Geographic Region	No. of Units	Fuel	Net Capability (mw) [a]
Wind					
Ashtabula Wind [b]	Barnes County, ND	Midwest	99	Wind	148
Ashtabula Wind II	Griggs & Steele Counties, ND	Midwest	80	Wind	120
Butler Ridge Wind	Dodge County, WI	Midwest	36	Wind	54
Cabazon [b]	Riverside County, CA	West	53	Wind	40
Callahan Divide [b]	Taylor County, TX	ERCOT	76	Wind	114
Capricorn Ridge	Sterling & Coke Counties, TX	ERCOT	208	Wind	364
Capricorn Ridge Expansion	Sterling & Coke Counties, TX	ERCOT	199	Wind	298
Cerro Gordo [b]	Cerro Gordo County, IA	Midwest	55	Wind	41
Crystal Lake I [b]	Hancock County, IA	Midwest	100	Wind	150
Crystal Lake II	Winnebago County, IA	Midwest	80	Wind	200
Crystal Lake III	Winnebago County, IA	Midwest	44	Wind	68
Delaware Mountain	Culberson County, TX	ERCOT	38	Wind	28
Diablo Wind [b]	Alameda County, CA	West	31	Wind	21
Elk City Wind	Roger Mills & Beckham Counties, OK	Other South	43	Wind	99
Endeavor Wind	Osceola County, IA	Midwest	40	Wind	100
Endeavor Wind II	Osceola County, IA	Midwest	20	Wind	50
Gray County	Gray County, KS	Other South	170	Wind	112
Green Mountain [b]	Somerset County, PA	Northeast	8	Wind	10
Green Power	Riverside County, CA	West	22	Wind	17
Green Ridge Power [b]	Alameda & Contra Costa Counties, CA	West	1,463	Wind	159
Hancock County [b]	Hancock County, IA	Midwest	148	Wind	98
High Winds [b]	Solano County, CA	West	90	Wind	162
Horse Hollow Wind [b]	Taylor County, TX	ERCOT	142	Wind	213
Horse Hollow Wind II [b]	Taylor & Nolan Counties, TX	ERCOT	130	Wind	299
Horse Hollow Wind III [b]	Nolan County, TX	ERCOT	149	Wind	224
Indian Mesa	Pecos County, TX	ERCOT	125	Wind	83
King Mountain [b]	Upton County, TX	ERCOT	214	Wind	278
Lake Benton II [b]	Pipestone County, MN	Midwest	137	Wind	103
Langdon Wind [b]	Cavalier County, ND	Midwest	79	Wind	118
Langdon Wind II [b]	Cavalier County, ND	Midwest	27	Wind	41
Lee / Dekalb Wind	Lee & DeKalb Counties, IL	Midwest	145	Wind	217
Logan Wind [c]	Logan County, CO	West	134	Wind	201
Majestic Wind	Carson County, TX	ERCOT	53	Wind	80
Meyersdale [b]	Somerset County, PA	Northeast	20	Wind	30
Mill Run [b]	Fayette County, PA	Northeast	10	Wind	15
Montfort [b]	Iowa County, WI	Midwest	20	Wind	30
Mount Copper [b]	Murdochville, Quebec, Canada	Midwest	30	Wind	54
Mountaineer [b]	Preston & Tucker Counties, WV	Northeast	44	Wind	66
Mower County Wind [c]	Mower County, MN	Midwest	43	Wind	99
New Mexico Wind [b]	Quay & Debaca Counties, NM	West	136	Wind	204
North Dakota Wind [b]	LaMoure County, ND	Midwest	41	Wind	62
Northern Colorado	Logan County, CO	West	81	Wind	174
Oklahoma / Sooner Wind [b]	Harper & Woodward Counties, OK	Other South	68	Wind	102
Oliver County Wind I [c]	Oliver County, ND	Midwest	22	Wind	51
Oliver County Wind II [c]	Oliver County, ND	Midwest	32	Wind	48
Peetz Table Wind [c]	Logan County, CO	West	133	Wind	199
Pubnico Point [b]	Yarmouth, Nova Scotia, Canada	Midwest	17	Wind	31
Red Canyon Wind Energy [b]	Borden, Garza & Scurry Counties, TX	ERCOT	56	Wind	84
Sky River [b]	Kern County, CA	West	342	Wind	77
Somerset Wind Power [b]	Somerset County, PA	Northeast	6	Wind	9
South Dakota Wind [b]	Hyde County, SD	Midwest	27	Wind	41
Southwest Mesa [b]	Upton & Crockett Counties, TX	ERCOT	106	Wind	74
Stateline [b]	Umatilla County, OR and Walla Walla County, WA	West	454	Wind	300
Story County Wind [b]	Story County, IA	Midwest	100	Wind	150
Story County Wind II	Story & Hardin Counties, IA	Midwest	100	Wind	150
Vansycle [b]	Umatilla County, OR	West	38	Wind	25
Vansycle II	Umatilla County, OR	West	43	Wind	99
Victory Garden [b]	Kern County, CA	West	96	Wind	22
Waymart [b]	Wayne County, PA	Northeast	43	Wind	65
Weatherford Wind [b]	Custer & Washita Counties, OK	Other South	98	Wind	147
Wessington Springs Wind	Jerauld County, SD	Midwest	34	Wind	51
Wilton Wind [b]	Burleigh County, ND	Midwest	33	Wind	49
Wilton Wind II	Burleigh County, ND	Midwest	33	Wind	50
Windpower Partners 1991-92	Alameda & Contra Costa Counties, CA	West	279	Wind	28
Windpower Partners 1992	Alameda & Contra Costa Counties, CA	West	300	Wind	30
Windpower Partners 1993	Riverside County, CA	West	115	Wind	41
Windpower Partners 1993	Lincoln County, MN	Midwest	73	Wind	26
Windpower Partners 1994	Culberson County, TX	ERCOT	107	Wind	39
Wolf Ridge Wind	Cooke County, TX	ERCOT	75	Wind	112
Woodward Mountain	Upton & Pecos Counties, TX	ERCOT	242	Wind	160
Wyoming Wind [b]	Uinta County, WY	West	80	Wind	144
Investments in joint ventures [d]	Various	West	969	Wind	98
Total Wind					7,544

NextEra Energy Resources Facilities	Location	Geographic Region	No. of Units	Fuel	Net Capability (mw) [a]
Contracted					
Bayswater [b]	Far Rockaway, NY	Northeast	2	Gas	56
Calhoun [b]	Eastaboga, AL	Other South	4	Gas/Oil	668
Cherokee [b]	Gaffney, SC	Other South	2	Gas	98
Doswell [b]	Ashland, VA	Northeast	6	Gas/Oil	708
Duane Arnold	Palo, IA	Midwest	1	Nuclear	431[e]
Jamaica Bay [b]	Far Rockaway, NY	Northeast	2	Gas/Oil	54
Point Beach	Two Rivers, WI	Midwest	2	Nuclear	1,023
Port of Stockton	Stockton, CA	West	1	Coal/ Petroleum Coke	44
Investments in joint ventures:					
SEGS III-IX [b]	Kramer Junction & Harper Lake, CA	West	7	Solar	148
Other	Various	Northeast	7	[f]	303
Total Contracted					3,533
Merchant					
Blythe Energy	Blythe, CA	West	3	Gas	507
Doswell - Expansion [b]	Ashland, VA	Northeast	1	Gas/Oil	171
Forney	Forney, TX	ERCOT	8	Gas	1,792
Lamar Power Partners	Paris, TX	ERCOT	6	Gas	1,000
Maine - Cape, Wyman	Various - ME	Northeast	6	Oil	796[g]
Maine [b]	Various - ME	Northeast	81	Hydro	359
Marcus Hook 50	Marcus Hook, PA	Northeast	1	Gas	50
Marcus Hook 750 [b]	Marcus Hook, PA	Northeast	4	Gas	744
RISEP	Johnston, RI	Northeast	3	Gas	550
Seabrook	Seabrook, NH	Northeast	1	Nuclear	1,098[h]
Investment in joint venture	Frackville, PA	Northeast	1	Waste coal	4
Total Merchant					7,071
TOTAL					18,148

(a) Represents NextEra Energy Resources' net ownership interest in plant capacity.
(b) These generating facilities are encumbered by liens against their assets securing various financings.
(c) NextEra Energy Resources owns these wind facilities together with third-party investors with differential membership interests. See Note 10 - Sale of Differential Membership Interests.
(d) Represents plants with no more than 50% ownership using wind technology. Certain facilities, totaling 57 mw, are encumbered by liens against their assets securing a financing.
(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 natural gas and waste coal. Certain facilities, totaling 295 mw, are encumbered by liens against their assets securing financings.
(g) Excludes six other energy-related partners' combined share of 16%.
(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, 2009, 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	3,039	25
138kv	1,574	54
115kv	749	1
69kv	162	16
Less than 69 kv	41,848	25,074
Total	48,478	25,170

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

In addition, at December 31, 2009, FPL owned and operated 586 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's properties are held 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 NextEra Energy Resources' generating facilities are held in fee and a number of those facilities are encumbered by liens against their assets securing various financings. Additionally, the majority of NextEra Energy Resources' wind turbines and some fossil plants 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 legal and regulatory proceedings in the ordinary course of their respective businesses. For information regarding legal proceedings that could have a material effect on FPL Group or FPL, see Note 14 - Legal Proceedings. 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 and the cash dividends per share declared for each quarter during the past two years are as follows:

	2009			2008		
Quarter	High	Low	Cash Dividends	High	Low	Cash Dividends
First	$ 53.99	$ 41.48	$0.4725	$ 73.75	$ 57.21	$ 0.445
Second	$ 59.00	$ 49.70	$0.4725	$ 68.98	$ 62.75	$ 0.445
Third	$ 60.61	$ 53.13	$0.4725	$ 68.76	$ 49.74	$ 0.445
Fourth	$ 56.57	$ 48.55	$0.4725	$ 51.87	$ 33.81	$ 0.445

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 2010, FPL Group announced that it would increase its quarterly dividend on its common stock from $0.4725 to $0.50 per share. See Management's Discussion - Liquidity and Capital Resources - Covenants with respect to dividend restrictions and Note 11 - Common Stock Dividend Restrictions regarding dividends paid by FPL to FPL Group.

As of the close of business on January 31, 2010, there were 27,994 holders of record of FPL Group's common stock.

Recent Sales of Unregistered Equity Securities. As set forth below, during the quarter ended December 31, 2009, FPL Group issued shares of its common stock, par value $0.01 per share, upon the exercise of warrants issued by Gexa Corp. (Gexa) and assumed by FPL Group upon its acquisition of Gexa in 2005. FPL Group relied on the exemption from registration under the Securities Act of 1933, as amended (Securities Act), afforded by Section 4(2) of the Securities Act as a transaction not involving a public offering of common stock.

Date	Holder	Exercise Price Per Share	Number of Shares Issued
10/15/09	Individual holder	$35.79	54[a]

(a) Number of shares issued in a cashless exercise of 168 warrants under the terms of the warrant agreement.

Issuer Purchases of Equity Securities. Information regarding purchases made by FPL Group of its common stock is as follows:

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]
10/1/09 - 10/31/09	3,656	$ 53.45	-	20,000,000
11/1/09 - 11/30/09	3,916	$ 51.14	-	20,000,000
12/1/09 - 12/31/09	3,188	$ 52.82	-	20,000,000
Total	10,760	$ 52.42	-	

(a) Represents shares of common stock withheld 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 the Board of Directors in December 2005.

Item 6. Selected Financial Data

	Years Ended December 31,				
	2009	2008	2007	2006	2005
SELECTED DATA OF FPL GROUP (millions, except per share amounts):					
Operating revenues	$ 15,643	$ 16,410	$ 15,263	$ 15,710	$ 11,846
Net income	$ 1,615[a]	$ 1,639[a]	$ 1,312[a]	$ 1,281[b]	$ 901[c]
Earnings per share of common stock - basic	$ 3.99[a]	$ 4.10[a]	$ 3.30[a]	$ 3.25[b]	$ 2.37[c]
Earnings per share of common stock - assuming dilution	$ 3.97[a]	$ 4.07[a]	$ 3.27[a]	$ 3.23[b]	$ 2.34[c]
Dividends paid per share of common stock	$ 1.89	$ 1.78	$ 1.64	$ 1.50	$ 1.42
Total assets	$ 48,458	$ 44,821	$ 40,123	$ 35,822	$ 32,599
Long-term debt, excluding current maturities	$ 16,300	$ 13,833	$ 11,280	$ 9,591	$ 8,039
SELECTED DATA OF FPL (millions):					
Operating revenues	$ 11,491	$ 11,649	$ 11,622	$ 11,988	$ 9,528
Net income available to FPL Group	$ 831	$ 789	$ 836	$ 802	$ 748
Total assets	$ 26,812	$ 26,175	$ 24,044	$ 22,970	$ 22,347
Long-term debt, excluding current maturities	$ 5,794	$ 5,311	$ 4,976	$ 4,214	$ 3,271
Energy sales (kwh)	105,414	105,406	108,636	107,513	105,648
Energy sales:					
Residential	51.2%	50.5%	50.8%	50.8%	51.4%
Commercial	42.7	43.2	42.3	41.4	41.1
Industrial	3.1	3.4	3.5	3.8	3.7
Interchange power sales	1.4	1.6	1.8	2.1	2.0
Other [d]	1.6	1.3	1.6	1.9	1.8
Total	100%	100%	100.0%	100.0%	100.0%
Approximate 60-minute peak load (mw): [e]					
Summer season	22,351	21,060	21,962	21,819	22,361
Winter season	24,346	20,031	18,055	17,260	19,683
Average number of customer accounts (thousands):					
Residential	3,984	3,992	3,981	3,906	3,828
Commercial	501	501	493	479	470
Industrial	10	13	19	21	20
Other	4	4	4	4	4
Total	4,499	4,510	4,497	4,410	4,322
Average price billed to customers (cents per kwh)	11.19	10.96	10.63	11.14	8.88

(a) Includes net unrealized mark-to-market gains or losses associated with non-qualifying hedges and other than temporary impairment losses.
(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 net unrealized mark-to-market losses associated with non-qualifying hedges.
(d) Includes the net change in unbilled sales.
(e) Winter season includes November and December of the current year and January to March of the following year (for 2009, through February 25, 2010).

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 NextEra Energy Resources. FPL serves more than 8.7 million people throughout most of the east and lower west coasts of Florida. NextEra Energy Resources, FPL Group's competitive energy subsidiary, produces electricity primarily using wind, natural gas and nuclear resources. Together, FPL's and NextEra Energy Resources' generating assets represented approximately 42,700 mw of capacity at December 31, 2009. See Item 2 - Generating Facilities. Another of FPL Group's operating subsidiaries, FPL FiberNet, provides fiber-optic services to FPL, telecommunications companies and other customers throughout Florida.

FPL obtains its operating revenues primarily from the sale of electricity to retail customers at rates established by the FPSC through base rates and cost recovery clause mechanisms. In March 2009, FPL filed a petition with the FPSC requesting, among other things, a permanent base rate increase of approximately $1 billion in 2010 and an additional $250 million in 2011, which included additions to the storm and property insurance reserve. The requested increases were based on a proposed regulatory ROE of 12.5% and excluded amounts associated with a proposed extension of the GBRA mechanism, which allowed for automatic adjustments in retail base rates when approved power plants achieved commercial operation, and certain proposed cost recovery clause adjustments.

In connection with the FPSC's January 2010 rate ruling with respect to FPL's March 2009 petition, the FPSC indicated that the ruling would be reflected in a final written order to be issued in February 2010 (final order). The January 2010 rate ruling indicated that new retail base rates would be established for FPL effective March 1, 2010, would increase retail base rates by approximately $75 million on an annualized basis, would establish a regulatory ROE of 10.0% with a range of plus or minus 100 basis points and would shift certain costs from retail base rates to the capacity clause. The January 2010 rate ruling also indicated that depreciation expense would be reduced over the next four years. See Note 1 - Electric Plant, Depreciation and Amortization. The January 2010 rate ruling also indicated, among other things, that any additional base rate increase for 2011, the continuation of the GBRA mechanism and any additions to the storm and property insurance reserve would be denied. As of the date of this report, the final order remains pending. Upon issuance of the final order, parties have the right to file motions with the FPSC for reconsideration of some or all of the final order, or to appeal some or all of the final order to the Florida Supreme Court. In response to inquiries regarding potential inconsistencies in calculations underlying the January 2010 rate ruling, staff for the FPSC has indicated it would address any matters raised by the parties before the final order following the filing of any motions for reconsideration. FPL cannot predict the specific treatment of any particular issue in the final order.

FPL is evaluating the impact of the January 2010 rate ruling on its financial position, including its credit quality and ability to attract capital over the long term. See Liquidity and Capital Resources. FPL has suspended activities on the following projects representing approximately $10 billion of investment over the next five years until the financial impact of the final order, along with other factors, such as load-growth estimates, fuel cost forecasts, demand side management and environmental incentives, can be reviewed (see Item I - FPL Operations - Capital Expenditures):

- development of two additional nuclear units at FPL's Turkey Point site beyond what is required to receive an NRC license for each unit. See Item I - FPL Operations - Nuclear Operations;
- modernization of FPL's Cape Canaveral and Riviera power plants. See Item I - FPL Operations - Fossil Operations;
- reevaluation of options related to a proposed 300-mile underground natural gas pipeline in Florida; and
- other infrastructure projects.

FPL is also evaluating its options with respect to future regulatory actions regarding the January 2010 rate ruling and, when it is issued, the final order, as well as assessing the cost structure of its ongoing operations and reviewing other planned capital expenditures for appropriate reductions.

Over the last ten years, FPL's average annual customer growth has been 1.8%. However, beginning in 2007, FPL has experienced a slowdown in retail customer growth and a decline in non-weather related usage per retail customer. Retail customer growth in 2008 was 0.3%. FPL's average number of retail customers declined slightly during the first three quarters of 2009 and remained essentially unchanged during the fourth quarter of 2009; the decline for the full year was 0.2%. FPL believes that the economic slowdown, the downturn in the housing market and the credit crisis that have affected the country and the state of Florida have contributed to the slowdown in customer growth and to the decline in non-weather related usage per retail customer. In December 2009, the unemployment rate in Florida was 11.8%. Beginning in 2007, FPL experienced an increase in inactive accounts (accounts with installed meters without corresponding customer names) and in low-usage customers (customers using less than 200 kwh per month), which have contributed to the decline in retail customer growth and non-weather related usage per retail customer. In 2009, inactive accounts and low-usage customers continued to increase much of the year but declined slightly in the fourth quarter. FPL is unable to predict whether or when growth in customers and non-weather related customer usage might return to previous trends.

NextEra Energy Resources is in the competitive energy business with the majority of its operating revenues derived from wholesale electricity sales. NextEra Energy Resources' strategy is, among other things, to continue to maintain its leadership position in wind, accelerate growth in solar development, continue to expand its transmission capability, grow its supply-related and non-asset based businesses, and to develop its natural gas infrastructure business. NextEra Energy Resources' supply-related business includes full energy and capacity requirements services and retail operations, and the non-asset based business includes power and gas marketing and trading operations. NextEra Energy Resources seeks to expand its portfolio primarily through wind and solar development and acquisitions where economic prospects are attractive. The Recovery Act includes, among other things, provisions that allow companies building wind facilities the option to choose among three investment cost recovery mechanisms: (i) PTCs which were extended for wind facilities through 2012, (ii) ITCs of 30% of the cost for qualifying wind facilities placed in service prior to 2013, or (iii) an election to receive a cash grant of 30% of the cost of qualifying wind facilities placed in service in 2009 or 2010, or if construction began prior to December 31, 2010 and the wind facility is placed in service prior to 2013. An election to receive a cash grant of 30%, in lieu of the 30% investment tax credit allowable under present law, also applies to the cost of qualifying solar facilities placed in service in either 2009 or 2010, or if construction began prior to December 31, 2010 and the solar facility is placed in service prior to 2017. In 2009, NextEra Energy Resources added approximately 1,170 mw of wind generation to its portfolio, of which 985 mw were constructed and 185 mw were from three operating wind projects purchased in the fourth quarter of 2009. NextEra Energy Resources expects to add approximately 1,000 mw of new wind generation in 2010 and 1,000 mw to 1,500 mw in each of 2011 and 2012. In addition to wind expansion, NextEra Energy Resources is considering several solar development opportunities in the U.S., as well as in Europe. The wind and solar expansions are subject to, among other things, continued public policy support, support for the construction and availability of sufficient transmission facilities and capacity, continued market demand, supply chain expansion and access to capital at reasonable cost and on reasonable terms.

NextEra Energy Resources' market is diversified by region as well as by fuel source. See Item 2 - Generating Facilities. NextEra Energy Resources sells a large percentage of its expected output to hedge against price volatility. Consequently, if NextEra Energy Resources' plants do not perform as expected, NextEra Energy Resources could be required to purchase power at potentially higher market prices to meet its contractual obligations. NextEra Energy Resources' energy marketing and trading business is focused primarily on managing commodity price risk and extracting maximum value from its assets.

The U.S. Congress, the EPA and certain states and regions are considering several legislative and regulatory proposals that would establish new regulatory requirements and reduction targets for GHG emissions. The economic and operational impact of these or any similar legislation and/or regulation on FPL Group and FPL depends on a variety of factors, including, but not limited to, the allowed emissions, whether the permitted emissions will be allocated or auctioned, the cost to reduce emissions or buy allowances in the marketplace and the availability of offsets and mitigating factors to moderate the costs of compliance. If and until legislation is enacted and implementing regulations are adopted, the economic and operational impact (either positive or negative) on FPL Group and FPL cannot be determined but could be material. In the case of FPL, increased costs associated with compliance with new environmental regulations are generally recoverable from customers, while the recovery of such increased costs for NextEra Energy Resources would depend on market prices for electricity. See Item 1 - Environmental Matters.

Results of Operations

FPL Group and NextEra Energy Resources segregate into two categories unrealized mark-to-market gains and losses on energy derivative transactions which are used to manage commodity price risk. 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 and the ineffective portion of transactions accounted for as cash flow hedges. In January 2010, FPL Group discontinued hedge accounting for its cash flow hedges related to energy contract derivative instruments, which could result in increased volatility in the non-qualifying hedge category. At FPL, substantially all changes in the fair value of energy derivative transactions 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 clause or the capacity clause.

FPL Group's management uses earnings excluding certain items (adjusted earnings) 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. Adjusted earnings exclude the unrealized mark-to-market effect of non-qualifying hedges and other than temporary impairment (OTTI) losses on securities held in NextEra Energy Resources' nuclear decommissioning funds, net of the reversal of previously recognized OTTI losses on securities sold and losses on securities where price recovery was deemed unlikely (collectively, OTTI reversals). 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. Adjusted earnings do not represent a substitute for net income, as prepared in accordance with generally accepted accounting principles.

Summary - Presented below is a summary of net income (loss) by reportable segment (see Note 15):

	Years Ended December 31,		
	2009	2008	2007
		(millions)	
FPL	$ 831	$ 789	$ 836
NextEra Energy Resources	849	915	540
Corporate and Other	(65)	(65)	(64)
FPL Group Consolidated	$ 1,615	$ 1,639	$ 1,312

The increase in FPL's 2009 results reflects retail base rate increases pursuant to the GBRA mechanism under the 2005 rate agreement to reflect the placements in service of WCEC Units Nos. 1 and 2, higher AFUDC on the WCEC units, a 0.3% increase in usage per retail customer reflecting favorable weather conditions partly offset by other factors, and higher cost recovery clause results partly offset by higher O&M and depreciation and amortization expenses. FPL's 2008 results reflect lower retail customer usage, higher depreciation and interest expenses and provisions taken in 2008 for regulatory matters, partly offset by a retail base rate increase associated with Turkey Point Unit No. 5 commencing commercial operation in 2007, lower O&M expenses and higher other revenues and AFUDC - equity.

NextEra Energy Resources' 2009 results reflect increased earnings from new investments and from full energy and capacity requirements services and trading, partly offset by lower earnings from the existing portfolio, reflecting the negative impacts of weather, and higher expenses to support the growth in the business. NextEra Energy Resources' 2008 results reflect additional earnings from the existing portfolio, from new investments and from full energy and capacity requirements services and trading, partially offset by higher expenses to support the growth in the business. In addition, FPL Group's and NextEra Energy Resources' net income for 2009 and 2007 reflects net unrealized after-tax losses from non-qualifying hedges of approximately $20 million and $86 million, respectively, while 2008 net income reflects net unrealized after-tax gains from such hedges of $170 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 or losses as the underlying transactions were 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. In 2009, 2008 and 2007, NextEra Energy Resources recorded $36 million, $82 million and $6 million, respectively, of after-tax OTTI losses on securities held in its nuclear decommissioning funds. In 2009 and 2008, NextEra Energy Resources had approximately $23 million and $6 million, respectively, of after-tax OTTI reversals; there were no such OTTI reversals in 2007.

As a result of the spent fuel settlement agreement (see Item I - FPL Operations - Nuclear Operations and Item I - NextEra Energy Resources - Nuclear Operations), FPL Group reduced its property, plant and equipment balances by $107 million ($83 million for FPL) and operating expenses by $15 million ($12 million for FPL) and increased FPL Group's operating revenues by $9 million. The spent fuel settlement agreement increased FPL Group's 2009 net income by approximately $16 million ($9 million for FPL). The spent fuel settlement agreement permits FPL and NextEra Energy Resources to make annual filings to recover certain spent fuel storage costs incurred by FPL and NextEra Energy Resources which will be payable by the U.S. Government on an annual basis. The amount received from the U.S. Government related to property, plant and equipment is included in cash flows from investing activities on FPL Group's and FPL's consolidated statements of cash flows. Additional payments from the U.S. Government are pending. FPL and NextEra Energy Resources will continue to pay fees to the U.S. Government's nuclear waste fund.

Results for Corporate and Other in 2009 reflect higher interest income and realized and unrealized gains on investments offset by lower consolidating income tax adjustments and higher interest expense. Results for Corporate and Other in 2008 reflect higher interest expense offset by additional consolidating income tax adjustments.

FPL Group's effective income tax rate for all periods presented reflects PTCs for wind projects at NextEra Energy Resources and deferred tax benefits associated with grants (convertible ITCs) under the Recovery Act. PTCs and deferred tax benefits associated with convertible ITCs can significantly affect FPL Group's effective income tax rate depending on the amount of pretax income. PTCs can be significantly affected by wind generation. See Note 1 - Income Taxes, Note 6 and Note 10 - Sale of Differential Membership Interests.

FPL - FPL's net income for 2009, 2008 and 2007 was $831 million, $789 million and $836 million, respectively, an increase in 2009 of $42 million and a decrease in 2008 of $47 million. The increase in FPL's 2009 results reflects retail base rate increases associated with WCEC Units Nos. 1 and 2, higher AFUDC on the WCEC units, a 0.3% increase in usage per retail customer reflecting favorable weather conditions partly offset by other factors, and higher cost recovery clause results partly offset by higher O&M and depreciation and amortization expenses. FPL's 2008 results reflect lower retail customer usage, higher depreciation and interest expenses and provisions taken in 2008 for regulatory matters, partly offset by a retail base rate increase associated with Turkey Point Unit No. 5 commencing commercial operation in 2007, lower O&M expenses and higher other revenues and AFUDC - equity.

See Overview for a discussion of the FPSC's January 2010 rate ruling. Under the 2005 rate agreement, retail base rates did not increase during the term of the agreement except to allow recovery under the GBRA mechanism of the revenue requirements of FPL's three power plants that achieved commercial operation during the term of the 2005 rate agreement. Retail base rates increased approximately $115 million on an annualized basis when Turkey Point Unit No. 5 was placed in service in 2007. Retail base rates increased approximately $265 million on an annualized basis when WCEC Units Nos. 1 and 2 were placed in service in 2009. These units are expected to realize significant fuel savings from the time the units were placed in service. During the term of the 2005 rate agreement, FPL did not have an authorized regulatory ROE for the purpose of addressing earnings levels, FPL reduced depreciation on its plant in service by $125 million each year and FPL's revenues did not exceed the thresholds established under the 2005 rate agreement's revenue sharing mechanism. See Note 1 - Revenues and Rates for information on FPL's regulatory ROE.

FPL's operating revenues consisted of the following:

	Years Ended December 31,		
	2009	2008	2007
		(millions)	
Retail base	$ 3,828	$ 3,738	$ 3,796
Fuel cost recovery	5,982	6,202	6,162
Net deferral of retail fuel revenues	(356)	-	-
Other cost recovery clauses and pass-through costs, net of any deferrals	1,840	1,505	1,490
Other, primarily pole attachment rentals, transmission and wholesale sales and customer-related fees	197	204	174
Total	$ 11,491	$ 11,649	$ 11,622

For the year ended December 31, 2009, a 0.2% decrease in the average number of customer accounts reduced retail base revenues by approximately $8 million while a 0.3% increase in usage per retail customer, reflecting favorable weather conditions partly offset by other factors, increased retail base revenues by approximately $30 million. Customer usage in 2009 reflects one less day of sales in 2009, as 2008 was a leap year. Base rate increases resulting from WCEC Units Nos. 1 and 2 commencing commercial operation in 2009 increased retail base revenues by approximately $68 million. See Overview for a discussion of FPL's customer growth, non-weather related usage and the January 2010 rate ruling.

For the year ended December 31, 2008, a 0.3% increase in the average number of customer accounts increased retail base revenues by approximately $9 million while a 2.7% decrease in usage per retail customer, reflecting weather conditions and other factors, decreased retail base revenues by approximately $95 million. Partly offsetting the usage decrease was an extra day of sales in 2008, as it was a leap year. In addition, a base rate increase resulting from Turkey Point Unit No. 5 commencing commercial operation in 2007 increased retail base revenues by approximately $28 million.

The increase in revenues from other cost recovery clauses and pass-through costs in 2009 is primarily due to additional revenues associated with the FPSC's nuclear cost recovery rule and higher conservation and environmental clause revenues. The FPSC's nuclear cost recovery rule provides for the recovery of prudently incurred pre-construction costs and carrying charges (equal to a pretax AFUDC rate) on construction costs for new nuclear capacity through levelized charges under the capacity clause. In 2009, FPL began recovering pre-construction costs associated with the development of two additional units at the Turkey Point site and carrying charges (equal to a pretax AFUDC rate) on construction costs associated with the addition of approximately 400 mw of baseload capacity at its existing nuclear units. The same rule provides for the recovery of construction costs, once the new capacity goes into service, through a base rate increase. See Overview for a discussion of activities related to the development of two additional units at the Turkey Point site.

Revenues from fuel and other cost recovery clauses and pass-through costs, such as franchise fees, revenue taxes and storm-related surcharges, are largely a pass through of costs. Such revenues also include a return allowed to be recovered through the cost recovery clauses on certain assets, primarily solar, environmental and nuclear capacity additions. In 2009, 2008 and 2007, cost recovery clauses contributed $41 million, $25 million and $23 million, respectively, to FPL's net income. The increase in 2009 cost recovery clause results is primarily due to a return related to additional solar, environmental and nuclear capacity expenditures, partly offset by lower interest earned on fuel clause underrecoveries. The increase in 2008 cost recovery clause results is primarily due to a return related to environmental expenditures and higher interest earned on fuel clause underrecoveries, partly offset by the absence of interest earned on FPL's unrecovered balance of the storm reserve deficiency, which balance was collected upon the issuance of the storm-recovery bonds in 2007. In 2010, it is expected that cost recovery clauses will contribute higher earnings for FPL as a result of additional solar, environmental and nuclear capacity expenditures. Underrecovery or overrecovery of such cost recovery clause and pass-through 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 in the consolidated statements of income, 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, investment in solar and environmental projects, investment in nuclear capacity until such capacity goes into service, pre-construction costs associated with the development of two additional units at the Turkey Point site and changes in energy sales. Capacity charges and franchise fee costs are included in fuel, purchased power and interchange and taxes other than income taxes and other, respectively, in the consolidated statements of income.

FPL uses 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 manage fuel price volatility by locking in fuel prices for a portion of FPL's fuel requirements. The current regulatory asset for the change in fair value of derivative instruments used in the fuel procurement program amounted to approximately $68 million and $1,109 million at December 31, 2009 and 2008, respectively. The decrease in fuel revenues in 2009 reflects approximately $210 million related to a lower average fuel factor and $10 million attributable to lower energy sales. The increase in fuel revenues in 2008 reflects approximately $230 million related to a higher average fuel factor, partly offset by $190 million attributable to lower energy sales. Pursuant to an FPSC order, FPL was required to refund in the form of a one-time credit to retail customers' bills the 2009 year-end estimated fuel overrecovery; in January 2010, approximately $403 million was refunded to retail customers. At December 31, 2009, approximately $356 million of retail fuel revenues were overrecovered. The difference between the refund and the December 31, 2009 overrecovery will be collected from retail customers in a subsequent period. The increase from December 31, 2008 to December 31, 2009 in deferred clause and franchise revenues and the decrease in deferred clause and franchise expenses (current and noncurrent, collectively) on FPL Group's and FPL's consolidated balance sheets totaled approximately $624 million and positively affected FPL Group's and FPL's cash flows from operating activities for the year ended December 31, 2009.

The major components of FPL's fuel, purchased power and interchange expense are as follows:

	Years Ended December 31,		
	2009	2008	2007
		(millions)	
Fuel and energy charges during the period	$ 5,425	$ 6,289	$ 6,259
Net collection of previously deferred retail fuel costs	256	-	-
Net deferral of retail fuel costs	-	(55)	(56)
Other, primarily capacity charges, net of any capacity deferral	539	515	523
Total	$ 6,220	$ 6,749	$ 6,726

The decrease in fuel and energy charges in 2009 was due to lower fuel and energy prices. The increase in fuel and energy charges in 2008 reflects higher fuel and energy prices of approximately $224 million, partly offset by approximately $194 million attributable to lower energy sales.

FPL's O&M expenses increased $58 million in 2009 reflecting higher insurance and employee benefit costs of approximately $51 million and $44 million, respectively, partly offset by lower distribution, nuclear and fossil generation costs of $26 million, $18 million and $10 million, respectively. The increase in insurance costs is primarily due to the absence of a refund associated with an environmental insurance policy termination, which occurred in 2008, as well as higher nuclear insurance costs. The increase in employee benefit costs is primarily due to higher medical costs, a lower pension credit and other costs driven by market conditions. The decrease in distribution costs reflects deferred projects and productivity improvements. The decline in nuclear generation costs reflects a reimbursement of prior years' costs related to the spent fuel settlement agreement and lower costs related to 2008 plant improvement initiatives partly offset by higher refueling and maintenance outage costs. The decline in fossil generation costs is primarily due to lower overhaul costs, partly offset by additional costs related to WCEC Units Nos. 1 and 2. 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, excluding pass-through O&M costs, in 2010 to exceed the 2009 level primarily due to higher nuclear and fossil generation, transmission and distribution costs, as well as higher employee benefit and nuclear insurance costs and the absence of the reimbursement of prior years' costs related to the spent fuel settlement agreement. Beginning in 2009, FPL records, as other receivables in the consolidated balance sheets, operating costs expected to be reimbursed under the spent fuel settlement agreement.

FPL's O&M expenses decreased $16 million in 2008 reflecting lower insurance, employee benefit and distribution costs of approximately $47 million, $11 million and $10 million, respectively. These decreases were partly offset by higher nuclear generation, fossil generation, transmission and customer service costs of approximately $21 million, $4 million, $3 million and $20 million, respectively, as well as a reserve for regulatory matters. The decline in insurance costs was primarily due to the termination by mutual agreement of an environmental insurance policy. The decline in employee benefit costs reflects a higher pension credit as well as lower benefits due to declining market conditions, partly offset by higher medical costs. The decline in distribution costs reflects cost reduction efforts and efficiencies as well as reduced work load due to the decline in customer growth, partly offset by severance costs incurred in 2008. The increase in nuclear generation costs reflects plant improvement initiatives to ensure long-term reliable operations. The fossil generation increase reflects costs associated with plant maintenance, while the transmission increase reflects additional improvement activities. The customer service cost increase is primarily due to higher uncollectible accounts. Other changes in O&M expenses were primarily driven by pass-through costs which did not significantly affect net income.

Depreciation and amortization expense in 2009 increased $237 million reflecting the amortization of approximately $203 million of pre-construction costs associated with FPL's planned nuclear units recovered under the nuclear cost recovery rule, higher depreciation on transmission and distribution facilities (collectively, approximately $21 million) and depreciation of $17 million on WCEC Units Nos. 1 and 2, which were placed in service in 2009. Depreciation and amortization expense in 2008 increased $14 million, reflecting higher depreciation on transmission and distribution facilities (collectively, approximately $20 million) and higher depreciation on fossil generation assets of $10 million, primarily Turkey Point Unit No. 5 which was placed in service in 2007. In addition, depreciation on nuclear assets was higher by approximately $4 million primarily due to the steam generator and reactor vessel head replacements at St. Lucie Unit No. 2. These increases were partially offset by lower depreciation and amortization expense of $11 million primarily due to the absence of amortization of software and other property that has been fully amortized. Other changes in depreciation and amortization expense were primarily driven by pass-through costs, other than costs associated with the nuclear cost recovery rule, which did not significantly affect net income. In 2010, FPL will begin amortizing over four years approximately $895 million of a depreciation reserve surplus as required by the January 2010 rate ruling. The $125 million reduction in annual depreciation and amortization expense that FPL has been recording since 2002 as permitted by the FPSC will cease in 2010. Also, depreciation and amortization expense in 2010 is expected to be affected by a reduction in nuclear cost recovery rule amortization primarily as a result of the timing of expenditures. See Note 1 - Electric Plant, Depreciation and Amortization.

Taxes other than income taxes and other increased $24 million and $40 million in 2009 and 2008, respectively, primarily due to changes in franchise fees and revenue taxes, which are pass-through costs, and higher property taxes ($14 million and $15 million, respectively), reflecting growth in plant in service balances. The increase in franchise fees in 2008 was primarily driven by higher average franchise rates.

Interest expense for 2009 reflects a decline in average interest rates of approximately 29 basis points, partly offset by higher average debt balances. Interest expense for 2008 reflects higher average debt balances, partly offset by a decline in average interest rates of approximately 34 basis points. Interest expense on storm-recovery bonds, as well as certain other interest expense (collectively, clause interest), are essentially pass-through amounts and do not significantly affect net income, as the clause interest is recovered either under cost recovery clause mechanisms or through a storm-recovery bond surcharge. Clause interest for 2009, 2008 and 2007 amounted to approximately $45 million, $44 million and $32 million, respectively. For both 2009 and 2008, interest expense was reduced by higher allowance for borrowed funds used during construction (see AFUDC - equity explanation below).

The increase in AFUDC - equity for 2009 and 2008 is primarily attributable to additional AFUDC - equity on three natural gas-fired combined-cycle units of approximately 1,220 mw each at WCEC, partly offset, in 2008, by the absence of AFUDC - equity on Turkey Point Unit No. 5 and the steam generator and reactor vessel head replacement projects at St. Lucie Unit No. 2.

Interest income declined in 2009 primarily due to lower average investment balances and lower interest rates. The decline in 2008 reflects the cessation of interest on FPL's unrecovered balance of the storm reserve deficiency, which balance was collected upon the issuance of the storm-recovery bonds in 2007, partly offset by higher interest income earned on higher average investment balances.

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 2009, 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.

FPL is currently constructing a natural gas-fired combined-cycle unit of approximately 1,220 mw at its WCEC, which is expected to be placed in service by mid-2011. In addition, 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 placed in service by the end of 2012.

NextEra Energy Resources - NextEra Energy Resources' net income for 2009, 2008 and 2007 was $849 million, $915 million and $540 million, respectively, a decrease in 2009 of $66 million and an increase in 2008 of $375 million. The primary drivers, on an after-tax basis, of these changes were as follows:

	Increase (Decrease) From Prior Period	
	Years Ended December 31,	
	2009	2008
	(millions)	
New investments [(a)]	$ 176	$ 155
Existing assets [(a)]	(171)	48
Full energy and capacity requirements services and trading	78	6
Asset sales	6	5
Interest expense, differential membership costs and other	(28)	(25)
Change in unrealized mark-to-market non-qualifying hedge activity [(b)]	(190)	256
Change in OTTI losses on securities held in nuclear decommissioning funds, net of OTTI reversals	63	(70)
Net income increase (decrease)	$ (66)	$ 375

(a) Includes PTCs and ITCs on wind projects and ITCs on solar projects and, for new investments, deferred tax benefits associated with convertible ITCs (see Note 1 - Electric Plant, Depreciation and Amortization, Note 1 - Income Taxes and Note 6) but does not include allocation of interest expense or corporate general and administrative expenses. 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 3 and Overview.

The increase in NextEra Energy Resources' 2009 results from new investments reflects the addition of over 2,490 mw of wind generation during or after 2008. In addition, results from new investments for the year ended December 31, 2009 include approximately $87 million of deferred tax benefits associated with convertible ITCs. The increase in NextEra Energy Resources' 2008 results from new investments reflects the addition of over 3,200 mw of wind and nuclear generation during or after 2007.

In 2009, results from NextEra Energy Resources' existing asset portfolio decreased approximately $110 million primarily due to unfavorable results in the ERCOT and NEPOOL regions due primarily to unfavorable market conditions, lower results of $75 million associated with existing wind projects primarily due to a lower wind resource across the portfolio and lower results of $36 million from the contracted portfolio, partially offset by higher results ($42 million) from NextEra Energy Resources' retail energy provider due to favorable residential margins, a state tax benefit related to a change in state tax law on certain wind projects and favorable results at Seabrook primarily due to higher prices. A planned and unplanned outage at Seabrook in the fourth quarter of 2009 was substantially offset by planned and unplanned outages in 2008. In 2008, results from NextEra Energy Resources' existing asset portfolio increased approximately $76 million due to favorable results in the NEPOOL, ERCOT and PJM regions reflecting favorable market conditions, favorable hydro resource and favorable hedge pricing partially offset by the impact of planned and unplanned outages at the Seabrook nuclear facility. In addition, the existing wind portfolio experienced a favorable wind resource. These factors were partially offset by lower results of approximately $14 million from NextEra Energy Resources' retail energy provider primarily due to unfavorable commodity margins. Results in 2008 in PJM benefited from a new FERC-approved forward capacity market that began in June 2007.

NextEra Energy Resources' 2009 and 2008 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.

Asset sales in 2009 represent the sale of wind development rights, the sale of a 50 mw wind project and the sale of an interest in a waste-to-energy project, which contained an option for the buyer to sell the project back to NextEra Energy Resources. An additional after-tax gain of approximately $11 million on the waste-to-energy project has been recorded in 2010 when the buyer's option expired. Asset sales in 2008 reflect a gain on the sale of development rights on a natural gas project.

In both 2009 and 2008, interest expense, differential membership costs and other reflects increased costs due to growth of the business partially offset in 2008 by certain state income tax benefits. In 2009, an approximately $18 million income tax benefit from a reduction of previously deferred income taxes resulting from an additional equity investment in Canadian operations was offset by other income tax expenses in 2009 and the absence of other income tax benefits recorded in the prior year.

In 2009 and 2007, NextEra Energy Resources recorded net unrealized after-tax losses from non-qualifying hedges of approximately $20 million and $86 million, respectively. In 2008, NextEra Energy Resources recorded net unrealized mark-to-market after-tax gains from non-qualifying hedges of approximately $170 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 or losses as the underlying transactions were realized. In 2009, 2008 and 2007, NextEra Energy Resources recorded $36 million, $82 million and $6 million, respectively, of after-tax OTTI losses on securities held in its nuclear decommissioning funds. In 2009 and 2008, NextEra Energy Resources had approximately $23 million and $6 million, respectively, of after-tax OTTI reversals; there were no such OTTI reversals in 2007.

Operating revenues for the year ended December 31, 2009 decreased $573 million primarily due to losses of $88 million on unrealized mark-to-market non-qualifying hedge activity in 2009 compared to gains on such hedges of $232 million in 2008. Excluding this mark-to-market activity, revenues were affected by unfavorable market conditions in the NEPOOL, ERCOT and PJM regions and an unfavorable wind resource, partly offset by higher operating revenues at PMI and NextEra Energy Resources' retail energy provider (collectively, approximately $384 million) and project additions ($131 million). Operating revenues for the year ended December 31, 2008 increased $1,096 million primarily due to gains of $232 million on unrealized mark-to-market non-qualifying hedge activity in 2008 compared to losses on such hedges of $342 million in 2007. Excluding this mark-to-market activity, revenues benefited from project additions, favorable market conditions in the NEPOOL, ERCOT and PJM regions, and favorable wind and hydro resources (collectively, $587 million) partially offset by nuclear planned and unplanned outages of approximately $65 million.

Operating expenses for the year ended December 31, 2009 decreased $291 million primarily due to lower fuel costs of approximately $390 million partially offset by project additions of $94 million and higher corporate general and administrative expenses of $12 million to support the growth in the business. In addition, operating expenses reflect $60 million of unrealized mark-to-market gains from non-qualifying hedges compared to $53 million of such gains in 2008. Operating expenses for the year ended December 31, 2008 increased $522 million, reflecting $53 million of unrealized mark-to-market gains from non-qualifying hedges compared to $198 million of gains on such hedges in 2007. 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.

Equity in earnings of equity method investees in 2009 decreased $41 million due to unfavorable market conditions and the absence of certain favorable contractual provisions which benefited the prior periods at a project in the PJM region. Equity in earnings of equity method investees in 2008 increased $25 million due to improved market conditions in the PJM region.

NextEra Energy Resources' interest expense for the year ended December 31, 2009 increased $43 million due to increased borrowings to support the growth of the business, partially offset by a decrease in interest rates of approximately 37 basis points. NextEra Energy Resources' interest expense for the year ended December 31, 2008 decreased $1 million. Gains on disposal of assets - net in FPL Group's consolidated statements of income for 2009 reflect $56 million of gains on sales of securities held in NextEra Energy Resources' nuclear decommissioning funds and in 2008 reflect an approximately $10 million gain on the sale of development rights related to a natural gas project and $8 million of gains on sales of securities held in nuclear decommissioning funds.

PTCs from NextEra Energy Resources' wind projects are reflected in NextEra Energy Resources' 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 $255 million, $262 million and $219 million for the years ended December 31, 2009, 2008 and 2007, respectively. In addition, FPL Group's effective income tax rate for year ended December 31, 2009 was affected by deferred tax benefits associated with convertible ITCs of $88 million. See Note 6.

NextEra Energy Resources expects its future portfolio capacity growth to come primarily from wind and solar development and from asset acquisitions. NextEra Energy Resources added approximately 1,170 mw of wind generation in 2009, of which 985 mw were constructed and 185 mw were from three operating wind projects purchased in the fourth quarter of 2009. NextEra Energy Resources expects to add approximately 1,000 mw of new wind generation in 2010 and 1,000 mw to 1,500 mw in each of 2011 and 2012. In addition, NextEra Energy Resources intends to pursue opportunities for new solar generating facilities. The wind and solar expansions are subject to, among other things, continued public policy support, support for the construction and availability of sufficient transmission facilities and capacity, continued market demand, supply chain expansion and access to capital at reasonable cost and on reasonable terms. Currently, in the United States, 31 states have RPS requiring electricity providers in the state to meet a certain percentage of their retail sales with energy from renewable sources. These standards vary by state, but the majority include requirements to meet 10% to 25% of the electricity providers' retail sales with energy from renewable sources by 2025. NextEra Energy Resources believes that these standards will create incremental demand for renewable energy in the future.

Competitive wholesale markets in the United States continue to evolve and vary among and within geographic regions. 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 regulated utilities and new sources of generation, effective risk management, demand growth, environmental requirements and exposure to legal and regulatory changes.

Expanded competition in a frequently changing regulatory environment presents both opportunities and risks for NextEra Energy Resources. 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. NextEra Energy Resources 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 combination of new wind and solar projects and asset acquisitions are expected to be the key drivers supporting NextEra Energy Resources' growth over the next few years.

NextEra Energy Resources' earnings are subject to variability due to, among other things, operational performance, commodity price exposure, counterparty performance, weather conditions and project restructuring activities. NextEra Energy Resources' exposure to commodity price risk is reduced by the degree of contract coverage obtained for 2010 and 2011. Therefore, if NextEra Energy Resources' plants do not perform as expected, NextEra Energy Resources could be required to purchase power at potentially higher market prices to meet its contractual obligations. 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 and the solar units in California. In managing its exposure to commodity prices, NextEra Energy Resources is dependent upon its counterparties to perform under their contractual obligations. NextEra Energy Resources actively manages the trade-off between market risk and credit risk, as well as exposure with individual counterparties as a function of their creditworthiness. As of December 31, 2009, substantially all of NextEra Energy Resources' 2010 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 expense to NextEra Energy Resources based on a deemed capital structure at NextEra Energy Resources of 50% debt for operating projects and 100% debt for projects under construction. For these purposes, the deferred credit associated with differential membership interests sold by a NextEra Energy Resources subsidiary in December 2007 is included with debt. Each subsidiary's income taxes are calculated based on the "separate return method," except that tax benefits that could not be used on a separate return basis, but are used on the consolidated tax return, are recorded by the subsidiary that generated the tax benefits. Any remaining consolidated income tax benefits or expenses are recorded at Corporate and Other. The major components of Corporate and Other's results, on an after-tax basis, are as follows:

	Years Ended December 31,		
	2009	2008	2007
		(millions)	
Interest expense, net of allocations to NextEra Energy Resources	$ (109)	$ (103)	$ (90)
Interest income	34	22	22
Federal and state income tax benefits	-	18	3
Other	10	(2)	1
Net loss	$ (65)	$ (65)	$ (64)

The increase in interest expense in 2009 and 2008 reflects additional debt outstanding, partly offset by a higher allocation of interest costs to NextEra Energy Resources and lower average interest rates of approximately 66 basis points and 91 basis points, respectively. The increase in interest income in 2009 is primarily due to earnings on an energy-related loan made to a third party by an FPL Group Capital subsidiary. Interest income in 2008 reflects lower interest rates on temporary investments offset by additional earnings on energy-related loans made to third parties by FPL Group Capital subsidiaries. The federal and state income tax benefits reflect consolidating income tax adjustments. Other includes all other corporate income and expenses, as well as other business activities. The increase in other primarily reflects realized and unrealized gains on investments which are reflected in other - net in the consolidated statements of income.

Liquidity and Capital Resources

FPL Group and its subsidiaries, including FPL, require funds to support and grow their businesses. These funds are used for working capital, capital expenditures, investments in or acquisitions of assets and businesses, to pay maturing debt obligations and, from time to time, to redeem or repurchase outstanding debt or equity securities. It is anticipated that these requirements will be satisfied through a combination of internally generated funds, borrowings, 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. FPL Group, FPL and FPL Group Capital access the credit and capital markets as significant sources of liquidity for capital requirements that are not satisfied by operating cash flows. The inability of FPL Group, FPL and FPL Group Capital to maintain their current credit ratings could affect their ability to raise short- and long-term capital, their cost of capital and the execution of their respective financing strategies, and could require the posting of additional collateral under certain agreements. In January 2010, Moody's Investors Service, Inc. (Moody's), Standard & Poor's Ratings Services (S&P) and Fitch Ratings (Fitch) placed FPL Group, FPL Group Capital and FPL on negative credit watch with the possibility of a credit ratings downgrade. The rating agencies indicated their review for potential downgrade of the ratings is prompted by, among other things, the heightened risk to investors caused by a decline in the regulatory environment for investor-owned utilities operating in Florida and continued challenging economic conditions throughout Florida. FPL Group and FPL are unable to predict whether or when a credit ratings downgrade may occur. See Credit Ratings below.

The global and domestic credit and capital markets experienced unprecedented levels of volatility and disruption in the recent past. This significantly affected the cost and available sources of liquidity in the financial markets. FPL and FPL Group Capital have continued to have access to commercial paper and short- and long-term credit and capital markets. If capital and credit market conditions change, this could alter spending plans at FPL and NextEra Energy Resources.

Available Liquidity - At December 31, 2009, FPL Group's total net available liquidity was approximately $4.4 billion, of which FPL's portion was approximately $2.0 billion. The components of each company's net available liquidity at December 31, 2009 were as follows:

				Maturity Date	
	FPL	FPL Group Capital	FPL Group Consoli-dated	FPL	FPL Group Capital
		(millions)			
Bank revolving lines of credit [a]	$ 2,473	$ 3,917	$ 6,390	[b]	[b]
Less letters of credit	(3)	(492)	(495)		
	2,470	3,425	5,895		
Revolving term loan facility	250	-	250	2011	
Less borrowings	-	-	-		
	250	-	250		
Subtotal	2,720	3,425	6,145		
Cash and cash equivalents	83	155	238		
Less commercial paper	(818)	(1,202)	(2,020)		
Net available liquidity	$ 1,985	$ 2,378	$ 4,363		

(a) Provide for the issuance of letters of credit up to $6,390 million ($2,473 million for FPL) and are available to support FPL's and FPL Group Capital's commercial paper programs and short-term borrowings 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's bank revolving lines of credit are also available to support the purchase of $633 million of pollution control, solid waste disposal and industrial development revenue bonds (tax exempt bonds) in the event they are tendered by individual bond holders and not remarketed prior to maturity.

(b) $17 million of FPL's and $40 million of FPL Group Capital's bank revolving lines of credit expire in 2012. The remaining portion of bank revolving lines of credit for FPL and FPL Group Capital expire in 2013.

As of February 25, 2010, 37 banks participate in FPL's and FPL Group Capital's credit facilities and FPL's revolving term loan facility, with no one bank providing more than 8% of the combined credit facilities and FPL's revolving term loan facility. In order for FPL Group Capital to borrow under the terms of its credit facility, FPL Group (which guarantees the payment of FPL Group Capital's credit facility pursuant to a 1998 guarantee agreement) is required to maintain a ratio of funded debt to total capitalization that does not exceed a stated ratio. The FPL Group Capital credit facility also contains default and related acceleration provisions relating to, among other things, failure of FPL Group to maintain a ratio of funded debt to total capitalization at or below the specified ratio. Similarly, in order for FPL to borrow under the terms of its credit facility and revolving term loan facility, FPL is required to maintain a ratio of funded debt to total capitalization that does not exceed a stated ratio. The FPL credit facility and revolving term loan facility also contain default and related acceleration provisions relating to, among other things, failure of FPL to maintain a ratio of funded debt to total capitalization at or below the specified ratio. At December 31, 2009, each of FPL Group and FPL was in compliance with its required ratio.

In January 2009, FPL Group entered into an agreement under which FPL Group may offer and sell, from time to time, FPL Group common stock having a gross sales price of up to $400 million. During 2009, FPL Group received gross proceeds through the sale and issuance of common stock under this agreement of approximately $160 million consisting of 2,890,000 shares at an average price of $55.53 per share.

At December 31, 2009, FPL had the capacity to absorb up to approximately $198 million in future prudently incurred storm restoration costs without seeking recovery through a rate adjustment from the FPSC. Also, an indirect wholly-owned subsidiary of NextEra Energy Resources has established an $80 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.

Letters of Credit, Surety Bonds and Guarantees - FPL Group and FPL obtain letters of credit and surety bonds, and issue guarantees to facilitate commercial transactions with third parties and financings. At December 31, 2009, FPL Group had approximately $751 million of standby letters of credit ($14 million for FPL), approximately $95 million of surety bonds ($55 million for FPL) and approximately $8.9 billion notional amount of guarantees ($648 million for FPL), of which approximately $6.6 billion ($24 million for FPL) letters of credit and guarantees have expirations within the next five years. An aggregate of approximately $495 million ($3 million for FPL) of the standby letters of credit at December 31, 2009 were issued under FPL's and FPL Group Capital's credit facilities. See Available Liquidity above. Letters of credit, surety bonds and guarantees support, among other things, the buying and selling of wholesale energy commodities, debt and related reserves, capital expenditures for wind development, 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, surety bonds and guarantees. Accordingly, at December 31, 2009, FPL Group and FPL did not have any liabilities recorded for these letters of credit, surety bonds 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 NextEra Energy Resources and its subsidiaries. See Note 14 - Commitments. Due to fluctuations in the value of investments held in the nuclear decommissioning fund for Duane Arnold, the balance in that fund is at certain times below the NRC minimum funding requirement and could require posting of additional amounts to meet that requirement. As required by the NRC, in November 2009, NextEra Energy Resources submitted its proposed plan to the NRC for providing financial assurance for decommissioning funding for Duane Arnold, including the proposed elimination of the existing $93 million parent company guaranty for decommissioning. The ultimate amount of the guarantee for NextEra Energy Resources' decommissioning obligations for Duane Arnold, if any, could vary depending on the market performance of the investments held in the nuclear decommissioning fund and on the NRC's position on NextEra Energy Resources' proposed plan.

Shelf Registration - In August 2009, 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 boards of directors. As of February 25, 2010, 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, junior subordinated debentures, first mortgage bonds, preferred trust securities, common stock, preferred stock, stock purchase contracts, stock purchase units, warrants and guarantees related to certain of those securities. As of February 25, 2010, FPL Group and FPL Group Capital had approximately $1.7 billion (issuable by either or both of them up to such aggregate amount) of board-authorized available capacity, and FPL had $0.5 billion of board-authorized available capacity.

Credit Ratings - At February 25, 2010, 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	Aa2	A	AA-
Pollution control, solid waste disposal and industrial development revenue bonds	VMIG-1	A	A+
Commercial paper	P-1	A-1	F1
FPL Group Capital: [b]			
Corporate credit rating	A2	A	A
Debentures	A2	A-	A
Junior subordinated debentures	A3	BBB+	BBB+
Commercial paper	P-1	A-1	F1

(a) A security rating is not a recommendation to buy, sell or hold securities and should be evaluated independently of any other rating. The rating is subject to revision or withdrawal at any time by the assigning rating organization.

(b) In January 2010, FPL Group, FPL and FPL Group Capital were placed on a negative credit watch with the possibility of a credit ratings downgrade by each of Moody's, S&P and Fitch.

FPL Group and its subsidiaries, including FPL, have no credit rating downgrade triggers that would accelerate the maturity dates of outstanding debt. 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 and FPL Group Capital, the maintenance of a specific minimum credit rating is not a condition to drawing on those credit facilities. Commitment fees and interest rates on loans under the credit facilities' agreements are tied to credit ratings. A ratings downgrade also could reduce the accessibility and increase the cost of commercial paper and other short-term debt issuances and additional or replacement credit facilities. In addition, a ratings downgrade could result in the requirement that FPL Group subsidiaries, including FPL, post collateral under certain agreements, including those related to fuel procurement, power sales and purchases, nuclear decommissioning funding, debt-related reserves and trading activities. If FPL's credit rating was downgraded by one or two levels, it would not be required to post additional collateral under these agreements. If FPL Group Capital's credit rating was downgraded to BBB+/Baa1, which is a one level downgrade for S&P and a two level downgrade for Moody's and Fitch, FPL Group Capital would be required to post additional collateral of approximately $150 million. FPL's and FPL Group Capital's bank revolving lines of credit are available to support the potential requirements discussed above. See Available Liquidity above.

Cash Flow - The changes in cash and cash equivalents are summarized as follows:

	FPL Group			FPL		
	Years Ended December 31,					
	2009	2008	2007	2009	2008	2007
	(millions)					
Net cash provided by operating activities	$ 4,463	$ 3,403	$ 3,593	$ 2,871	$ 2,180	$ 2,163
Net cash used in investing activities	(5,935)	(5,808)	(4,578)	(2,726)	(2,427)	(2,214)
Net cash provided by (used in) financing activities	1,175	2,650	655	(182)	304	50
Net increase (decrease) in cash and cash equivalents	$ (297)	$ 245	$ (330)	$ (37)	$ 57	$ (1)

FPL Group's cash and cash equivalents decreased for the year ended December 31, 2009 reflecting capital investments by FPL and NextEra Energy Resources, the payment of common stock dividends to FPL Group shareholders and margin cash collateral provided to NextEra Energy Resources' counterparties. These outflows were partially offset by cash generated by operating activities, net issuances of both long- and short-term debt and the issuance of common stock.

FPL Group's cash flows from operating activities for the year ended December 31, 2009 reflect cash generated by net income and the overrecovery of fuel costs by FPL in 2009, as well as the recovery of prior period deferrals. These inflows were partially offset by margin cash collateral provided to NextEra Energy Resources' counterparties as a result of changing energy prices.

FPL Group's cash flows from investing activities for the year ended December 31, 2009 reflect capital investments, including nuclear fuel purchases, of approximately $2.7 billion by FPL to expand and enhance its electric system and generating facilities to continue to provide reliable service to meet the power needs of present and future customers and investments in independent power projects of approximately $3.2 billion by NextEra Energy Resources. FPL Group's cash flows from investing activities also include the cash grants under the Recovery Act, the receipt of funds from the spent fuel settlement agreement, the purchase and sale of restricted securities held in the special use funds, including the reinvestment of fund earnings and new contributions by NextEra Energy Resources, as well as other investment activity, primarily at FPL Group Capital. In 2010, FPL Group expects to receive approximately $417 million ($44 million at FPL) in cash grants under the Recovery Act for energy projects placed in service in 2009.

During the year ended December 31, 2009, FPL Group generated proceeds from financing activities, net of related issuance costs, of approximately $3.6 billion, including a net increase in short-term debt of $154 million (comprised of $109 million and $45 million at FPL Group Capital and FPL, respectively), $198 million in proceeds from the issuance of common stock, primarily under FPL Group's continuous offering agreement (see Available Liquidity above), and the following long-term debt issuances and borrowings:

Date Issued	Company	Debt Issued	Interest Rate	Principal Amount (millions)	Maturity Date(s)
January 2009	NextEra Energy Resources subsidiary	Canadian dollar denominated limited-recourse senior secured term loan	Variable	$ 76	2023 [a]
January 2009	FPL Group Capital	Term loan	Variable	72	2011
March 2009	FPL Group Capital	Debentures	6.00%	500	2019
March 2009	FPL	First mortgage bonds	5.96%	500	2039
March 2009	FPL Group Capital	Junior subordinated debentures	8.75%	375	2069
March 2009	NextEra Energy Resources subsidiary	Limited-recourse senior secured notes	Variable	22	2016 [b]
May 2009	NextEra Energy Resources subsidiary	Limited-recourse senior secured term loan	Variable	343	2017 [b]
May 2009	FPL Group Capital	Debentures related to FPL Group's equity units	3.60%	350	2014
June 2009	FPL Group Capital	Japanese yen denominated term loan	Variable	146	2011
June 2009	FPL Group Capital	Term loan	Variable	50	2011
October 2009	FPL Group Capital subsidiary	Senior secured bonds	7.500%	500	2030 [b][c]
November 2009	FPL Group Capital	Debentures	Variable	200	2012
December 2009	NextEra Energy Resources subsidiary	Limited-recourse senior secured term loan	Variable	130	2019 [b]
				$ 3,264	

(a) Proceeds from this loan were used to repay a portion of the NextEra Energy Resources subsidiary's Canadian dollar denominated variable rate term loan maturing in 2011. In March 2009, the remaining balance of the term loan maturing in 2011 was paid off.
(b) Partially amortizing with a balloon payment at maturity.
(c) Collateralized by a third-party note receivable held by a wholly-owned subsidiary of FPL Group Capital.

During the year ended December 31, 2009, FPL Group paid approximately $2.4 billion in connection with financing activities, including $725 million for FPL Group Capital debt maturities, $225 million for maturing FPL first mortgage bonds, approximately $441 million of NextEra Energy Resources' debt payments including principal prepayment on a term loan and principal payments, approximately $205 million of FPL Group Capital debt payments including principal prepayment on a term loan and repurchase of junior subordinated debentures, approximately $38 million principal payment on storm-recovery bonds and $766 million for the payment of dividends on FPL Group's common stock. In February 2010, FPL issued $500 million principal amount of 5.69% first mortgage bonds maturing 2040.

In 2008, FPL entered into a reclaimed water agreement with Palm Beach County (PBC) to provide FPL's WCEC with reclaimed water beginning in January 2011. Under the reclaimed water agreement, FPL is to construct a reclaimed water system, including modifications to an existing treatment plant and a water pipeline, that PBC will legally own and operate. The reclaimed water agreement also requires PBC to issue bonds for the purpose of paying the costs associated with the construction of the reclaimed water system. In July 2009, PBC issued approximately $68 million principal amount of bonds. For financial reporting purposes, FPL is considered the owner of the reclaimed water system and FPL and FPL Group are recording electric utility plant in service and other property as costs are incurred and long-term debt as costs are eligible for reimbursement by PBC to FPL. See Note 12.

During the year ended December 31, 2009, indirect wholly-owned subsidiaries of NextEra Energy Resources and FPL Group Capital entered into interest rate swap agreements. See Energy Marketing and Trading and Market Risk Sensitivity - Market Risk Sensitivity.

FPL Group's cash and cash equivalents increased for the year ended December 31, 2008, reflecting cash generated by operating activities and net issuances of both long- and short-term debt. These inflows were partially offset by capital investments by FPL and NextEra Energy Resources, the payment of common stock dividends to FPL Group shareholders and the funding of a $500 million loan.

FPL Group's cash and cash equivalents decreased for the year ended December 31, 2007, reflecting capital investments by FPL and NextEra Energy Resources, 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 operating activities, 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 relating to an Indonesian project.

Contractual Obligations and Estimated Planned Capital Expenditures - FPL Group's and FPL's commitments at December 31, 2009 were as follows:

	2010	2011	2012	2013	2014	Thereafter	Total
				(millions)			
Long-term debt, including interest: [a]							
FPL	$ 335	$ 339	$ 341	$ 732	$ 323	$ 10,314[b]	$ 12,384
NextEra Energy Resources	601	593	622	648	455	3,487	6,406
Corporate and Other	557	2,202	517	565	637	12,962	17,440
Purchase obligations:							
FPL [c]	5,510	4,555	2,690	2,310	2,115	7,085	24,265
NextEra Energy Resources [d]	1,710	220	225	80	60	795	3,090
Asset retirement activities: [e]							
FPL [f]	-	-	-	-	-	11,797	11,797
NextEra Energy Resources [g]	-	-	2	-	-	7,343	7,345
Other Commitments:							
NextEra Energy Resources [h]	-	-	-	68	70	210	348
Total	$ 8,713	$ 7,909	$ 4,397	$ 4,403	$ 3,660	$ 53,993	$ 83,075

(a) Includes principal, interest and interest rate swaps. Variable rate interest was computed using December 31, 2009 rates.
(b) Includes $633 million of tax exempt bonds that permit individual bond holders to tender the bonds for purchase at any time prior to maturity. In the event bonds are tendered for purchase, they would be remarketed by a designated remarketing agent in accordance with the related indenture. If the remarketing is unsuccessful, FPL would be required to purchase the tax exempt bonds. As of December 31, 2009, all tax exempt bonds tendered for purchase have been successfully remarketed. FPL's bank revolving lines of credit are available to support the purchase of tax exempt bonds.
(c) 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 14 - Contracts), and projected capital expenditures through 2014. See Note 14 - Commitments.
(d) Represents firm commitments primarily in connection with the purchase of wind turbines and towers, solar project components and related construction activities, natural gas transportation, purchase and storage, firm transmission service and nuclear fuel. See Note 14 - Commitments and Contracts.
(e) Represents expected cash payments adjusted for inflation for estimated costs to perform asset retirement activities.
(f) At December 31, 2009, FPL had approximately $2,285 million in restricted 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.
(g) At December 31, 2009, NextEra Energy Resources' 88.23% portion of Seabrook's and 70% portion of Duane Arnold's and its Point Beach's restricted 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.
(h) Represents estimated cash distributions related to certain membership interests. See Note 10 - Sale of Differential Membership Interests.

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 2009, FPL Group increased the quarterly dividend on its common stock from $0.445 to $0.4725 per share. In February 2010, FPL Group announced that it would increase the quarterly dividend on its common stock from $0.4725 to $0.50 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, 2009, 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, 2009, after giving effect to the February 2010 issuance of the $500 million 5.69% first mortgage bonds maturing in 2040, coverage for the 12 months ended December 31, 2009 would have been approximately 6.2 times the annual interest requirements and approximately 3.6 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, 2009, after giving effect to the February 2010 issuance of the $500 million 5.69% first mortgage bonds maturing in 2040, FPL could have issued in excess of $7.4 billion of additional first mortgage bonds based on the unfunded property additions and in excess of $5.8 billion based on retired first mortgage bonds. As of December 31, 2009, 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.

In March 2009, FPL Group and FPL Group Capital executed a Replacement Capital Covenant (March 2009 RCC) in connection with FPL Group Capital's offering of $375 million principal amount of its Series F Junior Subordinated Debentures due 2069. The March 2009 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 F 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 March 2009 RCC. The March 2009 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 F junior subordinated debentures on or before March 1, 2039, 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 F junior subordinated debentures at the time of redemption, purchase or defeasance, subject to certain limitations described in the March 2009 RCC.

New Accounting Rules and Interpretations

Variable Interest Entities - In 2009, new accounting guidance was issued which modifies the consolidation model in previous guidance and expands the required disclosures related to VIEs. The new accounting guidance became effective on January 1, 2010. FPL Group and FPL are currently evaluating the impact of the new accounting guidance.

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 policies 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, futures and forwards) to manage the commodity price risk inherent in the purchase and sale of fuel and electricity, as well as interest rate and foreign currency exchange rate risk associated with long-term debt. In addition, FPL Group, through NextEra Energy Resources, uses derivatives to optimize the value of power generation assets. NextEra Energy Resources 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 power and gas marketing and 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, 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 NextEra Energy Resources, 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.

Much of the existing accounting guidance related to derivatives focuses on when certain contracts for the purchase and sale of power and certain fuel supply contracts can be excluded from derivative accounting rules, however the guidance does not address all contract issues. As a result, significant judgment must be used in applying derivatives accounting guidance to contracts. In the event changes in interpretation occur, it is possible that contracts that currently are excluded from derivatives accounting rules would have to be recorded on the balance sheet at fair value, with changes in the fair value recorded in the statement of income.

Certain economic hedging transactions at NextEra Energy Resources 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 NextEra Energy Resources' 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 3 and also see 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 (SERP) which includes a non-qualified supplemental defined benefit pension component that provides benefits to a select group of management and highly compensated employees. The impact of the SERP component is included within the pension plan as discussed below. 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.

Effective December 31, 2006, FPL Group adopted new recognition and disclosure provisions regarding benefit plans which require recognition of the funded status of benefit plans in the balance sheet, with changes in the funded status recognized in comprehensive income within shareholders' equity in the year in which the changes occur. In addition, effective December 31, 2008, the new provisions required FPL Group to measure plan assets and benefit obligations as of the fiscal year-end. Prior to 2008, FPL Group used a measurement date of September 30. In lieu of remeasuring plan assets and obligations as of January 1, 2008, FPL Group 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 recorded 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 (AOCI) and approximately $3 million related to the reduction in net regulatory liabilities.

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 the new accounting provisions 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 obligations related to the recognition provision 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 AOCI were classified as regulatory assets and liabilities at FPL Group in accordance with regulatory treatment. In addition, adjustments to AOCI as a result of implementing the measurement date provisions that were estimated to be allocable to FPL were recorded as an adjustment to the previously established regulatory assets and liabilities.

FPL Group's income from its pension plan, net of the cost of the other benefits plan, was approximately $75 million, $86 million and $69 million for the years ended December 31, 2009, 2008 and 2007, respectively. The corresponding amounts allocated to FPL were $50 million, $60 million and $51 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% for all years for the other benefits plan, assumed increases in salary of 4.00% for all years, and weighted-average discount rates of 6.90%, 6.25% and 5.85% for the pension plan and 6.90%, 6.35% and 5.90% for the other benefits plan for the years ended December 31, 2009, 2008 and 2007, respectively. Based on current health care costs (as related to other benefits), the projected 2010 trend assumption used to measure the expected cost of health care benefits covered by the plans for those under age 65 is 8.00% for medical and 8.50% for prescription drug benefits and for those age 65 and over is 7.50% for medical and 8.00% for prescription drug benefits. These rates are assumed to decrease over the next 9 years for medical benefits and 11 years for prescription drug benefits to the ultimate trend rate of 5.50% and remain at that level thereafter. The ultimate trend rate is assumed to be reached in 2018 for medical benefits and 2020 for prescription drug benefits. 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, as well as its funds' historical compounded returns. FPL Group also considered input from its actuaries and consultants, as well as information available in the marketplace. 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 following 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 to the extent they exceed 10% of the greater of projected benefit obligations or the market-related value of assets.

The following table illustrates the effect on net periodic benefit income of changing the critical actuarial assumptions discussed above, while holding all other assumptions constant:

	Change in Assumption	Decrease in 2009 Net Periodic Benefit Income	
		FPL Group	FPL
		(millions)	
Expected long-term rate of return	(0.5)%	$ 16	$ 11
Discount rate	(0.5)%	$ 3	$ 2
Salary increase	0.5 %	$ 2	$ 1
Health care cost trend rate [a]	1.0 %	$ -	$ -

(a) Assumed health care 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 $2.5 billion at December 31, 2008 to $3.0 billion at December 31, 2009 for the pension plan and increased from $29 million at December 31, 2008 to $32 million at December 31, 2009 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 2009, $29 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 $29 million for eligible retiree medical expenses on behalf of the other benefits plan during 2010 with substantially all of that amount being reimbursed through a transfer of assets from the qualified pension plan. See Note 2.

Carrying Value of Long-Lived Assets - FPL Group evaluates on an ongoing basis the recoverability of its assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is required to be recognized if the carrying value of the asset exceeds the undiscounted future net cash flows associated with that asset. The impairment loss to be recognized is the amount by which the carrying value of the long-lived asset exceeds the asset's fair value. In most instances, the fair value is determined by discounting estimated future cash flows using an appropriate interest rate.

The amount of future net cash flows, the timing of the cash flows and the determination of an appropriate interest rate all involve estimates and judgments about future events. In particular, the aggregate amount of cash flows determines whether an impairment exists, and the timing of the cash flows is critical in determining fair value. Because each assessment is based on the facts and circumstances associated with each long-lived asset, the effects of changes in assumptions cannot be generalized.

Nuclear Decommissioning and Fossil Dismantlement - FPL Group and FPL each account for asset retirement obligations and conditional asset retirement obligations (collectively, AROs) under accounting guidance that requires 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. See Note 1 - Asset Retirement Obligations, Note 1 - Decommissioning of Nuclear Plants, Dismantlement of Plants and Other Accrued Asset Removal Costs and Note 13.

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 approximately $10.9 billion, or $2.4 billion in 2009 dollars. The studies reflect, among other things, the 20-year license extensions of FPL's nuclear units. At December 31, 2009, $2,597 million was accrued for nuclear decommissioning, of which $1,807 million was recorded as an ARO, $50 million was recorded as a capitalized net asset related to the ARO, $644 million was recorded as a regulatory liability and $196 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, 2010, indicated that FPL's portion of the ultimate cost to dismantle its fossil units is $894 million, or $467 million expressed in 2009 dollars. The majority of the dismantlement costs are not considered AROs. At December 31, 2009, $364 million was accrued for fossil dismantlement costs, of which $23 million was recorded as an ARO, $5 million was recorded as a capitalized net asset related to the ARO, $28 million was recorded as a regulatory liability and $318 million was included in accrued asset removal costs (a regulatory liability) on the consolidated balance sheets.

NextEra Energy Resources records a liability for the present value of its expected decommissioning costs which is determined using various internal and external data. NextEra Energy Resources' portion of the ultimate cost of decommissioning its nuclear plants, including costs associated with spent fuel storage, is estimated to be approximately $6.6 billion, or $1.6 billion expressed in 2009 dollars. The liability is being accreted using the interest method through the date decommissioning activities are expected to be complete. At December 31, 2009, the ARO for nuclear decommissioning of NextEra Energy Resources' nuclear plants totaled approximately $518 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. 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, 2009 by $235 million and $183 million, respectively.

Regulatory Accounting - Accounting guidance allows regulators to 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 regulatory accounting 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,	
	2009	2008	2009	2008
	(millions)			
Regulatory assets:				
Current:				
Deferred clause and franchise expenses	$ 69	$ 248	$ 69	$ 248
Securitized storm-recovery costs	$ 69	$ 64	$ 69	$ 64
Derivatives	$ 68	$ 1,109	$ 68	$ 1,109
Pension	$ -	$ 19	$ -	$ -
Other	$ 3	$ 4	$ -	$ -
Noncurrent:				
Securitized storm-recovery costs	$ 644	$ 697	$ 644	$ 697
Deferred clause expenses	$ -	$ 79	$ -	$ 79
Pension	$ -	$ 100	$ -	$ -
Unamortized loss on reacquired debt	$ 29	$ 32	$ 29	$ 32
Other	$ 236	$ 138	$ 185	$ 133
Regulatory liabilities:				
Current:				
Deferred clause and franchise revenues	$ 377	$ 11	$ 377	$ 11
Pension	$ 2	$ -	$ -	$ -
Noncurrent:				
Accrued asset removal costs	$ 2,251	$ 2,142	$ 2,251	$ 2,142
Asset retirement obligation regulatory expense difference	$ 671	$ 520	$ 671	$ 520
Pension	$ 16	$ -	$ -	$ -
Other	$ 244	$ 218	$ 244	$ 218

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 NextEra Energy Resources, use derivative instruments (primarily swaps, options, futures and forwards) to manage the commodity price risk inherent in the purchase and sale of fuel and electricity. In addition, FPL Group, through NextEra Energy Resources, uses derivatives to optimize the value of power generation assets. NextEra Energy Resources 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 power and gas marketing and trading activities to take advantage of expected future favorable price movements.

Derivative instruments, when required to be marked to market, 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, and, 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 NextEra Energy Resources, 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. See Note 3.

The changes in the fair value of FPL Group's consolidated subsidiaries' energy contract derivative instruments were as follows:

		Hedges on Owned Assets			
	Trading	Non-Qualifying	OCI	FPL Cost Recovery Clauses	FPL Group Total
			(millions)		
Fair value of contracts outstanding at December 31, 2007	$ 2	$ (138)	$ (109)	$ (119)	$ (364)
Reclassification to realized at settlement of contracts	20	(30)	147	(658)	(521)
Effective portion of changes in fair value recorded in OCI	-	-	76	-	76
Ineffective portion of changes in fair value recorded in earnings	-	25	-	-	25
Changes in fair value excluding reclassification to realized	34	286	-	(331)	(11)
Fair value of contracts outstanding at December 31, 2008	56	143	114	(1,108)	(795)
Reclassification to realized at settlement of contracts	(160)	(208)	(180)	1,734	1,186
Effective portion of changes in fair value recorded in OCI	-	-	197	-	197
Ineffective portion of changes in fair value recorded in earnings	-	28	-	-	28
Changes in fair value excluding reclassification to realized	143	163	-	(690)	(384)
Fair value of contracts outstanding at December 31, 2009	39	126	131	(64)	232
Net option premium payments (receipts)	(5)	16	-	-	11
Net margin cash collateral paid					70
Total mark-to-market energy contract net assets (liabilities) at December 31, 2009	$ 34	$ 142	$ 131	$ (64)	$ 313

FPL Group's total mark-to-market energy contract net assets (liabilities) at December 31, 2009 shown above are included in the consolidated balance sheets as follows:

	December 31, 2009
	(millions)
Current derivative assets	$ 357
Noncurrent other assets	264
Current derivative liabilities	(170)
Noncurrent derivative liabilities	(138)
FPL Group's total mark-to-market energy contract net liabilities	$ 313

The sources of fair value estimates and maturity of energy contract derivative instruments at December 31, 2009 were as follows:

	Maturity						
	2010	2011	2012	2013	2014	Thereafter	Total
				(millions)			
Trading:							
Quoted prices in active markets for identical assets	$ (152)	$ (6)	$ (22)	$ (17)	$ -	$ -	$ (197)
Significant other observable inputs	(24)	(33)	(11)	11	-	-	(57)
Significant unobservable inputs	179	68	38	4	(1)	-	288
Total	3	29	5	(2)	(1)	-	34
Owned Assets - Non-Qualifying:							
Quoted prices in active markets for identical assets	33	(11)	(7)	-	-	-	15
Significant other observable inputs	30	23	30	(4)	(8)	(8)	63
Significant unobservable inputs	25	21	6	4	4	4	64
Total	88	33	29	-	(4)	(4)	142
Owned Assets - OCI:							
Quoted prices in active markets for identical assets	24	24	11	-	-	-	59
Significant other observable inputs	70	7	(5)	-	-	-	72
Significant unobservable inputs	-	-	-	-	-	-	-
Total	94	31	6	-	-	-	131
Owned Assets - FPL Cost Recovery Clauses:							
Quoted prices in active markets for identical assets	-	-	-	-	-	-	-
Significant other observable inputs	(75)	-	-	-	-	-	(75)
Significant unobservable inputs	7	4	-	-	-	-	11
Total	(68)	4	-	-	-	-	(64)
Total sources of fair value	$ 117	$ 97	$ 40	$ (2)	$ (5)	$ (4)	$ 243

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, equity prices or currency exchange rates over the next year. In 2008, FPL Group Capital entered into a cross currency basis swap to hedge against currency movements with respect to both interest and principal payments on a loan and, in June 2009, FPL Group Capital entered into a cross currency swap to hedge against currency and interest rate movements with respect to both interest and principal payments on a loan. At December 31, 2009 and 2008, the fair value of these cross currency swaps was not material. 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, 2009 and 2008, the VaR figures are as follows:

	Trading			Non-Qualifying Hedges and Hedges in OCI and FPL Cost Recovery Clauses [a]			Total		
	FPL	NextEra Energy Resources	FPL Group	FPL	NextEra Energy Resources	FPL Group	FPL	NextEra Energy Resources	FPL Group
					(millions)				
December 31, 2008	$ -	$ 5	$ 5	$ 86	$ 54	$ 31	$ 86	$ 58	$ 30
December 31, 2009	$ -	$ 2	$ 2	$ 61	$ 51	$ 25	$ 61	$ 51	$ 25
Average for the period ended December 31, 2009	$ -	$ 5	$ 5	$ 56	$ 42	$ 24	$ 56	$ 45	$ 24

(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 other investments. 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, 2009		December 31, 2008	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
	(millions)			
FPL Group:				
Fixed income securities:				
Special use funds	$ 1,685	$ 1,685[a]	$ 1,867	$ 1,867[a]
Other investments	$ 104	$ 104[a]	$ 105	$ 105[a]
Long-term debt, including current maturities	$ 16,869	$ 17,256[b]	$ 15,221	$ 15,152[b]
Interest rate swaps - net unrealized losses	$ (17)	$ (17)[c]	$ (78)	$ (78)[c]
FPL:				
Fixed income securities - special use funds	$ 1,384	$ 1,384[a]	$ 1,510	$ 1,510[a]
Long-term debt, including current maturities	$ 5,836	$ 6,055[b]	$ 5,574	$ 5,652[b]

(a) Based on quoted market prices for these or similar issues.
(b) Based on market prices provided by external sources.
(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 mitigate and adjust interest rate exposure when deemed appropriate based upon market conditions or when required by financing agreements. At December 31, 2009, the estimated fair value for FPL Group's interest rate swaps was as follows:

Notional Amount	Effective Date	Maturity Date	Rate Paid	Rate Received	Estimated Fair Value
(millions)					(millions)
Fair value hedge - FPL Group Capital:					
$ 300	June 2008	September 2011	Variable[a]	5.625%	$ 14
Cash flow hedges - NextEra Energy Resources:					
$ 52	December 2003	December 2017	4.245%	Variable[b]	(2)
$ 17	April 2004	December 2017	3.845%	Variable[b]	(1)
$ 169	December 2005	November 2019	4.905%	Variable[b]	(12)
$ 430	January 2007	January 2022	5.390%	Variable[c]	(38)
$ 121	January 2008	September 2011	3.2050%	Variable[b]	(4)
$ 348	January 2009	December 2016	2.680%	Variable[b]	8
$ 124	January 2009[d]	December 2023	3.725%	Variable[b]	4
$ 85	January 2009	December 2023	2.578%	Variable[e]	6
$ 20	March 2009	December 2016	2.655%	Variable[b]	-
$ 7	March 2009[d]	December 2023	3.960%	Variable[b]	-
$ 333	May 2009	May 2017	3.015%	Variable[b]	4
$ 106	May 2009[d]	May 2024	4.663%	Variable[b]	2
$ 128	December 2009	December 2019	3.830%	Variable[b]	2
$ 52	December 2009[d]	September 2021	5.500%	Variable[b]	-
Total cash flow hedges					(31)
Total interest rate swaps					$ (17)

(a) Three-month LIBOR plus 1.18896%.
(b) Three-month LIBOR.
(c) Six-month LIBOR.
(d) Exchange of payments does not begin until December 2016, December 2016, May 2017 and December 2019, respectively.
(e) Three-month Banker's Acceptance Rate.

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 $828 million ($325 million for FPL) at December 31, 2009.

Equity price risk - Included in the nuclear decommissioning reserve funds of FPL Group are marketable equity securities carried at their market value of approximately $1,705 million and $1,080 million ($1,024 million and $648 million for FPL) at December 31, 2009 and 2008, respectively. A hypothetical 10% decrease in the prices quoted by stock exchanges, which is a reasonable near-term market change, would result in a $157 million ($94 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, 2009.

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, 2009, 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.

Management assessed the effectiveness of FPL Group's and FPL's internal control over financial reporting as of December 31, 2009, 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, 2009.

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 of FPL

ARMANDO PIMENTEL, JR.
Armando Pimentel, Jr.
Executive Vice President, Finance and Chief Financial Officer of FPL Group and FPL

ARMANDO J. OLIVERA
Armando J. Olivera
President and Chief Executive 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, 2009, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. FPL Group's and FPL's management are responsible for maintaining effective internal control over financial reporting and for their assessments 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 audits 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 opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, FPL Group and FPL maintained, in all material respects, effective internal control over financial reporting as of December 31, 2009, 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, 2009 of FPL Group and FPL and our report dated February 25, 2010 expressed an unqualified opinion on those financial statements.

DELOITTE & TOUCHE LLP
Certified Public Accountants

Miami, Florida
February 25, 2010

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, 2009 and 2008, and the related consolidated statements of income, FPL Group's common shareholders' equity, FPL's common shareholder's equity and cash flows for each of the three years in the period ended December 31, 2009. 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 audits 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 FPL at December 31, 2009 and 2008, and the respective results of their operations and their cash flows for each of the three years in the period ended December 31, 2009, 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, 2009, 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 25, 2010 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 25, 2010

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

	Years Ended December 31,		
	2009	2008	2007
OPERATING REVENUES	$ 15,643	$ 16,410	$ 15,263
OPERATING EXPENSES			
Fuel, purchased power and interchange	7,405	8,412	8,192
Other operations and maintenance	2,649	2,527	2,318
Depreciation and amortization	1,765	1,442	1,335
Taxes other than income taxes and other	1,230	1,204	1,135
Total operating expenses	13,049	13,585	12,980
OPERATING INCOME	2,594	2,825	2,283
OTHER INCOME (DEDUCTIONS)			
Interest expense	(849)	(813)	(762)
Equity in earnings of equity method investees	52	93	68
Allowance for equity funds used during construction	53	35	23
Interest income	78	72	89
Gains on disposal of assets - net	60	18	2
Other than temporary impairment losses on securities held in nuclear decommissioning funds	(58)	(148)	(10)
Other - net	12	7	(13)
Total other deductions - net	(652)	(736)	(603)
INCOME BEFORE INCOME TAXES	1,942	2,089	1,680
INCOME TAXES	327	450	368
NET INCOME	$ 1,615	$ 1,639	$ 1,312
Earnings per share of common stock:			
Basic	$ 3.99	$ 4.10	$ 3.30
Assuming dilution	$ 3.97	$ 4.07	$ 3.27
Dividends per share of common stock	$ 1.89	$ 1.78	$ 1.64
Weighted-average number of common shares outstanding:			
Basic	404.4	400.1	397.7
Assuming dilution	407.2	402.7	400.6

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

FPL GROUP, INC.
CONSOLIDATED BALANCE SHEETS
(millions)

	December 31, 2009	December 31, 2008
PROPERTY, PLANT AND EQUIPMENT		
Electric utility plant in service and other property	$ 46,330	$ 41,638
Nuclear fuel	1,414	1,260
Construction work in progress	2,425	2,630
Less accumulated depreciation and amortization	(14,091)	(13,117)
Total property, plant and equipment - net	36,078	32,411
CURRENT ASSETS		
Cash and cash equivalents	238	535
Customer receivables, net of allowances of $23 and $29, respectively	1,431	1,443
Other receivables, net of allowances of $1 and $2, respectively	816	264
Materials, supplies and fossil fuel inventory	877	968
Regulatory assets:		
Deferred clause and franchise expenses	69	248
Securitized storm-recovery costs	69	64
Derivatives	68	1,109
Pension	-	19
Other	3	4
Derivatives	357	433
Other	409	305
Total current assets	4,337	5,392
OTHER ASSETS		
Special use funds	3,390	2,947
Other investments	935	923
Prepaid benefit costs	1,184	914
Regulatory assets:		
Securitized storm-recovery costs	644	697
Deferred clause expenses	-	79
Pension	-	100
Unamortized loss on reacquired debt	29	32
Other	236	138
Other	1,625	1,188
Total other assets	8,043	7,018
TOTAL ASSETS	$ 48,458	$ 44,821
CAPITALIZATION		
Common shareholders' equity	$ 12,967	$ 11,681
Long-term debt	16,300	13,833
Total capitalization	29,267	25,514
CURRENT LIABILITIES		
Commercial paper	2,020	1,835
Notes payable	-	30
Current maturities of long-term debt	569	1,388
Accounts payable	992	1,062
Customer deposits	613	575
Accrued interest and taxes	466	374
Regulatory liabilities:		
Deferred clause and franchise revenues	377	11
Pension	2	-
Derivatives	221	1,300
Other	1,189	1,114
Total current liabilities	6,449	7,689
OTHER LIABILITIES AND DEFERRED CREDITS		
Asset retirement obligations	2,418	2,283
Accumulated deferred income taxes	4,860	4,231
Regulatory liabilities:		
Accrued asset removal costs	2,251	2,142
Asset retirement obligation regulatory expense difference	671	520
Pension	16	-
Other	244	218
Derivatives	170	218
Other	2,112	2,006
Total other liabilities and deferred credits	12,742	11,618
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$ 48,458	$ 44,821

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,		
	2009	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$ 1,615	$ 1,639	$ 1,312
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation and amortization	1,765	1,442	1,335
Nuclear fuel amortization	239	201	144
Unrealized (gains) losses on marked to market energy contracts	59	(337)	134
Deferred income taxes	273	569	402
Cost recovery clauses and franchise fees	624	(111)	(75)
Change in prepaid option premiums and derivative settlements	(11)	(12)	159
Equity in earnings of equity method investees	(52)	(93)	(68)
Distributions of earnings from equity method investees	69	124	175
Changes in operating assets and liabilities:			
Customer receivables	18	49	(216)
Other receivables	(13)	(26)	(14)
Materials, supplies and fossil fuel inventory	85	(106)	(14)
Other current assets	9	(31)	(14)
Other assets	(103)	(166)	(100)
Accounts payable	(86)	(120)	63
Customer deposits	38	37	29
Margin cash collateral	(110)	49	86
Income taxes	8	(17)	(75)
Interest and other taxes	22	30	49
Other current liabilities	(45)	189	113
Other liabilities	(5)	(61)	(52)
Other - net	64	154	220
Net cash provided by operating activities	4,463	3,403	3,593
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditures of FPL	(2,522)	(2,234)	(1,826)
Independent power investments	(3,068)	(2,715)	(2,852)
Cash grants under the American Recovery and Reinvestment Act of 2009	100	-	-
Funds received from the spent fuel settlement agreement	86	-	-
Nuclear fuel purchases	(362)	(247)	(310)
Other capital expenditures	(54)	(40)	(31)
Sale of independent power investments	15	25	700
Loan repayments and capital distributions from equity method investees	-	-	11
Proceeds from sale of securities in special use funds	4,592	2,235	2,211
Purchases of securities in special use funds	(4,710)	(2,315)	(2,440)
Proceeds from sale of other securities	773	28	138
Purchases of other securities	(782)	(84)	(156)
Funding of loan	-	(500)	-
Other - net	(3)	39	(23)
Net cash used in investing activities	(5,935)	(5,808)	(4,578)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuances of long-term debt	3,220	3,827	3,199
Retirements of long-term debt	(1,635)	(1,358)	(1,866)
Net change in short-term debt	154	848	(80)
Issuances of common stock	198	41	46
Dividends on common stock	(766)	(714)	(654)
Change in funds held for storm-recovery bond payments	5	-	(42)
Other - net	(1)	6	52
Net cash provided by financing activities	1,175	2,650	655
Net increase (decrease) in cash and cash equivalents	(297)	245	(330)
Cash and cash equivalents at beginning of year	535	290	620
Cash and cash equivalents at end of year	$ 238	$ 535	$ 290
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION			
Cash paid for interest (net of amount capitalized)	$ 805	$ 764	$ 686
Cash paid for income taxes - net	$ 61	$ 4	$ 46
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES			
Assumption of debt in connection with the purchase of independent power projects	$ -	$ 31	$ 55

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

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

	Common Stock [a]		Additional Paid-In Capital	Unearned ESOP Compensation	Accumulated Other Comprehensive Income (Loss) [b]	Retained Earnings	Common Shareholders' Equity
	Shares	Aggregate Par Value					
Balances, December 31, 2006	405	$ 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	3	-	-	
Exercise of stock options and other incentive plan activity	1	-	59	-	-	-	
Dividends on common stock	-	-	-	-	-	(654)	
Earned compensation under ESOP	-	-	27	8	-	-	
Other comprehensive loss	-	-	-	-	(44)	-	
Defined benefit pension and other benefits plans	-	-	-	-	45	-	
Implementation of new accounting rules	-	-	(15)	-	-	31	
Balances, December 31, 2007	407[c]	4	4,784	(114)	116	5,945	$ 10,735
Net income	-	-	-	-	-	1,639	
Issuances of common stock, net of issuance cost of less than $1	1	-	38	4	-	-	
Exercise of stock options and other incentive plan activity	1	-	53	-	-	-	
Dividends on common stock	-	-	-	-	-	(714)	
Earned compensation under ESOP	-	-	30	10	-	-	
Other comprehensive income	-	-	-	-	40	-	
Defined benefit pension and other benefits plans	-	-	-	-	(167)	-	
Implementation of new accounting rules	-	-	-	-	(2)	15	
Balances, December 31, 2008	409[c]	4	4,905	(100)	(13)	6,885	$ 11,681
Net income	-	-	-	-	-	1,615	
Issuances of common stock, net of issuance cost of approximately $2	4	-	204	4	-	-	
Exercise of stock options and other incentive plan activity	1	-	56	-	-	-	
Dividends on common stock	-	-	-	-	-	(766)	
Earned compensation under ESOP	-	-	30	11	-	-	
Other comprehensive income	-	-	-	-	165	-	
Defined benefit pension and other benefits plans	-	-	-	-	22	-	
Premium on publicly-traded equity units known as Corporate Units	-	-	(47)	-	-	-	
Unamortized issuance costs on publicly-traded equity units known as Corporate Units	-	-	(8)	-	-	-	
Implementation of new accounting rules	-	-	-	-	(5)	5	
Balances, December 31, 2009	414[c]	$ 4	$ 5,140	$ (85)	$ 169	$ 7,739	$ 12,967

(a) $0.01 par value, authorized - 800,000,000 shares; outstanding shares 413,622,436, 408,915,305 and 407,344,972 at December 31, 2009, 2008 and 2007, respectively.

(b) Comprehensive income, which includes net income and other comprehensive income (loss), totaled approximately $1,802 million, $1,512 million and $1,313 million for 2009, 2008 and 2007, respectively.

(c) Outstanding and unallocated shares held by the Employee Stock Ownership Plan (ESOP) Trust totaled approximately 6 million, 7 million and 8 million at December 31, 2009, 2008 and 2007, respectively; the original number of shares purchased and held by the ESOP Trust was approximately 25 million shares.

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,		
	2009	2008	2007
OPERATING REVENUES	$ 11,491	$ 11,649	$ 11,622
OPERATING EXPENSES			
Fuel, purchased power and interchange	6,220	6,749	6,726
Other operations and maintenance	1,496	1,438	1,454
Depreciation and amortization	1,097	860	846
Taxes other than income taxes and other	1,097	1,073	1,033
Total operating expenses	9,910	10,120	10,059
OPERATING INCOME	1,581	1,529	1,563
OTHER INCOME (DEDUCTIONS)			
Interest expense	(318)	(334)	(304)
Allowance for equity funds used during construction	53	35	23
Interest income	1	11	17
Other - net	(13)	(9)	(12)
Total other deductions - net	(277)	(297)	(276)
INCOME BEFORE INCOME TAXES	1,304	1,232	1,287
INCOME TAXES	473	443	451
NET INCOME	$ 831	$ 789	$ 836

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

FLORIDA POWER & LIGHT COMPANY
CONSOLIDATED BALANCE SHEETS
(millions)

	December 31, 2009	December 31, 2008
ELECTRIC UTILITY PLANT		
Plant in service	$ 28,677	$ 26,497
Nuclear fuel	756	613
Construction work in progress	1,549	1,862
Less accumulated depreciation and amortization	(10,578)	(10,189)
Electric utility plant - net	20,404	18,783
CURRENT ASSETS		
Cash and cash equivalents	83	120
Customer receivables, net of allowances of $21 and $19, respectively	838	796
Other receivables, net of allowances of $1 and $1, respectively	182	143
Materials, supplies and fossil fuel inventory	529	563
Regulatory assets:		
Deferred clause and franchise expenses	69	248
Securitized storm-recovery costs	69	64
Derivatives	68	1,109
Other	123	129
Total current assets	1,961	3,172
OTHER ASSETS		
Special use funds	2,408	2,158
Prepaid benefit costs	1,017	968
Regulatory assets:		
Securitized storm-recovery costs	644	697
Deferred clause expenses	-	79
Unamortized loss on reacquired debt	29	32
Other	185	133
Other	164	153
Total other assets	4,447	4,220
TOTAL ASSETS	$ 26,812	$ 26,175
CAPITALIZATION		
Common shareholder's equity	$ 8,436	$ 8,089
Long-term debt	5,794	5,311
Total capitalization	14,230	13,400
CURRENT LIABILITIES		
Commercial paper	818	773
Current maturities of long-term debt	42	263
Accounts payable	539	645
Customer deposits	607	570
Accrued interest and taxes	303	449
Regulatory liabilities - deferred clause and franchise revenues	377	11
Derivatives	77	1,114
Other	659	598
Total current liabilities	3,422	4,423
OTHER LIABILITIES AND DEFERRED CREDITS		
Asset retirement obligations	1,833	1,743
Accumulated deferred income taxes	3,509	3,105
Regulatory liabilities:		
Accrued asset removal costs	2,251	2,142
Asset retirement obligation regulatory expense difference	671	520
Other	244	218
Other	652	624
Total other liabilities and deferred credits	9,160	8,352
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$ 26,812	$ 26,175

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,		
	2009	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$ 831	$ 789	$ 836
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation and amortization	1,097	860	846
Nuclear fuel amortization	127	106	83
Deferred income taxes	391	307	346
Cost recovery clauses and franchise fees	624	(111)	(75)
Change in prepaid option premiums and derivative settlements	(1)	3	142
Changes in operating assets and liabilities:			
Customer receivables	(42)	11	65
Other receivables	42	(11)	(32)
Materials, supplies and fossil fuel inventory	34	20	(25)
Other current assets	6	(19)	(12)
Other assets	(62)	(96)	(50)
Accounts payable	(91)	(71)	(80)
Customer deposits	37	39	31
Margin cash collateral	6	26	75
Income taxes	(132)	175	(138)
Interest and other taxes	10	9	26
Other current liabilities	(33)	138	41
Other liabilities	10	(19)	(2)
Other - net	17	24	86
Net cash provided by operating activities	2,871	2,180	2,163
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditures	(2,522)	(2,234)	(1,826)
Funds received from the spent fuel settlement agreement	71	-	-
Nuclear fuel purchases	(195)	(133)	(181)
Proceeds from sale of securities in special use funds	3,270	1,454	1,978
Purchases of securities in special use funds	(3,349)	(1,512)	(2,186)
Other - net	(1)	(2)	1
Net cash used in investing activities	(2,726)	(2,427)	(2,214)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuances of long-term debt	516	589	1,230
Retirements of long-term debt	(263)	(241)	(250)
Net change in short-term debt	45	(69)	212
Capital contribution from FPL Group	-	75	-
Dividends	(485)	(50)	(1,100)
Change in funds held for storm-recovery bond payments	5	-	(42)
Net cash provided by (used in) financing activities	(182)	304	50
Net increase (decrease) in cash and cash equivalents	(37)	57	(1)
Cash and cash equivalents at beginning of year	120	63	64
Cash and cash equivalents at end of year	$ 83	$ 120	$ 63
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION			
Cash paid for interest (net of amount capitalized)	$ 305	$ 320	$ 267
Cash paid (received) for income taxes - net	$ 232	$ (11)	$ 246

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, 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
Net income	-	-	789	
Capital contributions from FPL Group	-	75	-	
Dividends to FPL Group	-	-	(50)	
Balances, December 31, 2008	1,373	4,393	2,323	$ 8,089
Net income	-	-	831	
Dividends to FPL Group	-	-	(485)	
Other	-	-	1	
Balances, December 31, 2009	$ 1,373	$ 4,393	$ 2,670	$ 8,436

(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 NextEra Energy Resources, LLC (NextEra Energy Resources) formerly known as FPL Energy, LLC. 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. NextEra Energy Resources invests in independent power projects through both controlled and consolidated entities and non-controlling ownership interests in joint ventures essentially all of which are accounted for under the equity method.

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

Regulation - FPL is subject to regulation by the Florida Public Service Commission (FPSC) and the Federal Energy Regulatory Commission (FERC). Its rates are designed to recover the cost of providing electric service to its customers including a reasonable rate of return on invested capital. As a result of this cost-based regulation, FPL follows the accounting guidance that allows regulators to 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. Beginning in 2009, pre-construction costs and carrying charges on construction costs for new nuclear capacity and costs incurred for FPL's solar generating facilities are also recovered through cost recovery clauses. 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. Pursuant to an FPSC order, FPL was required to refund in the form of a one-time credit to retail customers' bills the 2009 year-end estimated fuel overrecovery; in January 2010, approximately $403 million was refunded to retail customers. At December 31, 2009, approximately $356 million of retail fuel revenues were overrecovered. The difference between the refund and the December 31, 2009 overrecovery will be collected from retail customers in a subsequent period.

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. The continued applicability of regulatory accounting 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 $121 million and $114 million at December 31, 2009 and 2008, 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 Note 9 - FPL). 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 and other on FPL Group's and FPL's consolidated statements of income and were approximately $791 million, $781 million and $755 million in 2009, 2008 and 2007, 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 January 2010, the FPSC orally ruled with respect to FPL's March 2009 petition (January 2010 rate ruling) and indicated that the ruling would be reflected in a final written order to be issued in February 2010 (final order). The January 2010 rate ruling indicated that new retail base rates would be established for FPL effective March 1, 2010, would increase retail base rates by approximately $75 million on an annualized basis, would establish a regulatory return on common equity (ROE) of 10.0% with a range of plus or minus 100 basis points and would shift certain costs from retail base rates to the capacity cost recovery clause (capacity clause). The January 2010 rate ruling also indicated that depreciation expense would be reduced over the next four years. See Electric Plant, Depreciation and Amortization. As of the date of this report, the final order remains pending. Upon issuance of the final order, parties have the right to file motions with the FPSC for reconsideration of some or all of the final order, or to appeal some or all of the final order to the Florida Supreme Court. In response to inquiries regarding potential inconsistencies in calculations underlying the January 2010 rate ruling, staff for the FPSC has indicated it would address any matters raised by the parties before the final order following the filing of any motions for reconsideration. FPL cannot predict the specific treatment of any particular issue in the final order.

FPL is evaluating the impact of the January 2010 rate ruling on its financial position, including its credit quality and ability to attract capital over the long term. FPL has suspended activities on the following projects representing approximately $10 billion of investment over the next five years until the financial impact of the final order, along with other factors, such as load-growth estimates, fuel cost forecasts, demand side management and environmental incentives, can be reviewed (see Note 14 - Commitments):

- development of two additional nuclear units at FPL's Turkey Point site beyond what is required to receive a U.S. Nuclear Regulatory Commission (NRC) license for each unit;
- modernization of FPL's Cape Canaveral and Riviera power plants;
- reevaluation of options related to a proposed 300-mile underground natural gas pipeline in Florida; and
- other infrastructure projects.

FPL is also evaluating its options with respect to future regulatory actions regarding the January 2010 rate ruling and, when it is issued, the final order, as well as assessing the cost structure of its ongoing operations and reviewing other planned capital expenditures for appropriate reductions.

Under a rate agreement approved in 2005 (2005 rate agreement), retail base rates did not increase except to allow recovery of the revenue requirements of FPL's three power plants that achieved commercial operation during the term of the 2005 rate agreement. Retail base rates increased when Turkey Point Unit No. 5 was placed in service in 2007 and when West County Energy Center (WCEC) Units Nos. 1 and 2 were placed in service in 2009. During the term of the 2005 rate agreement, FPL did not have an authorized regulatory ROE for the purpose of addressing earnings levels; however, for all other regulatory purposes, FPL had an ROE of 11.75%. Under the terms of the 2005 rate agreement, FPL's electric property depreciation rates were based upon the comprehensive depreciation studies it filed with the FPSC in March 2005; however, FPL reduced depreciation on its plant in service by $125 million each year, as allowed by the 2005 rate agreement. The 2005 rate agreement also provided for a revenue sharing mechanism, whereby revenues from retail base operations in excess of certain thresholds would be shared with customers. During the term of the 2005 rate agreement, FPL's revenues did not exceed the thresholds.

NextEra Energy Resources' revenue is recorded as electricity is delivered, which is when revenue is earned. NextEra Energy Resources' 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 $47 million and $41 million at December 31, 2009 and 2008, respectively.

Electric Plant, Depreciation and Amortization - The cost of additions to units of property of FPL and NextEra Energy Resources 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, 2009, the electric generating, transmission, distribution and general facilities of FPL represented approximately 46%, 13%, 37% and 4%, 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 NextEra Energy Resources' generating facilities are encumbered by liens against their assets securing various financings. The net book value of NextEra Energy Resources' assets serving as collateral was approximately $6 billion at December 31, 2009. The American Recovery and Reinvestment Act of 2009 provided for an option to elect a cash grant (convertible ITCs) for certain renewable energy property (renewable property). Convertible ITCs are recorded as a reduction in property, plant and equipment on FPL Group's and FPL's consolidated balance sheets and are amortized as a reduction to depreciation and amortization expense over the estimated life of the related property. At December 31, 2009, FPL Group recorded convertible ITCs of approximately $417 million ($44 million at FPL), which are included in other receivables on FPL Group's and FPL's consolidated balance sheets.

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, nuclear plant decommissioning (see Decommissioning of Nuclear Plants, Dismantlement of Plants and Other Accrued Asset Removal Costs) and amortization of pre-construction costs associated with planned nuclear units recovered through a cost recovery clause. For substantially all of FPL's property, depreciation studies are performed and filed with the FPSC at least every four years. Under the terms of the 2005 rate agreement, FPL's electric property depreciation rates were based upon the comprehensive depreciation studies it filed with the FPSC in March 2005; however FPL reduced depreciation by $125 million annually as allowed by the 2005 rate agreement. 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% for each of the years 2009, 2008 and 2007, respectively. As part of the January 2010 rate ruling, the FPSC approved new depreciation rates which became effective January 1, 2010. These new rates are expected to decrease depreciation expense. The January 2010 rate ruling also requires FPL to reduce depreciation expense over the next four years related to a depreciation reserve surplus totaling approximately $895 million. NextEra Energy Resources' electric plants in service less salvage value, if any, are depreciated primarily using the straight-line method over their estimated useful lives. NextEra Energy Resources' effective depreciation rates, excluding decommissioning, were 4.2%, 4.3% and 4.4% for 2009, 2008 and 2007, respectively.

Nuclear Fuel - FPL leases nuclear fuel for all four of its nuclear units. FPL Group and FPL consolidate the lessor entity, a variable interest entity. See Note 9 - FPL.

NextEra Energy Resources' nuclear units have several contracts for the supply, conversion, enrichment and fabrication of nuclear fuel. See Note 14 - Contracts. NextEra Energy Resources' 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 2009, 2008 and 2007, AFUDC was capitalized at a rate of 7.41%, 7.65% and 7.42%, respectively, and amounted to approximately $74 million, $53 million and $36 million, respectively. See Note 14 - Commitments.

FPL's construction work in progress includes construction materials, progress payments on major equipment contracts, third-party engineering costs, AFUDC 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, 2009, 2008 and 2007, FPL recorded approximately $295 million, $194 million and $188 million, respectively, of construction-related accruals, which are included in other current liabilities, and approximately $123 million, $121 million and $107 million, respectively, of construction-related accounts payable, which are included in accounts payable on FPL Group's and FPL's consolidated balance sheets. Capitalized costs associated with construction activities are charged to O&M expenses when recoverability is no longer probable. See Regulation above for information on recovery of costs associated with new nuclear capacity and solar generating facilities.

NextEra Energy Resources capitalizes project development costs once it is probable that such costs will be realized through the ultimate construction of a power plant or sale of development rights. At December 31, 2009 and 2008, NextEra Energy Resources' capitalized development costs totaled approximately $56 million and $40 million, respectively, which are included in other assets on FPL Group's consolidated balance sheets. These costs include 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 recoverability is no longer probable.

NextEra Energy Resources' construction work in progress includes construction materials, prepayments on turbine generators and other equipment, 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 $85 million, $55 million and $39 million during 2009, 2008 and 2007, respectively. NextEra Energy Resources' interest expense is 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, 2009, 2008 and 2007, NextEra Energy Resources recorded approximately $175 million, $74 million and $106 million, respectively, of construction-related accruals, which are included in other current liabilities, and approximately $90 million, $59 million and $102 million, respectively, of construction-related accounts payable which are included in accounts payable 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 (collectively, AROs) under accounting guidance that requires 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 the asset's estimated 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. See Note 13.

Decommissioning of Nuclear Plants, Dismantlement of Plants and Other Accrued Asset Removal Costs - The components of FPL Group's and FPL's decommissioning of nuclear plants, dismantlement of plants and other accrued asset removal costs are as follows:

	FPL									
	Nuclear Decommissioning		Fossil Dismantlement		Interim Removal Costs and Other		NextEra Energy Resources		FPL Group	
	December 31,		December 31,		December 31,		December 31,		December 31,	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	(millions)									
AROs	$ 1,807	$ 1,713	$ 23	$ 26	$ 3	$ 4	$ 585	$ 540	$ 2,418	$ 2,283
Less capitalized ARO asset net of accumulated depreciation	50	52	5	8	-	1	-	-	55	61
Accrued asset removal costs [a]	196	176	318	306	1,737	1,660	-	-	2,251	2,142
Asset retirement obligation regulatory expense difference [a]	644	495	28	25	(1)	-	-	-	671	520
Accrued decommissioning, dismantlement and other accrued asset removal costs	$ 2,597[b]	$ 2,332[b]	$ 364[b]	$ 349[b]	$ 1,739[b]	$ 1,663[b]	$ 585	$ 540	$ 5,285	$ 4,884

(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. In 2005, FPL suspended its annual decommissioning accrual as approved by the FPSC. For financial reporting purposes, FPL recognizes decommissioning and dismantlement liabilities in accordance with accounting guidance that requires a liability for the fair value of an ARO be recognized in the period in which it is incurred. Any differences between expense recognized for financial reporting purposes and the amount recoverable through rates are reported as a regulatory liability in accordance with regulatory accounting. See Electric Plant, Depreciation and Amortization, Asset Retirement Obligations and Note 13.

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. These studies reflect FPL's current plans, under the 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 2009 dollars, is estimated by the studies to aggregate $2.4 billion.

Restricted 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 5. Contributions to the funds were suspended in 2005. Fund earnings, net of taxes, are reinvested in the funds. Earnings are recognized as income/loss and an offset is recorded to reflect a corresponding increase/decrease in the related regulatory liability accounts. As a result, there is no effect on net income. During 2009, 2008 and 2007, fund earnings on decommissioning funds were approximately $81 million, $63 million and $81 million, respectively. The tax effects of amounts not yet recognized for tax purposes are included in accumulated deferred income taxes.

Fossil fuel plant dismantlement studies are performed at least every four years and are submitted to the FPSC for approval. FPL's latest fossil fuel plant dismantlement studies became effective January 1, 2010 and resulted in an increase in the annual expense from $15 million to $19 million. The studies indicate that FPL's portion of the ultimate cost to dismantle its fossil units is $894 million, or $467 million expressed in 2009 dollars. During both 2009 and 2008, 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 and approximately $13 million related to the non-legal obligation included in accrued asset removal costs, which equaled the $15 million accrual 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 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).

NextEra Energy Resources - NextEra Energy Resources 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 accounting guidance that requires a liability for the fair value of an ARO be recognized in the period in which it is incurred. See Note 13. At December 31, 2009 and 2008, NextEra Energy Resources' ARO related to nuclear decommissioning totaled approximately $518 million and $487 million, respectively, and was determined using various internal and external data. NextEra Energy Resources' portion of the ultimate cost of decommissioning its nuclear plants, including costs associated with spent fuel storage, is estimated to be approximately $6.6 billion, or $1.6 billion expressed in 2009 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. There are ongoing minimum decommissioning funding requirements for Duane Arnold and Point Beach with the NRC, which NextEra Energy Resources either meets or intends to meet in the form of a guarantee for each plant. NextEra Energy Resources' portion of Seabrook's, Duane Arnold's and Point Beach's restricted 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. Market adjustments result in a corresponding adjustment to other comprehensive income (OCI), except for unrealized losses associated with marketable securities considered to be other than temporary, including any credit losses, which are recognized as an expense in FPL Group's consolidated statements of income. Fund earnings are recognized in income and are reinvested in the funds either on a pretax or after-tax basis. See Note 5. The tax effects of amounts not yet recognized for tax purposes are included in accumulated deferred income taxes.

Major Maintenance Costs - FPL uses the accrue-in-advance method for recognizing costs associated with planned major nuclear maintenance, in accordance with regulatory treatment, and records the related accrual as a regulatory liability. FPL expenses costs associated with planned fossil maintenance as incurred. NextEra Energy Resources uses 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, 2009 and 2008 totaled approximately $47 million and $58 million, respectively, and is included in regulatory liabilities - other. For the years ended December 31, 2009, 2008 and 2007, FPL recognized approximately $84 million, $75 million and $77 million, respectively, in nuclear maintenance costs which are included in O&M expenses in FPL Group's and FPL's consolidated statements of income.

NextEra Energy Resources' major maintenance costs for its nuclear generating units and 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. NextEra Energy Resources' capitalized major maintenance costs, net of accumulated amortization, totaled approximately $106 million and $81 million at December 31, 2009 and 2008, respectively, and are included in other assets. For the years ended December 31, 2009, 2008 and 2007, NextEra Energy Resources recognized approximately $73 million, $57 million and $43 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, 2009 and 2008, FPL Group had approximately $134 million ($33 million for FPL) and $140 million ($40 million 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 and debt service payments. Where offsetting positions exist, restricted cash related to margin cash collateral is netted against derivative instruments. See Note 3.

Allowance for Doubtful Accounts - FPL maintains an accumulated provision for uncollectible customer accounts receivable that is estimated using a percentage, derived from historical revenue and write-off trends, of the previous five months of revenue. Additional amounts are included in the provision to address specific items that are not considered in the calculation described above. NextEra Energy Resources regularly reviews collectibility of its receivables and establishes a provision for losses estimated as a percentage of accounts receivable 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. NextEra Energy Resources' 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 power and gas marketing and 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 3.

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.

Goodwill and Other Intangible Assets - FPL Group's goodwill and other intangible assets are as follows:

	Weighted Average Useful Lives (Years)	December 31, 2009	December 31, 2008
		(millions)	
Goodwill:			
Merchant reporting unit		$ 72	$ 72
Wind reporting unit		41	38
Total goodwill		$ 113	$ 110
Other intangible assets:			
Purchase power agreements	18	$ 87	$ 70
Customer lists	8	28	28
Other, primarily land and transmission rights, permits and licenses	28	216	105
Total		331	203
Less accumulated amortization		78	65
Total other intangible assets - net		$ 253	$ 138

NextEra Energy Resources has recorded goodwill related to various acquisitions which were accounted for using the purchase method of accounting. NextEra Energy Resources' other intangible assets are amortized, primarily on a straight-line basis, over their estimated useful lives. For the years ended December 31, 2009, 2008 and 2007, amortization expense was approximately $14 million, $13 million and $12 million, respectively, and is expected to be approximately $14 million, $13 million, $12 million, $9 million and $6 million for 2010, 2011, 2012, 2013 and 2014, respectively.

NextEra Energy Resources' goodwill and other intangible assets are included in other assets on FPL Group's consolidated balance sheets. 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.

Stock-Based Compensation - FPL Group accounts for stock-based payment transactions based on grant-date fair value. See Note 11 - 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 such differences as other income (deductions) 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 used on a separate return basis, but are used on the consolidated tax return, are recorded by the subsidiary that generated the tax benefits. Any remaining consolidated income tax benefits or expenses 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 accounting rules, as compared to regulatory accounting rules. This amount totaled $137 million and $92 million at December 31, 2009 and 2008, 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, 2009 and 2008, deferred ITCs were approximately $8 million and $16 million, respectively, and are included in other regulatory liabilities on FPL Group's and FPL's consolidated balance sheets. NextEra Energy Resources 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 and 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. FPL Group and FPL record a deferred income tax benefit created by the convertible ITCs on the difference between the financial statement and tax bases of renewable property. For NextEra Energy Resources, this deferred income tax benefit is recorded in income tax expense in the year that the renewable property is placed in service. For FPL, this deferred income tax benefit is offset by a regulatory liability, which is amortized as a reduction of depreciation expense over the approximate lives of the related renewable property in accordance with the regulatory treatment. 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. See Note 6.

Guarantees - FPL Group's and FPL's payment guarantees and related contracts provided to unconsolidated entities entered into after December 31, 2002, for which it or a subsidiary is the guarantor, are recorded at fair value. See Note 14 - Commitments.

Variable Interest Entities (VIEs) - FPL Group and FPL assess the variable interests they hold to determine if those entities are VIEs. See Note 9. In 2009, new accounting guidance was issued which modifies the consolidation model in previous guidance and expands the required disclosures related to VIEs. The new accounting guidance became effective on January 1, 2010. FPL Group and FPL are currently evaluating the impact of the new accounting guidance.

2. Employee Retirement Benefits

Employee Benefit Plans and Other Postretirement Plan - FPL Group sponsors a qualified noncontributory defined benefit pension plan for substantially all employees of FPL Group and its subsidiaries. FPL Group 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, 2009, 2008 and 2007. 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 New Accounting Provisions Regarding Benefit Plans - Effective December 31, 2006, FPL Group adopted new recognition and disclosure provisions regarding benefit plans which require recognition of the funded status of benefit plans in the balance sheet, with changes in the funded status recognized in comprehensive income within shareholders' equity in the year in which the changes occur. In addition, effective December 31, 2008, the new provisions required FPL Group to measure plan assets and benefit obligations as of the fiscal year-end. Prior to 2008, FPL Group used a measurement date of September 30. In lieu of remeasuring plan assets and obligations as of January 1, 2008, FPL Group 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 recorded 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 (AOCI) and approximately $3 million related to the reduction in net regulatory liabilities. Effective December 31, 2009, FPL Group adopted new accounting disclosure provisions which require expanded disclosure of plan assets and fair value measurement techniques. See Note 4.

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 the new accounting provisions 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 obligations related to the recognition provision 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 AOCI were classified as regulatory assets and liabilities at FPL Group in accordance with regulatory treatment. In addition, adjustments to AOCI as a result of implementing the measurement date provisions that were estimated to be allocable to FPL were recorded as an adjustment to the previously established regulatory assets and liabilities.

Plan Assets, Benefit Obligations and Funded Status - The changes in assets and benefit obligations of the plans and the plans' funded status are as follows:

	Pension Benefits		Other Benefits	
	2009	2008	2009	2008
	(millions)			
Change in plan assets:				
Fair value of plan assets at January 1, 2009 and October 1, 2007, respectively	$ 2,503	$ 3,577	$ 29	$ 49
Actual return on plan assets	656	(873)	5	(15)
Employer contributions [a]	-	-	29	35
Transfers [b]	(29)	(54)	-	-
Participant contributions	-	-	7	8
Benefit payments [a]	(102)	(147)	(38)	(48)
Fair value of plan assets at December 31	$ 3,028	$ 2,503	$ 32	$ 29
Change in benefit obligation:				
Obligation at January 1, 2009 and October 1, 2007, respectively	$ 1,604	$ 1,652	$ 367	$ 406
Service cost	51	67	5	7
Interest cost	109	127	24	31
Participant contributions	-	-	7	8
Plan amendments [c]	3	12	(1)	-
Actuarial losses (gains) - net	201	(107)	66	(37)
Benefit payments	(102)	(147)	(38)	(48)
Obligation at December 31 [d]	$ 1,866	$ 1,604	$ 430	$ 367
Funded status:				
Prepaid (accrued) benefit cost at FPL Group at December 31	$ 1,162	$ 899	$ (398)	$ (338)
Prepaid (accrued) benefit cost at FPL at December 31	$ 1,009	$ 961	$ (282)	$ (286)

(a) Employer contributions and benefits paid include only those amounts contributed directly to, or paid directly from, plan assets. FPL's portion of contributions related to other benefits was $27 million and $32 million for the 2009 and 2008 plan years presented, respectively.
(b) Primarily 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 and other benefits amendments.
(d) FPL Group's accumulated benefit obligation, which includes no assumption about future salary levels, for its pension plans at December 31, 2009 and 2008 was $1,804 million and $1,559 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	
	2009	2008	2009	2008	2009	2008	2009	2008
	(millions)							
Prepaid benefit costs	$ 1,184	$ 914	$ -	$ -	$ 1,017	$ 968	$ -	$ -
Accrued benefit cost included in other current liabilities	(2)	(1)	(29)	(29)	(2)	(1)	(24)	(24)
Accrued benefit cost included in other liabilities	(20)	(14)	(369)	(309)	(6)	(6)	(258)	(262)
Prepaid (accrued) benefit cost at December 31	$ 1,162	$ 899	$ (398)	$ (338)	$ 1,009	$ 961	$ (282)	$ (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	
	2009	2008	2009	2008
	(millions)			
Components of AOCI:				
Unrecognized prior service benefit (cost) (net of $2 and $1 tax benefit, respectively)	$ (3)	$ (1)	$ -	$ -
Unrecognized transition obligation (net of $1 and $1 tax benefit, respectively)	-	-	(1)	(1)
Unrecognized gain (loss) (net of $4 tax expense, $17 tax benefit, $6 tax benefit and none, respectively)	7	(27)	(6)	4
Total	$ 4[a]	$ (28)	(7)[b]	$ 3

(a) Less than $1 million of prior service benefits is expected to be reclassified into earnings within the next 12 months.
(b) Less than $1 million of transition obligations is expected to 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 Assets (Liabilities) (Pension)		Regulatory Assets (SERP and Other)	
	2009	2008	2009	2008
	(millions)			
Unrecognized prior service cost	$ 10	$ 6	$ 2	$ 2
Unrecognized transition obligation	-	-	7	11
Unrecognized (gain) loss	(28)	113	45	(4)
Total	$ (18)[a]	$ 119	$ 54[b]	$ 9

(a) Approximately $2 million of prior service benefits will be reclassified into earnings within the next 12 months.
(b) Approximately $2 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	
	2009	2008	2009	2008
Discount rate	5.50%	6.90%	5.50%	6.90%
Salary increase	4.00%	4.00%	4.00%	4.00%

The projected 2010 trend assumption used to measure the expected cost of health care benefits covered by the plans for those under age 65 is 8.00% for medical and 8.50% for prescription drug benefits and for those age 65 and over is 7.50% for medical and 8.00% for prescription drug benefits. These rates are assumed to decrease over the next 9 years for medical benefits and 11 years for prescription drug benefits to the ultimate trend rate of 5.50% and remain at that level thereafter. The ultimate trend rate is assumed to be reached in 2018 for medical benefits and 2020 for prescription drug benefits. 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 December 31, 2009.

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 over the long term.

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, using 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 plan, 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 plan's assets are invested with a focus on assuring the availability of funds to pay benefits while maintaining sufficient diversification to avoid large losses and preserve capital. The other benefits plan's 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.

The fair value measurements of FPL Group's pension plan assets by fair value hierarchy level are as follows:

	December 31, 2009			
	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
		(millions)		
Equity	$ 424	$ -	$ -	$ 424
Equity commingled vehicles [a]	-	941	-	941
U.S. Government and municipal bonds	77	30	-	107
Corporate debt securities [b]	-	399	-	399
Mortgage-backed securities	-	361	-	361
Debt security commingled vehicles [c]	-	503	-	503
Convertible bonds	-	293	-	293
Total	$ 501	$ 2,527	$ -	$ 3,028

(a) Includes foreign investments of $499 million.
(b) Includes foreign investments of $45 million.
(c) Includes foreign investments of $56 million and $53 million of short-term commingled vehicles.

The fair value measurements of FPL Group's other benefits plan assets at December 31, 2009 were approximately $19 million of equity commingled vehicles ($4 million of which were foreign investments) and $13 million of debt security commingled vehicles; all of which were Level 2.

Expected Cash Flows - FPL Group anticipates paying approximately $29 million for eligible retiree medical expenses on behalf of the other benefits plan during 2010 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)	
2010	$ 155	$ 35
2011	$ 161	$ 35
2012	$ 165	$ 34
2013	$ 162	$ 32
2014	$ 159	$ 31
2015 - 2019	$ 801	$ 161

Net Periodic Cost - The components of net periodic benefit (income) cost for the plans are as follows:

	Pension Benefits			Other Benefits		
	2009	2008	2007	2009	2008	2007
	(millions)					
Service cost	$ 51	$ 54	$ 50	$ 5	$ 5	$ 5
Interest cost	109	102	94	24	25	24
Expected return on plan assets	(239)	(240)	(221)	(3)	(3)	(3)
Amortization of transition obligation	-	-	-	4	4	4
Amortization of prior service benefit	(3)	(4)	(4)	-	-	-
Amortization of gains	(23)	(29)	(18)	-	-	-
Net periodic benefit (income) cost at FPL Group	$ (105)	$ (117)	$ (99)	$ 30	$ 31	$ 30
Net periodic benefit (income) cost at FPL	$ (73)	$ (84)	$ (76)	$ 23	$ 24	$ 25

Other Comprehensive Income - The components of net periodic benefit income (cost) recognized in OCI for the plans are as follows:

	Pension Benefits		Other Benefits	
	2009	2008	2009	2008
	(millions)			
Prior service cost (net of $1 tax benefit for 2008)	$ (1)	$ (2)	$ -	$ -
Net gains (losses) (net of $24 tax expense, $102 tax benefit, $7 tax benefit and $2 tax expense, respectively)	38	(162)	(10)	2
Transition obligation	-	-	(1)	-
Amortization of prior service benefit	(1)	(1)	-	-
Amortization of net gains (net of $3 and $3 tax benefit, respectively)	(4)	(5)	-	-
Amortization of transition obligation	-	-	1	1
Total	$ 32	$ (170)	$ (10)	$ 3

Regulatory Assets (Liabilities) - The components of net periodic benefit (income) cost recognized during the year in regulatory assets (liabilities) for the plans are as follows:

	Regulatory Assets (Liabilities) (Pension)		Regulatory Assets (SERP and Other)	
	2009	2008	2009	2008
	(millions)			
Prior service cost	$ 2	$ 9	$ -	$ -
Unrecognized (gains) losses	(159)	801	51	(14)
Transition obligation	-	-	(2)	-
Amortization of prior service benefit	3	3	-	-
Amortization of gains	16	21	-	-
Amortization of transition obligation	-	-	(3)	(3)
Total	$ (138)	$ 834	$ 46	$ (17)

The weighted-average assumptions used to determine net periodic benefit (income) cost for the plans are as follows:

	Pension Benefits			Other Benefits		
	2009	2008	2007	2009	2008	2007
Discount rate	6.90%	6.25%	5.85%	6.90%	6.35%	5.90%
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%	8.00%	8.00%

(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 a corresponding effect on the total service and interest cost recognized at December 31, 2009 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 $38 million, $37 million and $35 million for FPL Group ($28 million, $28 million and $27 million for FPL) for the years ended December 31, 2009, 2008 and 2007, respectively. See Note 11 - Employee Stock Ownership Plan.

3. Derivative Instruments

FPL Group and FPL use derivative instruments (primarily swaps, options, futures and forwards) to manage the commodity price risk inherent in the purchase and sale of fuel and electricity, as well as interest rate and foreign currency exchange rate risk associated with long-term debt.

With respect to commodities related to FPL Group's competitive energy business, NextEra Energy Resources employs rigorous risk management procedures in order to optimize the value of its power generation assets, provide full energy and capacity requirements services primarily to distribution utilities, and engage in power and gas marketing and trading activities to take advantage of expected future favorable price movements and changes in the expected volatility of prices in the energy markets. These risk management activities involve the use of derivative instruments executed within prescribed limits to manage the risk associated with fluctuating commodity prices. Transactions in derivative instruments are executed on recognized exchanges or via the over the counter markets, depending on the most favorable credit and market execution factors. For NextEra Energy Resources' power generation assets, derivative instruments are used to hedge the commodity price risk associated with the fuel inputs for requirements of the assets, where applicable, as well as to hedge the expected energy output of these assets for the portion of the output that is not covered by long term power purchase agreements (PPA). These hedges protect NextEra Energy Resources against adverse changes in the wholesale forward commodity markets associated with its generation assets. With regard to full energy and capacity requirements services, NextEra Energy Resources is required to vary the quantity of energy and related services based on the load demands of the customer served by the distribution utility. For this type of transaction, derivative instruments are used to hedge the anticipated electricity quantities required to serve these customers and protect against unfavorable changes in the forward energy markets. Additionally, NextEra Energy Resources takes positions in the energy markets based on differences between actual forward market levels and management's view of fundamental market conditions. NextEra Energy Resources uses derivative instruments to realize value from these market dislocations, subject to strict risk management limits around market, operational and credit exposure.

Derivative instruments, when required to be marked to market, 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 the derivatives' 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 clause. For FPL Group's non-rate regulated operations, predominantly NextEra Energy Resources, 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. Settlement gains and losses are included within the line items in the consolidated statements of income to which they relate.

While most of NextEra Energy Resources' derivative transactions are entered into for the purpose of managing commodity price risk, and to reduce the impact of volatility in interest rates stemming from changes in variable interest rates on outstanding debt, 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 using regression analysis for commodity contracts, and nonstatistical methods including dollar value comparisons of the change in the fair value of the derivative to the change in the fair value or cash flows of the hedged item, for interest rate swaps. Hedge effectiveness is tested at the inception of the hedge and on at least a quarterly basis throughout its life. At December 31, 2009, FPL Group had cash flow hedges with expiration dates through December 2012 for energy contract derivative instruments, interest rate cash flow hedges with expiration dates through May 2024 and a foreign currency cash flow hedge that expires in December 2011. 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. See Note 7. The ineffective portion of net unrealized gains (losses) on these hedges is reported in earnings in the current period, and amounted to approximately $29 million, $25 million and $3 million for the years ended December 31, 2009, 2008 and 2007, respectively. In January 2010, FPL Group discontinued hedge accounting for its cash flow hedges related to energy contract derivative instruments.

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,	
	2009	2008	2009	2008
	(millions)			
Current derivative assets [a]	$ 357	$ 433	$ 10[b]	$ 4[b]
Noncurrent other assets [c]	329	212	4	2
Current derivative liabilities [d]	(221)	(1,300)	(77)	(1,114)
Noncurrent derivative liabilities [e]	(170)	(218)	(1)[f]	(1)[f]
Total mark-to-market derivative instrument liabilities	$ 295	$ (873)	$ (64)	$ (1,109)

(a) At December 31, 2009 and 2008, FPL Group's balances reflect the netting of $4 million and $60 million (none at FPL), respectively, in margin cash collateral received from counterparties.
(b) Included in current other assets on FPL's consolidated balance sheets.
(c) At December 31, 2009, FPL Group's balance reflects the netting of $1 million (none at FPL), in margin cash collateral received from counterparties.
(d) At December 31, 2009 and 2008, FPL Group's balances reflect the netting of $75 million and $33 million (none at FPL), respectively, in margin cash collateral provided to counterparties.
(e) At December 31, 2008, FPL Group's balance reflects the netting of $25 million (none at FPL), in margin cash collateral provided to counterparties.
(f) Included in noncurrent other liabilities on FPL's consolidated balance sheets.

At December 31, 2009 and 2008, FPL Group had approximately $18 million and $66 million (none at FPL), respectively, in margin cash collateral received from counterparties that was not offset against derivative assets. These amounts are included in other current liabilities in the consolidated balance sheets. Additionally, at December 31, 2009 and 2008, FPL Group had approximately $95 million and $98 million (none at FPL), respectively, in margin cash collateral provided to counterparties that was not offset against derivative liabilities. These amounts are included in other current assets in the consolidated balance sheets.

As discussed above, FPL Group uses derivative instruments to, among other things, manage its commodity price risk, interest rate risk and foreign currency exchange rate risk. The table above presents FPL Group's and FPL's net derivative positions at December 31, 2009, which reflect the offsetting of positions of certain transactions within the portfolio, the contractual ability to settle contracts under master netting arrangements and the netting of margin cash collateral. However, disclosure rules require that the following tables be presented on a gross basis.

The fair values of FPL Group's derivatives designated as hedging instruments for accounting purposes are presented below as gross asset and liability values, as required by disclosure rules. However, the majority of the underlying contracts are subject to master netting arrangements and would not be contractually settled on a gross basis.

	December 31, 2009	
	Derivative Assets	Derivative Liabilities
	(millions)	
Commodity contracts:		
Current derivative assets	$ 54	$ 1
Current derivative liabilities	45	4
Noncurrent other assets	44	2
Noncurrent derivative liabilities	8	13
Interest rate swaps:		
Current derivative liabilities	-	51
Noncurrent other assets	61	-
Noncurrent derivative liabilities	-	27
Foreign currency swap:		
Noncurrent other assets	5	-
Total	$ 217	$ 98

Gains (losses) related to FPL Group's cash flow hedges are recorded on FPL Group's consolidated financial statements (none at FPL) as follows:

	Year Ended December 31, 2009			
	Commodity Contracts	Interest Rate Swaps	Foreign Currency Swap	Total
	(millions)			
Gains recognized in OCI	$ 197	$ 28	$ 3	$ 228
Gains (losses) reclassified from AOCI	$ 164[a]	$ (39)[b]	$ 4[c]	$ 129
Gains recognized in income [d]	$ 29[a]	$ -	$ -	$ 29

(a) Included in operating revenues.
(b) Included in interest expense.
(c) $1 million loss is included in interest expense, and the balance is included in other - net.
(d) Represents the ineffective portion of the hedging instrument.

For the year ended December 31, 2009, FPL Group recorded a loss of $6 million on a fair value hedge which is reflected in interest expense in the consolidated statements of income and resulted in a corresponding reduction of the related debt.

The fair values of FPL Group's and FPL's derivatives not designated as hedging instruments for accounting purposes are presented below as gross asset and liability values, as required by disclosure rules. However, the majority of the underlying contracts are subject to master netting arrangements and would not be contractually settled on a gross basis.

	December 31, 2009			
	FPL Group		FPL	
	Derivative Assets	Derivative Liabilities	Derivative Assets	Derivative Liabilities
	(millions)			
Commodity contracts:				
Current derivative assets	$ 611	$ 303	$ 11[a]	$ 1[a]
Current derivative liabilities	1,002	1,288	18	95
Noncurrent other assets	921	699	4	-
Noncurrent derivative liabilities	128	260	-	1[b]
Foreign currency swap:				
Noncurrent derivative liabilities	-	6	-	-
Total	$ 2,662	$ 2,556	$ 33	$ 97

(a) Included in current other assets on FPL's consolidated balance sheets.
(b) Included in noncurrent other liabilities on FPL's consolidated balance sheets.

Additionally, some contracts contain certain adequate assurance provisions where a counterparty may demand additional collateral based on subjective events and/or conditions. Due to the subjective nature of these provisions, FPL Group and FPL are unable to determine an exact value for these items and they are not included in any of the quantitative disclosures above.

4. Fair Value Measurements

FPL Group and FPL use several different valuation techniques to measure the fair value of assets and liabilities, relying primarily on the market approach of using prices and other market information for identical and/or comparable assets and liabilities for those assets and liabilities that are measured on a recurring basis. Certain derivatives and financial instruments are valued using option pricing models and take into consideration multiple inputs including commodity prices, volatility factors and discount rates, as well as counterparty credit ratings and credit enhancements. Additionally, when observable market data is not sufficient, valuation models are developed that incorporate FPL Group's and FPL's proprietary views of market factors and conditions. FPL Group's and FPL's assessment of the significance of any particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

FPL Group's and FPL's financial assets and liabilities and other fair value measurements made on a recurring basis by fair value hierarchy level are as follows:

	December 31, 2009				
	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Netting [a]	Total
			(millions)		
Assets:					
Cash equivalents:					
FPL Group - equity securities	$ -	$ 79	$ -	$ -	$ 79
FPL - equity securities	$ -	$ 43	$ -	$ -	$ 43
Special use funds:					
FPL Group:					
Equity securities	$ 657	$ 1,048[b]	$ -	$ -	$ 1,705
U.S. Government and municipal bonds	$ 275	$ 299	$ -	$ -	$ 574
Corporate debt securities	$ -	$ 452	$ -	$ -	$ 452
Mortgage-backed securities	$ -	$ 618	$ -	$ -	$ 618
Other debt securities	$ -	$ 41	$ -	$ -	$ 41
FPL:					
Equity securities	$ 104	$ 920[b]	$ -	$ -	$ 1,024
U.S. Government and municipal bonds	$ 230	$ 278	$ -	$ -	$ 508
Corporate debt securities	$ -	$ 346	$ -	$ -	$ 346
Mortgage-backed securities	$ -	$ 503	$ -	$ -	$ 503
Other debt securities	$ -	$ 27	$ -	$ -	$ 27
Other investments:					
FPL Group:					
Equity securities	$ 3	$ 4	$ -	$ -	$ 7
U.S. Government and municipal bonds	$ -	$ 38	$ -	$ -	$ 38
Corporate debt securities	$ -	$ 35	$ -	$ -	$ 35
Mortgage-backed securities	$ -	$ 31	$ -	$ -	$ 31
Other	$ 4	$ -	$ -	$ -	$ 4
Derivatives:					
FPL Group	$ 988	$ 1,089	$ 801	$ (2,192)	$ 686[c]
FPL	$ -	$ 20	$ 13	$ (19)	$ 14[c]
Liabilities:					
Derivatives:					
FPL Group	$ 1,110	$ 1,106	$ 437	$ (2,262)	$ 391[c]
FPL	$ -	$ 95	$ 2	$ (19)	$ 78[c]

(a) Includes the effect of the contractual ability to settle contracts under master netting arrangements and margin cash collateral payments and receipts.
(b) At FPL Group, approximately $918 million ($836 million at FPL) are invested in commingled funds whose underlying investments would be Level 1 if those investments were held directly by FPL Group or FPL.
(c) See Note 3 for a reconciliation of net derivatives to FPL Group's and FPL's consolidated balance sheets.

	December 31, 2008				
	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Netting [a]	Total
			(millions)		
Assets:					
Cash equivalents:					
FPL Group	$ 109	$ -	$ -	$ -	$ 109
FPL	$ 27	$ -	$ -	$ -	$ 27
Other current assets:					
FPL Group	$ -	$ 17	$ -	$ -	$ 17
Special use funds:					
FPL Group	$ 536	$ 2,411[b]	$ -	$ -	$ 2,947
FPL	$ 149	$ 2,009[b]	$ -	$ -	$ 2,158
Other investments:					
FPL Group	$ 6	$ 101	$ -	$ -	$ 107
Net derivative assets (liabilities):					
FPL Group	$ (55)	$ (1,227)	$ 404	$ 5	$ (873)[c]
FPL	$ -	$ (1,108)	$ (1)	$ -	$ (1,109)[c]

(a) Includes amounts for margin cash collateral and net option premium payments and receipts.
(b) At FPL Group, approximately $712 million ($650 million at FPL) are invested in commingled funds whose underlying investments would be Level 1 if those investments were held directly by FPL Group or FPL. The remaining investments are primarily comprised of fixed income securities including municipal, mortgage-backed, corporate and governmental bonds.
(c) See Note 3 for a reconciliation of net derivatives to FPL Group's and FPL's consolidated balance sheets.

The reconciliation of changes in the fair value of derivatives that are based on significant unobservable inputs is as follows:

	Year Ended December 31,			
	2009		2008	
	FPL Group	FPL	FPL Group	FPL
		(millions)		
Fair value of net derivatives based on significant unobservable inputs at December 31 of prior year	$ 404	$ (1)	$ (127)	$ (10)
Realized and unrealized gains (losses):				
Included in earnings [a]	555	-	196	(1)
Included in regulatory assets and liabilities	7	7	5	5
Settlements and net option premiums	(521)	6	152	4
Net transfers in/out	(81)	(1)	178	1
Fair value of net derivatives based on significant unobservable inputs at December 31	$ 364	$ 11	$ 404	$ (1)
The amount of gains (losses) for the period included in earnings attributable to the change in unrealized gains (losses) relating to derivatives still held at the reporting date [a]	$ 270	$ -	$ 410	$ (1)

(a) Essentially all realized and unrealized gains (losses) are reflected in operating revenues in the consolidated statements of income.

5. Financial Instruments

FPL Group and FPL adopted new accounting and disclosure provisions related to other than temporary impairments and the fair value of financial instruments beginning April 1, 2009. Under the new accounting provisions, an investment in a debt security is required to be assessed for an other than temporary impairment based on whether the entity has an intent to sell or more likely than not will be required to sell the debt security before recovery of its amortized cost basis. Additionally, if the entity does not expect to recover the amortized cost of a debt security, an impairment is recognized in earnings equal to the estimated credit loss. For debt securities held as of April 1, 2009 for which an other than temporary impairment had been previously recognized but for which assessment under the new accounting provisions indicates the impairment is temporary, FPL Group recorded an adjustment to increase April 1, 2009 retained earnings by approximately $5 million with a corresponding reduction in AOCI.

The carrying amounts of cash equivalents, notes payable and commercial paper approximate their fair values. At both December 31, 2009 and 2008, other investments of FPL Group, not included in the table below, included financial instruments of approximately $39 million, which primarily consist of notes receivable that are carried at estimated fair value or cost, which approximates fair value. See Note 10.

The following estimates of the fair value of financial instruments have been made primarily using available market information. However, the use of different market assumptions or methods of valuation could result in different estimated fair values.

	December 31, 2009		December 31, 2008	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
	(millions)			
FPL Group:				
Special use funds	$ 3,390[a]	$ 3,390[b]	$ 2,947	$ 2,947[b]
Other investments:				
Notes receivable	$ 534	$ 556[c]	$ 534	$ 524[c]
Debt securities	$ 104[d]	$ 104[b]	$ 105[d]	$ 105[b]
Equity securities	$ 45	$ 105[e]	$ 27	$ 43[e]
Long-term debt, including current maturities	$ 16,869	$ 17,256[f]	$ 15,221	$ 15,152[f]
Interest rate swaps - net unrealized losses	$ (17)	$ (17)[g]	$ (78)	$ (78)[g]
Foreign currency swaps - net unrealized losses	$ (1)	$ (1)[g]	$ (4)	$ (4)[g]
FPL:				
Special use funds	$ 2,408[a]	$ 2,408[b]	$ 2,158	$ 2,158[b]
Long-term debt, including current maturities	$ 5,836	$ 6,055[f]	$ 5,574	$ 5,652[f]

(a) See Note 4 for classification by major security type. The amortized cost of debt and equity securities is $1,638 million and $1,396 million, respectively ($1,344 million and $873 million, respectively, for FPL).
(b) Based on quoted market prices for these or similar issues.
(c) Classified as held to maturity. Based on market prices provided by external sources. Additionally, notes receivable bear interest at variable rates based on an underlying index plus a margin and mature from 2014 to 2029.
(d) Classified as trading securities. In 2008, approximately $8 million of current maturities are included in other current assets in FPL Group's consolidated balance sheet.
(e) Modeled internally.
(f) Based on market prices provided by external sources.
(g) Modeled internally based on market values.

Special Use Funds - The special use funds consist of FPL's storm fund assets of $123 million and FPL Group's and FPL's nuclear decommissioning fund assets of $3,267 million and $2,285 million, respectively, at December 31, 2009. Securities held in the special use funds consist of equity and debt securities which are classified as available for sale and are carried at estimated fair value based on quoted market prices. For FPL's special use funds, consistent with regulatory treatment, market adjustments, including any other than temporary impairment losses, result in a corresponding adjustment to the related regulatory liability accounts. For FPL Group's non-rate regulated operations, market adjustments result in a corresponding adjustment to OCI, except for unrealized losses associated with marketable securities considered to be other than temporary, including any credit losses, which are recognized as a loss in FPL Group's consolidated statements of income. Debt securities included in the nuclear decommissioning funds have a weighted-average maturity at December 31, 2009 of approximately seven years at both FPL Group and FPL. FPL's storm fund primarily consists of municipal debt securities with a weighted-average maturity at December 31, 2009 of approximately three years. The cost of securities sold is determined using the specific identification method.

The approximate realized gains and losses and proceeds from the sale of available for sale securities are as follows:

	FPL Group			FPL		
	Years Ended December 31,			Years Ended December 31,		
	2009	2008	2007	2009	2008	2007
	(millions)					
Realized gains	$ 108	$ 50	$ 59	$ 48	$ 38	$ 52
Realized losses	$ 30	$ 54	$ 40	$ 25	$ 50	$ 37
Proceeds from sale of securities	$ 4,592	$ 2,235	$ 2,349	$ 3,270	$ 1,454	$ 1,978

The unrealized gains on available for sale securities are as follows:

	FPL Group December 31,		FPL December 31,	
	2009	2008	2009	2008
	(millions)			
Equity securities	$ 400	$ 103	$ 240	$ 95
Debt securities:				
U.S. Government and municipal bonds	$ 14		$ 13	
Corporate debt securities	21		16	
Mortgage-backed securities	22		18	
Other debt securities	1		1	
Total debt securities	$ 58	$ 83	$ 48	$ 72

The total unrealized losses on available for sale debt securities and the fair value of available for sale debt securities in an unrealized loss position are as follows:

	December 31, 2009			
	FPL Group [a]		FPL [a]	
	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value
	(millions)			
U.S. Government and municipal bonds	$ 6	$ 255	$ 5	$ 207
Corporate debt securities	$ 2	$ 104	$ 1	$ 84
Mortgage-backed securities	$ 4	$ 225	$ 3	$ 184
Other debt securities	$ -	$ 10	$ -	$ 8

(a) FPL Group had 47 securities in an unrealized loss position for greater than twelve months, including 18 securities for FPL. The total unrealized loss on these securities was approximately $3 million and the fair value was approximately $37 million for FPL Group, including approximately $2 million of unrealized losses with a fair value of approximately $25 million for FPL. Consistent with regulatory treatment for FPL, marketable securities held in special use 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.

Regulations issued by the FERC and the NRC provide general risk management guidelines to protect nuclear decommissioning 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 mutual funds. Similar restrictions applicable to the decommissioning funds for NextEra Energy Resources' nuclear plants are contained in the NRC operating licenses for those facilities or in NRC regulations applicable to NRC licensees not in cost-of-service environments. With respect to the decommissioning fund for NextEra Energy Resources' Seabrook nuclear plant, decommissioning 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 of FPL Group and FPL and rules of the applicable regulatory authorities. The funds' assets are invested giving consideration to taxes, liquidity, risk, diversification and other prudent investment objectives.

Interest Rate and Foreign Currency 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 mitigate and adjust interest rate exposure when deemed appropriate based upon market conditions or when required by financing agreements. In addition, FPL Group Capital entered into a cross currency basis swap to hedge against currency movements with respect to both interest and principal payments on a loan and a cross currency swap to hedge against currency and interest rate movements with respect to both interest and principal payments on a loan.

6. Income Taxes

The components of income taxes are as follows:

	FPL Group			FPL		
	Years Ended December 31,			Years Ended December 31,		
	2009	2008	2007	2009	2008	2007
	(millions)					
Federal:						
Current [a]	$ (18)	$ (132)	$ (35)	$ 63	$ 117	$ 98
Deferred	298	557	356	350	274	302
Amortization of ITCs - FPL	(8)	(15)	(15)	(8)	(15)	(15)
Total federal	272	410	306	405	376	385
State:						
Current [a]	77	29	16	57	34	22
Deferred	(22)	11	46	11	33	44
Total state	55	40	62	68	67	66
Total income taxes	$ 327	$ 450	$ 368	$ 473	$ 443	$ 451

(a) Includes provision for unrecognized tax benefits.

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,		
	2009	2008	2007	2009	2008	2007
Statutory federal income tax rate	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
Increases (reductions) resulting from:						
State income taxes - net of federal income tax benefit	1.9	1.3	2.4	3.4	3.5	3.4
Allowance for other funds used during construction	(1.0)	(0.6)	(0.6)	(1.5)	(1.1)	(0.8)
Amortization of ITCs - FPL	(0.4)	(0.7)	(0.9)	(0.6)	(1.2)	(1.2)
PTCs and ITCs - NextEra Energy Resources	(13.1)	(12.7)	(13.7)	-	-	-
Convertible ITCs - NextEra Energy Resources	(4.3)	-	-	-	-	-
Manufacturers' deduction	-	-	-	-	-	(0.1)
Amortization of deferred regulatory credit - income taxes	(0.3)	(0.2)	(0.2)	(0.5)	(0.3)	(0.3)
Other - net	(0.9)	(0.5)	(0.1)	0.5	-	(0.9)
Effective income tax rate	16.9%	21.6%	21.9%	36.3%	35.9%	35.1%

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

	FPL Group		FPL	
	December 31,		December 31,	
	2009	2008	2009	2008
	(millions)			
Deferred tax liabilities:				
Property-related	$ 6,968	$ 5,650	$ 4,202	$ 3,687
Investment-related	-	139	-	-
Pension	457	354	392	373
Regulatory asset - pension and other benefits	14	49	-	-
Deferred fuel costs	-	99	-	99
Storm reserve deficiency	279	312	279	312
Other	674	451	157	199
Total deferred tax liabilities	8,392	7,054	5,030	4,670
Deferred tax assets and valuation allowance:				
Decommissioning reserves	379	297	313	297
Postretirement benefits	183	157	133	131
Net operating loss carryforwards	270[a]	60	-	-
Tax credit carryforwards	1,364[b]	899[b]	-	-
ARO and accrued asset removal costs	896	874	811	776
Other	683	605	249	353
Valuation allowance [c]	(129)	(137)	-	-
Net deferred tax assets	3,646	2,755	1,506	1,557
Net accumulated deferred income taxes	$ 4,746	$ 4,299	$ 3,524	$ 3,113

(a) Amount is presented net of $26 million of tax carryforwards that are available to offset FPL Group's liability for unrecognized tax benefits.
(b) Amount is presented net of $58 million and $49 million, respectively, of tax carryforwards that are available to offset FPL Group's liability for unrecognized tax benefits.
(c) Amount relates to deferred 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,	
	2009	2008	2009	2008
	(millions)			
Other current assets	$ 128	$ -	$ -	$ -
Other current liabilities	14	68	15	8
Accumulated deferred income taxes	4,860	4,231	3,509	3,105
Net accumulated deferred income taxes	$ 4,746	$ 4,299	$ 3,524	$ 3,113

The components of FPL Group's deferred tax assets relating to net operating loss carryforwards and tax credit carryforwards at December 31, 2009 are as follows:

	Amount (millions)	Expiration Dates
Net operating loss carryforwards:		
Federal	$ 179[a]	2025 - 2029
State	85	2010 - 2029
Foreign	6	2027 - 2029
Net operating loss carryforwards	$ 270	
Tax credit carryforwards:		
Federal	$ 1,203[b]	2025 - 2029
State	161	2010 - 2028
Net tax credit carryforwards	$ 1,364	

(a) Amount is presented net of $26 million of tax carryforwards that are available to offset FPL Group's liability for unrecognized tax benefits.
(b) Amount is presented net of $58 million of tax carryforwards that are available to offset FPL Group's liability for unrecognized tax benefits.

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, 2009 is approximately $5 million at FPL Group ($1 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 expense, 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, 2009 and 2008, FPL Group accrued approximately $135 million and $111 million for net interest receivable ($38 million and $23 million for FPL), respectively. For the years ended December 31, 2009 and 2008, FPL Group recorded $9 million and $10 million of interest, $13 million and $14 million of which was recognized as interest income in FPL Group's consolidated statements of income and $(4) million and $(4) million, respectively, 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		
	2009	2008	2007	2009	2008	2007
	(millions)					
Balance at beginning of year	$ 249	$ 320	$ 316	$ 217	$ 281	$ 274
Additions based on tax positions related to the current year	24	14	71	24	13	71
Reductions based on tax positions related to the current year	-	(44)	-	-	(44)	-
Additions for tax positions of the prior years	26	91	13	26	89	13
Reductions for tax positions of the prior years	(20)	(40)	(80)	(20)	(30)	(77)
Reductions relating to settlements with taxing authorities	-	(92)	-	-	(92)	-
Balance at end of year	279	249	320	247	217	281
Tax carryforwards, deposits and other receivables	(239)	(219)	(249)	(192)	(176)	-
Balance at end of year, net	$ 40	$ 30	$ 71	$ 55	$ 41	$ 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 effectively no longer subject to U.S. federal, state and local examinations by taxing authorities for years before 2003. FPL Group is planning to appeal an adverse court decision related to FPL Group's and FPL's method for deducting certain repairs related to years prior to 2000 and the denial of a refund claim related to ITCs. FPL Group is planning to file refund claims with respect to its U.S. income tax returns for 2000 through 2002, primarily related to deductions for repairs and depreciation deductions attributable to an acquired power plant. FPL Group is also disputing certain adjustments proposed by the Internal Revenue Service (IRS) to its U.S. income tax returns for 2003 through 2005. These IRS proposed adjustments primarily relate to FPL Group's and FPL's method for certain deductions for repairs, casualty losses and capitalizing indirect service costs. Additionally, income tax returns for 2006, 2007 and 2008 are under examination. As such, the amount of unrecognized tax benefits and related interest accruals may change within the next twelve months; however, 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 components of FPL Group's comprehensive income and accumulated other comprehensive income (loss) are as follows:

	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, 2006		$ (25)	$ 98	$ 42	$ 115	
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)	143	54	116	$ 1,313
Net income of FPL Group	$ 1,639					$ 1,639
Net unrealized gains (losses) on commodity cash flow hedges:						
Effective portion of net unrealized gains (net of $31 tax expense)		45	-	-	45	45
Reclassification from OCI to net income (net of $62 tax expense)		84	-	-	84	84
Net unrealized gains (losses) on interest rate cash flow hedges:						
Effective portion of net unrealized losses (net of $31 tax benefit)		(49)	-	-	(49)	(49)
Reclassification from OCI to net income (net of $4 tax expense)		6	-	-	6	6
Net unrealized losses on available for sale securities (net of $30 tax benefit)		-	-	(46)	(46)	(46)
Reclassification from AOCI to retained earnings		-	-	(1)	(1)	-
Defined benefit pension and other benefit plans (net of $104 tax benefit)		-	(168)	-	(168)	(167)
Balances, December 31, 2008		5	(25)	7	(13)	$ 1,512
Net income of FPL Group	$ 1,615					$ 1,615
Net unrealized gains (losses) on commodity cash flow hedges:						
Effective portion of net unrealized gains (net of $78 tax expense)		118	-	-	118	118
Reclassification from OCI to net income (net of $63 tax benefit) [a]		(98)	-	-	(98)	(98)
Net unrealized gains (losses) on interest rate cash flow hedges:						
Effective portion of net unrealized gains (net of $10 tax expense)		17	-	-	17	17
Reclassification from OCI to net income (net of $15 tax expense)		25	-	-	25	25
Net unrealized gains (losses) on foreign currency cash flow hedge:						
Effective portion of net unrealized gains (net of $2 tax expense)		2	-	-	2	2
Reclassification from AOCI to net income (net of $2 tax benefit)		(2)	-	-	(2)	(2)
Net unrealized gains (losses) on available for sale securities:						
Net unrealized gains on securities still held (net of $77 tax expense)		-	-	119	119	119
Reclassification from OCI to net income (net of $17 tax benefit)		-	-	(27)	(27)	(27)
Reclassification from AOCI to retained earnings		-	-	(5)	(5)	-
Defined benefit pension and other benefit plans (net of $14 tax expense)		-	22	-	22	22
Net unrealized gains on foreign currency translation (net of $5 tax expense)		-	-	11	11	11
Balances, December 31, 2009		$ 67[b]	$ (3)[c]	$ 105	$ 169	$ 1,802

(a) Includes amounts reclassified into earnings due to discontinuance of cash flow hedges of approximately $3 million (net of $2 million tax benefit) for which the hedged transactions are no longer probable of occurring.

(b) Approximately $39 million of gains is expected to 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.

(c) Less than $1 million of prior service benefits and less than $1 million of transition obligations is expected to 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 NextEra Energy Resources 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 and other 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, 2009			
	Ownership Interest	Gross Investment [a]	Accumulated Depreciation [a]	Construction Work in Progress
			(millions)	
FPL:				
St. Lucie Unit No. 2	85%	$ 1,345	$ 672	$ 101
St. Johns River Power Park units and coal terminal	20%	$ 391	$ 218	$ 1
Scherer Unit No. 4	76%	$ 599	$ 405	$ 227
Transmission substation assets located in Seabrook, New Hampshire	88.23%	$ 66	$ 11	$ 11
NextEra Energy Resources:				
Duane Arnold	70%	$ 345	$ 48	$ 29
Seabrook	88.23%	$ 823	$ 122	$ 53
Wyman Station Unit No. 4	84.35%	$ 103	$ 36	$ 1

(a) Excludes nuclear fuel.

9. Variable Interest Entities

Accounting guidance 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, 2009, FPL Group has two VIEs which it consolidates.

FPL - FPL is considered the primary beneficiary of, and therefore consolidates, a VIE from which it leases nuclear fuel for its nuclear units. FPL is considered the primary beneficiary of this VIE because in the case of default by the VIE on its debt, FPL would be required to purchase the VIE's nuclear fuel and because FPL guarantees the VIE's debt. 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, which consists primarily of commercial paper (approximately $425 million and $347 million at December 31, 2009 and 2008, respectively) would become due. The consolidated assets of the VIE consist primarily of nuclear fuel, which had a net carrying value of approximately $389 million and $338 million at December 31, 2009 and 2008, respectively.

FPL is considered the primary beneficiary of, and therefore consolidates, a VIE that is a wholly-owned bankruptcy remote special purpose subsidiary that it formed in 2007 for the sole purpose of issuing storm-recovery bonds pursuant to the securitization provisions of the Florida Statutes and an FPSC financing order. Four hurricanes in 2005 and three hurricanes in 2004 caused major damage in parts of FPL's service territory. Storm restoration costs incurred by FPL during 2005 and 2004 exceeded the amount in FPL's funded storm and property insurance reserve, resulting in a storm reserve deficiency. In 2007, the VIE 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. See Note 12.

In connection with this financing, net proceeds, after debt issuance costs, to the VIE (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 VIE 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 VIE 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, 2009, 2008 and 2007, both the amount billed to retail customers related to the 2004 storm damage surcharge and/or the storm-recovery bonds surcharge amounted to approximately $91 million, $97 million and $94 million, respectively. The VIE 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 VIE that issued the storm-recovery bonds. The assets of the VIE 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 VIE that issued the storm-recovery bonds. The consolidated assets of the VIE were approximately $588 million and $628 million at December 31, 2009 and 2008, respectively, and consisted primarily of storm-recovery property, which is included in securitized storm-recovery costs on FPL Group's and FPL's consolidated balance sheets.

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 $123 million at both December 31, 2009 and 2008, respectively. 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, 2009 or 2008 because the associated regulatory asset does not meet the specific recognition criteria under regulatory accounting guidance. 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, 2009 reflect a storm and property insurance reserve of approximately $23 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 $198 million in future prudently incurred storm restoration costs without seeking recovery through a rate adjustment from the FPSC.

FPL identified one potential VIE, which is considered a qualifying facility as defined by the Public Utility Regulatory Policies Act of 1978, as amended (PURPA). PURPA requires FPL to purchase the electricity output of the project. FPL entered into a PPA in 1990 with this 250 megawatt (mw) coal-fired qualifying facility to purchase substantially all of the project's electrical output over a substantial portion of its estimated useful life. FPL absorbs a portion of the project's variability related to changes in the market price of coal through the price it pays per mwh (energy payment). 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 fluctuation 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, 2009, 2008 and 2007, FPL purchased 1,604,735 mwh, 1,725,798 mwh and 1,694,810 mwh, respectively, from the project at a total cost of approximately $173 million, $158 million and $153 million, respectively. FPL will continue to make exhaustive efforts to obtain the necessary information from the potential VIE in order to determine if it is a VIE and, if so, whether FPL is the primary beneficiary.

Additionally, FPL entered into a PPA in 1995 with a 330 mw coal-fired qualifying facility to purchase substantially all of the project's electrical output over a substantial portion of its estimated useful life. FPL absorbs a portion of the project's variability related to changes in the market price of coal through the energy payment. After making exhaustive efforts, FPL determined that the project is a VIE, however, FPL was unable to obtain the information necessary to determine if FPL is the project's primary beneficiary. The PPA with the project contains no provisions which legally obligate the project to release this information to FPL. The energy payments paid by FPL will fluctuate as coal prices changes. This fluctuation 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. During the years ended December 31, 2009, 2008 and 2007, FPL purchased 1,485,662 mwh, 2,317,345 mwh and 2,320,991 mwh, respectively, from the project at a total cost of approximately $205 million, $227 million and $220 million, respectively. FPL will continue to make exhaustive efforts to obtain the necessary information from the project in order to determine if FPL is the primary beneficiary.

FPL Group - In 2004, a trust created by FPL Group sold $300 million of 5 7/8% preferred trust securities to the public and $9 million of 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. 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. FPL Group has fully and unconditionally guaranteed the preferred trust securities and the junior subordinated debentures. 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. FPL Group includes the junior subordinated debentures issued by FPL Group Capital on its consolidated balance sheets. The junior subordinated debentures are FPL Group's maximum exposure to loss. See Note 12.

10. Investments in Partnerships and Joint Ventures

NextEra Energy Resources - NextEra Energy Resources has non-controlling non-majority owned interests in various partnerships and joint ventures, essentially all of which are electricity producers. At December 31, 2009 and 2008, NextEra Energy Resources' investment in partnerships and joint ventures totaled approximately $173 million and $189 million, respectively, which is included in other investments on FPL Group's consolidated balance sheets. NextEra Energy Resources' interest in these partnerships and joint ventures range from approximately 5.5% to 50%. At December 31, 2009, the principal operating entities included in NextEra Energy Resources' investments in partnerships and joint ventures were Northeast Energy, LP, Luz Solar Partners Ltd., V, Mojave 16/17/18 LLC, Luz Solar Partners Ltd., III, and Luz Solar Partners Ltd., IV and in 2008 also included TPC Windfarms LLC.

Summarized combined information for these principal entities is as follows:

	2009	2008
	(millions)	
Net income	$ 74	$ 145
Total assets	$ 716	$ 841
Total liabilities	$ 353	$ 435
Partners'/members' equity	$ 363	$ 407
NextEra Energy Resources' share of underlying equity in the principal entities	$ 179	$ 202
Difference between investment carrying amount and underlying equity in net assets [a]	(14)	(18)
NextEra Energy Resources' investment carrying amount for the principal entities	$ 165	$ 184

(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 NextEra Energy Resources provide services to the partnerships and joint ventures, including operations and maintenance and business management services. FPL Group's operating revenues for the years ended December 31, 2009, 2008 and 2007 include approximately $21 million, $21 million and $20 million, respectively, related to such services. The net receivables at December 31, 2009 and 2008, for these services, as well as for affiliate energy commodity transactions, payroll and other payments made on behalf of these investees, were approximately $29 million and $33 million, respectively, and are included in other current assets on FPL Group's consolidated balance sheets.

Notes receivable (long- and short-term) include approximately $16 million and $24 million at December 31, 2009 and 2008, respectively, due from partnerships and joint ventures in which NextEra Energy Resources has an ownership interest. Approximately $6 million of the notes receivable balance at December 31, 2009 mature in 2011 and bear interest at a fixed rate of 8.5%. The remaining $10 million mature in 2014 and bear interest at a variable rate which averaged approximately 10.4% in 2009. Approximately $11 million of the notes receivable balance at December 31, 2008 mature in 2011 and bear interest at a fixed rate of 8.5%. The remaining $13 million mature in 2014 and bear interest at a variable rate which averaged approximately 13.4% in 2008. Interest income related to notes receivable totaled approximately $2 million, $4 million and $4 million for the years ended December 31, 2009, 2008 and 2007, 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, 2009 and 2008 was not material.

Sale of Differential Membership Interests - In December 2007, an indirect wholly-owned subsidiary of NextEra Energy Resources 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 sheets. The deferred amount totaled $700 million and $706 million at December 31, 2009 and 2008, respectively, and is being recognized as an adjustment to taxes other than income taxes and other in FPL Group's consolidated statements of income as the members receive their portion of the economic attributes. FPL Group continues to operate and manage the wind facilities, and consolidates the entity that owns the wind facilities.

11. Common and Preferred Stock

Earnings Per Share - The reconciliation of FPL Group's basic and diluted earnings per share of common stock is as follows:

	Years Ended December 31,		
	2009	2008	2007
	(millions, except per share amounts)		
Numerator - net income	$ 1,615	$ 1,639	$ 1,312
Denominator:			
Weighted-average number of common shares outstanding - basic	404.4	400.1	397.7
Restricted stock, performance share awards, options, warrants and equity units [(a)]	2.8	2.6	2.9
Weighted-average number of common shares outstanding - assuming dilution	407.2	402.7	400.6
Earnings per share of common stock:			
Basic	$ 3.99	$ 4.10	$ 3.30
Assuming dilution	$ 3.97	$ 4.07	$ 3.27

(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 was the end of the term of the award. Restricted stock, performance share awards, options, warrants and equity units are included in diluted weighted-average number of common shares outstanding by applying the treasury stock method.

Restricted stock, performance share awards and common shares issuable upon the exercise of stock options which were not included in the denominator above due to their antidilutive effect were approximately 0.8 million, 0.5 million and 0.2 million for the years ended December 31, 2009, 2008 and 2007, respectively.

On January 1, 2009, FPL Group adopted accounting guidance which required companies to treat unvested stock-based payment awards that have non-forfeitable rights to dividends or dividend equivalents as participating securities. Therefore, these participating securities had to be included in the computation of earnings per share, pursuant to the two-class method described in the accounting guidance. The effect of the retrospective application of the new accounting guidance was a reduction of less than $0.01 per share on FPL Group's earnings per share, assuming dilution, for the years ended December 31, 2008 and 2007.

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 $42 million, $40 million and $35 million in 2009, 2008 and 2007, 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, 2009 was approximately $85 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, 2009 was approximately $308 million.

Stock-Based Compensation - FPL Group accounts for stock-based payment transactions based on grant-date fair value. Net income for the years ended December 31, 2009, 2008 and 2007 includes approximately $51 million, $47 million and $39 million, respectively, of compensation costs and $20 million, $18 million and $15 million, respectively, of income tax benefits related to stock-based compensation arrangements. Compensation cost capitalized as part of the cost of an asset for the years ended December 31, 2009 and 2008 was approximately $3 million and $2 million, respectively. No compensation cost was capitalized in the year ended December 31, 2007. As of December 31, 2009, there were approximately $67 million of unrecognized compensation costs related to nonvested/nonexercisable stock-based compensation arrangements. These costs are expected to be recognized over a weighted-average period of 1.5 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, 2009, approximately 26 million shares of common stock were authorized and approximately 13 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 generally 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 based on actual performance.

The activity in restricted stock and performance share awards for the year ended December 31, 2009 was as follows:

	Shares	Weighted-Average Grant Date Fair Value Per Share
Restricted Stock:		
Nonvested balance, January 1, 2009	956,697	$ 57.51
Granted	586,695	$ 51.50
Vested	(345,695)	$ 53.50
Forfeited	(54,415)	$ 58.97
Nonvested balance, December 31, 2009	1,143,282	$ 55.55
Performance Share Awards:		
Nonvested balance, January 1, 2009	1,044,486	$ 50.31
Granted	717,840	$ 42.66
Vested	(544,051)	$ 37.99
Forfeited	(60,932)	$ 53.24
Nonvested balance, December 31, 2009	1,157,343	$ 51.20

The weighted-average grant date fair value per share of restricted stock granted for the years ended December 31, 2008 and 2007 was $62.66 and $61.08, respectively. The weighted-average grant date fair value per share of performance share awards granted for the years ended December 31, 2008 and 2007 was $51.48 and $45.04, respectively.

The total fair value of restricted stock and performance share awards vested was $46 million, $64 million and $51 million for the years ended December 31, 2009, 2008 and 2007, 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:

	2009	2008	2007
Expected volatility [a]	19.02 - 20.23%	17.33%	16.60%
Expected dividends	3.35 - 3.71%	2.75%	2.54%
Expected term (years)	6[b]	6[c]	6[c]
Risk-free rate	2.68 - 2.97%	3.24%	4.64%

(a) Based on historical experience.
(b) Based on historical exercise and post-vesting cancellation experience adjusted for outstanding awards.
(c) FPL Group used the "simplified" method to calculate the expected term.

Option activity for the year ended December 31, 2009 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, 2009	5,581,214	$ 33.71		
Granted	521,314	$ 51.59		
Exercised	(358,265)	$ 28.84		
Forfeited	-	$ -		
Expired	(5,000)	$ 28.38		
Balance, December 31, 2009	5,739,263	$ 35.65	4.0	$ 104
Exercisable, December 31, 2009	4,952,965	$ 32.50	4.3	$ 91

The weighted-average grant date fair value of options granted was $6.79, $9.90 and $10.96 per share for the years ended December 31, 2009, 2008 and 2007, respectively. The total intrinsic value of stock options exercised was approximately $9 million, $17 million and $26 million for the years ended December 31, 2009, 2008 and 2007, respectively.

Cash received from option exercises was approximately $10 million, $14 million and $23 million for the years ended December 31, 2009, 2008 and 2007, respectively. The tax benefits realized from options exercised were approximately $3 million, $6 million and $6 million for the years ended December 31, 2009, 2008 and 2007, respectively.

Continuous Offering of FPL Group Common Stock – In January 2009, FPL Group entered into an agreement under which FPL Group may offer and sell, from time to time, FPL Group common stock having a gross sales price of up to $400 million. During 2009, FPL Group received gross proceeds through the sale and issuance of common stock under this agreement of approximately $160 million consisting of 2,890,000 shares at an average price of $55.53.

Preferred Stock - FPL Group's charter authorizes the issuance of 100 million shares of serial preferred stock, $0.01 par value, none of which are outstanding. 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 preferred stock, no par value, none of which are outstanding.

12. Debt

Long-term debt consists of the following:

	December 31, 2009	December 31, 2008
	(millions)	
FPL:		
First mortgage bonds:		
Maturing 2013 through 2017 - 4.85% to 5.55%	$ 700	$ 925
Maturing 2033 through 2039 - 4.95% to 6.20%	3,940	3,440
Storm-recovery bonds – maturing 2013 through 2021 - 5.0440% to 5.2555% [a]	572	611
Pollution control, solid waste disposal and industrial development revenue bonds - maturing 2020 through 2029 - variable, 0.2% and 1.3% weighted-average interest rates, respectively [b]	633	633
Other long-term debt - maturing 2011 through 2040 - 4.000% to 5.250%	24	-
Unamortized discount	(33)	(35)
Total long-term debt of FPL	5,836	5,574
Less current maturities of long-term debt	42	263
Long-term debt of FPL, excluding current maturities	5,794	5,311
FPL Group Capital:		
Debentures - maturing 2011 through 2019 - 5.35% to 7 7/8%	1,850	1,975
Debentures - maturing 2011 through 2012 - variable, 0.9% and 2.8% weighted-average interest rate, respectively [c]	450	250
Debentures, related to FPL Group's equity units - maturing 2014 - 3.60%	350	-
Junior Subordinated Debentures - maturing 2044 through 2069 - 5 7/8% to 8.75%	2,353	2,009
Senior secured bonds - maturing 2030 - 7.500% [d]	500	-
Term loans - maturing 2010 through 2011 - variable, 1.0% and 1.5% weighted-average interest rate, respectively [c]	910	1,070
Japanese yen denominated term loan - maturing 2011 - variable, 3.3% and 3.7% weighted-average interest rate, respectively [c]	287	138
Fair value swap	14	21
Unamortized premium (discount)	(3)	1
Total long-term debt of FPL Group Capital	6,711	5,464
Less current maturities of long-term debt	200	835
Long-term debt of FPL Group Capital, excluding current maturities	6,511	4,629
NextEra Energy Resources:		
Senior secured limited recourse bonds - maturing 2017 through 2024 - 5.608% to 7.52%	815	903
Senior secured limited recourse notes - maturing 2013 through 2037 - 6.31% to 7.59%	1,673	1,702
Other long-term debt - maturing 2010 through 2023 - primarily limited recourse and variable, 2.4% and 4.1% weighted-average interest rates, respectively [c]	1,833	1,449
Canadian dollar denominated term loan - variable, 2.3% [c]	-	128
Unamortized premium	1	-
Total long-term debt of NextEra Energy Resources	4,322	4,182
Less current maturities of long-term debt	327	289
Long-term debt of NextEra Energy Resources, excluding current maturities	3,995	3,893
Total long-term debt	$ 16,300	$ 13,833

(a) 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, however, it began being paid semiannually and sequentially on February 1, 2008, when the first semiannual interest payment became due.
(b) Tax exempt bonds that permit individual bond holders to tender the bonds for purchase at any time prior to maturity. In the event bonds are tendered for purchase, they would be remarketed by a designated remarketing agent in accordance with the related indenture. If the remarketing is unsuccessful, FPL would be required to purchase the tax exempt bonds. As of December 31, 2009, all tax exempt bonds tendered for purchase have been successfully remarketed. FPL's bank revolving lines of credit are available to support the purchase of tax exempt bonds.
(c) Variable rate is based on an underlying index plus a margin. Interest rate swap agreements have been entered into for some of these debt issuances.
(d) Collateralized by a third-party note receivable held by a wholly-owned subsidiary of FPL Group Capital. See Note 5.

Minimum annual maturities of long-term debt for FPL Group are approximately $569 million, $2,239 million, $627 million, $1,136 million and $676 million for 2010, 2011, 2012, 2013 and 2014, respectively. The respective amounts for FPL are approximately $42 million, $46 million, $50 million, $453 million and $56 million.

At December 31, 2009, commercial paper borrowings had a weighted-average interest rate of 0.19% (0.19% for FPL), and at December 31, 2008, commercial paper and short-term borrowings had a weighted-average interest rate of 2.10% (0.92% for FPL). Available lines of credit aggregated approximately $6.4 billion ($3.9 billion for FPL Group Capital and $2.5 billion for FPL) at December 31, 2009 and were available to support FPL's and FPL Group Capital's commercial paper programs. These facilities provide for the issuance of letters of credit of up to approximately $6.4 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, 2009, letters of credit totaling $492 million and $3 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 NextEra Energy Resources and its subsidiaries.

In 2008, FPL entered into a reclaimed water agreement with Palm Beach County, Florida (PBC) to provide FPL's WCEC with reclaimed water for cooling purposes beginning in January 2011. Under the reclaimed water agreement, FPL is to construct a reclaimed water system, including modifications to an existing treatment plant and a water pipeline, that PBC will legally own and operate. The reclaimed water agreement also requires PBC to issue bonds for the purpose of paying the costs associated with the construction of the reclaimed water system. In 2009, PBC issued approximately $68 million principal amount of Palm Beach County, Florida Water and Sewer Revenue Bonds. Under the reclaimed water agreement, FPL will pay PBC an operating fee for the reclaimed water delivered which will be used by PBC to, among other things, service the principal of, and interest on, the bonds. The portion of the operating fee related to PBC's servicing principal of, and interest on, the bonds will be paid by FPL, beginning October 2011, until final maturity of the bonds. FPL does not have a direct obligation to the bondholders; however, if FPL or PBC were to terminate the reclaimed water agreement, FPL would be obligated to continue to pay the portion of the operating fee intended to reimburse PBC for costs related to issuance of the bonds, including amounts to be used by PBC to service the principal of, and interest on, the bonds. In the event of a default by PBC under the reclaimed water agreement, FPL would have certain rights, including, among other things, the right to appoint a third-party contractor to repair, and restore operations of, the reclaimed water treatment plant, and, in the event of a termination of the reclaimed water agreement by FPL relating to a PBC default, the right to assume ownership of the reclaimed water pipeline from PBC. For financial reporting purposes, FPL is considered the owner of the reclaimed water system and FPL and FPL Group are recording electric utility plant in service and other property as costs are incurred and long-term debt as costs are eligible for reimbursement by PBC to FPL (see table above).

In 2009, FPL Group sold $350 million of equity units (initially consisting of Corporate Units). Each equity unit has a stated amount of $50 and consists of a purchase contract issued by FPL Group and, initially, a 1/20, or 5%, undivided beneficial ownership interest in $1,000 principal amount of a Series C Debenture due June 1, 2014 issued by FPL Group Capital (see table above). Total annual distributions on the equity units will be at the rate of 8.375%, consisting of interest on the debentures (3.60% per year) and payments under the stock purchase contracts (4.775% per year). The interest rate on the debentures is expected to be reset on or after December 1, 2011. Each stock purchase contract will require the holder to purchase FPL Group common stock for cash, which can be satisfied from proceeds raised from remarketing the FPL Group Capital debentures, based on a price per share range of $55.67 to $66.80 (subject to adjustment under certain circumstances) no later than the settlement date of June 1, 2012. The undivided beneficial ownership interest in the FPL Group Capital debenture that is a component of each Corporate Unit is pledged to FPL Group to secure the holder's obligation to purchase common stock under the related purchase contract. If a successful remarketing does not occur on or before the third business day prior to the settlement date, and a holder has not notified FPL Group of its intention to settle the stock purchase contract with cash, FPL Group would exercise its rights as a secured party in the debentures to satisfy in full the holders' obligations to purchase FPL Group common stock under the related purchase contracts on the settlement date. The debentures are fully and unconditionally guaranteed by FPL Group.

Prior to the issuance of FPL Group's common stock, the purchase contracts will be reflected in FPL Group's diluted earnings per share calculations using the treasury stock method. Under this method, the number of shares of FPL Group common stock used in calculating diluted earnings per share is deemed to be increased by the excess, if any, of the number of shares that would be issued upon settlement of the purchase contracts over the number of shares that could be purchased by FPL Group in the market, at the average market price during the period, using the proceeds receivable upon settlement.

In February 2010, FPL issued $500 million principal amount of 5.69% first mortgage bonds maturing in 2040.

13. Asset Retirement Obligations

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 accounting provisions 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. NextEra Energy Resources' 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.

A rollforward of FPL Group's and FPL's ARO is as follows:

	FPL	NextEra Energy Resources	FPL Group
		(millions)	
Balance, December 31, 2007	$ 1,653	$ 504	$ 2,157
Liabilities incurred	-	6	6
Accretion expense	91	33	124
Liabilities settled	-	(2)	(2)
Revision in estimated cash flows - net	(1)	(1)	(2)
Balance, December 31, 2008	1,743	540	2,283
Liabilities incurred	-	4	4
Accretion expense	96	36	132
Revision in estimated cash flows - net	(6)	5	(1)
Balance, December 31, 2009	$ 1,833	$ 585	$ 2,418

Restricted 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 5):

	FPL	NextEra Energy Resources	FPL Group
		(millions)	
Balance, December 31, 2009	$ 2,285	$ 982	$ 3,267
Balance, December 31, 2008	$ 2,035	$ 789	$ 2,824

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 NextEra Energy Resources' 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 use 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.

14. 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 NextEra Energy Resources, capital expenditures include, among other things, the cost, including capitalized interest, for construction of wind and solar projects and the procurement of nuclear fuel. FPL FiberNet, LLC's (FPL FiberNet) capital expenditures primarily include costs to meet customer-specific requirements and maintain its fiber-optic network.

At December 31, 2009, estimated planned capital expenditures for 2010 through 2014 were estimated as follows:

	2010	2011	2012	2013	2014	Total
			(millions)			
FPL:						
Generation: [a]						
New [b] [c]	$ 1,120	$ 985	$ 305	$ 5	$ -	$ 2,415
Existing	530	490	390	320	330	2,060
Transmission and distribution	440	460	480	480	480	2,340
Nuclear fuel	105	200	175	250	205	935
General and other	260	270	270	260	130	1,190
Total [d]	$ 2,455	$ 2,405	$ 1,620	$ 1,315	$ 1,145	$ 8,940
NextEra Energy Resources:						
Wind [e]	$ 1,895	$ 15	$ 15	$ 10	$ 5	$ 1,940
Nuclear [f]	560	325	315	255	235	1,690
Natural gas	75	75	70	50	20	290
Solar	195	440	485	95	-	1,215
Other	65	60	45	45	50	265
Total	$ 2,790	$ 915	$ 930	$ 455	$ 310	$ 5,400
FPL FiberNet	$ 30	$ 20	$ 20	$ 20	$ 20	$ 110

(a) Includes AFUDC of approximately $47 million, $27 million and $4 million in 2010 to 2012, respectively.
(b) Includes land, generating structures, transmission interconnection and integration and licensing.
(c) Includes pre-construction costs and carrying charges (equal to a pretax AFUDC rate) on construction costs recoverable through the capacity clause of approximately $147 million, $390 million and $37 million in 2010 to 2012, respectively.
(d) Excludes capital expenditures of approximately $685 million in 2010, $1,310 million in 2011, $2,505 million in 2012, $2,605 million in 2013 and $1,805 million in 2014 for the following: (1) construction costs for the two additional nuclear units at FPL's Turkey Point site beyond what is required to receive an NRC license for each unit, (2) modernization of the Cape Canaveral and Riviera power plants and (3) other infrastructure projects. See Note 1 - Revenue and Rates.
(e) Includes capital expenditures for new wind projects that have been identified and related transmission. NextEra Energy Resources expects to add new wind generation of approximately 1,000 mw in 2010 and 1,000 mw to 1,500 mw in each of 2011 and 2012, subject to, among other things, continued public policy support, support for the construction and availability of sufficient transmission facilities and capacity, continued market demand, supply chain expansion and access to capital at reasonable cost and on reasonable terms. The cost of the planned wind additions for 2011 and 2012 is estimated to be approximately $2.2 billion to $3.3 billion in each year, which is not included in the table above.
(f) Includes nuclear fuel.

FPL Group has guaranteed certain payment obligations of FPL Group Capital, including most payment obligations under FPL Group Capital's debt and guarantees. Additionally, at December 31, 2009, subsidiaries of FPL Group, other than FPL, in the normal course of business, have guaranteed certain debt service and fuel payments of non-consolidated entities of NextEra Energy Resources. The terms of the guarantees are equal to the terms of the related agreements/contracts, with remaining terms ranging from less than two years to nine years. The maximum potential amount of future payments that could be required under these guarantees at December 31, 2009 was approximately $54 million. At December 31, 2009, FPL Group did not have any liabilities recorded for these guarantees. In certain instances, FPL Group can seek recourse from third parties for amounts paid under the guarantees. At December 31, 2009, the fair value of these guarantees was not material.

Contracts - In addition to the estimated planned capital expenditures included in the table in Commitments above, FPL has commitments under 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-2010, approximately 1,330 mw annually from mid-2010 to 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 March 2010 through 2032. 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 one agreement with an electricity supplier to purchase approximately 155 mw of power with an expiration date of May 2012. In general, the agreement requires FPL to make a capacity payment and supply the fuel consumed by the plant under the contract. FPL has contracts with expiration dates through 2032 for the purchase and transportation of natural gas and coal, and storage of natural gas.

NextEra Energy Resources has entered into several contracts primarily for the purchase of wind turbines and towers, solar reflectors, steam generators and heat collection elements and related construction activities, as well as for the supply, conversion, enrichment and fabrication of nuclear fuel, with expiration dates ranging from March 2010 through 2022, approximately $2.1 billion of which is included in the estimated planned capital expenditures table in Commitments above. In addition, NextEra Energy Resources has contracts primarily for the purchase, transportation and storage of natural gas and firm transmission service with expiration dates ranging from March 2010 through 2033.

The required capacity and/or minimum payments under these contracts as of December 31, 2009 were estimated as follows:

	2010	2011	2012	2013	2014	Thereafter
			(millions)			
FPL:						
Capacity payments: [a]						
JEA and Southern subsidiaries [b]	$ 230	$ 215	$ 215	$ 215	$ 195	$ 365
Qualifying facilities [b]	$ 300	$ 270	$ 290	$ 270	$ 270	$ 2,900
Other electricity suppliers [b]	$ 10	$ 10	$ 5	$ -	$ -	$ -
Minimum payments, at projected prices:						
Southern subsidiaries - energy [b]	$ 40	$ -	$ -	$ -	$ -	$ -
Natural gas, including transportation and storage [c]	$ 2,405	$ 1,570	$ 550	$ 510	$ 505	$ 3,820
Oil	$ -	$ 60	$ -	$ -	$ -	$ -
Coal [c]	$ 70	$ 25	$ 10	$ -	$ -	$ -
NextEra Energy Resources [d]	$ 1,710	$ 220	$ 225	$ 80	$ 60	$ 795

(a) Capacity payments under these contracts, the majority of which are recoverable through the capacity clause, totaled approximately $603 million, $584 million and $578 million for the years ended December 31, 2009, 2008 and 2007, respectively.
(b) Energy payments under these contracts, which are recoverable through the fuel clause, totaled approximately $439 million, $510 million and $447 million for the years ended December 31, 2009, 2008 and 2007, respectively.
(c) Recoverable through the fuel clause.
(d) Includes termination payments primarily associated with wind turbine contracts beyond 2010.

In addition, FPL has entered into several long-term agreements for storage capacity and transportation of natural gas from facilities that have not yet started construction or, if started, have not yet completed construction. These agreements range from 15 to 25 years in length and contain firm commitments by FPL totaling up to approximately $175 million annually or $4.3 billion over the terms of the agreements. These firm commitments are contingent upon the occurrence of certain events, including completion of construction of the facilities in 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 $375 million of private liability insurance per site, which is the maximum obtainable, and participates in a secondary financial protection system, which provides up to $12.6 billion of liability insurance coverage per incident at any nuclear reactor in the United States. Under the secondary financial protection system, FPL Group is subject to retrospective assessments of up to $940 million ($470 million for FPL), plus any applicable taxes, per incident at any nuclear reactor in the United States, payable at a rate not to exceed $140 million ($70 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 $14 million, $35 million and $18 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 $175 million ($102 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, $4 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 established through the issuance of storm-recovery bonds, FPL may recover storm restoration costs, subject to prudence review by the FPSC, either through securitization provisions pursuant to Florida law 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.

Legal Proceedings - In November 1999, the Attorney General of the United States, on behalf of the U.S. Environmental Protection Agency (EPA), brought an action in the U.S. District Court for the Northern District of Georgia against Georgia Power Company and other subsidiaries of The Southern Company for 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. The EPA has made revisions to its civil penalty rule such that the maximum penalty is $27,500 per day for each violation from January 31, 1997 through March 15, 2004, $32,500 per day for each violation from March 16, 2004 through January 12, 2009 and $37,500 per day for each violation thereafter. Georgia Power Company has answered the amended complaint, asserting that it has complied with all requirements of the Clean Air Act, denying the plaintiff's allegations of liability, denying that the plaintiff is entitled to any of the relief that it seeks and raising various other defenses. In June 2001, 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 February 2009, Florida Municipal Power Agency (FMPA) filed a petition for review with the U.S. Court of Appeals for the District of Columbia (DC Circuit) asking the DC Circuit to reverse and remand orders of the FERC denying FMPA's request for certain 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 in this case have been closed by the FERC. If FMPA is successful in its petition, any reduction in FPL's network service rates also would apply effective January 1, 2004 to Seminole Electric Cooperative Inc. (Seminole), FPL's other network customer. FPL's position, which was approved by the FERC, was to reduce its current network service rates by $0.04 per kilowatt (kw) per month, which resulted in FPL issuing refunds of approximately $4 million to FMPA and $2 million to Seminole in March 2008. FMPA's position is that FPL's rates should be reduced by an additional $0.20 per kw per month, which, if upheld, would result in an additional refund obligation to FMPA of approximately $27 million, and approximately $17 million to Seminole, at December 31, 2009.

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. In June 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 June 2011.

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 (NextEra Energy Resources Affiliates) as defendants in a civil action filed in the District Court in Dallas County, Texas. FPL Energy, LLC, now known as NextEra Energy Resources, was added as a defendant in 2005. The petition alleged that the NextEra Energy Resources Affiliates had a contractual obligation to produce and sell to TXU a minimum quantity of renewable energy credits each year and that the NextEra Energy Resources 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 NextEra Energy Resources Affiliates filed their answer and counterclaim in 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 2007, among other findings, both TXU and the NextEra Energy Resources Affiliates were found to have breached the contract. In August 2008, the judge issued a final judgment pursuant to which the contract is not terminated and neither party will recover any damages. In November 2008, TXU appealed the final judgment to the Fifth District Court of Appeals in Dallas, Texas.

FPL Group and FPL are vigorously defending, and believe that they or their affiliates have meritorious defenses to, the lawsuits described above. In addition to the legal proceedings discussed above, FPL Group and its subsidiaries, including FPL, are involved in other legal and regulatory proceedings, actions 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 and regulatory proceedings, actions 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 the lawsuits described above or these other legal and regulatory proceedings, actions and claims, there may be a material adverse effect on their financial statements. While management is unable to predict with certainty the outcome of the lawsuits described above or these other legal and regulatory proceedings, actions and claims, 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.

15. Segment Information

FPL Group's reportable segments include FPL, a rate-regulated utility, and NextEra Energy Resources, 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%, 96% and 98% of FPL Group's operating revenues for the years ended December 31, 2009, 2008 and 2007. Less than 1% of operating revenues were from foreign sources for each of the three years ended December 31, 2009, 2008 and 2007. At December 31, 2009 and 2008, less than 1% of long-lived assets were located in foreign countries.

FPL Group's segment information is as follows:

	2009				2008				2007			
	FPL	NextEra Energy Resources[a]	Corp. and Other	Total	FPL	NextEra Energy Resources[a]	Corp. and Other	Total	FPL	NextEra Energy Resources[a]	Corp. and Other	Total
	(millions)											
Operating revenues	$11,491	$ 3,997	$ 155	$15,643	$11,649	$ 4,570	$ 191	$16,410	$11,622	$ 3,474	$ 167	$15,263
Operating expenses	$ 9,910	$ 2,984	$ 155	$13,049	$10,120	$ 3,275	$ 190	$13,585	$10,059	$ 2,753	$ 168	$12,980
Interest expense	$ 318	$ 354	$ 177	$ 849	$ 334	$ 311	$ 168	$ 813	$ 304	$ 312	$ 146	$ 762
Interest income	$ 1	$ 23	$ 54	$ 78	$ 11	$ 27	$ 34	$ 72	$ 17	$ 40	$ 32	$ 89
Depreciation and amortization	$ 1,097	$ 651	$ 17	$ 1,765	$ 860	$ 565	$ 17	$ 1,442	$ 846	$ 473	$ 16	$ 1,335
Equity in earnings of equity method investees	$ -	$ 52	$ -	$ 52	$ -	$ 93	$ -	$ 93	$ -	$ 68	$ -	$ 68
Income tax expense (benefit)[b]	$ 473	$ (102)	$ (44)	$ 327	$ 443	$ 80	$ (73)	$ 450	$ 451	$ (35)	$ (48)	$ 368
Net income (loss)	$ 831	$ 849	$ (65)	$ 1,615	$ 789	$ 915	$ (65)	$ 1,639	$ 836	$ 540	$ (64)	$ 1,312
Capital expenditures, independent power investments and nuclear fuel purchases	$ 2,717	$ 3,235	$ 54	$ 6,006	$ 2,367	$ 2,829	$ 40	$ 5,236	$ 2,007	$ 2,981	$ 31	$ 5,019
Property, plant and equipment	$30,982	$18,844	$ 343	$50,169	$28,972	$16,268	$ 288	$45,528	$27,251	$13,534	$ 255	$41,040
Accumulated depreciation and amortization	$10,578	$ 3,341	$ 172	$14,091	$10,189	$ 2,771	$ 157	$13,117	$10,081	$ 2,167	$ 140	$12,388
Total assets	$26,812	$20,136	$ 1,510	$48,458	$26,175	$17,157	$ 1,489	$44,821	$24,044	$14,505	$ 1,574	$40,123
Investment in equity method investees	$ -	$ 173	$ 10	$ 183	$ -	$ 189	$ 9	$ 198	$ -	$ 216	$ 9	$ 225

(a) NextEra Energy Resources' interest expense is based on a deemed capital structure of 50% debt for operating projects and 100% debt for projects under construction. For these purposes, the deferred credit associated with differential membership interests sold by a NextEra Energy Resources subsidiary in December 2007 is included with debt. Residual non-utility interest expense is included in Corporate and Other.

(b) NextEra Energy Resources' tax expense (benefit) includes PTCs that were recognized based on its tax sharing agreement with FPL Group. See Note 1 - Income Taxes.

16. 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, 2009				Year Ended December 31, 2008				Year Ended December 31, 2007			
	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	$ -	$ 4,164	$ 11,479	$ 15,643	$ -	$ 4,770	$ 11,640	$ 16,410	$ -	$ 3,646	$ 11,617	$ 15,263
Operating expenses	-	(3,151)	(9,898)	(13,049)	-	(3,474)	(10,111)	(13,585)	-	(2,926)	(10,054)	(12,980)
Interest expense	(17)	(531)	(301)	(849)	(18)	(479)	(316)	(813)	(19)	(458)	(285)	(762)
Other income (deductions) - net	1,632	160	(1,595)	197	1,663	44	(1,630)	77	1,322	133	(1,296)	159
Income (loss) before income taxes	1,615	642	(315)	1,942	1,645	861	(417)	2,089	1,303	395	(18)	1,680
Income tax expense (benefit)	-	(145)	472	327	6	2	442	450	(9)	(75)	452	368
Net income (loss)	$ 1,615	$ 787	$ (787)	$ 1,615	$ 1,639	$ 859	$ (859)	$ 1,639	$ 1,312	$ 470	$ (470)	$ 1,312

(a) Represents FPL and consolidating adjustments.

Condensed Consolidating Balance Sheets

	December 31, 2009				December 31, 2008			
	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	$ 2	$ 19,185	$ 30,982	$ 50,169	$ 2	$ 16,554	$ 28,972	$ 45,528
Less accumulated depreciation and amortization	-	(3,513)	(10,578)	(14,091)	-	(2,928)	(10,189)	(13,117)
Total property, plant and equipment - net	2	15,672	20,404	36,078	2	13,626	18,783	32,411
CURRENT ASSETS								
Cash and cash equivalents	-	156	82	238	-	414	121	535
Receivables	453	1,247	547	2,247	339	948	420	1,707
Other	4	1,258	590	1,852	19	1,016	2,115	3,150
Total current assets	457	2,661	1,219	4,337	358	2,378	2,656	5,392
OTHER ASSETS								
Investment in subsidiaries	12,785	-	(12,785)	-	11,511	-	(11,511)	-
Other	557	3,257	4,229	8,043	251	2,695	4,072	7,018
Total other assets	13,342	3,257	(8,556)	8,043	11,762	2,695	(7,439)	7,018
TOTAL ASSETS	$ 13,801	$ 21,590	$ 13,067	$ 48,458	$ 12,122	$ 18,699	$ 14,000	$ 44,821
CAPITALIZATION								
Common shareholders' equity	$ 12,967	$ 4,349	$ (4,349)	$ 12,967	$ 11,681	$ 3,422	$ (3,422)	$ 11,681
Long-term debt	-	10,506	5,794	16,300	-	8,522	5,311	13,833
Total capitalization	12,967	14,855	1,445	29,267	11,681	11,944	1,889	25,514
CURRENT LIABILITIES								
Debt due within one year	-	1,729	860	2,589	-	2,217	1,036	3,253
Accounts payable	-	453	539	992	-	421	641	1,062
Other	417	1,170	1,281	2,868	265	887	2,222	3,374
Total current liabilities	417	3,352	2,680	6,449	265	3,525	3,899	7,689
OTHER LIABILITIES AND DEFERRED CREDITS								
Asset retirement obligations	-	585	1,833	2,418	-	539	1,744	2,283
Accumulated deferred income taxes	94	1,318	3,448	4,860	(78)	1,153	3,156	4,231
Regulatory liabilities	16	-	3,166	3,182	-	-	2,880	2,880
Other	307	1,480	495	2,282	254	1,536	432	2,224
Total other liabilities and deferred credits	417	3,383	8,942	12,742	176	3,230	8,212	11,618
COMMITMENTS AND CONTINGENCIES								
TOTAL CAPITALIZATION AND LIABILITIES	$ 13,801	$ 21,590	$ 13,067	$ 48,458	$ 12,122	$ 18,699	$ 14,000	$ 44,821

(a) Represents FPL and consolidating adjustments.

Condensed Consolidating Statements of Cash Flows

	Year Ended December 31, 2009				Year Ended December 31, 2008				Year Ended December 31, 2007			
	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	$ 591	$ 1,513	$ 2,359	$ 4,463	$ 766	$ 1,182	$ 1,455	$ 3,403	$ 1,031	$ 1,499	$ 1,063	$ 3,593
CASH FLOWS FROM INVESTING ACTIVITIES												
Capital expenditures, independent power investments and nuclear fuel purchases	-	(3,289)	(2,717)	(6,006)	(12)	(2,857)	(2,367)	(5,236)	(12)	(3,000)	(2,007)	(5,019)
Capital contribution to FPL	-	-	-	-	(75)	-	75	-	-	-	-	-
Sale of independent power investments	-	15	-	15	-	25	-	25	-	700	-	700
Loan repayments and capital distributions from equity method investees	-	-	-	-	-	-	-	-	-	11	-	11
Funding of loan	-	-	-	-	-	(500)	-	(500)	-	-	-	-
Other - net	(7)	86	(23)	56	-	(25)	(72)	(97)	(405)	(58)	193	(270)
Net cash used in investing activities	(7)	(3,188)	(2,740)	(5,935)	(87)	(3,357)	(2,364)	(5,808)	(417)	(2,347)	(1,814)	(4,578)
CASH FLOWS FROM FINANCING ACTIVITIES												
Issuances of long-term debt	-	2,704	516	3,220	-	3,238	589	3,827	-	1,969	1,230	3,199
Retirements of long-term debt	-	(1,371)	(264)	(1,635)	-	(1,118)	(240)	(1,358)	-	(1,616)	(250)	(1,866)
Net change in short-term debt	-	110	44	154	-	917	(69)	848	-	(292)	212	(80)
Issuances of common stock	198	-	-	198	41	-	-	41	46	-	-	46
Dividends on common stock	(766)	-	-	(766)	(714)	-	-	(714)	(654)	-	-	(654)
Other - net	(16)	(26)	46	4	(6)	(675)	687	6	(6)	458	(442)	10
Net cash provided by (used in) financing activities	(584)	1,417	342	1,175	(679)	2,362	967	2,650	(614)	519	750	655
Net increase (decrease) in cash and cash equivalents	-	(258)	(39)	(297)	-	187	58	245	-	(329)	(1)	(330)
Cash and cash equivalents at beginning of year	-	414	121	535	-	227	63	290	-	556	64	620
Cash and cash equivalents at end of year	$ -	$ 156	$ 82	$ 238	$ -	$ 414	$ 121	$ 535	$ -	$ 227	$ 63	$ 290

(a) Represents FPL and consolidating adjustments.

17. 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:				
2009				
Operating revenues [b]	$ 3,705	$ 3,811	$ 4,473	$ 3,655
Operating income [b]	$ 583	$ 605	$ 849	$ 557
Net income [b]	$ 364	$ 370	$ 533	$ 349
Earnings per share [c]	$ 0.90	$ 0.92	$ 1.32	$ 0.86
Earnings per share - assuming dilution [c]	$ 0.90	$ 0.91	$ 1.31	$ 0.85
Dividends per share	$0.4725	$0.4725	$0.4725	$0.4725
High-low common stock sales prices	$ 53.99-41.48	$ 59.00-49.70	$ 60.61-53.13	$ 56.57-48.55
2008				
Operating revenues [b]	$ 3,434	$ 3,585	$ 5,387	$ 4,003
Operating income [b]	$ 443	$ 313	$ 1,316	$ 752
Net income [b]	$ 249	$ 209	$ 774	$ 408
Earnings per share [c]	$ 0.62	$ 0.52	$ 1.93	$ 1.02
Earnings per share - assuming dilution [c]	$ 0.62	$ 0.52	$ 1.92	$ 1.01
Dividends per share	$ 0.445	$ 0.445	$ 0.445	$ 0.445
High-low common stock sales prices	$ 73.75-57.21	$ 68.98-62.75	$ 68.76-49.74	$ 51.87-33.81
FPL:				
2009				
Operating revenues [b]	$ 2,573	$ 2,864	$ 3,301	$ 2,753
Operating income [b]	$ 262	$ 396	$ 554	$ 369
Net income [b]	$ 127	$ 213	$ 306	$ 186
2008				
Operating revenues [b]	$ 2,534	$ 2,871	$ 3,423	$ 2,820
Operating income [b]	$ 244	$ 416	$ 549	$ 320
Net income [b]	$ 108	$ 217	$ 314	$ 151

(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.

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, 2009, 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 under the headings "Business of the Annual Meeting," "Corporate Governance and Board Matters" and "Information About FPL Group and Management" in FPL Group's Proxy Statement which will be filed with the SEC in connection with the 2010 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.

FPL Group has adopted the FPL Group, Inc. Code of Ethics for Senior Executive and Financial Officers (the Senior Financial Executive Code), which is applicable to the chief executive officer, the chief financial officer, the chief accounting officer and other senior financial officers. The Senior Financial Executive Code is available in the Governance section of FPL Group's internet website at www.fplgroup.com. Any amendments to, or waivers of any provision of, the Senior Financial Executive Code which are required to be disclosed to shareholders under applicable SEC rules will be disclosed on the FPL Group website at the address listed above within the time period required under SEC rules from time to time.

Item 11. Executive Compensation

The information required by this item will be included in FPL Group's Proxy Statement under the headings "Executive Compensation" and "Corporate Governance and Board Matters" 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 under the heading "Information About FPL Group and Management" 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, 2009 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	7,964,106[a]	$ 35.65[b]	5,085,492
Equity compensation plans not approved by security holders[c]	2,523	$ 27.11	-
Total	7,966,629	$ 35.65[b]	5,085,492

(a) Represents outstanding options, nonvested performance share awards (at maximum payout), deferred vested performance shares under the FPL Group, Inc. Amended and Restated Long Term Incentive Plan and shares deferred by directors under the FPL Group, Inc. 2007 Non-Employee Directors Stock Plan and the FPL Group, Inc. Amended and Restated Non-Employee Directors Stock Plan at December 31, 2009.

(b) Relates to outstanding options only.

(c) Represents options granted by Gexa under its Amended and Restated 2004 Incentive Plan and pursuant to various individual grants, all of which were made prior to FPL Group's acquisition of Gexa. All such options were assumed by FPL Group in connection with the acquisition of Gexa 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 under the heading "Corporate Governance and Board Matters" and is incorporated herein by reference.

Item 14. Principal Accounting Fees and Services

FPL Group - The information required by this item will be included in FPL Group's Proxy Statement under the heading "Audit-Related Matters" 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, 2009 and 2008. The amounts presented below reflect allocations from FPL Group for FPL's portion of the fees, as well as amounts billed directly to FPL.

	2009	2008
Audit fees [a]	$ 2,706,000	$ 2,559,000
Audit-related fees [b]	252,000	39,000
Tax fees [c]	30,000	33,000
All other fees [d]	4,000	-
Total	$ 2,992,000	$ 2,631,000

(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 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, consultation on accounting standards and on transactions, agreed-upon procedures and examinations related to applications for government grants.

(c) Tax fees consist of fees billed for professional services rendered for tax compliance, tax advice and tax planning. In 2009 and 2008, 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 2009, these fees related to the use of data extraction software. In 2008, there were no other fees incurred in this category.

In accordance with the requirements of Section 404 of the Sarbanes-Oxley Act of 2002, FPL Group's Audit Committee's pre-approval policy for services provided by the independent auditor to FPL and the charter of the Audit Committee, all services performed by Deloitte & Touche are approved in advance by the Audit Committee, except for audits of certain employee benefit plans and trust funds where the fees are paid by the plan or the trust. 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. 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 2009 and 2008, no services provided to FPL Group or FPL by Deloitte & Touche were approved by the Audit Committee after services were rendered pursuant to Rule 2-01(c)(7)(i)(C) of Regulation S-X (which provides for a waiver of the otherwise applicable pre-approval requirement if certain conditions are met).

PART IV

Item 15. Exhibits, 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 filed December 31, 1984, as amended through July 3, 2006 (filed as Exhibit 3(i)a to Form 10-K for the year ended December 31, 2008, File No. 1-8841)	x	
*3(i)b	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)c	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)d	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)e	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)f	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)g	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)h	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)i	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

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)k 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 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 12, 2010	x	
*3(ii)b	Amended and Restated Bylaws of FPL, as amended through October 17, 2008 (filed as Exhibit 3(ii)b to Form 10-Q for the quarter ended September 30, 2008, File No. 2-27612)		x
*4(a)	Mortgage and Deed of Trust dated as of January 1, 1944, and One hundred and fifteen 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; Exhibit 4 to Form 8-K dated January 16, 2008, File No. 2-27612; Exhibit 4(a) to Form 8-K dated March 17, 2009, File No. 2-27612; and Exhibit 4 to Form 8-K dated February 9, 2010, File No. 2-27612)	x	x

Exhibit Number	Description	FPL Group	FPL
*4(b)	Indenture, dated as of June 1, 1999, between FPL Group Capital and The Bank of New York Mellon, as Trustee (filed as Exhibit 4(a) to Form 8-K dated July 16, 1999, File No. 1-8841)	x	
*4(c)	Guarantee Agreement between FPL Group (as Guarantor) and The Bank of New York Mellon (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 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(e)	Officer's Certificate of FPL Group Capital dated June 17, 2008, creating the 5.35% Debentures, Series due June 15, 2013 (filed as Exhibit 4(a) to Form 8-K dated June 17, 2008, File No. 1-8841)	x	
*4(f)	Officer's Certificate of FPL Group Capital dated June 17, 2008, creating the Floating Rate Debentures, Series due June 17, 2011 (filed as Exhibit 4(b) to Form 8-K dated June 17, 2008, File No. 1-8841)	x	
*4(g)	Officer's Certificate of FPL Group Capital dated December 12, 2008, creating the 7 7/8% Debentures, Series due December 15, 2015 (filed as Exhibit 4 to Form 8-K dated December 12, 2008, File No. 1-8841)	x	
*4(h)	Officer's Certificate of FPL Group Capital, dated March 9, 2009, creating the 6.00% Debentures, Series due March 1, 2019 (filed as Exhibit 4 to Form 8-K dated March 9, 2009, file No. 1-8841)	x	
*4(i)	Officer's Certificate of FPL Group Capital, dated May 26, 2009, creating the Series C Debentures due June 1, 2014 (filed as Exhibit 4(c) to Form 8-K dated May 22, 2009, File No. 1-8841)	x	
*4(j)	Officer's Certificate of FPL Group Capital dated November 10, 2009, creating the Floating Rate Debentures, Series due November 9, 2012 (filed as Exhibit 4 to Form 8-K dated November 10, 2009, File No. 1-8841)	x	
*4(k)	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 Mellon (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(l)	Preferred Trust Securities Guarantee Agreement between FPL Group (as Guarantor) and The Bank of New York Mellon (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(m)	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(n)	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(o)	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	

Exhibit Number	Description	FPL Group	FPL
*4(p)	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 Mellon (as Trustee) (filed as Exhibit 4(a) to Form 8-K dated September 19, 2006, File No. 1-8841)	x	
*4(q)	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(r)	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(s)	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(t)	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(u)	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	
*4(v)	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(w)	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(x)	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(y)	Officer's Certificate of FPL Group Capital and FPL Group, dated March 19, 2009, creating the Series F Junior Subordinated Debentures due 2069 (filed as Exhibit 4(b) to Form 8-K dated March 17, 2009, File No. 1-8841)	x	
*4(z)	Replacement Capital Covenant, dated March 19, 2009, by FPL Group Capital and FPL Group (filed as Exhibit 4(c) to Form 8-K dated March 17, 2009, File No. 1-8841)	x	
*4(aa)	Indenture (for Securing Senior Secured Bonds, Series A), dated May 22, 2007, between FPL Recovery Funding LLC (as Issuer) and The Bank of New York Mellon (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(bb)	Purchase Contract Agreement, dated as of May 1, 2009, between FPL Group and The Bank of New York Mellon, as Purchase Contract Agent (filed as Exhibit 4(a) to Form 8-K dated May 22, 2009, File No. 1-8841)	x	

Exhibit Number	Description	FPL Group	FPL
*4(cc)	Pledge Agreement, dated as of May 1, 2009, among FPL Group, Deutsche Bank Trust Company Americas, as Collateral Agent, Custodial Agent and Securities Intermediary, and The Bank of New York Mellon, as Purchase Contract Agent and Trustee (filed as Exhibit 4(b) to Form 8-K dated May 22, 2009, File No. 1-8841)	x	
*10(a)	FPL Group Supplemental Executive Retirement Plan, amended and restated effective January 1, 2005 (Restated SERP) (filed as Exhibit 10(b) to Form 8-K dated December 12, 2008, File No. 1-8841)	x	x
*10(b)	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(c)	Appendix A1 and A2 (revised as of December 12, 2008) to the Restated SERP (filed as Exhibit 10(f) to Form 10-K for the year ended December 31, 2008, File No. 1-8841)	x	x
10(d)	Appendix A2 (revised as of October 15, 2009) to the Restated SERP	x	x
10(e)	Appendix A1 and A2 (revised as of January 1, 2010) to the Restated SERP	x	x
*10(f)	Amended and Restated Supplement to the Restated SERP as it applies to Lewis Hay, III effective January 1, 2005 (filed as Exhibit 10(c) to Form 8-K dated December 12, 2008, File No. 1-8841)	x	x
*10(g)	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(h)	Supplement to the Restated SERP relating to a special credit to certain executive officers and other officers effective February 15, 2008 (filed as Exhibit 10(g) to Form 10-K for the year ended December 31, 2007, File No. 1-8841)	x	x
*10(i)	Supplement to the Restated SERP effective February 15, 2008 as it applies to Armando Pimentel, Jr. (filed as Exhibit 10(i) to Form 10-K for the year ended December 31, 2007, File No. 1-8841)	x	x
10(j)	Supplement to the SERP effective December 14, 2007 as it applies to Manoochehr K. Nazar	x	x
*10(k)	FPL Group Amended and Restated Long-Term Incentive Plan, effective December 12, 2008 (filed as Exhibit 10(e) to Form 8-K dated December 12, 2008, File No. 1-8841)	x	x
*10(l)	FPL Group Amended and Restated Long-Term Incentive Plan, most recently amended and restated on May 22, 2009 (filed as Exhibit 10(a) to Form 10-Q for the quarter ended June 30, 2009, 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, 2007 (filed as Exhibit 10(i) to Form 10-K for the year ended December 31, 2006, File No. 1-8841)	x	x
*10(n)	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

Exhibit Number	Description	FPL Group	FPL
*10(o)	Form of FPL Group Amended and Restated Long-Term Incentive Plan Performance Share Award Agreement effective February 13, 2009 with Christopher A. Bennett, Paul I. Cutler, K. Michael Davis, Chris N. Froggatt, Joseph T. Kelliher, Robert L. McGrath, James W. Poppell, Sr., Antonio Rodriguez and John A. Stall (filed as Exhibit 10(l) to Form 10-K for the year ended December 31, 2008, File No. 1-8841)	x	x
10(p)	Form of FPL Group Amended and Restated Long Term Incentive Plan Amended and Restated Performance Share Award Agreement effective December 10, 2009 with F. Mitchell Davidson, Lewis Hay, III, Manoochehr K. Nazar, Armando J. Olivera, Armando Pimentel, Jr., James L. Robo and Charles E. Sieving	x	x
10(q)	Form of FPL Group Amended and Restated Long Term Incentive Plan Performance Share Award Agreement effective February 12, 2010	x	x
*10(r)	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(s)	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(t)	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(u)	Form of FPL Group Amended and Restated Long-Term Incentive Plan Restricted Stock Award Agreement effective February 13, 2009 (filed as Exhibit 10(q) to Form 10-K for the year ended December 31, 2008, File No. 1-8841)	x	x
*10(v)	Form of Amendment to Restricted Stock Award Agreements under the FPL Group Amended and Restated Long Term Incentive Plan executed March 2009 between FPL Group and each of Christopher A. Bennett, F. Mitchell Davidson, Lewis Hay, III, Robert L. McGrath, Armando J. Olivera, Armando Pimentel, Jr., James W. Poppell, Sr., James L. Robo, Antonio Rodriguez and John A. Stall (filed as Exhibit 10(c) to Form 10-Q for the quarter ended March 31, 2009, File No. 1-8841)	x	x
10(w)	Form of FPL Group Amended and Restated Long Term Incentive Plan Restricted Stock Award Agreement effective February 12, 2010	x	x
*10(x)	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(y)	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(z)	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(aa)	Form of FPL Group Amended and Restated Long Term Incentive Plan Stock Option Award - Non-Qualified Stock Option Agreement effective February 13, 2009 (filed as Exhibit 10(u) to Form 10-K for the year ended December 31, 2008, File No. 1-8841)	x	x

Exhibit Number	Description	FPL Group	FPL
10(bb)	Form of FPL Group Amended and Restated Long Term Incentive Plan - Non-Qualified Stock Option Agreement effective February 12, 2010	x	x
*10(cc)	Form of FPL Group Amended and Restated Long Term Incentive Plan Deferred Stock Award Agreement (filed as Exhibit 10(dd) to Form10-K for the year ended December 31, 2005, File No. 1-8841)	x	x
10(dd)	Form of FPL Group Amended and Restated Long Term Incentive Plan Amended and Restated Deferred Stock Award Agreement effective February 12, 2010 between FPL Group and each of Moray P. Dewhurst and James L. Robo	x	x
*10(ee)	FPL Group Executive Annual Incentive Plan as amended and restated on December 12, 2008 (filed as Exhibit 10(a) to Form 8-K dated December 12, 2008, File No. 1-8841)	x	x
*10(ff)	FPL Group Deferred Compensation Plan effective January 1, 2005 (filed as Exhibit 10(d) to Form 8-K dated December 12, 2008, File No. 1-8841)	x	x
*10(gg)	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(hh)	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(ii)	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(jj)	FPL Group 2007 Non-Employee Directors Stock Plan (filed as Exhibit 99 to Form S-8, File No. 333-143739)	x	
*10(kk)	Non-Employee Director Compensation Summary effective January 1, 2009 (filed as Exhibit 10(a) to Form 10-Q for the quarter ended September 30, 2008, File No. 1-8841)	x	x
10(ll)	FPL Group Non-Employee Director Compensation Summary effective January 1, 2010	x	
*10(mm)	Form of Amended and Restated Executive Retention Employment Agreement between FPL Group and each of Christopher A. Bennett, Robert L. McGrath, James W. Poppell, Antonio Rodriguez and John A. Stall (filed as Exhibit 10(g) to Form 8-K dated December 12, 2008, File No. 1-8841)	x	x
10(nn)	Form of Amended and Restated Executive Retention Employment Agreement effective December 10, 2009 between FPL Group and each of Lewis Hay, III, Moray P. Dewhurst, James L. Robo, Armando J. Olivera, F. Mitchell Davidson, Armando Pimentel, Jr., and Charles E. Sieving	x	x
*10(oo)	Amended and Restated Employment Agreement with Lewis Hay, III dated December 12, 2008 (filed as Exhibit 10(f) to Form 8-K dated December 12, 2008, File No. 1-8841)	x	x
10(pp)	Amended and Restated Employment Letter with Lewis Hay, III dated December 10, 2009	x	x
*10(qq)	Executive Retention Employment Agreement between FPL Group and Joseph T. Kelliher dated as of May 21, 2009 (filed as Exhibit 10(b) to Form 10-Q for the quarter ended June 30, 2009, File No. 1-8841)	x	x
10(rr)	Executive Retention Employment Agreement between FPL Group and Manoochehr K. Nazar dated as of January 1, 2010	x	x

Exhibit Number	Description	FPL Group	FPL
*10(ss)	Restricted Stock Award and Retention Agreement between FPL Group and K. Michael Davis dated August 28, 2008 (filed as Exhibit 10(b) to Form 10-Q for the quarter ended September 30, 2008, File No. 1-8841)	x	x
*10(tt)	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
101.INS	XBRL Instance Document of FPL Group	x	
101.SCH	XBRL Schema Document	x	
101.PRE	XBRL Presentation Linkbase Document	x	
101.CAL	XBRL Calculation Linkbase Document	x	
101.LAB	XBRL Label Linkbase Document	x	
101.DEF	XBRL Definition Linkbase Document	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 25, 2010

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

Signature and Title as of February 25, 2010:

LEWIS HAY, III
Lewis Hay, III
Chairman and Chief Executive Officer
and Director
(Principal Executive Officer)

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

ARMANDO PIMENTEL, JR.
Armando Pimentel, Jr.
Executive Vice President, Finance
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

WILLIAM H. SWANSON
William H. Swanson

JAMES L. CAMAREN
James L. Camaren

MICHAEL H. THAMAN
Michael H. Thaman

J. BRIAN FERGUSON
J. Brian Ferguson

HANSEL E. TOOKES, II
Hansel E. Tookes, II

TONI JENNINGS
Toni Jennings

PAUL R. TREGURTHA
Paul R. Tregurtha

FLORIDA POWER & LIGHT COMPANY SIGNATURES

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

Florida Power & Light Company

ARMANDO J. OLIVERA
Armando J. Olivera
President and Chief Executive Officer
and Director
(Principal Executive Officer)

Date: February 25, 2010

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

Signature and Title as of February 25, 2010:

ARMANDO PIMENTEL, JR.
Armando Pimentel, Jr.
Executive Vice President, Finance
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:

LEWIS HAY, III
Lewis Hay, III

JAMES L. ROBO
James L. Robo

ANTONIO RODRIGUEZ
Antonio Rodriguez

JOHN A. STALL
John A. Stall

Supplemental Information to be Furnished With Reports Filed Pursuant to Section 15(d) of the Exchange Act by Registrants Which Have Not Registered Securities Pursuant to Section 12 of the Exchange Act

No annual report, proxy statement, form of proxy or other proxy soliciting material has been sent to security holders of FPL during the period covered by this Annual Report on Form 10-K for the fiscal year ended December 31, 2009.

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,				
	2009	2008	2007	2006	2005
	(millions of dollars)				
Earnings, as defined:					
Net income	$1,615	$1,639	$1,312	$1,281	$ 901
Income taxes	327	450	368	397	282
Fixed charges included in the determination of net income, as below	899	859	799	732	622
Amortization of capitalized interest	17	15	12	11	11
Distributed income of equity method investees	69	124	175	104	86
Less: Equity in earnings of equity method investees	52	93	68	181	124
Total earnings, as defined	$2,875	$2,994	$2,598	$2,344	$1,778
Fixed charges, as defined:					
Interest expense	$ 849	$ 813	$ 762	$ 706	$ 593
Rental interest factor	28	28	23	15	16
Allowance for borrowed funds used during construction	22	18	14	11	13
Fixed charges included in the determination of net income	899	859	799	732	622
Capitalized interest	88	55	40	18	8
Total fixed charges, as defined	$ 987	$ 914	$ 839	$ 750	$ 630
Ratio of earnings to fixed charges and ratio of earnings to combined fixed charges and preferred stock dividends [a]	2.91	3.28	3.10	3.13	2.82

(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]

	Years Ended December 31,				
	2009	2008	2007	2006	2005
	(millions of dollars)				
Earnings, as defined:					
Net income	$ 831	$ 789	$ 836	$ 802	$ 748
Income taxes	473	443	451	424	408
Fixed charges included in the determination of net income, as below	347	359	325	296	244
Total earnings, as defined	$ 1,651	$ 1,591	$ 1,612	$ 1,522	$ 1,400
Fixed charges, as defined:					
Interest expense	$ 318	$ 334	$ 304	$ 278	$ 224
Rental interest factor	7	7	7	7	7
Allowance for borrowed funds used during construction	22	18	14	11	13
Fixed charges included in the determination of net income	347	359	325	296	244
Capitalized interest	2	-	-	-	-
Total fixed charges, as defined	$ 349	$ 359	$ 325	$ 296	$ 244
Ratio of earnings to fixed charges and ratio of earnings to combined fixed charges and preferred stock dividends [a]	4.73	4.43	4.96	5.14	5.74

(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, 2009, 2008, 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, 2009 are listed below.

Subsidiary	State or Jurisdiction of Incorporation
1. Florida Power & Light Company (100%-owned)	Florida
2. FPL Group Capital Inc (100%-owned)	Florida
3. NextEra Energy Resources, LLC [a] [b]	Delaware
4. Palms Insurance Company, Limited [b]	Cayman Islands

(a) Includes 361 subsidiaries that operate in the United States and 32 subsidiaries that operate in foreign countries in the same line of business as NextEra Energy Resources, 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 25, 2010, relating to the consolidated 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, 2009:

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. 333-160987
Form S-8	No. 333-143739
Form S-3	No. 333-159011

FPL Group Trust I

Form S-3	No. 333-160987-02

FPL Group Trust II

Form S-3	No. 333-160987-01

Florida Power & Light Company

Form S-3	No. 333-160987-07

Florida Power & Light Company Trust I

Form S-3	No. 333-160987-06

Florida Power & Light Company Trust II

Form S-3	No. 333-160987-05

FPL Group Capital Inc

Form S-3	No. 333-160987-08

FPL Group Capital Trust II

Form S-3	No. 333-160987-04

FPL Group Capital Trust III

Form S-3	No. 333-160987-03

DELOITTE & TOUCHE LLP

Miami, Florida
February 25, 2010

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 annual period ended December 31, 2009 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 25, 2010

LEWIS HAY, III
Lewis Hay, III
Chairman and Chief Executive Officer
of FPL Group, Inc.

Exhibit 31(b)

Rule 13a-14(a)/15d-14(a) Certification

I, Armando Pimentel, Jr., certify that:

1. I have reviewed this Form 10-K for the annual period ended December 31, 2009 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 25, 2010

ARMANDO PIMENTEL, JR.
Armando Pimentel, Jr.
Executive Vice President, Finance
and Chief Financial Officer
of FPL Group, Inc.

Exhibit 31(c)

Rule 13a-14(a)/15d-14(a) Certification

I, Armando J. Olivera, certify that:

1. I have reviewed this Form 10-K for the annual period ended December 31, 2009 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 25, 2010

ARMANDO J. OLIVERA
Armando J. Olivera
President and Chief Executive Officer
of Florida Power & Light Company

Exhibit 31(d)

Rule 13a-14(a)/15d-14(a) Certification

I, Armando Pimentel, Jr., certify that:

1. I have reviewed this Form 10-K for the annual period ended December 31, 2009 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 25, 2010

ARMANDO PIMENTEL, JR.
Armando Pimentel, Jr.
Executive Vice President, Finance
and Chief Financial Officer of
Florida Power & Light Company

Exhibit 32(a)

Section 1350 Certification

We, Lewis Hay, III and Armando Pimentel, Jr., 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 annual period ended December 31, 2009 (Report) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of FPL Group.

Dated: February 25, 2010

LEWIS HAY, III
Lewis Hay, III
Chairman and Chief Executive Officer
of FPL Group, Inc.

ARMANDO PIMENTEL, JR.
Armando Pimentel, Jr.
Executive 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, Armando J. Olivera and Armando Pimentel, Jr., 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 annual period ended December 31, 2009 (Report) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of FPL.

Dated: February 25, 2010

ARMANDO J. OLIVERA
Armando J. Olivera
President and Chief Executive Officer of
Florida Power & Light Company

ARMANDO PIMENTEL, JR.
Armando Pimentel, Jr.
Executive 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 4 (a)

FLORIDA POWER & LIGHT COMPANY

FIRST MORTGAGE BONDS

UNDERWRITING AGREEMENT

March 11, 2009

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 (i) an unspecified aggregate amount of (A) First Mortgage Bonds, (B) shares of FPL's serial Preferred Stock, $100 par value, and shares of FPL's Preferred Stock without par value, (C) junior subordinated debentures of FPL, (D) preferred trust securities of Florida Power & Light Company Trust I ("**FPL Trust I Preferred Trust Securities**") and (E) preferred trust securities of Florida Power & Light Company Trust II (together with FPL Trust I Preferred Trust Securities, "**FPL Trust Preferred Trust Securities**"); (ii) guarantee of FPL related to the FPL Trust Preferred Trust Securities (the "**FPL Trust Guarantee**"); (iii) an unspecified aggregate amount of (A) senior debt securities of FPL Group Capital ("**FPL Group Capital Senior Debt Securities**"), (B) shares of FPL Group's common stock, $.01 par value (the "**Common Stock**"), (C) shares of FPL Group's preferred stock, $.01 par value ("**FPL Group Preferred Stock**"), (D) shares of FPL Group Capital's preferred stock, $.01 par value ("**FPL Group Capital Preferred Stock**"), (E) 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**"), (F) 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**"), (G) junior subordinated debentures of FPL Group Capital ("**FPL Group Capital Junior Subordinated Debentures**"), (H) junior subordinated debentures of FPL Group ("**FPL Group Junior Subordinated Debentures**"), (I) senior debt securities of FPL Group ("**FPL Group Senior Debt Securities**"), (J) preferred trust securities of FPL Group Capital Trust II ("**FPL Group Capital Trust II Preferred Trust Securities**"), (K) 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**"), (L) preferred trust securities of FPL Group Trust I ("**FPL Group Trust I Preferred Trust Securities**"), and (M) preferred trust securities of FPL Group Trust II (together with FPL Group Trust I Preferred Trust Securities, "**FPL Group Trust Preferred Trust Securities**"); and (iv) 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**" (i) 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 under the Securities Act ("**Rule 430B**") that has not been superseded or modified and (ii) without reference to any given time means the Registration Statement as of 8:30 A.M., New York City time, on the date hereof (which date and time is the earlier of the date and time of (A) the first use of the preliminary prospectus supplement relating to the Bonds and (B) the first contract of sale of the Bonds), which time shall be considered the "**Effective Date**" of the Registration Statement. For purposes of the definition of Registration Statement in the preceding sentence, 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 (i) the prospectus relating to FPL and FPL Trust forming a part of Registration Statement No. 333-137120, including all Incorporated Documents (the "**Base Prospectus**"), and (ii) 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 under the Securities Act ("**Rule 424**")). References herein to the term "**Prospectus**" shall mean 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 ("**Rule 405**")) 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 and is not an "ineligible issuer" (as defined in Rule 405).

(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. References to the term "**Applicable Time**" shall mean 2:00 P.M., New York City time, 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, fraudulent conveyance

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, fraudulent conveyance 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.

(p) Except as described in the Pricing Disclosure Package and the Prospectus, FPL or its subsidiaries have valid franchises, licenses and permits adequate for the conduct of the business of FPL and its subsidiaries as described in the Pricing Disclosure Package and the Prospectus, except where the failure to have such franchises, licenses and permits would not reasonably be expected to have a material adverse effect on FPL and its subsidiaries taken as a whole.

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 $495,260,000, 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 settlement date set forth on *Schedule I*, at the offices of Morgan, Lewis & Bockius LLP, 101 Park Avenue, New York, New York 10178, 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 Morgan, Lewis & Bockius LLP, 101 Park Avenue, New York, New York 10178, 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 Financial Industry Regulatory Authority (or, if not members of such Authority, who are not eligible for membership in said Authority 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 Authority'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 caused 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, Morgan, Lewis & Bockius 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 consolidated, or decrease in common

shareholders' equity of FPL and its subsidiaries consolidated, 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 March 11, 2009, the Pricing Prospectus and the Prospectus, the fourth sentence of the third paragraph, the entire fourth paragraph (excluding the first sentence) as well as the table immediately following that paragraph; the entire fifth paragraph; the third sentence in the sixth paragraph; and the entire seventh, eighth and ninth paragraphs. FPL acknowledges that the statements identified 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 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: Kathy A. Beilhart
Title: Assistant Treasurer

Accepted and delivered as of
the date first above written:

BNY Mellon Capital Markets, LLC

By: _____
Name:
Title:

J.P. Morgan Securities Inc.

By: _____
Name:
Title:

Calyon Securities (USA) Inc.

By: _____
Name:
Title:

Mitsubishi UFJ Securities (USA), Inc.

By: _____
Name:
Title:

Greenwich Capital 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:
Title:

Accepted and delivered as of
the date first above written:

BNY Mellon Capital Markets, LLC

By: _____
Name:
Title:

J.P. Morgan Securities Inc.

By: _____
Name:
Title:

Calyon Securities (USA) Inc.

By: _____
Name:
Title:

Mitsubishi UFJ Securities (USA), Inc.

By: _____
Name:
Title:

Greenwich Capital 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:
Title:

Accepted and delivered as of
the date first above written:

BNY Mellon Capital Markets, LLC

By: _____
Name:
Title:

J.P. Morgan Securities Inc.

By: _____
Name:
Title:

Calyon Securities (USA) Inc.

By: _____
Name: Jean-Francois DEROCHE
Title: EVP

JEAN FRANCOIS DEROCHE
EXECUTIVE VICE PRESIDENT

Mitsubishi UFJ Securities (USA), Inc.

By: _____
Name:
Title:

Greenwich Capital 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:
Title:

Accepted and delivered as of
the date first above written:

BNY Mellon Capital Markets, LLC

By: _____
Name:
Title:

J.P. Morgan Securities Inc.

By: _____
Name:
Title:

Calyon Securities (USA) Inc.

By: _____
Name:
Title:

Mitsubishi UFJ Securities (USA), Inc.

By: _____
Name:
Title:

Greenwich Capital Markets, Inc.

By: _____
Name: Mark A. Frenzel
Title: Vice President

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:
Title:

Accepted and delivered as of
the date first above written:

BNY Mellon Capital Markets, LLC

By: _____
Name:
Title:

J.P. Morgan Securities Inc.

By: _____
Name: Robert Bottamedi
Title: Vice President

Calyon Securities (USA) Inc.

By: _____
Name:
Title:

Mitsubishi UFJ Securities (USA), Inc.

By: _____
Name:
Title:

Greenwich Capital 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:
Title:

Accepted and delivered as of
the date first above written:

BNY Mellon Capital Markets, LLC

By: _____
Name:
Title:

Calyon Securities (USA) Inc.

By: _____
Name:
Title:

Greenwich Capital Markets, Inc.

By: _____
Name:
Title:

J.P. Morgan Securities Inc.

By: _____
Name:
Title:

Mitsubishi UFJ Securities (USA), Inc.

By: _____
Name:
Title: SPENSER HUSTON
Managing Director,
Head of Capital Markets

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

March 11, 2009

Issuer: Florida Power & Light Company

Underwriting Agreement dated March 11, 2009

Bonds:

Designation:	First Mortgage Bonds, 5.96% Series due April 1, 2039
Legal Format:	SEC Registered
Principal Amount:	$500,000,000
Date of Maturity:	April 1, 2039
Interest Payment Dates:	Each April 1 and October 1, beginning October 1, 2009
Coupon Rate:	5.96%
Price to Public:	99.927% of the principal amount thereof
Benchmark Treasury:	4.5% due May 15, 2038
Benchmark Treasury Yield:	3.765%
Spread to Benchmark Treasury Yield:	220 basis points
Reoffer Yield:	5.965%
Trade Date:	March 11, 2009
Settlement Date:	March 17, 2009
Make-Whole Call:	At any time at 100% of the principal amount plus accrued and unpaid interest plus make-whole premium at discount rate equal to Treasury Yield plus 35 basis points.
CUSIP / ISIN Number:	341081 FB8 / US341081FB85

Expected Credit Ratings:*

Moody's Investors Service Inc.	"Aa3" (stable outlook)
Standard & Poor's Ratings Services	"A" (stable outlook)
Fitch Ratings	"AA-" (stable outlook)

Joint Book-Running Managers:

BNY Mellon Capital Markets, LLC
Calyon Securities (USA) Inc.
Greenwich Capital Markets, Inc.
J.P. Morgan Securities Inc.
Mitsubishi UFJ Securities (USA), Inc.

Co-Managers:

BBVA Securities, Inc.
Commerzbank Capital Markets Corp.
Morgan Keegan & Company, Inc.
SG Americas Securities, LLC
The Williams Capital Group, L.P.

* 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 terms "make-whole premium" and "Treasury Yield" have the meanings ascribed to those terms in the issuer's Preliminary Prospectus Supplement, dated March 11, 2009.

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 BNY Mellon Capital Markets, LLC toll-free at 1-800-269-6864, Calyon Securities (USA) Inc. toll-free at 1-866-807-6030, Greenwich Capital Markets, Inc. toll-free at 1-866-884-2071, J.P. Morgan Securities Inc. collect at 1-212-834-4533, or Mitsubishi UFJ Securities (USA), Inc. collect at 1-212-782-6940.

SCHEDULE II

Representatives	Addresses
BNY Mellon Capital Markets, LLC	One Wall Street New York, New York 10286
Calyon Securities (USA) Inc.	1301 Avenue of the Americas New York, New York 10019
Greenwich Capital Markets, Inc.	101 Park Avenue New York, New York 10178
J.P. Morgan Securities Inc.	270 Park Avenue New York, New York 10017
Mitsubishi UFJ Securities (USA), Inc.	1251 Avenue of the Americas 19th Floor New York, New York 10020

Underwriter	Principal Amount of Bonds
BNY Mellon Capital Markets, LLC	$ 80,000,000
Calyon Securities (USA) Inc.	80,000,000
Greenwich Capital Markets, Inc.	80,000,000
J.P. Morgan Securities Inc.	80,000,000
Mitsubishi UFJ Securities (USA), Inc.	80,000,000
BBVA Securities, Inc.	20,000,000
Commerzbank Capital Markets Corp.	20,000,000
Morgan Keegan & Company, Inc.	20,000,000
SG Americas Securities, LLC	20,000,000
The Williams Capital Group, L.P.	20,000,000
Total.....	$500,000,000

SCHEDULE III

PRICING DISCLOSURE PACKAGE

(1) Prospectus, dated May 3, 2007

(2) Preliminary Prospectus Supplement, dated March 11, 2009 (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.]

March 17, 2009

BNY Mellon Capital Markets, LLC
One Wall Street
New York, New York 10286

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

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

Mitsubishi UFJ Securities (USA), Inc.
1251 Avenue of the Americas, 19th Floor
New York, New York 10020

Greenwich Capital Markets, Inc.
101 Park Avenue
New York, New York 10178

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 $500,000,000 aggregate principal amount of First Mortgage Bonds, 5.96% Series due April 1, 2039 (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 fourteen indentures supplemental thereto, the latest of which (the "One Hundred Fourteenth Supplemental Indenture") is dated as of March 1, 2009 (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 March 11, 2009 (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

(together with Florida Power & Light Company Trust I, "FPL Trust"), 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 relating to FPL and FPL Trust forming a part of the Post-Effective Amendment (the "Base Prospectus"), as supplemented by a preliminary prospectus supplement, subject to completion, dated March 11, 2009 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 March 11, 2009 (the "Pricing Term Sheet") substantially in the form set forth on Schedule I to the Agreement; (4) the Base Prospectus, as supplemented by a prospectus supplement dated March 11, 2009 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 Amended and Restated 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 2009, including the Bonds.

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

I.

FPL is a validly organized and existing corporation and its status is active under the laws of the State of Florida.

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, fraudulent conveyance 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, fraudulent conveyance 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) 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, fraudulent conveyance or other laws affecting mortgagees' and other creditors' rights and remedies generally and general principles of equity. The One Hundred Fourteenth Supplemental Indenture is in proper form for recording in all places required; and upon such recording, the One Hundred Fourteenth 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 Thirteenth Supplemental Indenture to the Mortgage and prior to the recording of the One Hundred Fourteenth 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) 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 Florida, New York, Georgia and New Hampshire 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 Morgan, Lewis & Bockius 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, Morgan, Lewis & Bockius 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 MORGAN, LEWIS & BOCKIUS LLP]

March 17, 2009

BNY Mellon Capital Markets, LLC
One Wall Street
New York, New York 10286

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

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

Mitsubishi UFJ Securities (USA), Inc.
1251 Avenue of the Americas, 19th Floor
New York, New York 10020

Greenwich Capital Markets, Inc.
101 Park Avenue
New York, New York 10178

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 $500,000,000 aggregate principal amount of First Mortgage Bonds, 5.96% Series due April 1, 2039 (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 fourteen indentures supplemental thereto, the latest of which (the "One Hundred Fourteenth Supplemental Indenture") is dated as of March 1, 2009 (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 March 11, 2009 (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 (together with Florida Power & Light Company Trust I, "FPL Trust"), 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 relating to FPL and FPL Trust forming a part of the Post-Effective Amendment (the "Base Prospectus"), as supplemented by a preliminary prospectus supplement, subject to completion, dated March 11, 2009 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 March 11, 2009 (the "Pricing Term Sheet") substantially in the form set forth on Schedule I to the Agreement; (4) the Base Prospectus, as supplemented by a prospectus supplement dated March 11, 2009 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 Amended and Restated 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 2009, 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, fraudulent conveyance 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, fraudulent conveyance 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) 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) 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. 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., West Palm Beach, 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,

MORGAN, LEWIS & BOCKIUS LLP

SCHEDULE VI

[LETTERHEAD OF HUNTON & WILLIAMS LLP]

March 17, 2009

BNY Mellon Capital Markets, LLC
One Wall Street
New York, New York 10286

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

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

Mitsubishi UFJ Securities (USA), Inc.
1251 Avenue of the Americas, 19th Floor
New York, New York 10020

Greenwich Capital Markets, Inc.
101 Park Avenue
New York, New York 10178

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

$500,000,000

Florida Power & Light Company

First Mortgage Bonds, 5.96% Series due April 1, 2039

Ladies and Gentlemen:

We have acted as counsel for you in connection with your several purchases from Florida Power & Light Company ("FPL") of $500,000,000 aggregate principal amount of First Mortgage Bonds, 5.96% Series due April 1, 2039 (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 March 11, 2009, 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, fraudulent conveyance 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, fraudulent conveyance 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,

March 17, 2009

BNY Mellon Capital Markets, LLC
One Wall Street
New York, New York 10286

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

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

Mitsubishi UFJ Securities (USA), Inc.
1251 Avenue of the Americas, 19th Floor
New York, New York 10020

Greenwich Capital Markets, Inc.
101 Park Avenue
New York, New York 10178

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

$500,000,000

Florida Power & Light Company

First Mortgage Bonds, 5.96% Series due April 1, 2039

Ladies and Gentlemen:

We have acted as counsel for you in connection with your several purchases from Florida Power & Light Company ("FPL") of $500,000,000 aggregate principal amount of First Mortgage Bonds, 5.96% Series due April 1, 2039 (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 March 11, 2009, 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,