

EXHIBIT 1



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Jeffrey S. Bartel
Vice President, External Affairs

November 20, 2007

VIA ELECTRONIC MAIL & U.S. MAIL

The Honorable Charles Falcone
Mayor, Town of Jupiter Island
P.O. Box 7
Hobe Sound, FL 33475

Dear Charles:

I wrote you on November 9 to respond to issues that you presented on behalf of the Town at our luncheon meeting on October 23 and in subsequent e-mail exchanges, concerning FPL's October 2, 2007 binding cost estimate (the "October 2 Estimate") for the Town's Phase A project (the "Project"). My November 9th letter explained that FPL's response was partial, because we had not fully addressed the Town's issues because you had asked FPL to respond to the extent possible before the November 13th Town Council meeting. This letter follows up with additional information and provides a revised binding cost estimate reflecting FPL's responses to the Town's issues (the "Revised Estimate").

In order to put this letter in context, I'd like to summarize the issues discussed in my November 9th letter. At our luncheon meeting in October you raised concerns on behalf of the Town about the salvage value of copper conductor wire and overhead (OH) transformers to be removed as part of the Project. My November 9th letter advised that FPL could not offer a salvage credit for the copper wire because the scrap value of wire is largely offset by FPL's processing costs, but I committed that FPL would transfer the wire to the Town if you are in a better position to realize net scrap value. As to OH transformers, I advised that they have little or no salvage value because they are at or near the end of their useful lives, but that FPL would revise its binding cost estimate to remove the Net Book Value for all OH transformers.

My November 9th letter also noted two issues that FPL was not in a position to resolve at that time: the overhead-to-underground (OH – UG) operational cost differential to be used in calculating Contribution In Aid of Construction (CIAC); and the calculation of engineering and overhead costs for the Project if the Town performs the conduit and concrete work. As to the operational cost differential, I advised that FPL is completing its calculation and will be filing it with the Florida Public Service Commission (FPSC) by the end of this calendar year, with application retroactively to February 2007. That remains FPL's plan.

This letter addresses the second issue left open in my November 9th letter: the engineering and overhead costs. It also addresses another issue that had not been discussed previously with the Town: the appropriate level of Maintenance of Traffic (MOT) charges to reflect in the binding cost estimate. Each of those issues is addressed below, followed by a summary of the changes to the binding cost estimate.

Engineering and Overhead Charges

As the Town has pointed out previously, FPL's charge for Direct Engineering, Supervision and Support ("E/O") is determined as a percentage adder to FPL's Labor/Vehicle and Material charges for work on the Project. The Town has taken the position that, because the E/O is determined as a percentage adder to FPL's Labor/Vehicle and Material charges, the E/O charge should be reduced in proportion to the reduction in FPL's Labor/Vehicle and Material charges if the Town installs the conduit and concrete products. FPL cannot agree. We do not believe that a proportionate reduction in the E/O would be justified, because most of FPL's work activities that are reflected in the E/O charge are necessary regardless of whether FPL or the Town installs the conduit and concrete products.

However, in order to ensure that FPL is in compliance with the revisions to the FPSC's underground (UG) conversion rule (25-6.115) that were adopted in February of this year, and in response to the Town's inquiry, we have broken the E/O down into its components, then assessed the percentages associated with each one and the sensitivity of each component to who installs the conduit and concrete products. FPL has determined that approximately 12% of those charges are sensitive to who installs the conduit and concrete products. Therefore, if the Town wishes to install the conduit and concrete products for the Project, FPL agrees to reduce the E/O charge associated with the revised MOT estimate for new UG facilities by twelve percent (12%).

Maintenance of Traffic (MOT)

Maintenance of Traffic costs can vary substantially from project to project, based on factors beyond FPL's control. When FPL prepared the October 2nd Binding Cost Estimate, we assumed a very active level of traffic control and hence higher MOT costs. This assumption was based on our expectation about the Town's requirements, including the fact that much of the work will have to take place along the one major through road on Jupiter Island. Upon further review, we believe that it may be possible to conduct the Project work using only a normal level of traffic control and have accordingly revised the binding cost estimate to reflect standard MOT charges. Because the MOT requirements are not within FPL's control, however, FPL can only justify taking this approach if the Town agrees to reimburse FPL for additional MOT costs beyond the standard charges reflected in the Revised Estimate that FPL reasonably and necessarily incurs to respond to directions from the Town or any other body having authority over traffic and/or public safety on roads within the Town. If this arrangement is satisfactory to the Town, FPL will prepare a short addendum to the Revised Estimate which the Town will sign confirming its agreement to pay the additional MOT costs if and when they are incurred. Otherwise, FPL will need to re-insert the original, higher level of MOT costs into the Revised Estimate.

Revised Binding Cost Estimate

Based on resolution of the issues addressed in this and my November 9th letter, FPL has made the following revisions to the October 2 Binding Cost Estimate. Copies of both the October 2nd and Revised Estimates are enclosed. Please note that each estimate consists of two alternatives, showing the cost if FPL performs all work (the "FPL Work Alternative") and the cost if the Town installs the conduit and concrete products (the "Town Work Alternative").

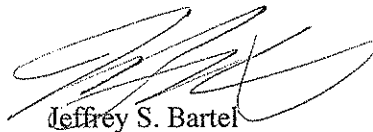
1. In both alternatives, FPL has removed the transformer portion of the Net Book Value because our field engineers have determined that the transformers are, generally, at or near their end of life. This results in a \$5,543 reduction to the Net Book Value of the existing OH facilities for which the Town is responsible.
2. FPL has revised the MOT costs to a standard MOT package, which has the following impacts on both alternatives:
 - a. The net change to the subtotal is a reduction of \$409,432.
 - b. As the overall cost decreases, the GAF Waiver is also reduced. The GAF reduction associated with the MOT changes is \$128,268.
3. In the Town Work Alternative, FPL has reduced the E/O charge for the new UG facilities by twelve percent (12%) based on the component level review discussed above. This reduces the E/O charge for the new UG facilities from \$638,018 in the FPL Work Alternative to \$561,456 in the Town Work Alternative.

As a result of these revisions, the net due to FPL for the FPL Work Alternative has decreased from \$2,676,033 in the October 2 Estimate to \$2,291,229 in the Revised Estimate; and under the Town Work Alternative the net due has decreased from \$741,134 to \$377,865. Of course, these figures are subject to retroactive adjustment based on the operational cost differential that is ultimately approved by the FPSC and to adjustments based on the actual costs of the work.

I hope that the Town will find the Revised Estimate to be satisfactory. Of course, if you have any questions about the Revised Estimate, please do not hesitate to call or e-mail Nick Blount or me at any time.

Best regards for the holiday season.

Sincerely yours,



Jeffrey S. Bartel

cc: Nick Blount, FPL
Barbara Quinones, FPL
John Lehr, FPL
Bret Beck, FPL
✓ John T. Butler, Esq., FPL

Overhead to Underground Conversion - Customer Cost Sheet

Project: Jupiter Island - Phase A

Date Estimate Provided to Customer: Oct. 2, 2007

Cust. to Install Conduit & Concrete

Underground Cost

New UG Installation (+)	\$2,119,598	Cost for FPL to install new underground facilities
Equivalent OH Installation (-)	(\$828,712)	Cost to install an overhead system at current hardening standard:

Existing Overhead Cost

OH Removal Cost & Make ready (+)	\$357,326	Cost for FPL to remove existing overhead facilities
Existing OH Value (+)	\$15,867	Net Book Value of existing OH facilities to be removed
Salvage Value (-)	\$0	Credit for salvaged, re-usable items
Subtotal	\$1,664,079	Total customer contribution as specified in Tariff 12.2.3
GAF	(\$899,745)	
CIAC	\$764,334	
Engineering Deposit (-)	(\$23,200)	Engineering deposit previously collected
Net Due FPL	\$741,134	Total customer contribution owed

Cost Breakdowns for Customer Contributions

	Total	Labor/Vehicle	Material	Direct Engineering, Supervision, and Support
New UG Facilities (+)	\$2,119,598	\$684,500	\$694,811	\$740,287
Credit for equivalent OH (-)	(\$828,712)	(\$441,146)	(\$248,157)	(\$139,409)
OH Removal Cost & Make ready (+)	\$357,326	\$319,832	\$6,877	\$30,617
Total	\$1,648,212	\$563,186	\$453,531	\$631,496
Net Book Value (+)	\$15,867			
Salvage Value (-)	\$0			
Subtotal	\$1,664,079			
GAF	(\$899,745)			
CIAC	\$764,334			
Engineering Deposit (-)	(\$23,200)			
Net Due FPL	\$741,134			

Major Material Breakdown

	Quantity	Item
Install	104,286	Primary UG Cable (feet)
	2	UG Switch Cabinet (each, PM Vista)
	49	UG Transformer (each)
	13	Splice box for UG feeder (each)
Remove	42,577	OH Primary Conductor (feet)
	75	Poles (each)
	37	OH Transformer (each)
	7,197	Primary UG Cable (feet)

Overhead to Underground Conversion - Customer Cost Sheet

Project: Jupiter Island - Phase A (MOT revised)

Date Estimate Provided to Customer: Nov. 26, 2007

FPL Performs All Work

Underground Cost

New UG Installation (+)	\$3,441,115	Cost for FPL to install new underground facilities
Equivalent OH Installation (-)	(\$558,648)	Cost to install an overhead system at current hardening standards

Existing Overhead Cost

OH Removal Cost & Make ready (+)	\$193,115	Cost for FPL to remove existing overhead facilities
Existing OH Value (+)	\$10,324	Net Book Value of existing OH facilities to be removed
Salvage Value (-)	\$0	Credit for re-usable items

Subtotal	\$3,085,906	Total customer contribution as specified in Tariff 12.2.3
GAF	(\$771,477)	
CIAC	\$2,314,429	
Engineering Deposit (-)	(\$23,200)	Engineering deposit previously collected
Net Due FPL	\$2,291,229	Total customer contribution owed

Cost Breakdowns for Customer Contributions

	Total	Labor/Vehicle	Material	Direct Engineering, Supervision, and Support
New UG Facilities (+)	\$3,441,115	\$2,118,308	\$684,789	\$638,018
Credit for equivalent OH (-)	(\$558,648)	(\$235,520)	(\$228,424)	(\$94,704)
OH Removal Cost & Make ready (+)	\$193,115	\$165,725	\$4,662	\$22,728
Total	\$3,075,582	\$2,048,513	\$461,027	\$566,042
Net Book Value (+)	\$10,324			
Salvage Value (-)	\$0			
Subtotal	\$3,085,906			
GAF	(\$771,477)			
CIAC	\$2,314,429			
Engineering Deposit (-)	(\$23,200)			
Net Due FPL	\$2,291,229			

Major Material Breakdown

	Quantity	Item
Install	104,286	Primary UG Cable (feet)
	2	UG Switch Cabinet (each, PM Vista)
	49	UG Transformer (each)
	13	Splice box for UG feeder (each)
Remove	42,577	OH Primary Conductor (feet)
	75	Poles (each)
	37	OH Transformer (each)
	7,197	Primary UG Cable (feet)

Overhead to Underground Conversion - Customer Cost Sheet

Project: Jupiter Island - Phase A (revision 2)

Date Estimate Provided to Customer: Nov. 26, 2007

Customer Performs Work - Conduit & Concrete Products

Underground Cost

New UG Installation (+)	\$1,527,751	Cost for FPL to install new underground facilities
Equivalent OH Installation (-)	(\$558,648)	Cost to install an overhead system at current hardening standards

Existing Overhead Cost

OH Removal Cost & Make ready (+)	\$193,115	Cost for FPL to remove existing overhead facilities
Existing OH Value (+)	\$10,324	Net Book Value of existing OH facilities to be removed
Salvage Value (-)	\$0	Credit for re-usable items
Subtotal *	\$1,172,542	Total customer contribution as specified in Tariff 12.2.3
GAF	(\$771,477)	
CIAC	\$401,065	
Engineering Deposit (-)	(\$23,200)	Engineering deposit previously collected
Net Due FPL	\$377,865	Total customer contribution owed

Cost Breakdowns for Customer Contributions

	Total	Labor/Vehicle	Material	Direct Engineering, Supervision, and Support
New UG Facilities (+)	\$1,527,751	\$281,506	\$684,789	\$561,456
Credit for equivalent OH (-)	(\$558,648)	(\$235,520)	(\$228,424)	(\$94,704)
OH Removal Cost & Make ready (+)	\$193,115	\$165,725	\$4,662	\$22,728
Total	\$1,162,218	\$211,711	\$461,027	\$489,480
Net Book Value (+)	\$10,324			
Salvage Value (-)	\$0			
Subtotal *	\$1,172,542			
GAF	(\$771,477)			
CIAC	\$401,065			
Engineering Deposit (-)	(\$23,200)			
Net Due FPL	\$377,865			

Major Material Breakdown

	Quantity	Item
Install	104,286	Primary UG Cable (feet)
	2	UG Switch Cabinet (each, PM Vista)
	49	UG Transformer (each)
	13	Splice box for UG feeder (each)
Remove	42,577	OH Primary Conductor (feet)
	75	Poles (each)
	37	OH Transformer (each)
	7,197	Primary UG Cable (feet)