STEEL
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Steel Hector & Davis LLP
215 South Monroe, Suite 601
Tallahassee, Florida 32301-1804
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October 8, 1997

By Hand Delivery

Charles A. Guyton
904.222.3423

Blanca S. Bayó, Director
Records and Reporting
Florida Public Service Commission
4075 Esplanade Way, Room 110
Tallahassee, Florida 32399-0850

971304-EI

RE: Application of Florida Power & Light Company For Authority To Issue And Sell Securities Pursuant To Section 366.04, Florida Statutes, And Chapter 25-8, Florida Administrative Code

Dear Ms. Bayó:

Enclosed for filing on behalf of Florida Power & Light Company are one (1) certified copy, one (1) uncertified copy and a copy on two diskettes of the Application of Florida Power & Light Company For Authority to Issue and Sell Securities. A separate copy of the filing has been sent to the Office of Public Counsel.

Also enclosed to assist in processing this Application are five (5) copies of a proposed Notice for the Florida Administrative Weekly and a checklist of critical language. The date for final Commission action has been left blank in the proposed Notice; it is the hope of Florida Power & Light Company that the Application can be addressed by mid-November. The checklist, consistent with prior practice, has been provided to assist in the drafting of important portions of a final order if the Application is granted.

The diskettes containing the copy of the Application and exhibits are 3.5 inch double density diskettes using Word Perfect for Windows 5.2, with the exception of Exhibit C, which is a spreadsheet form prepared in Microsoft Excel 5.0. The file names on the diskettes are 98applic.wpw (Application and Exhibit B), 0002248.xls (Exhibit C), part.001 (Exhibit A, FPL's 1996 Form 10-K), part.002 (Exhibit A, FPL's Form 10-Q for the three months ended June 30, 1997), checklst.wpw (Checklist) and notice.wpw (Notice).

If you or your staff have any questions regarding this filing, please contact me

Very truly yours,

Charles A. Guyton

Charles A. Guyton

encs.
cc: Jack Shreve, Esq.
TAL/22303-1

DOCUMENT NUMBER-DATE
10361 OCT-8 97
FPSC-RECORDS/REPORTING

DOCKET NO.

FLORIDA PUBLIC SERVICE COMMISSION
Tallahassee, Florida

APPLICATION OF FLORIDA POWER & LIGHT COMPANY FOR AUTHORITY TO ISSUE AND SELL SECURITIES PURSUANT TO SECTION 366.04, FLORIDA STATUTES AND CHAPTER 25-8, FLORIDA ADMINISTRATIVE CODE

Address communications in connection with this Application to:

Dilek L. Samil
Treasurer and Assistant Secretary
Florida Power & Light Company
700 Universe Boulevard
P.O. Box 14000
Juno Beach, Florida 33408
Telephone (561) 694-6324

Dennis P. Coyle
General Counsel and Secretary
Florida Power & Light Company
700 Universe Boulevard
P.O. Box 14000
Juno Beach, Florida 33408
Telephone (561) 694-4644

William G. Walker, III
Vice President, Regulatory Affairs
Florida Power & Light Company
9250 West Flagler Street
P.O. Box 029100
Miami, Florida 33102
Telephone (305) 552-4981

The date of this application is October 8, 1997.

APPLICATION OF
FLORIDA POWER & LIGHT COMPANY
FOR AUTHORITY TO ISSUE AND SELL SECURITIES
PURSUANT TO SECTION 366.04, FLORIDA STATUTES
AND CHAPTER 25-8, FLORIDA ADMINISTRATIVE CODE

A. Applicability.

This Application is filed in accordance with Section 366.04, Florida Statutes, and Chapter 25-8, Florida Administrative Code.

B. Contents of Application.

1. Name and Principal Business Office Address.

Florida Power & Light Company
700 Universe Boulevard
P.O. Box 14000
Juno Beach, Florida 33408

2. State and Date Incorporated.

- State of Florida – December 28, 1925
- Also qualified to do business in the State of Georgia

3. Persons Authorized to Receive Notices and Communications.

Dilek L. Samil
Treasurer and Assistant Secretary
Florida Power & Light Company
700 Universe Boulevard
P.O. Box 14000
Juno Beach, Florida 33408
Telephone (561) 694-6324

Dennis P. Coyle
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Florida Power & Light Company
9250 West Flagler Street
P.O. Box 029100
Miami, Florida 33102
Telephone (305) 552-4981

4. Capital Stock and Funded Debt.

4(a)(b)(c) Information responsive to description, amount authorized and amount outstanding: These items are contained in Exhibit C "Statement of Capital Stock and Debt – June 30, 1997."

4(d) The amount held as reacquired securities: At June 30, 1997, FPL held 120,000 shares of its 6.84% Preferred Stock, Series Q, $100 par value; 500,000 shares of its 8.625% Preferred Stock, Series R, $100 par value; 600,000 shares of its 7.28% Preferred Stock, Series F, $100 par value; 400,000 shares of its 7.40% Preferred Stock, Series G, $100 par value; and 5,000,000 shares of its $2.00 No Par Preferred

Stock, Series A, as reacquired securities resulting from the redemption or reacquisition without cancellation of such shares. The Restated Articles of Incorporation of FPL, as amended, prohibit the reissuance of shares of Preferred Stock after their redemption.

4(e) The amount pledged by applicant: The pollution control and industrial development first mortgage bonds, in aggregate principal amount of $150,135,000 as of June 30, 1997, have been pledged as security for the payment of principal and interest on private activity bonds issued by political subdivisions of the State of Florida on behalf of FPL.

FPL is the obligor on $483,735,000 aggregate principal amount of outstanding unsecured variable rate pollution control and industrial development bonds issued by certain political subdivisions of the State of Florida which presently pay interest at a variable rate. The proceeds from the issuance of $463,185,000 aggregate principal amount of these variable rate bonds were used to redeem an equal amount of fixed rate pollution control and industrial development bonds, and FPL's first mortgage bonds pledged as security for the redeemed fixed rate bonds were released. FPL has the option to cause the interest on the variable rate bonds to be paid at a fixed rate. If FPL exercises this option, FPL will be required to pledge an equal aggregate principal amount of its first mortgage bonds as security for the payment of principal and interest on such fixed rate bonds.

4(f) The amount owned by affiliated corporations: All of the common stock of FPL is owned by FPL Group, Inc.

4(g) The amount held in any fund: None.

5. Proposed Transactions. FPL seeks permission to issue and sell and/or exchange any combination of the long-term debt and equity securities described below and/or to assume liabilities or obligations as guarantor, endorser or surety in an aggregate amount not to exceed $1.3 billion during calendar year 1998. FPL also seeks permission to enter into forward refunding or forward swap contracts during calendar year 1998. In conjunction with these forward contracts, FPL seeks permission to issue and sell up to $151 milllion of securitites through December 31, 2002, which FPL would commit to deliver under

these forward contracts. In addition, FPL seeks permission to issue and sell short-term securities during the calendar years 1998 and 1999 in an amount or amounts such that the aggregate principal amount of short-term securities outstanding at the time of sale will not exceed 25% of FPL's gross revenues during the preceding twelve months of operation.

The long-term debt securities may include first mortgage bonds, medium-term notes, debentures, convertible or exchangeable debentures, notes, convertible or exchangeable notes, or other straight debt or hybrid debt securities, whether secured or unsecured, with maturities ranging from one to one-hundred years. FPL may enter into options, rights, interest rate swaps or other derivative instruments. FPL may also enter into installment purchase and security agreements, loan agreements, or other arrangements with political subdivisions of the States of Florida or Georgia or pledge debt securities or issue guarantees in connection with such political subdivisions' issuance, for the ultimate benefit of FPL, of pollution control revenue bonds, solid waste disposal revenue bonds, industrial development revenue bonds, variable rate demand notes or other "private activity bonds" with maturities ranging from one to forty years, bond anticipation notes or commercial paper. Such obligations may or may not bear interest exempt from federal tax.

The equity securities may include common stock, preferred stock, preference stock, convertible preferred or preference stock, or warrants, options or rights to acquire such securities, or other equity securities, with such par values, terms and conditions and relative rights and preferences as deemed appropriate by FPL and as are permitted by its Restated Articles of Incorporation, as amended and as they may be amended from time to time.

FPL may also enter into preferred securities financings, whereby FPL would establish and make an equity investment in a special purpose limited partnership or other entity. FPL, or a wholly-owned subsidiary of FPL, would act as the general partner or managing member of the entity. The entity would offer preferred securities to the public and lend the proceeds to FPL. FPL would issue debt securities to the entity equal to the aggregate of its equity investment and the amount of preferred securities borrowed.

FPL may also guarantee, among other things, the distributions to be paid by the affiliated entity to the preferred securities holders.

The exchange of FPL's securities may be by way of an exchange of a security of FPL for another security or securities of FPL or of one of its subsidiaries or affiliates, or the exchange of a security of FPL or of one of its subsidiaries or affiliates for the security or securities of another entity.

The manner of issuance and sale and/or exchange of securities will be dependent upon the type of securities being offered, the type of transaction in which the securities are being issued and sold and/or exchanged and market conditions at the time of the issuance and sale and/or exchange.

The short-term securities will have maturities of not more than twelve months and may be secured or unsecured. The Securities and Exchange Commission has heretofore indicated through a no-action letter that FPL may issue and sell commercial paper without compliance with the registration requirements of the Securities Act of 1933, as amended, subject to certain conditions, including that FPL may have commercial paper borrowings outstanding up to an amount not to exceed at the time of sale 25% of FPL's gross revenues during the preceding twelve months of operation. For the twelve months ended June 30, 1997, 25% of FPL's gross revenues was $1.5 billion.

The interest rate FPL could pay on debt securities will vary depending on the type of debt instruments and the terms thereof, including specifically the length of maturity as well as market conditions. On October 3, 1997 a new issue of 30-year first mortgage bonds of FPL would have carried a yield to maturity of about 7.20%. The dividend rate for preferred stock is similarly affected by the terms of the offering. On October 3, 1997 a new issue of tax deductible preferred stock of FPL would have carried a dividend yield of about 7.45%.

In addition, FPL may from time to time enter into nuclear fuel leases, issue instruments of guaranty, collateralize debt and other obligations, issue other securities, and arrange for the issuance of letters of credit and guaranties, in any such case to be issued (i) by one or more of its subsidiaries or affiliates for the benefit of FPL's utility operations, (ii) by non-affiliates (including employees) in connection with FPL's utility operations, (iii) by or on behalf of one or more of its subsidiaries or affiliates in connection with FPL customers' installations of energy efficiency measures, and/or (iv) in connection with other financings by FPL or on its behalf. To the extent that FPL enters into nuclear fuel leases, issues instruments of guaranty, collateralizes debt or other obligations, issues other securities or arranges for the issuance of letters of credit or guaranties by or on behalf of one or more of its subsidiaries, affiliates or non-affiliates to benefit its utility operations, FPL will stand ready to clearly demonstrate such benefits.

FPL will file a consummation report with the Florida Public Service Commission (the Commission) in compliance with Rule 25-8.009, Florida Administrative Code, within 90 days after the end of any fiscal year in which it issues securities.

6. Purposes of Issues. The net proceeds to be received from the issuance and sale and/or exchange of the additional long-term debt and equity securities (with the exception of the proceeds of the issuance and sale of any pollution control revenue bonds, solid waste disposal revenue bonds, industrial development revenue bonds, variable rate demand notes or other "private activity bonds" or similar securities which will be used for specific purposes) will be added to FPL's general funds and will be used to provide additional electric facilities; to reacquire, by redemption, purchase, exchange or otherwise, any of its outstanding debt securities or equity securities; to repay all or a portion of any maturing long-term debt obligations; to satisfy FPL's obligations under the nuclear fuel leases; to repay all or a portion of short-term bank borrowings and commercial paper outstanding at the time of such transactions; and/or for other corporate purposes. Excess proceeds, if any, will be temporarily invested in short-term instruments pending their application to the foregoing purposes.

During the 1998-1999 period, FPL has a total of approximately $410 million of long-term debt maturities.

FPL maintains a continuous construction program, principally for electric generation, transmission and distribution facilities. FPL estimates that construction expenditures under its 1998-1999 construction program will approximate $1 billion (see Exhibit B). There is no Allowance for Funds Used During

Construction (AFUDC) assumed in the construction expenditures forecast for 1998-1999.

Under future market conditions, the interest rate on new issue long-term debt or the dividend rate on new issue preferred stock of FPL may be such that it becomes economically attractive to reacquire a portion or all of certain of its long-term debt securities or equity securities providing an opportunity for FPL to reduce interest or dividend expense even after accounting for such other considerations as the (i) reacquisition premium, (ii) other associated reacquisition expenses and (iii) related income tax effects. This reduction would be beneficial to the ratepayers and, with proper regulatory treatment, would not be detrimental to FPL's shareholders. Other important considerations in making such a decision would include an assessment of anticipated future interest and dividend rates and FPL's ability to raise enough new capital to finance its construction program while concurrently pursuing any refinancing opportunities.

The forward refunding contracts would be for the purpose of refunding up to $151 million of pollution control revenue bonds which were issued on FPL's behalf and which become callable in July, 2000, February, 2001 and May, 2002. These pollution control revenue bonds were collateralized by FPL First Mortgage Bonds which are more fully described in Exhibit C under the category of First Mortgage Bonds - Pollution Control and Industrial Development and include the following: 7.30% due July 2020 ($76,300,000), 7.50% due July 2020 ($9,835,000), 7.15% due February 2023 ($15,000,000), 7.15% due February 2023 ($32,985,000), 7.15% due February 2023 ($4,000,000) and 6.7% due May, 2027 ($12,015,000). Under federal tax law, pollution control revenue bonds cannot be refunded with tax-exempt bonds issued more than 90 days prior to the redemption or retirement of the outstanding issue. However, through a forward refunding contract, FPL could lock in prevailing tax-exempt fixed rates for refunding pollution control revenue bonds which would be issued 90 days prior to the first call date of the outstanding issue. Alternatively, FPL could enter into a forward swap contract, to become effective on the first call date of the outstanding issue, to lock in prevailing tax-exempt fixed rates. Under future market conditions, it may be economical to enter into forward refunding or forward swap contracts, and any anticipated savings generated by such forward transactions would be spread over the combined life of the outstanding bonds and the refunding bonds starting with the execution of the forward contract.

FPL's nuclear fuel leases obligate FPL to purchase portions of the nuclear fuel from the non-affiliated lessor company (the Fuel Company) at the net investment value of such fuel, if required to enable the Fuel Company to pay maturing notes or other borrowings. Also, upon the occurrence of certain events which constitute a default by FPL under such fuel leases or give rise to termination of such fuel leases, FPL may be required to purchase all of the Fuel Company's interest in such leased nuclear fuel at a purchase price equal to (i) the net investment value of such fuel, plus (ii) such additional amounts as are sufficient to enable the Fuel Company to retire all of its debt obligations and any other charges or fees under the appropriate financing agreements which correspond to such fuel leases and to which the Fuel Company is a party. As of June 30, 1997, the net investment value of the nuclear fuel outstanding under both fuel leases was approximately $183 million and FPL estimates that if it had been required to repurchase all of the outstanding nuclear fuel on such date, the cumulative lease termination payment would have been approximately $192 million.

FPL presently has an affiliate which promotes the installation of energy efficiency measures by contracting with customers to guarantee the anticipated energy savings. To facilitate FPL's customers' installations of energy efficiency measures, FPL may issue instruments of guaranty, collateralize debt or other obligations, issue other securities, or arrange for the issuance of letters of credit or guaranties to promote energy efficiency savings contracted for by FPL subsidiaries or affiliates with FPL customers.

The short-term securities are to provide funds to temporarily finance portions of FPL's construction program and capital commitments and for other corporate purposes. Significant parts of FPL's construction program may temporarily be financed through the sale of short-term securities from time to time. Also, during the 1998-1999 period, FPL may need short-term financing capabilities for seasonal fuel requirements, for contingency financing such as fuel adjustment underrecoveries or storm restoration costs, and for the temporary funding of maturing or called long-term debt securities.

7. <u>Facts Supporting Legality, Necessity or Appropriateness</u>. In addition to the reasons shown under

"Purposes of Issues", the proposed issues are consistent with the proper performance by FPL of service as a public utility, will enable and permit FPL to perform that service, and are necessary and appropriate for such purpose.

8. Name and Address of Counsel Passing upon the Legality of the Proposed Issues:

Steel Hector & Davis, LLP
1900 Phillips Point West
777 South Flagler Drive
West Palm Beach, Florida 33401-6198
Attention: Jeffrey I. Mullens, P.A.

9. Other State or Federal Regulatory Body. If required, a Registration Statement with respect to each public sale of securities hereunder subject to the Securities Act of 1933, as amended, will be filed with the Securities and Exchange Commission, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549. In addition, certain state securities or "blue sky" laws may require the filing of consents to service of process or other documents with applicable state securities commissions.

10. Control or Ownership. There is no measure of control or ownership exercised by or over FPL by any other public utility. FPL is a wholly-owned subsidiary of FPL Group, Inc., a holding company which is exempt from regulation under the Public Utility Holding Company Act of 1935, except for that section which regulates the acquisition of securities of public utility companies.

11. Exhibits.

Exhibit Number

* A(6) Annual Report on Form 10-K for the fiscal year ended December 31, 1996 and Form 10-Q for the three months ended June 30, 1997.

B 1998 and 1999 Sources and Uses of Funds Forecast and Construction Expenditures Forecast.

C Statement of Capital Stock and Debt as of June 30, 1997.

* As permitted by Rule 25-8.003(1)(a)(6), Florida Administrative Code, FPL is satisfying the requirements for Schedules A(1) through A(5) by submitting its Annual Report on Form 10-K for the fiscal year ended December 31, 1996 and Form 10-Q for the three months ended June 30, 1997 in conjunction with this Application.

SIGNATURE

Pursuant to the provisions of Section 366.04, Florida Statutes and Chapter 25-8, Florida Administrative Code, Florida Power & Light Company has caused its duly authorized officer to execute this Application on this day of October, 1997.

Florida Power & Light Company

By: Dilek Samil

Dilek Samil
Treasurer and Assistant Secretary
700 Universe Boulevard
P.O. Box 14000
Juno Beach, Florida 33408

ATTORNEYS FOR APPLICANT:

Steel Hector & Davis, LLP

By: Charles A. Guyton

Charles A. Guyton
Suite 601
215 South Monroe Street
Tallahassee, Florida 32301
(904) 222-2300

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

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

For the fiscal year ended **December 31, 1996**

OR

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

Commission File Number	Exact name of Registrants as specified in their charters, address of principal executive offices and Registrants' telephone number	IRS Employer Identification Number
1-8841	FPL GROUP, INC.	59-2449419
1-3545	FLORIDA POWER & LIGHT COMPANY	59-0247775

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

State or other jurisdiction of incorporation or organization: Florida

Securities registered pursuant to Section 12(b) of the Act:	Name of exchange on which registered
FPL Group, Inc.:	
Common Stock, $.01 Par Value and Preferred Share Purchase Rights	New York Stock Exchange
Florida Power & Light Company:	
$2.00 No Par Preferred Stock, Series A	New York Stock Exchange
8.75% Quarterly Income Debt Securities (Subordinated Deferrable Interest Debentures)	New York Stock Exchange

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

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

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

Aggregate market value of the voting stock of FPL Group, Inc. held by non-affiliates as of February 28, 1997 (based on the closing market price on the Composite Tape on February 28, 1997) was $8,172,154,254 (determined by subtracting from the number of shares outstanding on that date the number of shares held by directors and officers of FPL Group, Inc.).

There was no voting stock of Florida Power & Light Company held by non-affiliates as of February 28, 1997.

The number of shares outstanding of each class of FPL Group, Inc. common stock, as of the latest practicable date: Common Stock, $.01 Par Value, outstanding at February 28, 1997: 182,443,838 shares

As of February 28, 1997, there were issued and outstanding 1,000 shares of Florida Power & Light Company's common stock, without par value, all of which were held, beneficially and of record, by FPL Group, Inc.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of FPL Group, Inc.'s Definitive Proxy Statement for the 1997 Annual Meeting of Shareholders are incorporated by reference in Part III hereof.

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

DEFINITIONS

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

Term	Meaning
AFUDC	Allowance for funds used during construction
capacity clause	Capacity cost recovery clause
charter	Restated Articles of Incorporation, as amended, of FPL Group or FPL, as the case may be
conservation clause	Energy conservation cost recovery clause
DOE	United States Department of Energy
EMF	Electric and magnetic fields
environmental clause	Environmental compliance cost recovery clause
ESI	ESI Energy, Inc.
EWG	Exempt wholesale generator
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 Group	FPL Group, Inc.
FPL Group Capital	FPL Group Capital Inc
FPL Group International	FPL Group International, Inc.
FPSC	Florida Public Service Commission
fuel clause	Fuel and purchased power cost recovery clause
Holding Company Act	Public Utility Holding Company Act of 1935, as amended
IBEW	International Brotherhood of Electrical Workers
JEA	Jacksonville Electric Authority
kv	Kilovolt
kva	Kilovolt-ampere
kwh	Kilowatt-hour
Management's Discussion	Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations
mortgage	FPL's Mortgage and Deed of Trust dated as of January 1, 1944, as supplemented and amended
mw	Megawatt(s)
Note __	Note __ to Consolidated Financial Statements
NRC	United States Nuclear Regulatory Commission
Nuclear Waste Policy Act	Nuclear Waste Policy Act of 1982
O&M expenses	Other operations and maintenance expenses in the Consolidated Statements of Income
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
ROE	Return on common equity
SJRPP	St. Johns River Power Park
Turner	Turner Foods Corporation

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

In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 (Reform Act), FPL Group and FPL (collectively, Company) are hereby filing cautionary statements identifying important factors that could cause the Company's actual results to differ materially from those projected in forward-looking statements (as such term is defined in the Reform Act) of the Company made by or on behalf of the Company which are made in this combined Form 10-K, in presentations, in response to questions or otherwise. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as will likely result, are expected to, will continue, is anticipated, estimated, projection, outlook) are not statements of historical facts and may be forward-looking. Forward-looking statements involve estimates, assumptions, and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Accordingly, any such statements are qualified in their entirety by reference to, and are accompanied by, the following important factors that could cause the Company's actual results to differ materially from those contained in forward-looking statements of the Company made by or on behalf of the Company.

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

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

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

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

PART I

Item 1. Business

FPL GROUP

FPL Group is a public utility holding company, as defined in the Holding Company Act. It was incorporated in 1984 under the laws of Florida. FPL Group's principal subsidiary, FPL, is engaged in the generation, transmission, distribution and sale of electric energy. Other operations are conducted through FPL Group Capital and its subsidiaries and mainly consist of investments in non-utility energy projects and agricultural operations. FPL Group and its subsidiaries employ 10,250 persons.

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

FPL OPERATIONS

General. FPL was incorporated under the laws of Florida in 1925 and is a wholly-owned subsidiary of FPL Group. FPL supplies electric service throughout most of the east and lower west coasts of Florida. This service territory contains 27,650 square miles with a population of approximately 7 million. During 1996, FPL served 3.6 million customer accounts. Operating revenues were as follows:

	Years Ended December 31,		
	1996	1995	1994
	(Millions of Dollars)		
Residential	$3,324	$3,097	$2,920
Commercial	2,116	1,953	1,854
Industrial	203	195	189
Other, including unbilled revenues ...	343	285	380
	$5,986	$5,530	$5,343

Regulation. The retail operations of FPL provided approximately 99% of FPL's operating revenues for 1996. Such operations are regulated by the FPSC which has jurisdiction over retail rates, service territory, issuances of securities, planning, siting and construction of facilities and other matters. FPL is also subject to regulation by the FERC in various respects, including the acquisition and disposition of facilities, interchange and transmission services and wholesale purchases and sales of electric energy.

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

Federal, state and local environmental laws and regulations cover air and water quality, land use, power plant and transmission line siting, EMF from power lines and substations, noise and aesthetics, solid waste and other environmental matters. Compliance with these laws and regulations increases the cost of electric service by requiring, among other things, changes in the design and operation of existing facilities and changes or delays in the location, design, construction and operation of new facilities. FPL estimates that capital expenditures required to comply with environmental laws and regulations for 1997 through 1999 will not be material. These expenditures are included in FPL's projected capital expenditures set forth in Item 1. Business - FPL Operations - Capital Expenditures.

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

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

The basic costs of providing electric service, other than fuel and certain other costs, are recovered through base rates, which are designed to recover the costs of constructing, operating and maintaining the utility system. These basic costs include O&M expenses, depreciation and taxes, as well as a return on FPL's investment in assets used and useful in providing electric service (rate base). The rate of return on rate base approximates FPL's weighted cost of capital, which includes its costs for debt and preferred stock and an allowed ROE. FPL's currently authorized ROE range is 11% to 13% with a midpoint of 12%. The FPSC monitors FPL's ROE through a surveillance report that is filed monthly by FPL with the FPSC. The FPSC does not provide assurance that the allowed ROE will be achieved. Base rates are determined in rate proceedings which occur at irregular intervals at the initiative of FPL, the FPSC or a substantially affected party. FPL's last base rate proceeding was in 1984. In 1990, FPL's base rates were reduced following a change in federal income tax rates.

Fuel costs totaled $1.7 billion in 1996 and are recovered through levelized charges per kwh established pursuant to the fuel clause. These charges are calculated semi-annually based on estimated costs of fuel and estimated customer usage for the ensuing six-month period, plus or minus a true-up adjustment to reflect the variance of actual costs and usage from the estimates used in setting the fuel adjustment charges for prior periods.

Capacity payments to other utilities and generating companies for purchased power are recovered through the capacity clause and base rates. In 1996, $404 million was recovered through the capacity clause. Costs associated with implementing energy conservation programs totaled $107 million in 1996 and are recovered through the conservation clause. Costs of complying with federal, state and local environmental regulations enacted after April 1993 totaled $13 million in 1996 and are recovered through the environmental clause to the extent not included in base rates.

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

Competition. The electric utility industry is facing increasing competitive pressure. FPL currently faces competition from other suppliers of electrical energy to wholesale customers and from alternative energy sources and self-generation for other customer groups, primarily industrial customers. In 1996, operating revenues from wholesale and industrial customers combined represent approximately 5% of FPL's total operating revenues. Various states, other than Florida, have either enacted legislation or are pursuing initiatives designed to deregulate the production and sale of electricity. By allowing customers to choose their electricity supplier, deregulation is expected to result in a shift from cost-based rates to market-based rates for energy production. Similar initiatives are also being pursued on the federal level. Although the legislation and initiatives vary substantially, common areas of focus include when market-based pricing will be available for wholesale and retail customers, what existing prudently incurred costs in excess of the market-based price will be recoverable and whether generation assets should be separated from transmission, distribution and other assets. In the event the basis of regulation for some or all of FPL's business changes from cost-based regulation, existing regulatory assets and liabilities would be written off unless regulators specify an alternative means of recovery or refund. Further, other aspects of the business, such as generation assets and long-term power purchase commitments, would need to be reviewed to assess their recoverability in a changed regulatory environment. See Management's Discussion - Results of Operations and Note 1 - Regulation.

While legislators and state regulatory commissions will decide what impact, if any, competitive forces will have on retail transactions, the FERC has jurisdiction over potential changes which could affect competition in wholesale transactions. In 1993, FPL filed with the FERC a comprehensive revision of its service offerings in the wholesale market. FPL proposed changes to its wholesale sales tariffs for service to municipal and cooperatively-owned electric utilities and its power sharing (interchange) agreements with other utilities. In addition, FPL proposed expanding its transmission offerings for new services by switching from individually negotiated contracts to three tariffs of general applicability. FPL began collecting the proposed rates in 1994, subject to refund pending the final ruling on its proposal. In December 1995, the administrative law judge issued his initial decision, ruling in favor of FPL on some issues and against FPL on others. In 1996, the FERC revised its policies with respect to transmission service and required all jurisdictional utilities to have on file at the FERC open access transmission tariffs. In general, these policies require a utility to provide to third parties access to the utility's transmission system on a basis comparable to the uses the utility makes of its own system and at comparable rates. FPL updated its 1993 filing to accommodate the FERC's revised policies. A final decision on these filings is not expected until sometime in 1997.

FPL is a defendant in an antitrust suit filed by the FMPA. The complaint includes an alleged inability to utilize FPL's transmission facilities to wheel power. See Item 3. Legal Proceedings.

System Capability and Load. FPL's resources for serving load as of December 31, 1996 consisted of 18,538 mw of electric power, 16,369 mw generated by FPL-owned facilities (see Item 2. Properties - Generating Facilities) and 2,169 mw obtained through purchased power contracts. See Note 9 - Contracts. The compounded annual growth rate of kwh sales and customers was 3.7% and 2.0%, respectively, for the three years ended December 31, 1996.

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. However, occasionally, extremely cold temperatures during the winter months result in unusually high electricity usage for a short period of time. On February 5, 1996, FPL reached an all-time energy peak demand of approximately 18,100 mw. At that time, FPL was able to meet the peak with available resources.

Capital Expenditures. FPL's capital expenditures totaled $474 million in 1996, $669 million in 1995 and $772 million in 1994. Capital expenditures for the 1997-99 period are expected to be approximately $1.6 billion, including $590 million in 1997. This estimate is subject to continuing review and adjustment, and actual capital expenditures may vary from this estimate. See Management's Discussion - Liquidity and Capital Resources.

Nuclear Operations. FPL owns and operates four nuclear units, two at St. Lucie and two at Turkey Point. The operating licenses for St. Lucie Units Nos. 1 and 2 expire in 2016 and 2023, respectively. The operating licenses for Turkey Point Units Nos. 3 and 4 expire in 2012 and 2013, respectively. The nuclear units are periodically removed from service to accommodate normal refueling and maintenance outages, repairs and certain other modifications. A condition of the operating license for each unit requires an approved plan for decontamination and decommissioning. FPL's current plans provide for dismantlement of the Turkey Point units commencing in 2013. St. Lucie Unit No. 1 will be mothballed in 2016 until 2023 when dismantlement of both Unit No. 1 and Unit No. 2 will commence. See estimated cost data in Note 1 - Decommissioning and Dismantlement of Generating Plant.

Since mid-1995, the St. Lucie nuclear plant has experienced a series of mechanical and operational problems that have resulted in increased attention and fines from the NRC. A number of self-identified and NRC-identified corrective actions have been implemented, and several changes have been made to St. Lucie's management team. However, the NRC continues to give increased attention to St. Lucie's overall operations.

Indications of abnormal degradation had previously been found in the pressurized water circulation tubes of the St. Lucie Unit No. 1 steam generators and FPL had determined that the steam generators needed to be replaced. Costs incurred in 1997 and thereafter to replace the steam generators are included in FPL's projected capital expenditures set forth above. In 1996, FPL submitted an analysis of the pressurized water circulation tubes of the St. Lucie Unit No. 1 steam generators to the NRC. The analysis supported continued operation of St. Lucie Unit No. 1 until at least September 1997, at which time FPL plans to replace the steam generators. The NRC is currently reviewing the analysis.

Fuel. FPL's generating plants use a variety of fuels. See Item 2. Properties - Generating Facilities and Note 9 - Contracts. The diverse fuel options, along with purchased power, enable FPL to shift between sources of generation to achieve an economical fuel mix. FPL's oil requirements are obtained under short-term contracts and in the spot market.

FPL has contracts in place with FGT that satisfy substantially all of the anticipated needs for natural gas transportation. The existing contracts expire in 2005 and 2010, but can be extended at FPL's option. To the extent desirable, FPL can also purchase interruptible gas transportation service from FGT based on pipeline availability. FPL has a 15-year firm natural gas supply contract at market rates with an affiliate of FGT to provide approximately two-thirds of FPL's anticipated needs for natural gas. The remainder of FPL's gas requirements will be purchased under other contracts and in the spot market.

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

FPL leases nuclear fuel for all four of its nuclear units. See Note 1 - Nuclear Fuel. Under the Nuclear Waste Policy Act, the DOE is required to construct permanent storage facilities and will take title to and provide transportation and storage for spent nuclear fuel for a specified fee based on current generation from nuclear power plants. Through 1996, FPL has paid approximately $320 million in such fees to the DOE for future transportation and storage. The DOE has not completed selection of a permanent storage facility nor indicated how it will satisfy its obligation under the Nuclear Waste Policy Act. In January 1997, FPL joined a number of other utilities in a lawsuit against the DOE to suspend payments for future transportation and storage. Alternatively, the utilities propose to hold the funds in escrow until a nuclear waste storage facility is available. Currently, FPL is storing spent fuel on site and plans to provide adequate storage capacity for all of its spent nuclear fuel, pending its removal by the DOE.

In 1994, FPL entered into a 20-year contract with Bitor America to purchase Orimulsion, a fuel that is an emulsion of bitumen and water and is priced equivalently to coal. FPL has committed to purchase Orimulsion to satisfy approximately 60% of the capacity of the Manatee units, but may elect to purchase sufficient Orimulsion to satisfy the Manatee units' total capacity. See Item 2. Properties - Generating Facilities. The contract is contingent upon FPL obtaining an operating permit from environmental agencies to use Orimulsion at the Manatee units. In 1996, Florida's Power Plant Siting Board denied FPL's request to burn Orimulsion at the Manatee units. FPL has appealed the Board's denial to the First District Court of Appeals of the State of Florida.

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

The FDEP has promulgated regulations setting standards for EMF levels within and at the edge of the rights of way for transmission lines, and FPL is in compliance with these regulations. The FDEP reviewed its EMF standards in 1992 and confirmed the field limits previously established. Future changes in the standards could require additional capital expenditures by FPL for such things as increasing the right of way corridors or relocating or reconfiguring transmission facilities. At present it is not known whether any such expenditures will be required.

Employees. FPL had 10,011 employees at December 31, 1996. Approximately 38% of the employees are represented by the IBEW under a collective bargaining agreement with FPL expiring on October 31, 1997. FPL is currently negotiating with members of the IBEW for a new collective bargaining agreement.

OTHER FPL GROUP OPERATIONS

FPL Group Capital, a wholly-owned subsidiary of FPL Group, holds the capital stock and provides most of the funding for the operating subsidiaries other than FPL. At December 31, 1996, FPL Group Capital and its subsidiaries represented less than 6% of FPL Group's total assets. The business activities of these companies primarily consist of investments in non-utility energy projects and agricultural operations.

Non-Utility Energy - Domestic. ESI provides equity capital, debt financing, project development and operations management for non-utility energy projects. To date, ESI has invested in one project that qualifies as an EWG. Substantially all other projects in which it has invested are qualifying facilities under PURPA. ESI currently participates in 27 non-utility energy projects totaling approximately 2,000 mw, primarily through non-controlling ownership interests in joint ventures or leveraged lease investments. Based on ESI's invested capital at December 31, 1996, the projects are concentrated in California (55%), Virginia (20%) and Nevada (18%). The technologies and fuels used by the projects to produce electricity include natural gas, wind, geothermal, coal, solar and waste-to-energy. Energy production from the non-utility energy investments is generally higher during the third quarter due to increased energy demand and resource availability.

Many of the projects in which ESI invests, particularly those located in California, operate under fixed price energy sales contracts for a period of years and then convert to the purchasing utility's avoided costs. Currently, avoided cost is below the fixed price for many of these projects. Competitive initiatives in California propose phasing in market-based pricing rather than cost-based pricing by 2002. The effect of these initiatives on avoided cost and the related revenues paid to non-utility generators is uncertain. Any decline in revenues not offset by operational or performance efficiencies would adversely affect ESI's earnings from and the value of its investment in these projects.

Non-Utility Energy - International. FPL Group International, a wholly-owned subsidiary of FPL Group Capital, was formed in 1996 to invest in power projects overseas. To date, FPL Group International has invested in projects located in Colombia, Indonesia and the United Kingdom, two of which qualify as EWG's. One project is in early operation and the remaining projects are in the development stage. The projects utilize both conventional and alternative energy sources. Long-term purchased power contracts are in place for substantially all of the 414 mw these projects are designed to produce. FPL Group International continues to pursue investment opportunities around the world.

Agriculture. FPL Group Capital's agricultural subsidiary, Turner, owns and operates citrus groves in Florida. Turner's primary product is juice oranges, which are sold to processors for the premium not-from-concentrate, as well as the domestic frozen-concentrate, orange juice markets. Other products include grapefruit and specialty fruits. Turner's operations are seasonal, with the majority of the citrus harvest taking place between January and April.

As of December 31, 1996, Turner owned or leased approximately 30,000 acres of citrus properties, which included 19,000 planted acres, 3,000 acres of undeveloped land and 8,000 acres of infrastructure, wet lands and reservoirs.

Other. After giving effect to transactions completed in 1996 which had no significant effect on net income, FPL Group Capital maintains a limited amount of real estate and other assets held for disposition. These assets are carried at estimated fair value less costs to dispose. FPL Group cannot estimate the timing of their ultimate disposition, but these transactions are not expected to have a material adverse effect on FPL Group's net income. The remaining cable television subscriber base was contributed into a limited partnership which removed FPL Group from the day-to-day management and operation of the cable television business.

EXECUTIVE OFFICERS OF THE REGISTRANTS (1)(2)

Name	Age	Position	Effective Date
James L. Broadhead	61	Chairman of the Board, President and Chief Executive Officer of FPL Group	May 8, 1990
		Chairman of the Board and Chief Executive Officer of FPL	January 15, 1990
Dennis P. Coyle	58	General Counsel and Secretary of FPL Group	June 1, 1991
		General Counsel and Secretary of FPL	July 1, 1991
K. Michael Davis	50	Controller and Chief Accounting Officer of FPL Group	May 13, 1991
		Vice President, Accounting, Controller and Chief Accounting Officer of FPL	July 1, 1991
Paul J. Evanson	55	President of FPL	January 9, 1995
Lawrence J. Kelleher	49	Vice President, Human Resources of FPL Group	May 13, 1991
		Senior Vice President, Human Resources of FPL	July 1, 1991
Thomas F. Plunkett	57	President, Nuclear Division of FPL	March 1, 1996
Dilek L. Samil	41	Treasurer of FPL Group	May 13, 1991
		Treasurer of FPL	July 1, 1991
C. O. Woody	58	Senior Vice President, Power Generation of FPL	July 1, 1991
Michael W. Yackira	45	Vice President, Finance and Chief Financial Officer of FPL Group	January 9, 1995
		Senior Vice President, Finance and Chief Financial Officer of FPL	January 9, 1995

(1) 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 or her present position for five years or more and his or her employment history is continuous.

(2) The business experience of the executive officers is as follows: Mr. Evanson was vice president, finance and chief financial officer of FPL Group and senior vice president, finance and chief financial officer of FPL from December 1992 to January 1995. Prior to that, Mr. Evanson was president and chief operating officer of the Lynch Corporation, a diversified holding company; Mr. Plunkett was formerly site vice president at Turkey Point; and Mr. Yackira was senior vice president, market and regulatory services of FPL from May 1991 to January 1995.

Item 2. Properties

FPL Group and its subsidiaries maintain properties which are adequate for their operations. The electric generating, transmission, distribution and general facilities of FPL represent 38%, 14%, 40% and 8%, respectively, of investment in electric utility plant in service, net of accumulated depreciation.

Generating Facilities. As of December 31, 1996, FPL had the following generating facilities:

Facility	Location	No. of Units	Fuel	Net Warm Weather Peaking Capability (mw)
STEAM TURBINES				
Cape Canaveral	Cocoa, FL	2	Oil/Gas	810
Cutler	Miami, FL	2	Gas	215
Fort Myers	Fort Myers, FL	2	Oil	542
Manatee	Parrish, FL	2	Oil	1,638
Martin	Indiantown, FL	2	Oil/Gas	1,622
Port Everglades	Port Everglades, FL	4	Oil/Gas	1,227
Riviera	Riviera Beach, FL	2	Oil/Gas	580
St. Johns River Power Park	Jacksonville, FL	2	Coal/Petroleum Coke	250(1)
St. Lucie	Hutchinson Island, FL	2	Nuclear	1,553(2)
Sanford	Lake Monroe, FL	3	Oil/Gas	933
Scherer	Monroe County, GA	1	Coal	633(3)
Turkey Point	Florida City, FL	2	Oil/Gas	810
		2	Nuclear	1,386
COMBINED CYCLE				
Lauderdale	Dania, FL	2	Gas/Oil	860
Martin	Indiantown, FL	2	Gas	860
Putnam	Palatka, FL	2	Gas/Oil	498
COMBUSTION TURBINES				
Fort Myers	Fort Myers, FL	12	Oil	626
Lauderdale	Dania, FL	24	Oil/Gas	876
Port Everglades	Port Everglades, FL	12	Oil/Gas	438
DIESEL UNITS				
Turkey Point	Florida City, FL	5	Oil	12
TOTAL				16,369

(1) Represents FPL's 20% individual ownership interest in SJRPP Units Nos. 1 and 2, which are jointly owned with the JEA.
(2) Excludes Orlando Utilities Commission's and the FMPA's combined share of approximately 15% of St. Lucie Unit No. 2.
(3) Represents FPL's approximately 76% ownership of Scherer Unit No. 4, which is jointly owned with the JEA.

Transmission and Distribution. FPL owns and operates 476 substations with a total capacity of 102,087,240 kva. Electric transmission and distribution lines owned and in service as of December 31, 1996 are as follows:

Nominal Voltage	Overhead Lines Pole Miles	Trench and Submarine Cable Miles
500 kv	1,107(1)	-
230 kv	2,475	31
138 kv	1,486	48
115 kv	704	-
69 kv	166	11
Less than 69 kv	38,857	19,425
Total	44,795	19,515

(1) Includes approximately 80 miles owned jointly with the JEA.

Character of Ownership. Substantially all of FPL's properties are subject to the lien of its mortgage, which secures most debt securities issued by FPL. The principal properties of FPL are held by it 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 the electric lines are located on land not owned in fee but are covered by necessary consents of governmental authorities or rights obtained from owners of private property.

Item 3. Legal Proceedings

In December 1991, the FMPA, an organization comprised of municipal electric utilities operating in the state, filed a suit against FPL in the Circuit Court of the Ninth Judicial Circuit in Orange County, Florida. The suit was subsequently removed to the United States District Court for the Middle District of Florida. The FMPA alleges that FPL is in breach of a "contract," consisting of several different documents, by refusing to provide transmission service to the FMPA and its members on the FMPA's terms. The FMPA also alleges that FPL has violated federal and Florida antitrust laws by monopolizing or attempting to monopolize the provision, coordination and transmission of electric power in FPL's area of operation by refusing to provide transmission service or to permit the FMPA to invest in and use FPL's transmission system on the FMPA's proposed terms. The FMPA seeks $140 million in damages, before trebling for the antitrust claim, and asks the court to require FPL: to transmit electric power among the FMPA and its members on "reasonable terms and conditions"; to permit the FMPA to contribute to and use FPL's transmission system on "reasonable terms and conditions"; and to recognize the FMPA transmission investments as part of FPL's transmission system such that the FMPA can obtain transmission on a basis equivalent to FPL or, alternatively, to provide transmission service equivalent to such FMPA transmission ownership. In 1993, the District Court granted summary judgment in favor of FPL. In 1995, the court of appeals vacated the District Court's summary judgment and remanded the matter to the district court for further proceedings. In 1996, the District Court ordered the FMPA to seek a declaratory ruling from the FERC regarding certain issues in the case. All other action in the case has been stayed pending the FERC's ruling.

In November 1989, Johnson Enterprises of Jacksonville, Inc. (Johnson Enterprises) filed suit in the United States District Court for the Middle District of Florida against FPL Group, FPL Group Capital and Telesat Cablevision, Inc. (Telesat), a subsidiary of FPL Group Capital. The suit alleged breach of contract, fraud, violation of racketeering statutes and several other claims. Plaintiff claimed more than $24 million in compensatory damages, treble damages under racketeering statutes, punitive damages and attorneys' fees. The District Court entered a judgment in favor of FPL Group and Telesat on nine of twelve counts, including all of the racketeering and fraud claims, and in favor of FPL Group Capital on all counts. It also denied all parties' claims for attorneys' fees. However, the jury in the case awarded the contractor damages totaling approximately $6 million against FPL Group and Telesat for breach of contract and tortious interference. All parties have appealed.

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

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

None

PART II

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

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

Quarter	1996		1995	
	High	Low	High	Low
First	$48	$42 1/8	$37 1/4	$34
Second	$46 1/4	$41 1/2	$39 1/4	$36 1/8
Third	$46 5/8	$42 5/8	$41 1/8	$37
Fourth	$48 1/8	$43 1/8	$46 1/2	$40 1/4

Approximate Number of Stockholders. As of the close of business on February 28, 1997, there were 66,216 holders of record of FPL Group's common stock.

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

Quarter	1996	1995
First	$.46	$.44
Second	$.46	$.44
Third	$.46	$.44
Fourth	$.46	$.44

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

Item 6. Selected Financial Data

	Years Ended December 31,				
	1996	1995	1994	1993	1992
SELECTED FINANCIAL DATA OF FPL GROUP (Thousands of Dollars, except per share amounts):					
Operating revenues	$ 6,036,778	$ 5,592,485	$ 5,422,659	$ 5,311,685	$ 5,186,325
Net income	$ 579,450	$ 553,311	$ 518,711	$ 428,749(1)	$ 466,949
Earnings per share of common stock	$ 3.33	$ 3.16	$ 2.91	$ 2.30(1)	$ 2.65
Dividends paid per share of common stock	$ 1.84	$ 1.76	$ 1.88	$ 2.47	$ 2.43
Total assets	$12,219,323	$12,459,226	$12,617,616	$13,078,012	$12,306,305
Long-term debt, excluding current maturities	$ 3,144,313	$ 3,376,613	$ 3,864,465	$ 3,748,983	$ 3,960,096
Obligations of FPL under capital lease excluding current maturities	$ 182,163	$ 179,082	$ 185,647	$ 271,498	$ 324,198
Preferred Stock of FPL with sinking fund requirements, excluding current maturities	$ 42,000	$ 50,000	$ 94,000	$ 97,000	$ 130,150
SELECTED FINANCIAL DATA OF FPL (Thousands of Dollars):					
Operating revenues	$ 5,986,428	$ 5,530,057	$ 5,342,656	$ 5,224,299	$ 5,100,463
Net income available to FPL Group	$ 591,162	$ 567,972	$ 528,515	$ 425,297(1)	$ 470,899
Total assets	$11,531,273	$11,751,259	$11,821,452	$11,911,342	$11,348,626
Long-term debt, excluding current maturities	$ 2,981,261	$ 3,094,050	$ 3,581,157	$ 3,463,065	$ 3,404,404
SELECTED OPERATING STATISTICS OF FPL:					
Energy sales (millions of kwh)	80,889	79,756	77,096	72,455	69,290
Energy sales:					
Residential	51.1%	50.8%	50.2%	50.2%	49.3%
Commercial	38.6	38.5	38.8	39.3	39.0
Industrial	4.7	4.9	5.0	5.4	5.9
Interchange power sales	2.6	1.6	2.5	2.6	2.4
Other(2)	3.0	4.2	3.5	2.5	3.4
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Approximate 60-minute net peak served (mw)(3):					
Summer season	16,064	15,813	15,179	15,266	14,661
Winter season	16,490	18,096	16,563	12,594	12,964
Average number of customer accounts:					
Residential	3,152,626	3,097,194	3,037,628	2,973,688	2,911,812
Commercial	380,863	374,012	366,415	358,378	350,271
Industrial	14,781	15,143	15,587	14,853	14,791
Other	2,487	2,462	2,562	3,261	4,376
Total	3,550,757	3,488,811	3,422,192	3,350,180	3,281,250
Average price per kwh sold (cents)(4)	7.29	6.83	6.82	7.10	7.25

(1) Reduced by $85 million, or $.46 per share, after-tax effect of cost reduction program charge
(2) Includes unbilled sales.
(3) The winter season generally represents November and December of the current year and January through March of the following year.
(4) Includes unbilled and cost recovery clause revenues.

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

Results of Operations

FPL Group's net income, earnings per share and cash flow from operations have grown since 1994 at average annual rates of 5.7%, 7.0% and 7.4%, respectively. These operating results reflect a combination of continued growth in the number of customers served by FPL and actions taken by management to make FPL's operations more cost effective. These actions include the accelerated amortization of nuclear and fossil fuel generating assets and regulatory assets, as well as reductions in O&M expenses, debt and preferred stock.

FPL's operating revenues represent about 99% of FPL Group's operating revenues and primarily consist of revenues from base rates, cost recovery clauses and franchise fees. Revenues from base rates were $3.4 billion, $3.4 billion and $3.2 billion in 1996, 1995 and 1994, respectively. There were no changes in base rates during those years. Revenues from cost recovery clauses and franchise fees represent a pass-through of costs and do not significantly affect net income. Fluctuations in these revenues are primarily driven by changes in energy sales, fuel prices and capacity charges. Clause revenues and the related fuel, purchased power and interchange expense increased in 1996 primarily due to higher fuel prices, and higher capacity charges as an additional purchased power contract became effective. See Note 9 - Contracts.

The population in FPL's service territory continued to grow, contributing to retail customer growth of 1.8%, 1.9% and 2.1% in 1996, 1995 and 1994, respectively. In 1996, milder weather conditions resulted in a decrease in retail customer usage of 1.3%, following extreme weather in 1995 and 1994 which contributed to increases in usage of 2.5% and 3.8%, respectively. Together these factors and changes in sales to other utilities contributed to increased total energy sales of 1.4%, 3.5% and 6.4% in 1996, 1995 and 1994, respectively.

The FPSC regulates FPL's retail sales, which represent approximately 97% of FPL Group's total operating revenues. FPL reported a retail regulatory ROE of 12.1%, 12.3% and 12.3% in 1996, 1995 and 1994, respectively. The ROE range authorized by the FPSC for these periods was 11% to 13% with a midpoint of 12%.

O&M expenses continued to decline in 1996 due to management's focus on increasing the efficiency of FPL's operations. In 1996, these cost savings were partially offset by the third quarter adoption of an FPSC-approved change in accounting for costs associated with nuclear refueling outages. Under this new accounting method, the estimated nuclear refueling and maintenance cost of each nuclear unit's next planned outage will be accrued from the time the unit resumes operation until the end of the next outage. Any differences between estimated and actual costs will be included in O&M expenses when known. The cumulative effect of changing to this method of accounting was $35 million and was approved by the FPSC for amortization over a period not to exceed five years. Adoption of this new method resulted in an increase in nuclear O&M expenses for 1996 of approximately $35 million, including $14 million amortization of the cumulative effect adjustment. The comparability of future O&M expenses should be improved as the number of nuclear refueling outages should not be a factor affecting period expense. In 1995, FPL incurred costs related to two nuclear refueling outages, while there were four during 1994. O&M expenses in 1994, and to a lesser extent in 1995, included charges associated with facilities consolidation and inventory reductions, as well as costs relating to growth in customer base and placement of additional generating units in service. O&M expenses for 1996 and 1995 also included costs associated with workforce reductions following operational reviews at several business units.

The 1996 and 1995 increases in depreciation and amortization expense are primarily the result of an FPSC-approved special amortization program initiated by FPL in 1995. The program calls for a continuing special nuclear amortization of $30 million per year plus, through 1997, an additional amount of amortization based on the level of sales achieved compared to a forecasted amount. In 1996 and 1995, FPL recorded $160 million and $126 million, respectively, of this special amortization. The additional amounts are applied against specific nuclear and fossil generating assets, as well as certain regulatory assets. By the end of 1996, the approved amounts for nuclear and fossil generating assets had been completely amortized and accelerated amortization of regulatory assets had begun. Additionally, in 1996 and 1995 FPL amortized $28 million and $37 million, respectively, of plant-related regulatory assets deferred since FPL's last rate case in 1984. The remaining $46 million balance will continue to be amortized as authorized by the FPSC. Finally, in 1995 FPL increased its annual accrual for nuclear decommissioning costs to $85 million, up from $38 million recorded in 1994. Nuclear decommissioning accruals are expected to remain at $85 million per year at least until the next decommissioning studies, currently scheduled to be filed in 1999.

In order to strengthen the financial position of FPL Group and FPL, debt, preferred stock and commercial paper balances have been reduced over the past three years by more than $1.3 billion ($1.0 billion for FPL). This has resulted in lower interest charges during the last three years and lower preferred stock dividends in 1996 and 1994. In 1995, preferred stock dividends included premiums on preferred stock redemptions.

In 1996, the FPSC approved an accounting rule change that eliminates the recording of AFUDC on all but very large construction projects. Additionally, AFUDC has declined in recent years from lower construction expenditures. The change in AFUDC is the primary factor changing the non-operating line other - net.

The effective income tax rate was lower in 1996, reflecting the increased amortization of FPL's deferred investment tax credits related to property included in the special amortization program.

The electric utility industry is facing increasing competitive pressure. FPL currently faces competition from other suppliers of electrical energy to wholesale customers and from alternative energy sources and self-generation for other customer groups, primarily industrial customers. In 1996, operating revenues from wholesale and industrial customers combined represent approximately 5% of FPL's total operating revenues. Various states, other than Florida, have either enacted legislation or are pursuing initiatives designed to deregulate the production and sale of electricity. By allowing customers to choose their electricity supplier, deregulation is expected to result in a shift from cost-based rates to market-based rates for energy production. Similar initiatives are also being pursued on the federal level. Although the legislation and initiatives vary substantially, common areas of focus include when market-based pricing will be available for wholesale and retail customers, what existing prudently incurred costs in excess of the market-based price will be recoverable and whether generation assets should be separated from transmission, distribution and other assets. In the event the basis of regulation for some or all of FPL's business changes from cost-based regulation, existing regulatory assets and liabilities would be written off unless regulators specify an alternative means of recovery or refund. Further, other aspects of the business, such as generation assets and long-term power purchase commitments, would need to be reviewed to assess their recoverability in a changed regulatory environment. Since there is no deregulation proposal currently under consideration in Florida, FPL is unable to predict what impact would result from a change to a more competitive environment. See Note 1 - Regulation.

Liquidity and Capital Resources

FPL Group's primary capital requirements consist of expenditures to meet increased electricity usage and customer growth of FPL. FPL's capital expenditures for the period 1997 through 1999 are expected to be approximately $1.6 billion, including $590 million for 1997. See Note 9 - Commitments. FPL's capital expenditures have declined significantly over the past few years as a result of continuing efforts to reduce costs and the completion of its generation expansion plan, but are expected to increase in 1997 due to the replacement of steam generators at St. Lucie Unit No. 1. No new generating plants are expected to be constructed before 2004.

Debt maturities and minimum sinking fund requirements of FPL Group's subsidiaries will require cash outflows of approximately $729 million ($548 million for FPL) through 2001, including $155 million ($4 million for FPL) in 1997. See Notes 5 and 6. It is anticipated that cash requirements for capital expenditures and debt repayments in 1997 will be satisfied with internally generated funds. Internally generated funds not required for capital expenditures and current maturities may be used to reduce outstanding debt, preferred or common stock, or for investment. Any temporary cash needs will be met by the issuance of commercial paper. Bank lines of credit currently available to FPL Group and its subsidiaries aggregate $1.3 billion ($1.0 billion for FPL).

In addition to over $500 million retirement of debt and preferred stock of FPL during 1996, FPL Group repurchased 1.9 million shares of common stock. In February 1997, FPL Group's board of directors authorized the repurchase of up to 10 million shares of common stock over an unspecified period. The authorization supersedes a similar plan approved in May 1994, under which 8.1 million common shares were repurchased.

FPL self-insures for damage to certain transmission and distribution properties and maintains a funded storm reserve to guard against storm losses. The balance of the storm fund reserve at December 31, 1996 was $223 million. Bank lines of credit of $300 million, included in the $1.3 billion above, are also available if needed to provide cash for storm restoration costs. The FPSC has indicated that it would consider future storm losses in excess of the funded reserve for possible recovery from customers. In 1995, the FPSC approved FPL's request to increase the annual storm fund contribution from $10 million to $20 million and to contribute to the storm fund additional insurance recoveries related to 1992 and 1993 storms that were not required for identified system repairs. These contributions, combined with the increase in the funding of the nuclear decommissioning trust, resulted in higher cash outflows from investing activities.

Proceeds from properties held for sale have declined over the past three years as FPL Group disposed of certain non-FPL properties that are not part of the core business. These dispositions had little effect on earnings but have contributed to cash flows. Dispositions of remaining properties are not expected to significantly affect future operating results.

In 1996, the Financial Accounting Standards Board issued an exposure draft on accounting for certain liabilities related to closure or removal of long-lived assets. The primary effect of this exposure draft would be to change the way FPL accounts for nuclear decommissioning and fossil dismantlement costs. The exposure draft calls for recording the present value of estimated future cash flows to decommission FPL's nuclear power plants and dismantle its fossil power plants as an increase to assets and as a liability. This amount is currently estimated to be $1.4 billion. It is anticipated that there will be no effect on cash flows and, because of the regulatory treatment, there will be no significant effect on net income.

FPL Group Capital and its subsidiaries, primarily ESI, have guaranteed approximately $120 million of lease obligations, debt service payments and other payments subject to certain contingencies.

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

Item 8. Financial Statements and Supplementary Data

INDEPENDENT AUDITORS' REPORT

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

We have audited the consolidated financial statements of FPL Group, Inc. and of Florida Power & Light Company, listed in the accompanying index at Item 14(a)1 of this Annual Report (Form 10-K) to the Securities and Exchange Commission for the year ended December 31, 1996. These financial statements are the responsibility of the companies' management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of FPL Group, Inc. and Florida Power & Light Company at December 31, 1996 and 1995 and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1996 in conformity with generally accepted accounting principles.

DELOITTE & TOUCHE LLP
Certified Public Accountants

Miami, Florida
February 14, 1997

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

	Years Ended December 31,		
	1996	1995	1994
OPERATING REVENUES	$6,036,778	$5,592,485	$5,422,659
OPERATING EXPENSES:			
Fuel, purchased power and interchange	2,130,583	1,721,730	1,715,345
Other operations and maintenance	1,188,820	1,206,444	1,304,046
Depreciation and amortization	960,375	917,936	723,856
Taxes other than income taxes	586,179	549,269	530,970
Total operating expenses	4,865,957	4,395,379	4,274,217
OPERATING INCOME	1,170,821	1,197,106	1,148,442
OTHER INCOME (DEDUCTIONS):			
Interest charges	(266,530)	(290,669)	(318,967)
Preferred stock dividends - FPL	(23,732)	(43,402)	(39,558)
Other - net	(7,247)	18,870	36,076
Total other deductions - net	(297,509)	(315,201)	(322,449)
INCOME BEFORE INCOME TAXES	873,312	881,905	825,993
INCOME TAXES	293,862	328,594	307,282
NET INCOME	$ 579,450	$ 553,311	$ 518,711
Earnings per share of common stock	$3.33	$3.16	$2.91
Dividends per share of common stock	$1.84	$1.76	$1.88
Average number of common shares outstanding	174,072	175,335	178,009

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

FPL GROUP, INC.
CONSOLIDATED BALANCE SHEETS
(Thousands of Dollars)

	December 31, 1996	December 31, 1995
PROPERTY, PLANT AND EQUIPMENT:		
Electric utility plant in service - at original cost	$16,406,493	$16,034,653
Nuclear fuel under capital lease	182,163	179,100
Construction work in progress	258,336	317,739
Other property	186,631	193,739
Less accumulated depreciation and amortization	(7,649,734)	(6,873,250)
Total property, plant and equipment - net	9,383,889	9,851,981
CURRENT ASSETS:		
Cash and cash equivalents	195,932	46,177
Customer receivables, net of allowances of $12,474 and $11,929	461,501	482,326
Materials, supplies and fossil fuel stock - at average cost	268,186	247,323
Deferred clause expenses	127,046	81,451
Other	120,866	128,071
Total current assets	1,173,531	985,348
OTHER ASSETS:		
Special use funds of FPL	805,819	646,846
Other investments	326,855	447,006
Unamortized debt reacquisition costs of FPL	282,756	294,844
Other	246,473	233,201
Total other assets	1,661,903	1,621,897
TOTAL ASSETS	$12,219,323	$12,459,226
CAPITALIZATION:		
Common shareholders' equity	$ 4,592,132	$ 4,392,509
Preferred stock of FPL without sinking fund requirements	289,580	289,580
Preferred stock of FPL with sinking fund requirements	42,000	50,000
Long-term debt	3,144,313	3,376,613
Total capitalization	8,068,025	8,108,702
CURRENT LIABILITIES:		
Commercial paper	-	178,500
Current maturities of long-term debt and preferred stock	154,600	211,902
Accounts payable	307,836	305,126
Customers' deposits	267,928	235,048
Accrued interest and taxes	258,657	219,935
Deferred clause revenues	60,451	78,809
Other	224,992	274,823
Total current liabilities	1,274,464	1,504,143
OTHER LIABILITIES AND DEFERRED CREDITS:		
Accumulated deferred income taxes	1,530,538	1,587,449
Deferred regulatory credit - income taxes	128,638	144,351
Unamortized investment tax credits	250,641	281,966
Storm and property insurance reserve	222,577	177,498
Other	744,440	655,117
Total other liabilities and deferred credits	2,876,834	2,846,381
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$12,219,323	$12,459,226

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

FPL GROUP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Thousands of Dollars)

	Years Ended December 31, 1996	1995	1994
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 579,450	$ 553,311	$ 518,711
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	960,375	917,936	723,856
Increase (decrease) in deferred income taxes and related regulatory credit	(75,732)	(89,587)	92,774
Cost recovery clauses (1)	(63,953)	(48,447)	(82,142)
(Increase) decrease in materials, supplies and fossil fuel stock	(20,863)	61,985	20,291
Other - net	213,001	114,946	108,463
Net cash provided by operating activities	1,592,278	1,510,144	1,381,953
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures	(487,594)	(670,808)	(758,690)
Proceeds from properties held for sale	68,821	70,227	123,012
Other - net	(107,260)	(101,048)	61,744
Net cash used in investing activities	(526,033)	(701,629)	(573,934)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Issuance of first mortgage bonds and other long-term debt	-	177,512	172,850
Retirement of long-term debt and preferred stock	(337,664)	(574,343)	(470,720)
Decrease in commercial paper	(178,500)	(56,479)	(114,621)
Issuance of common stock	-	-	16,685
Repurchase of common stock	(81,636)	(69,394)	(123,733)
Dividends on common stock	(320,253)	(308,582)	(334,751)
Other - net	1,563	(16,802)	(19,993)
Net cash used in financing activities	(916,490)	(848,088)	(874,283)
Net increase (decrease) in cash and cash equivalents	149,755	(39,573)	(66,264)
Cash and cash equivalents at beginning of year	46,177	85,750	152,014
Cash and cash equivalents at end of year	$ 195,932	$ 46,177	$ 85,750
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:			
Cash paid for interest	$ 248,381	$ 275,542	$ 295,992
Cash paid for income taxes	$ 380,500	$ 390,800	$ 239,050
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:			
Additions to capital lease obligations	$ 86,332	$ 84,276	$ 63,479
Liabilities assumed for acquisition of property	$ 33,320	-	-

(1) Represents the effect on cash flows from operating activities of the net amounts deferred or recovered under the fuel and purchased power, oil-backout, energy conservation, capacity and environmental compliance cost recovery clauses.

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

FLORIDA POWER & LIGHT COMPANY
CONSOLIDATED STATEMENTS OF INCOME
(Thousands of Dollars)

	Years Ended December 31,		
	1996	1995	1994
OPERATING REVENUES	$5,986,428	$5,530,057	$5,342,656
OPERATING EXPENSES:			
Fuel, purchased power and interchange	2,130,583	1,721,730	1,715,345
Other operations and maintenance	1,127,559	1,138,347	1,230,171
Depreciation and amortization	954,802	909,357	713,352
Income taxes	329,034	347,341	322,435
Taxes other than income taxes	585,669	547,976	529,301
Total operating expenses	5,127,647	4,664,751	4,510,604
OPERATING INCOME	858,781	865,306	832,052
OTHER INCOME (DEDUCTIONS):			
Interest charges	(246,227)	(269,952)	(292,347)
Other - net	2,340	16,020	28,368
Total other deductions - net	(243,887)	(253,932)	(263,979)
NET INCOME	614,894	611,374	568,073
PREFERRED STOCK DIVIDENDS	23,732	43,402	39,558
NET INCOME AVAILABLE TO FPL GROUP, INC.	$ 591,162	$ 567,972	$ 528,515

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

FLORIDA POWER & LIGHT COMPANY
CONSOLIDATED BALANCE SHEETS
(Thousands of Dollars)

	December 31, 1996	December 31, 1995
ELECTRIC UTILITY PLANT:		
In service - original cost	$16,406,493	$16,034,653
Less accumulated depreciation	(7,610,786)	(6,832,201)
Net	8,795,707	9,202,452
Construction work in progress	220,136	317,739
Nuclear fuel under capital lease	182,163	179,100
Electric utility plant - net	9,198,006	9,699,291
CURRENT ASSETS:		
Cash and cash equivalents	78,417	412
Customer receivables, net of allowances of $12,176 and $11,737	460,120	479,838
Materials, supplies and fossil fuel stock - at average cost	247,597	230,553
Deferred clause expenses	127,046	81,451
Other	98,107	98,963
Total current assets	1,011,287	891,217
OTHER ASSETS:		
Special use funds	805,819	646,846
Unamortized debt reacquisition costs	282,756	294,844
Other	233,405	219,061
Total other assets	1,321,980	1,160,751
TOTAL ASSETS	$11,531,273	$11,751,259
CAPITALIZATION:		
Common shareholder's equity	$ 4,666,941	$ 4,473,708
Preferred stock without sinking fund requirements	289,580	289,580
Preferred stock with sinking fund requirements	42,000	50,000
Long-term debt	2,981,261	3,094,050
Total capitalization	7,979,782	7,907,338
CURRENT LIABILITIES:		
Commercial paper	-	178,500
Current maturities of long-term debt and preferred stock	4,040	204,000
Accounts payable	299,026	299,987
Customers' deposits	267,846	234,858
Accrued interest and taxes	300,842	210,559
Deferred clause revenues	60,451	78,809
Other	195,806	254,239
Total current liabilities	1,128,011	1,460,952
OTHER LIABILITIES AND DEFERRED CREDITS:		
Accumulated deferred income taxes	1,146,680	1,204,315
Deferred regulatory credit - income taxes	128,638	144,351
Unamortized investment tax credits	250,641	281,966
Storm and property insurance reserve	222,577	177,498
Other	674,944	574,839
Total other liabilities and deferred credits	2,423,480	2,382,969
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$11,531,273	$11,751,259

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

FLORIDA POWER & LIGHT COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Thousands of Dollars)

	Years Ended December 31,		
	1996	1995	1994
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 614,894	$ 611,374	$ 568,073
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	954,802	909,357	713,352
Decrease in deferred income taxes and related regulatory credit	(24,739)	(107,063)	(21,405)
Cost recovery clauses (1)	(63,953)	(48,447)	(82,142)
(Increase) decrease in materials, supplies and fossil fuel stock	(17,044)	61,985	20,291
Other - net	143,584	94,348	88,584
Net cash provided by operating activities	1,607,544	1,521,554	1,286,753
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures	(474,387)	(660,818)	(745,500)
Other - net	(123,444)	(73,049)	(29,394)
Net cash used in investing activities	(597,831)	(733,867)	(774,894)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Issuance of first mortgage bonds and other long-term debt	-	170,452	172,850
Retirement of long-term debt and preferred stock	(332,669)	(573,580)	(181,989)
Decrease in commercial paper	(178,500)	(46,500)	(124,600)
Capital contributions from FPL Group, Inc.	195,000	280,000	205,000
Dividends	(616,547)	(596,954)	(567,012)
Other - net	1,008	(21,228)	(22,889)
Net cash used in financing activities	(931,708)	(787,810)	(518,640)
Net increase (decrease) in cash and cash equivalents	78,005	(123)	(6,781)
Cash and cash equivalents at beginning of year	412	535	7,316
Cash and cash equivalents at end of year	$ 78,417	$ 412	$ 535
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:			
Cash paid for interest	$ 228,079	$ 252,459	$ 264,097
Cash paid for income taxes	$ 378,919	$ 478,708	$ 369,720
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:			
Additions to capital lease obligations	$ 86,332	$ 84,276	$ 63,479

(1) Represents the effect on cash flows from operating activities of the net amounts deferred or recovered under the fuel and purchased power, oil-backout, energy conservation, capacity and environmental compliance cost recovery clauses.

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 - Substantially all of FPL Group, Inc.'s (FPL Group) revenues are derived from Florida Power & Light Company (FPL) which supplies electric service to 3.6 million customers throughout most of the east and lower west coasts of Florida. Other operations mainly consist of investments in non-utility energy projects and agricultural operations.

The consolidated financial statements of FPL Group and FPL include the accounts of their respective 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 a public utility subject to regulation by the Florida Public Service Commission (FPSC) and the Federal Energy Regulatory Commission (FERC). Its rates are designed to recover the cost of providing electric service to its customers including a reasonable rate of return on invested capital. As a result of this cost-based regulation, FPL follows the accounting practices set forth in Statement of Financial Accounting Standard (FAS) 71, "Accounting for the Effects of Certain Types of Regulation." FAS 71 indicates that regulators can create assets and impose liabilities that would not be recorded by non-regulated entities. Regulatory assets and liabilities represent probable future revenues that will be recovered from or refunded to customers through the ratemaking process. Recoverability of regulatory assets is assessed at each reporting period.

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

In the event that FPL's operations are no longer subject to the provisions of FAS 71, as a result of market-based pricing due to regulatory or other changes, existing regulatory assets and liabilities would be written off unless regulators specify an alternative means of recovery or refund. The principal regulatory assets and liabilities are as follows:

	December 31,	
	1996	1995
	(Thousands of Dollars)	
Assets:		
Unamortized debt reacquisition costs	$ 294,844	$ 282,756
Plant-related deferred costs (included in other assets)	$ 46,191	$ 73,906
Nuclear maintenance cumulative effect adjustment (included in other assets)	$ 21,311	-
Deferred Department of Energy (DOE) assessment (included in other assets)	$ 52,598	$ 56,254
Liabilities:		
Deferred regulatory credit - income taxes	$ 128,638	$ 144,351
Unamortized investment tax credits	$ 250,641	$ 281,966
Storm and property insurance reserve	$ 222,577	$ 177,498

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

FPL has been taking steps to lower its costs of operations. In 1995, FPL began amortizing the plant-related deferred costs in the table above over a period of no more than five years as approved by the FPSC. In 1996, FPL received final approval from the FPSC of a program started in 1995 to amortize specified nuclear and fossil generating assets, the tax effect of certain tax basis differences and debt reacquisition costs (collectively, special amortization). The program calls for a continuing special nuclear amortization of $30 million per year plus, through 1997, an additional amount of amortization based on the level of sales achieved compared to a forecasted amount. Under this program, $160 million of special amortization was recorded in 1996 and $126 million in 1995. The 1996 amount includes, as depreciation and amortization expense, $20 million of amortization of the tax effects of tax basis differences. By the end of 1996, the approved amounts for nuclear and fossil generating assets had been completely amortized and accelerated amortization of regulatory assets had begun.

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 $161 million and $155 million at December 31, 1996 and 1995, respectively.

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

Electric Utility Plant, Depreciation and Amortization - The cost of additions to units of utility property is added to electric utility plant. The cost of units of utility property retired, less net salvage, is charged to accumulated depreciation. Maintenance and repairs of property as well as replacements and renewals of items determined to be less than units of utility property are charged to other operations and maintenance (O&M) expenses. At December 31, 1996, the generating, transmission, distribution and general facilities of FPL represented approximately 38%, 14%, 40% and 8%, respectively, of FPL's investment in electric utility plant in service, net of accumulated depreciation. Substantially all electric utility plant is subject to the lien of a mortgage securing FPL's first mortgage bonds.

Depreciation of utility property is primarily provided on a straight-line average remaining life basis and includes a provision for fossil plant dismantlement and nuclear plant decommissioning. For substantially all utility property, depreciation and fossil fuel plant dismantlement studies are performed at least every four years. The next studies are scheduled to be filed in 1997 and would be effective for 1998. The weighted annual composite depreciation rate was approximately 4.1% for 1996 and 4.0% for 1995 and 1994, excluding the effects of dismantlement and decommissioning. Further, the 1996 and 1995 rates exclude approximately $188 million and $163 million, respectively, of special and plant-related deferred costs amortization. See Regulation. The 1994 rate excludes $47 million of accelerated write-off of certain accumulated plant overhaul costs.

Nuclear Fuel - FPL leases nuclear fuel for all four of its nuclear units. Nuclear fuel lease payments were $94 million, $104 million and $115 million in 1996, 1995 and 1994, respectively. Included in these payments was an interest component of $10 million in 1996 and $11 million in both 1995 and 1994. The nuclear fuel lease payments and a charge for spent nuclear fuel disposal are charged to fuel expense on a unit of production method. These costs are recovered through the fuel and purchased power cost recovery clause (fuel clause). Under certain circumstances of lease termination, FPL is required to purchase all nuclear fuel in whatever form at a purchase price designed to allow the lessor to recover its net investment cost in the fuel, which totaled $182 million at December 31, 1996. For ratemaking, these leases are classified as operating leases. For financial reporting, the capital lease obligation is recorded at the amount due in the event of lease termination.

Decommissioning and Dismantlement of Generating Plant - FPL accrues nuclear decommissioning costs over the expected service life of each unit. Nuclear decommissioning studies are performed at least once every five years for FPL's four nuclear units and are submitted to the FPSC for approval. The next studies are scheduled for 1999. These studies assume prompt dismantlement for the Turkey Point Unit Nos. 3 and 4 with decommissioning activities commencing in 2012 and 2013, respectively. St. Lucie Unit No. 1 will be mothballed in 2016 until St. Lucie Unit No. 2 is ready for decommissioning in 2023. These studies also assume that FPL will be storing spent fuel on site pending removal to a U.S. Government facility. In January 1997, FPL joined a number of other utilities in a lawsuit against the DOE to suspend payments for future transportation and storage. Alternatively, the utilities proposed to hold the funds in escrow until a nuclear waste storage facility is available. Decommissioning expense accruals, included in depreciation and amortization expense, were $85 million in both 1996 and 1995 and $38 million in 1994. FPL's portion of the ultimate cost of decommissioning its four units, including dismantlement and reclamation, expressed in 1996 dollars, is currently estimated to aggregate $1.5 billion. At December 31, 1996 and 1995, the accumulated provision for nuclear decommissioning totaled $805 million and $666 million, respectively, and is included in accumulated depreciation.

Similarly, FPL accrues the cost of dismantling its fossil fuel plants over the expected service life of each unit. Fossil dismantlement expense totaled $17 million, $25 million and $11 million in 1996, 1995 and 1994, respectively, and is included in depreciation and amortization expense. The ultimate cost of dismantlement for the fossil units, expressed in 1996 dollars, is estimated to be $258 million. At December 31, 1996 and 1995, the accumulated provision for fossil dismantlement totaled $146 million and $130 million, respectively, and is a component of accumulated depreciation.

Restricted assets for the payment of future expenditures to decommission FPL's nuclear units are included in special use funds of FPL. At December 31, 1996 and 1995, decommissioning fund assets were $667 million and $534 million, respectively. Securities held in the decommissioning fund are carried at market value with market adjustments resulting in a corresponding adjustment to the accumulated provision for nuclear decommissioning. See Note 7. Contributions to the funds are based on current period decommissioning expense. Additionally, fund earnings, net of taxes are reinvested in the funds. The tax effects of amounts not yet recognized for tax purposes are included in accumulated deferred income taxes.

In 1996, the Financial Accounting Standards Board issued an exposure draft, "Accounting for Certain Liabilities Related to Closure or Removal of Long-Lived Assets." The primary effect of this exposure draft would be to change the way FPL accounts for nuclear decommissioning and fossil dismantlement costs. The exposure draft calls for recording the present value of estimated future cash flows to decommission FPL's nuclear power plants and dismantle its fossil power plants as an increase to asset balances and as a liability. This amount is currently estimated to be $1.4 billion. It is anticipated that there will be no effect on cash flows and, because of the regulatory treatment, there will be no significant effect on net income.

Accrual for Nuclear Maintenance Costs - In 1996, the FPSC approved a new method of accounting for costs associated with nuclear refueling outages. Under this new method, the estimated nuclear refueling and maintenance costs relating to each unit's next planned outage will be accrued over the period beginning when the unit resumes operations until the end of the next outage. Any difference between the estimated and actual costs will be included in O&M expenses when known. This approach will result in FPL recognizing costs equivalent to slightly less than three outages per year based upon the current refueling outage schedule for FPL's four nuclear units. The cumulative effect of adopting this accounting method was $35 million and, in accordance with the FPSC order, was recorded as a regulatory asset which will be amortized and included in O&M expenses over a period not to exceed five years. In 1996, $14 million of the cumulative adjustment was expensed.

Allowance for Funds Used During Construction (AFUDC) - AFUDC is a noncash item representing the allowed cost of capital, including a return on common equity, used to finance FPL's construction projects. In 1996, the FPSC eliminated the recording of AFUDC except for projects that cost in excess of 1/2% of a company's utility plant in service balance and recharacterized the construction work in progress balance as an element of rate base. AFUDC amounted to $2 million, $15 million and $24 million for the years ended December 31, 1996, 1995 and 1994, respectively, and is included in other - net in the consolidated statements of income.

Storm and Property Insurance Reserve Fund (storm fund) - The storm fund provides coverage toward storm damage costs and possible retrospective premium assessments stemming from a nuclear incident under the various insurance programs covering FPL's nuclear generating plants. The storm fund, which totaled $139 million and $113 million at December 31, 1996 and 1995, respectively, is included in special use funds of FPL. Securities held in the fund are carried at market value with market adjustments resulting in a corresponding adjustment to the storm and property insurance reserve. See Note 7 and Note 9 - Insurance. Fund earnings, net of taxes, are reinvested in the fund. The tax effects of amounts not yet recognized for tax purposes are included in accumulated deferred income taxes.

Other Investments - Included in other investments in FPL Group's consolidated balance sheets are non-majority owned interests in partnerships and joint ventures, essentially all of which are accounted for under the equity method. Additionally, other investments include FPL Group's participation in leveraged leases of $157 million and $158 million at December 31, 1996 and 1995, respectively.

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

Commercial Paper - The year end weighted-average interest rate on commercial paper at December 31, 1995 was 5.8%.

Retirement of Long-Term Debt - The excess of FPL's reacquisition cost over the book value of long-term debt is deferred and amortized to expense ratably over the remaining life of the original issue, which is consistent with its treatment in the ratemaking process. See Regulation. FPL Group Capital Inc (FPL Group Capital) expenses this cost in the period incurred.

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

2. Jointly-Owned Electric Utility Plant

FPL owns approximately 85% of the St. Lucie Unit No. 2, 20% of the St. Johns River Power Park units and coal terminal and approximately 76% of Scherer Unit No. 4. At December 31, 1996, FPL's gross investment in these units was $1.176 billion, $329 million and $570 million, respectively; accumulated depreciation was $434 million, $129 million and $138 million, respectively.

FPL is responsible for its share of the operating costs, as well as providing its own financing. At December 31, 1996, there was no significant balance of construction work in progress on these facilities.

3. Employee Retirement Benefits

Pension Benefits - Substantially all employees of FPL Group and its subsidiaries are covered by a noncontributory defined benefit pension plan. Plan benefits are generally based on employees' years of service and compensation during the last years of employment. Participants are vested after five years of service. All costs of the FPL Group pension plan are allocated to participating subsidiaries on a pro rata basis.

For 1996, 1995 and 1994 the components of pension cost are as follows:

	Years Ended December 31,		
	1996	1995	1994
	(Thousands of Dollars)		
Service cost	$ 38,302	$ 31,782	$ 37,423
Interest cost on projected benefit obligation	90,716	87,871	80,466
Actual return on plan assets	(123,278)	(350,237)	(11,293)
Net amortization and deferral	(24,269)	211,523	(118,770)
Negative pension cost	(18,529)	(19,061)	(12,174)
Effect of special retirement programs	-	5,338	-
FPL Group's pension cost	$ (18,529)	$ (13,723)	$ (12,174)
Pension cost allocated to FPL	$ (18,285)	$ (13,432)	$ (11,966)

FPL Group and its subsidiaries fund the pension cost calculated under the entry age normal level percentage of pay actuarial cost method, provided that this amount satisfies the minimum funding standards of the Employee Retirement Income Security Act of 1974, as amended, and is not greater than the maximum tax deductible amount for the year. No contributions to the plan were required for 1996, 1995 or 1994.

A reconciliation of the funded status of the plan to the amounts recognized in FPL Group's consolidated balance sheets is presented below:

	September 30, 1996	December 31, 1995
	(Thousands of Dollars)	
Plan assets at fair value, primarily listed stocks and bonds	$1,996,405	$1,910,986
Actuarial present value of benefits for services rendered to date:		
Accumulated benefits based on salaries to date, including vested benefits of $898 million and $924 million	950,865	982,159
Additional benefits based on estimated future salary levels	311,294	447,120
Projected benefit obligation	1,262,159	1,429,279
Plan assets in excess of projected benefit obligation	734,246	481,707
Prior service costs not recognized in net periodic pension cost	174,740	187,463
Unrecognized net asset at January 1, 1986, being amortized over 19 years - net of accumulated amortization	(186,847)	(210,203)
Unrecognized net gain	(674,950)	(430,307)
Prepaid pension cost of FPL Group	$ 47,189	$ 28,660
Prepaid pension cost allocated to FPL	$ 43,354	$ 25,069

The weighted-average discount rate used in determining the actuarial present value of the projected benefit obligation was 7.00% and 6.75% for 1996 and 1995, respectively. The assumed rate of increase in future compensation levels was 5.5% for both years. The expected long-term rate of return on plan assets used in determining pension cost was 7.75% for 1996, 1995 and 1994. In 1996, FPL Group elected to change the measurement date for pension obligations and plan assets from December 31 to September 30. The effect of this accounting change is not material.

Other Postretirement Benefits - FPL Group and its subsidiaries have defined benefit postretirement plans for health care and life insurance benefits that cover substantially all employees. All costs of the FPL Group plans are allocated to participating subsidiaries on a pro rata basis. Eligibility for health care benefits is based upon age plus years of service at retirement. The plans are contributory and contain cost-sharing features such as deductibles and coinsurance. FPL Group has capped company contributions for postretirement health care at a defined level which, depending on actual claims experience, may be reached by the year 2004. Generally, life insurance benefits for retirees are capped at $50,000. FPL Group's policy is to fund postretirement benefits in amounts determined at the discretion of management.

For 1996, 1995 and 1994, the components of net periodic postretirement benefit cost are as follows:

	Years Ended December 31,		
	1996	1995	1994
	(Thousands of Dollars)		
Service cost	$ 4,921	$ 4,216	$ 4,717
Interest cost	18,138	18,119	17,336
Actual return on plan assets	(4,621)	(23,742)	(749)
Amortization of transition obligation	3,485	3,485	3,485
Net amortization and deferral	(2,324)	16,479	(6,156)
FPL Group's postretirement benefit cost	$19,599	$ 18,557	$18,633
Postretirement benefit cost allocated to FPL	$19,464	$ 18,326	$18,436

A reconciliation of the funded status of the plan to the amounts recognized in FPL Group's consolidated balance sheets is presented below:

	September 30, 1996	December 31, 1995
	(Thousands of Dollars)	
Plan assets at fair value, primarily listed stocks and bonds	$ 107,334	$ 110,435
Accumulated postretirement benefit obligation:		
Retirees	188,618	172,572
Fully eligible active plan participants	3,327	3,194
Other active plan participants	81,604	94,128
Total	273,549	269,894
Accumulated postretirement benefit obligation in excess of plan assets	(166,215)	(159,459)
Unrecognized net transition obligation (amortized over 20 years)	55,762	59,247
Unrecognized net loss	10,002	18,269
Accrued postretirement benefit liability of FPL Group	$(100,451)	$ (81,943)
Accrued postretirement benefit liability allocated to FPL	$ (99,568)	$ (81,194)

The weighted-average annual assumed rate of increase in the per capita cost of covered benefits (i.e., health care cost trend rate) for 1996 is 7.5% for retirees under age 65 and 6.5% for retirees over age 65. These rates are assumed to decrease gradually to 5.0% by 2003. The cap on FPL Group's contributions mitigates the potential significant increase in costs resulting from an increase in the health care cost trend rate. Increasing the assumed health care cost trend rate by one percentage point would increase the plan's accumulated postretirement benefit obligation as of September 30, 1996 by $8 million, and the aggregate of the service and interest cost components of net periodic postretirement benefit cost of the plan for 1996 by approximately $1 million.

The weighted-average discount rate used in determining the accumulated postretirement benefit obligation was 7.00% and 6.75% for 1996 and 1995, respectively. The expected long-term rate of return on plan assets used in determining postretirement benefit cost was 7.75% for 1996, 1995 and 1994. In 1996, FPL Group elected to change the measurement date for benefit obligations and plan assets from December 31 to September 30. The effect of this accounting change is not material.

4. Common Shareholders' Equity

FPL Group - The changes in FPL Group's common shareholders' equity accounts are as follows:

Common Stock (1)	Additional	Common

	Shares	Aggregate Par Value	Paid-In Capital	Unearned Compensation	Retained Earnings	Shareholders' Equity
			(In Thousands)			
Balances, December 31, 1993	190,065	$1,901	$3,589,994	$(321,121)	$ 829,833	
Net income	-	-	-	-	518,711	
Issuance of common stock	506	5	16,680	-	-	
Repurchase of common stock ...	(4,000)	(40)	(123,693)	-	-	
Dividends on common stock	-	-	-	-	(334,751)	
Earned compensation under ESOP	-	-	1,964	16,900	-	
Other	-	-	852	-	-	
Balances, December 31, 1994	186,571(2)	1,866	3,485,797	(304,221)	1,013,793	
Net income	-	-	-	-	553,311	
Repurchase of common stock ...	(1,878)	(19)	(69,375)	-	-	
Dividends on common stock	-	-	-	-	(308,582)	
Earned compensation under ESOP	-	-	5,030	16,741	-	
Other	-	-	(1,832)	-	-	
Balances, December 31, 1995	184,693(2)	1,847	3,419,620	(287,480)	1,258,522	$4,392,509
Net income	-	-	-	-	579,450	
Repurchase of common stock ...	(1,861)	(19)	(81,636)	-	-	
Dividends on common stock	-	-	-	-	(320,253)	
Earned compensation under ESOP	-	-	7,991	14,932	-	
Other	(17)	-	(842)	-	-	
Balances, December 31, 1996	182,815(2)	$1,828	$3,345,133	$(272,548)	$1,517,719	$4,592,132

(1) $.01 par value, authorized - 300,000,000 shares; outstanding 182,815,135 and 184,692,965 at December 31, 1996 and 1995, respectively.
(2) Outstanding and unallocated shares held by the ESOP Trust totaled 9.3 million, 9.8 million and 10.4 million at December 31, 1996, 1995 and 1994, respectively.

Common Stock Dividend Restrictions - FPL Group's charter does not limit the dividends that may be paid on its common stock. As a practical matter, the ability of FPL Group to pay dividends on its common stock is dependent upon dividends paid to it by its subsidiaries, primarily FPL. FPL's charter and a mortgage securing FPL's first mortgage bonds contain provisions that, under certain conditions, restrict the payment of dividends and other distributions to FPL Group. These restrictions do not currently limit FPL's ability to pay dividends to FPL Group. In 1996, 1995 and 1994, FPL paid, as dividends to FPL Group, its net income available to FPL Group on a one-month lag basis.

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

ESOP-related compensation expense of approximately $23 million in 1996 and $18 million in both 1995 and 1994 was recognized based on the fair value of shares allocated to employee accounts during the period. Interest income on the ESOP loan is eliminated in consolidation. ESOP-related unearned compensation included as a reduction of shareholders' equity at December 31, 1996 was approximately $269 million, representing 9.3 million unallocated shares at the original issue price of $29 per share. The fair value of the ESOP-related unearned compensation account using the closing price of FPL Group stock as of December 31, 1996 was approximately $427 million.

Long-Term Incentive Plan - In 1994, FPL Group's board of directors and its shareholders approved FPL Group's current long-term incentive plan. Under this plan, 9 million shares of common stock are reserved and available for awards to officers and employees of FPL Group and its subsidiaries as of December 31, 1996. Total compensation charged against earnings under the incentive plan, and the effect on earnings per share, were not material in any year. The changes in share awards under the incentive plan are as follows:

	Performance Shares	Restricted Stock	Non-qualified Option Shares
Balances, December 31, 1993	280,059	166,323	50,076
Granted	102,720	29,000	-
Exercised at $30 7/8	-	-	(8,941)
Paid/released	-	(6,223)	-
Forfeited	(5,589)	(1,350)	(2,748)
Balances, December 31, 1994	377,190	187,750	38,387
Granted (1)	97,786	13,500	-
Exercised at $30 7/8	-	-	(23,136)
Paid/released	(123,328)	(3,000)	-
Forfeited	(31,312)	(4,050)	(4,066)
Balances, December 31, 1995	320,336	194,200	11,185
Granted (1)	90,772	23,000	-
Exercised at $30 7/8	-	-	(10,935)
Paid/released	(60,359)	(34,250)	-
Forfeited	(39,222)	(16,650)	(250)
Balances, December 31, 1996	311,527(2)	166,300(3)	-

(1) The average grant date fair value of equity instruments issued under the incentive plan was $5 million in 1996 and $4 million in 1995.
(2) Payment of performance shares is based on the market price of FPL Group's common stock when the related performance goal is achieved.
(3) Shares of restricted stock were issued at market value at the date of the grant.

The requirements of FAS 123, "Accounting for Stock-Based Compensation," became effective in 1996. The statement encourages, but does not require, a fair value-based method of accounting for stock-based compensation. FPL Group elected to continue the use of the intrinsic value-based method of accounting; however, implementation of FAS 123 would not have a material effect on FPL Group's results of operations or earnings per share.

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

FPL - The changes in FPL's common shareholder's equity accounts are as follows:

	Common Stock (1)	Additional Paid-in Capital	Retained Earnings	Common Share-holder's Equity
		(Thousands of Dollars)		
Balances, December 31, 1993	$1,373,069	$1,741,436	$ 864,920	
Contributions from FPL Group	-	205,000	-	
Net income available to FPL Group	-	-	528,515	
Dividends to FPL Group	-	-	(527,454)	
Other	-	100	-	
Balances, December 31, 1994	1,373,069	1,946,536	865,981	
Contributions from FPL Group	-	280,000	-	
Net income available to FPL Group	-	-	567,972	
Dividends to FPL Group	-	-	(557,923)	
Other	-	2,057	(3,986)	
Balances, December 31, 1995	1,373,069	2,228,593	872,046	$4,473,708
Contributions from FPL Group	-	1[illegible],000	-	
Net income available to FPL Group	-	-	591,162	
Dividends to FPL Group	-	-	(592,815)	
Other	-	166	(280)	
Balances, December 31, 1996	$1,373,069	$2,423,759	$ 870,113	$4,666,941

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

5. Preferred Stock

FPL Group's charter authorizes the issuance of 100 million shares of serial preferred stock, $.01 par value. None of these shares is outstanding. FPL Group has reserved 3 million shares for issuance upon exercise of preferred share purchase rights which expire in June 2006. Preferred stock of FPL consists of the following: [1]

	December 31, 1996 Shares Outstanding	December 31, 1996 Redemption Price	December 31, 1996 (Thousands of Dollars)	December 31, 1995 (Thousands of Dollars)
Cumulative, No Par Value, authorized 10,000,000 shares at December 31, 1996 and 1995; without sinking fund requirements - $2.00 No Par Value, Series A (Involuntary Liquidation Value $25 Per Share) (2)	2,533,188	$ 27.00	$ 63,330	$ 63,330
Cumulative, $100 Par Value, authorized 15,822,500 shares at December 31, 1996 and 1995:				
Without sinking fund requirements:				
4 1/2% Series	100,000	$101.00	10,000	10,000
4 1/2% Series A	50,000	$101.00	5,000	5,000
4 1/2% Series B	50,000	$101.00	5,000	5,000
4 1/2% Series C	62,500	$103.00	6,250	6,250
4.32% Series D	50,000	$103.50	5,000	5,000
4.35% Series E	50,000	$102.00	5,000	5,000
7.28% Series F	-	-	-	60,000
7.40% Series G	-	-	-	40,000
6.98% Series S	750,000	-(3)	75,000	75,000
7.05% Series T	500,000	-(3)	50,000	50,000
6.75% Series U	650,000	-(3)	65,000	65,000
Total preferred stock of FPL without sinking fund requirements	4,795,688		289,580	389,580
Less current maturities	-		-	100,000
Total preferred stock of FPL without sinking fund requirements, excluding current maturities	4,795,688		$289,580	$289,580
With sinking fund requirements(4):				
6.84% Series Q (5)	410,000	$102.28	$ 41,000	$ 44,000
8.625% Series R (6)	50,000	$104.60	5,000	10,000
Total preferred stock of FPL with sinking fund requirements	460,000		46,000	54,000
Less current maturities	40,000		4,000	4,000
Total preferred stock of FPL with sinking fund requirements, excluding current maturities	420,000		$ 42,000	$ 50,000

(1) FPL's charter authorizes the issuance of 5 million shares of subordinated preferred stock, no par value. None of these shares is outstanding. There were no issuances of preferred stock in 1996, 1995 and 1994. In 1996, FPL redeemed 600,000 shares of its 7.28% Preferred Stock, Series F, $100 Par Value and 400,000 shares of its 7.40% Preferred Stock, Series G, $100 Par Value.

(2) In 1995, 2,466,812 shares were tendered, accepted for exchange and retired by FPL pursuant to its offer to exchange each such share for $25 in principal amount of 8.75% Quarterly Income Debt Securities (Subordinated Deferrable Interest Debentures). In February 1997, FPL issued notices to redeem all of the outstanding shares in March 1997.

(3) Not redeemable prior to 2003.

(4) Minimum annual sinking fund requirements on preferred stock are $4 million for 1997 and 1998 and approximately $2 million per year for 1999 through 2001. In the event that FPL should be in arrears on its sinking fund obligations, FPL may not pay dividends on common stock.

(5) Entitled to a sinking fund to retire a minimum of 15,000 shares and a maximum of 30,000 shares annually from 1997 through 2024 at $100 per share plus accrued dividends. FPL redeemed and retired 45,000 shares in 1994, satisfying the 1994 and 1995 minimum annual sinking fund requirement. In 1996, FPL redeemed and retired 30,000 shares. In February 1997, FPL issued notices to redeem and retire 30,000 shares on April 1, 1997.

(6) FPL redeemed and retired 400,000 shares in 1995. In 1996, FPL redeemed and retired 50,000 shares. In February 1997, FPL issued notices to redeem and retire the remaining 50,000 shares on April 1, 1997.

6. Long-Term Debt [1][2]

Long-term debt consists of the following:

	December 31, 1996	December 31, 1995
	(Thousands of Dollars)	
FPL		
First mortgage bonds:		
Maturing through 2000 - 5 3/8% to 5 1/2%	$ 355,000	$ 355,000
Maturing 2001 through 2015 - 6 5/8% to 7 7/8%	659,738	661,838
Maturing 2016 through 2026 - 7% to 8 1/2%	910,452	1,024,702
Medium-term notes:		
Maturing through 2000 - 5.50% to 6.20%	180,300	280,300
Maturing 2001 through 2015 - 5.79% to 8.20%	106,500	106,500
Maturing 2016 through 2022 - 8%	98,610	98,610
Pollution control and industrial development series - Maturing 2020 through 2027 - 6.7% to 7.5%	150,135	150,135
Pollution control, solid waste disposal and industrial development revenue bonds - Maturing 2021 through 2029 - variable, 3.6% and 4.3% average annual interest rate, respectively	483,735	483,735
Installment purchase and security contracts - maturing 2007 - 5.9%	2,000	2,000
Quarterly Income Debt Securities (Subordinated Deferrable Interest Debentures) - maturing 2025 - 8.75% (3)	61,670	61,670
Unamortized discount - net	(26,839)	(30,440)
Total long-term debt of FPL	2,981,301	3,194,050
Less current maturities	40	100,000
Long-term debt of FPL, excluding current maturities	2,981,261	3,094,050
FPL Group Capital		
Debentures:		
Maturing 1997 - 6 1/2%	150,000	150,000
Maturing 2013 - 7 5/8%	125,000	125,000
Other long-term debt - 6.5% to 8.44% due various dates to 2013	40,740	17,655
Unamortized discount	(2,128)	(2,190)
Total long-term debt of FPL Group Capital	313,612	290,465
Less current maturities	150,560	7,902
Long-term debt of FPL Group Capital, excluding current maturities	163,052	282,563
Total long-term debt	$3,144,313	$3,376,613

(1) Minimum annual maturities and sinking fund requirements of long-term debt for FPL Group for 1997-2001 are approximately $151 million, $180 million, $261 million, $125 million and $40 thousand, respectively. The respective amounts for FPL are $40 thousand, $180 million, $230 million, $125 million and $40 thousand.

(2) Available lines of credit aggregated approximately $1.3 billion at December 31, 1996, all of which were based on firm commitments.

(3) In February 1997, FPL issued notices to redeem all of the outstanding Quarterly Income Debt Securities (Subordinated Deferrable Interest Debentures).

7. Financial Instruments

The carrying amounts of cash equivalents and commercial paper approximate their fair values. Certain investments of FPL Group, included in other investments, are carried at estimated fair value which was $66 million and $84 million at December 31, 1996 and 1995, respectively. The following estimates of the fair value of financial instruments have been made using available market information and other valuation methodologies. However, the use of different market assumptions or methods of valuation could result in different estimated fair values.

	December 31, 1996 Carrying Amount	1996 Estimated Fair Value(1)	1995 Carrying Amount	1995 Estimated Fair Value(1)
	(Thousands of Dollars)			
Preferred stock of FPL with sinking fund requirements (2)	$ 46,000	$ 46,979	$ 54,000	$ 55,520
Long-term debt of FPL (2)	$2,981,301	$3,001,265	$3,194,050	$3,285,925
Long-term debt of FPL Group (2)	$3,294,913	$3,318,588	$3,484,515	$3,588,835

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

(2) Includes current maturities.

Special Use Funds - Securities held in the special use funds are carried at estimated fair value. Approximately two-thirds of the nuclear decommissioning fund consists of municipal and corporate debt securities with a weighted-average maturity of 9 years. The remaining balance consists of equity securities. The storm fund primarily consists of municipal debt securities with a weighted-average maturity of 5 years. The cost of securities sold is determined on the specific identification method. The funds had realized gains of $8 million and realized losses of $9 million in 1996, $13 million and $4 million in 1995 and $6 million and $8 million in 1994, respectively. The funds had unrealized gains of $55 million and $33 million at December 31, 1996 and 1995, respectively; there were no significant unrealized losses at those periods. The proceeds from the sale of securities in 1996, 1995 and 1994 were $1.05 billion, $950 million and $650 million, respectively. A shift in the asset mix of the decommissioning fund occurred in recent years due to certain tax law changes.

8. Income Taxes

The components of income taxes are as follows:

	FPL Group Years Ended December 31,			FPL Years Ended December 31,		
	1996	1995	1994	1996	1995	1994
	(Thousands of Dollars)					
Federal:						
Current	$355,091	$380,792	$203,407	$387,514	$395,480	$314,956
Deferred	(76,692)	(78,467)	83,135	(80,662)	(84,630)	(22,125)
ITC - net	(31,442)	(20,957)	(21,205)	(31,324)	(20,832)	(20,996)
Total federal	246,957	281,368	265,337	275,528	290,018	271,837
State:						
Current	63,180	58,426	32,020	53,953	64,427	46,152
Deferred	(16,275)	(11,200)	9,925	(447)	(7,104)	4,446
Total state	46,905	47,226	41,945	53,506	57,323	50,598
Income taxes charged to operations - FPL				329,034	347,341	322,435
Credited to other income (deductions) - FPL				(7,448)	(5,047)	(3,026)
Total income taxes	$293,862	$328,594	$307,282	$321,586	$342,294	$319,409

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

	FPL Group Years Ended December 31,			FPL Years Ended December 31,		
	1996	1995	1994	1996	1995	1994
Statutory federal income tax rate	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
Increases (reductions) resulting from:						
State income taxes - net of federal income tax benefit	3.5	3.5	3.3	3.7	3.9	3.7
Amortization of ITC	(3.6)	(2.4)	(2.6)	(3.3)	(2.2)	(2.4)
Preferred stock dividends - FPL	1.0	1.7	1.7	-	-	-
Other - net	(2.3)	(.5)	(.2)	(1.1)	(.8)	(.3)
Effective income tax rate	33.6%	37.3%	37.2%	34.3%	35.9%	36.0%

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,	
	1996	1995	1996	1995
	(Thousands of Dollars)			
Deferred tax liabilities:				
Property-related	$1,707,705	$1,704,643	$1,676,497	$1,670,242
Investment-related	384,023	371,298	-	-
Unamortized debt reacquisition costs and other	342,274	222,279	188,499	145,180
Total deferred tax liabilities	2,434,002	2,298,220	1,864,996	1,815,422
Deferred tax assets and valuation allowance:				
Asset writedowns and capital loss carryforward	154,864	263,149	-	-
Unamortized ITC and deferred regulatory credit - income taxes	146,825	164,451	146,825	164,451
Storm and decommissioning reserves	223,694	200,890	223,694	200,890
Other	442,151	289,885	347,797	245,766
Valuation allowance	(64,070)	(207,604)	-	-
Net deferred tax assets	903,464	710,771	718,316	611,107
Accumulated deferred income taxes	$1,530,538	$1,587,449	$1,146,680	$1,204,315

Certain deferred tax assets and the related valuation allowance decreased during 1996. These accounts primarily relate to a capital loss carryforward from the disposition of an FPL Group Capital subsidiary in a prior year. The amount of the deductible loss from this disposition was limited by Internal Revenue Service (IRS) rules. The carryforward period expired at the end of 1996. FPL Group is challenging the IRS loss limitations and the IRS is disputing certain positions taken by FPL Group. Tax benefits, if any, associated with these matters will be reported in future periods when resolved.

9. Commitments and Contingencies

Commitments - FPL has made commitments in connection with a portion of its projected capital expenditures. Capital expenditures for the construction or acquisition of additional facilities and equipment to meet customer demand are estimated to be approximately $1.6 billion for 1997 through 1999. Included in this three-year forecast are capital expenditures for 1997 of approximately $590 million. FPL Group Capital and its subsidiaries, primarily ESI Energy, Inc., have guaranteed approximately $120 million of lease obligations, debt service payments and other payments subject to certain contingencies.

Insurance - Liability for accidents at nuclear power plants is governed by the Price-Anderson Act, which limits the liability of nuclear reactor owners to the amount of the insurance available from private sources and under an industry retrospective payment plan. In accordance with this Act, FPL maintains $200 million of private liability insurance, which is the maximum obtainable, and participates in a secondary financial protection system under which it is subject to retrospective assessments of up to $327 million per incident at any nuclear utility reactor in the United States, payable at a rate not to exceed $40 million per incident per year.

FPL participates in nuclear insurance mutual companies that provide $2.75 billion of limited insurance coverage for property damage, decontamination and premature decommissioning risks at its nuclear plants. The proceeds from such insurance, however, must first be used for reactor stabilization and site decontamination before they can be used for plant repair. FPL also participates in an insurance program that provides limited coverage for replacement power costs if a plant is out of service because of an accident. In the event of an accident at one of FPL's or another participating insured's nuclear plants, FPL could be assessed up to $70 million in retrospective premiums.

FPL also participates in a program that provides $200 million of tort liability coverage for nuclear worker claims. In the event of a tort claim by an FPL or another insured's nuclear worker, FPL could be assessed up to $12 million in retrospective premiums per incident.

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

FPL self-insures certain of its transmission and distribution (T&D) property due to the high cost and limited coverage available from third-party insurers. FPL maintains a funded storm and property insurance reserve, which totaled approximately $223 million at December 31, 1996, for T&D property storm damage or assessments under the nuclear insurance program. Recovery from customers of any losses in excess of the storm and property insurance reserve will require the approval of the FPSC. FPL's available lines of credit include $300 million to provide additional liquidity in the event of a T&D property loss.

Contracts - FPL has entered into certain long-term purchased power and fuel contracts. Take-or-pay purchased power contracts with the Jacksonville Electric Authority (JEA) and with subsidiaries of the Southern Company (Southern Companies) provide approximately 1,300 megawatts (mw) of power through mid-2010 and 374 mw through 2022. FPL also has various firm pay-for-performance contracts to purchase approximately 1,000 mw from certain cogenerators and small power producers (qualifying facilities) with expiration dates ranging from 2002 through 2026. The purchased power contracts provide for capacity and energy payments. Energy payments are based on the actual power taken under these contracts. Capacity payments for the pay-for-performance contracts are subject to the qualifying facilities meeting certain contract conditions. The fuel contracts provide for the transportation and supply of natural gas and coal and the supply and use of Orimulsion. Orimulsion is a new fuel which FPL expected to begin using in 1998. The contract and related use of this fuel is subject to regulatory approvals. In 1996, Florida's Power Plant Siting Board denied FPL's request to burn Orimulsion at the Manatee power plant. FPL has appealed the denial to the First District Court of Appeal of the State of Florida.

The required capacity and minimum payments through 2001 under these contracts are estimated to be as follows:

	1997	1998	1999	2000	2001
		(Millions of Dollars)			
Capacity payments:					
JEA	$ 80	$ 80	$ 80	$ 80	$ 90
Southern Companies	$130	$130	$120	$130	$130
Qualifying facilities	$330	$340	$350	$360	$370
Minimum payments, at projected prices:					
Natural gas, including transportation	$210	$200	$210	$210	$210
Orimulsion (1)	-	-	$140	$140	$140
Coal	$ 50	$ 50	$ 40	$ 40	$ 30

(1) All of FPL's Orimulsion-related contract obligations are subject to obtaining the required regulatory approvals.

Capacity, energy and fuel charges under these contracts were as follows:

	1996 Charges		1995 Charges		1994 Charges	
	Capacity	Energy/ Fuel (1)	Capacity	Energy/ Fuel (1)	Capacity	Energy/ Fuel (1)
			(Millions of Dollars)			
JEA	$ 77(2)	$ 49	$ 83(2)	$ 47	$ 82(2)	$ 48
Southern Companies	$115(3)	$ 99	$130(3)	$ 94	$186(3)	$124
Qualifying facilities	$279(3)	$125	$158(3)	$ 92	$137(3)	$ 68
Natural gas	-	$422	-	$361	-	$232
Coal	-	$ 49	-	$ 37	-	$ 33

(1) Recovered through the fuel clause.
(2) Recovered through base rates and the capacity cost recovery clause (capacity clause).
(3) Recovered through the capacity clause.

Litigation - The Florida Municipal Power Agency (FMPA), an organization comprised of municipal electric utilities, has sued FPL for allegedly breaching a "contract" to provide transmission service to the FMPA and its members and for breaching antitrust laws by monopolizing or attempting to monopolize the provision, coordination and transmission of electric power in refusing to provide transmission service, or to permit the FMPA to invest in and use FPL's transmission system, on the FMPA's proposed terms. The FMPA seeks $140 million in damages, before trebling for the antitrust claim, and court orders requiring FPL to permit the FMPA to invest in and use FPL's transmission system on "reasonable terms and conditions" and on a basis equal to FPL. In 1995, the Court of Appeals vacated the District Court's summary judgment in favor of FPL and remanded the matter to the District Court for further proceedings. In 1996, the District Court ordered the FMPA to seek a declaratory ruling from the FERC regarding certain issues in the case. All other action in the case has been stayed pending the FERC's ruling.

A former cable installation contractor for Telesat Cablevision, Inc. (Telesat), a wholly-owned subsidiary of FPL Group Capital, sued FPL Group, FPL Group Capital and Telesat for breach of contract, fraud, violation of racketeering statutes and several other claims. The trial court entered a judgment in favor of FPL Group and Telesat on nine of twelve counts, including all of the racketeering and fraud claims, and in favor of FPL Group Capital on all counts. It also denied all parties' claims for attorneys' fees. However, the jury in the case awarded the contractor damages totaling approximately $6 million against FPL Group and Telesat for breach of contract and tortious interference. All parties have appealed.

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

10. Summarized Financial Information of FPL Group Capital (Unaudited)

FPL Group Capital's debentures are guaranteed by FPL Group. Operating revenues of FPL Group Capital for the three years ended December 31, 1996, 1995 and 1994 were $50 million, $62 million and $80 million, respectively. For the same periods, operating expenses were $65 million, $77 million and $84 million, respectively. Net income for 1996, 1995 and 1994 was $11 million, $2 million and $7 million, respectively.

At December 31, 1996, FPL Group Capital had $144 million of current assets, $857 million of noncurrent assets, $182 million of current liabilities and $595 million of noncurrent liabilities. At December 31, 1995, FPL Group Capital had current assets of $89 million, noncurrent assets of $934 million, current liabilities of $74 million and noncurrent liabilities of $787 million.

11. Quarterly Data (Unaudited)

Condensed consolidated quarterly financial information for 1996 and 1995 is as follows:

	March 31 (1)	June 30 (1)	September 30 (1)	December 31 (1)
	(In thousands, except per share amounts)			
FPL Group:				
1996				
Operating revenues	$ 1,357,707	$ 1,474,086	$ 1,769,599	$ 1,435,386
Operating income	$ 223,374	$ 299,288	$ 459,133	$ 189,026
Net income	$ 93,712	$ 150,313	$ 250,116	$ 85,309
Earnings per share	$ 0.54	$ 0.86	$ 1.44	$ 0.49
Dividends per share	$ 0.46	$ 0.46	$ 0.46	$ 0.46
High-low trading prices	$ 48 - 42 1/8	$46 1/4 - 41 1/2	$46 5/8 - 42 5/8	$48 1/8 - 43 1/8
1995				
Operating revenues	$ 1,177,366	$ 1,466,724	$ 1,587,037	$ 1,361,358
Operating income	$ 248,797	$ 312,191	$ 447,935	$ 188,183
Net income	$ 99,840	$ 138,302	$ 240,449	$ 74,720
Earnings per share	$ 0.57	$ 0.79	$ 1.37	$ 0.43
Dividends per share	$ 0.44	$ 0.44	$ 0.44	$ 0.44
High-low trading prices	$ 37 1/4 - 34	$39 1/4 - 36 1/8	$ 41 1/8 - 37	$46 1/2 - 40 1/4
FPL:				
1996				
Operating revenues	$ 1,340,742	$ 1,454,997	$ 1,760,939	$ 1,429,750
Operating income	$ 166,805	$ 218,757	$ 316,926	$ 156,293
Net income	$ 107,153	$ 158,357	$ 253,027	$ 96,357
Net income available to FPL Group	$ 100,719	$ 152,591	$ 247,260	$ 90,592
1995				
Operating revenues	$ 1,156,269	$ 1,446,203	$ 1,579,549	$ 1,348,036
Operating income	$ 185,616	$ 219,554	$ 306,782	$ 153,354
Net income	$ 119,442	$ 153,804	$ 245,747	$ 92,381
Net income available to FPL Group	$ 107,289	$ 144,765	$ 236,757	$ 79,161

(1) In the opinion of FPL Group and FPL, all adjustments, which consist of normal recurring accruals necessary to present a fair statement of such amounts for such periods, have been made. Results of operations for an interim period may not give a true indication of results for the calendar year. The change in the method of accounting for the cost of nuclear refueling outages described in Note 1 did not have a material effect on the operating results of any quarter.

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

None

PART III

Item 10. Directors and Executive Officers of the Registrants

FPL Group - The information required by this Item will be included in FPL Group's Definitive Proxy Statement which will be filed with the Securities and Exchange Commission in connection with the 1997 Annual Meeting of Shareholders (FPL Group's Proxy Statement) and is incorporated herein by reference, or is included in Item I. Business - Executive Officers of the Registrants.

FPL DIRECTORS[1]

James L. Broadhead. Mr. Broadhead, 61, is chairman and chief executive officer of FPL and chairman, president and chief executive officer of FPL Group. He is a director of Barnett Banks, Inc., Delta Air Lines, Inc. and The Pittston Company, and a board fellow of Cornell University. Mr. Broadhead has been a director of FPL and FPL Group since 1989.

Dennis P. Coyle. Mr. Coyle, 58, is general counsel and secretary of FPL and FPL Group. Mr. Coyle has been a director of FPL since 1990.

Paul J. Evanson. Mr. Evanson, 55, became the president of FPL in January 1995, after having served as senior vice president, finance and chief financial officer of FPL and vice president, finance and chief financial officer of FPL Group since December 1992. Prior to that, he was president and chief operating officer of Lynch Corporation, a diversified holding company. He is a director of Lynch Corporation and Southern Energy Homes, Inc. Mr. Evanson has been a director of FPL since 1992 and a director of FPL Group since 1995.

Lawrence J. Kelleher. Mr. Kelleher, 49, is senior vice president, human resources of FPL and vice president, human resources of FPL Group. Mr. Kelleher has been a director of FPL since 1990.

Thomas F. Plunkett. Mr. Plunkett, 57, is president of FPL's nuclear division. He was formerly site vice president at Turkey Point. Mr. Plunkett has been a director of FPL since 1996.

C. O. Woody. Mr. Woody, 58, is senior vice president, power generation of FPL. Mr. Woody has been a director of FPL since 1989.

Michael W. Yackira. Mr. Yackira, 45, became senior vice president, finance and chief financial officer of FPL and vice president, finance and chief financial officer of FPL Group in January 1995 and was senior vice president, market and regulatory services of FPL from May 1991 to January 1995. Mr. Yackira has been a director of FPL since 1990.

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

Item 11. Executive Compensation

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

FPL - The following table sets forth FPL's portion of the compensation paid during the past three years to FPL's chief executive officer and the other four most highly-compensated persons who served as executive officers of FPL at December 31, 1996.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Annual Compensation: Salary	Annual Compensation: Bonus	Annual Compensation: Other Annual Compensation	Long-Term Compensation Payouts: Long Term Incentive Plan Payouts(1)	All Other Compensation(2)
James L. Broadhead (3)	1996	$799,800	$633,423	$10,601	$920,892	$12,727
Chairman of the Board and Chief Executive Officer of FPL and FPL Group, President of FPL Group	1995	749,567	637,000	30,342	947,387	15,901
	1994	692,346	565,500	5,658	780,681	14,131
Paul J. Evanson	1996	540,000	340,200	2,925	197,471	15,868
President	1995	500,000	307,400	3,691	155,513	12,906
	1994	261,000	130,500	3,254	69,622	10,214
Dennis P. Coyle	1996	334,800	158,193	-	203,637	10,742
General Counsel and Secretary of FPL and FPL Group	1995	303,849	138,957	3,756	223,724	11,972
	1994	280,662	125,344	-	165,351	10,784
C.O. Woody	1996	295,000	142,500	3,882	184,711	13,448
Senior Vice President, Power Generation	1995	283,300	133,400	3,234	207,350	15,539
	1994	273,700	123,216	1,458	165,288	14,391
Michael W. Yackira	1996	279,000	131,874	3,886	145,942	9,908
Chief Financial Officer of FPL and FPL Group	1995	239,250	110,403	4,526	153,294	9,092
	1994	231,200	110,000	3,199	165,288	9,791

(1) Payouts were made in cash (for payment of income taxes) and shares of common stock, valued at the closing price on the last business day preceding payout.

(2) Represents employer matching contributions to thrift plans and employer contributions for life insurance.

	Thrift Match	Life Insurance
Mr. Broadhead	$6,626	$6,101
Mr. Evanson	7,125	8,743
Mr. Coyle	6,626	4,115
Mr. Woody	7,125	6,323
Mr. Yackira	6,626	3,282

(3) At December 31, 1996, Mr. Broadhead held 98,600 shares of restricted common stock with a value of $4,452,800. These shares were awarded in 1991 for the purpose of financing Mr. Broadhead's supplemental retirement plan and will offset lump sum benefits that would otherwise be payable to him in cash upon retirement. See Retirement Plans herein. Dividends at normal rates are paid on restricted common stock.

Long Term Incentive Plan Awards - In 1996, awards of performance shares under FPL Group's Long Term Incentive Plan were made to the executive officers named in the Summary Compensation Table as set forth in the following table.

LONG TERM INCENTIVE PLAN AWARDS

Name	Number of Shares	Performance Period Until Payout	Estimated Future Payouts Under Non-Stock Price-Based Plans Number of Shares: Threshold	Target	Maximum
James L. Broadhead	20,074	1/1/96 - 12/31/99	-	20,074	32,118
Paul J. Evanson	8,021	1/1/96 - 12/31/99	-	8,021	12,834
Dennis P. Coyle	4,584	1/1/96 - 12/31/99	-	4,584	7,334
C. O. Woody	3,756	1/1/96 - 12/31/99	-	3,756	6,010
Michael W. Yackira	3,820	1/1/96 - 12/31/99	-	3,820	6,112

The performance share awards shown above are payable at the end of the four-year performance period. The amount of the payout is determined by multiplying the participant's target number of shares by his average level of attainment, expressed as a percentage, which may not exceed 160%, of his targeted awards under the Annual Incentive Plans for each of the years encompassed by the award period. The incentive performance measures were financial indicators (weighted 50%) and operating indicators (weighted 50%). The financial indicators were operations and maintenance costs, capital expenditure levels, book and regulatory return on equity and net income. The operating indicators were customer satisfaction survey results, service reliability as measured by the frequency and duration of service interruptions, system performance as measured by availability factors for the fossil and nuclear power plants, unplanned trips of nuclear power plants, SALP ratings for nuclear power plants, full-time equivalent workforce, number of significant environmental violations, employee safety, load management installed capability and conservation programs' annual installed capacity.

Retirement Plans - FPL Group maintains a non-contributory defined benefit pension plan and a supplemental executive retirement plan which covers FPL employees. The following table shows the estimated annual benefits, calculated on a straight-line annuity basis, payable upon retirement in 1996 at age 65 after the indicated years of service.

PENSION PLAN TABLE

Eligible Average Annual Compensation	Years of Service 10	20	30	40	50
$ 500,000	$ 99,049	$198,086	$247,134	$260,749	$263,137
600,000	119,049	238,086	297,134	313,249	315,637
700,000	139,049	278,086	347,134	365,749	368,137
800,000	159,049	318,086	397,134	418,249	420,637
900,000	179,049	358,086	447,134	470,749	473,137
1,000,000	199,049	398,086	497,134	523,249	525,637
1,100,000	219,049	438,086	547,134	575,749	578,137
1,200,000	239,049	478,086	597,134	628,249	630,637
1,300,000	259,049	518,086	647,134	680,749	683,137
1,400,000	279,049	558,086	697,134	733,249	735,637
1,500,000	299,049	598,086	747,134	785,749	788,137
1,600,000	319,049	638,086	797,134	838,249	840,637
1,700,000	339,049	678,086	847,134	890,749	893,137
1,800,000	359,049	718,086	897,134	943,249	945,637
1,900,000	379,049	758,086	947,134	995,749	998,137
2,000,000	399,049	798,086	997,134	1,048,249	1,050,637

The compensation covered by the plans includes annual salaries and bonuses of officers of FPL Group and annual salaries of officers of FPL, as shown in the Summary Compensation Table, but no other amounts shown in that table. The estimated credited years of service for the executive officers named in the Summary Compensation Table are: Mr. Broadhead, 8 years; Mr. Evanson, 4 years; Mr. Coyle, 7 years; Mr. Woody, 40 years; and Mr. Yackira, 7 years. Amounts shown in the table reflect deductions to partially cover employer contributions to Social Security.

A supplemental retirement plan for Mr. Broadhead provides for a lump-sum retirement benefit equal to the then present value of a joint and survivor annuity providing annual payments to him equal to 61% to 65% of his average annual compensation for the three years prior to his retirement between age 62 (1998) and age 65 (2001) and to his surviving beneficiary of 37.5% of such average annual compensation, reduced by the then present value of the annual amount of payments to which he is entitled under all other pension and retirement plans of FPL Group and former employers. This benefit is further reduced by the then value of 96,800 shares of restricted common stock which vest as to 77,000 shares in 1998 and as to 19,800 shares in 2001. Upon a change of control of FPL Group (as defined below under Employment Agreements), the restrictions on the restricted stock lapse and the full retirement benefit becomes payable. Upon termination of Mr. Broadhead's employment agreement (also described below) without cause, the restrictions on the restricted stock lapse and he becomes fully vested under the supplemental retirement plan. Absent any such change of control or termination of employment, Mr. Broadhead will have no right to such shares of restricted stock, and there will be no payments under the supplemental retirement plan, unless he remains with FPL Group until at least age 62.

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

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

Employment Agreements - FPL Group has entered into an employment agreement with Mr. Broadhead for an initial term ending December 1997, with automatic one-year extensions thereafter unless either party elects not to extend. The agreement provides for a minimum base salary of $765,900 per year, subject to increases based upon corporate and individual performance and increases in cost-of-living indices, plus annual and long-term incentive compensation opportunities at least equal to those currently in effect. If FPL Group terminates Mr. Broadhead's employment without cause, he is entitled to receive a lump sum payment of two years' compensation. Compensation is measured by the then current base salary plus the average of the preceding two years' annual incentive awards. He would also be entitled to receive all amounts accrued under all performance share grants in progress, prorated for the year of termination and assuming achievement of the targeted award, and to full vesting of his benefits under his supplemental retirement plan.

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

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

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

Item 12. Security Ownership of Certain Beneficial Owners and Management

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

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

Name	Number of Shares (1)
James L. Broadhead	136,433(2)
Dennis P. Coyle	10,987
Paul J. Evanson	10,715
Lawrence J. Kelleher	17,394
Thomas F. Plunkett	21,135(3)
C. O. Woody	17,718
Michael W. Yackira	12,170
All directors and executive officers as a group	238,891(4)

(1) Information is as of March 1, 1997, except for executive officers' holdings under the thrift plans, which are as of December 31, 1996. Unless otherwise indicated, each person has sole voting and sole investment power.
(2) Includes 96,800 shares of restricted stock as to which Mr. Broadhead has voting but not investment power.
(3) Includes 15,000 shares of restricted stock as to which Mr. Plunkett has voting but not investment power.
(4) Less than 1% of FPL Group's common stock outstanding.

Section 16(a) Beneficial Ownership Reporting Compliance - FPL's directors and executive officers are required to file initial reports of ownership and reports of changes of ownership of FPL Group common stock with the Securities and Exchange Commission. Based upon a review of these filings and written representations from FPL directors and executive officers, all required filings were timely made in 1996.

Item 13. Certain Relationships and Related Transactions

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

FPL - None

PART IV

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

(a) 1. Financial Statements

	Page(s)
Independent Auditors' Report	14
FPL Group:	
Consolidated Statements of Income	15
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Consolidated Statements of Cash Flows	17
FPL:	
Consolidated Statements of Income	18
Consolidated Balance Sheets	19
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Notes to Consolidated Financial Statements	21-33

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

3. Exhibits including those Incorporated by Reference

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

		FPL Group	FPL
*4(b)	Mortgage and Deed of Trust dated as of January 1, 1944, and Ninety-seven Supplements thereto between FPL and Bankers Trust Company and The Florida National Bank of Jacksonville (now First Union National Bank of Florida), Trustees (as of September 2, 1992, the sole trustee is Bankers Trust Company) (filed as Exhibit B-3, File No. 2-4845; Exhibit 7(a), File No. 2-7126; Exhibit 7(a), File No. 2-7523; Exhibit 7(a), File No. 2-7990; Exhibit 7(a), File No. 2-9217; Exhibit 4(a)-5, File No. 2-10093; Exhibit 4(c), File No. 2-11491; Exhibit 4(b)-1, File No. 2-12900; Exhibit 4(b)-1, File No. 2-13255; Exhibit 4(b)-1, File No. 2-13705; Exhibit 4(b)-1, File No. 2-13925; Exhibit 4(b)-1, File No. 2-15088; Exhibit 4(b)-1, File No. 2-15677; Exhibit 4(b)-1, File No. 2-20501; Exhibit 4(b)-1, File No. 2-22104; Exhibit 2(c), File No. 2-23142; Exhibit 2(c), File No. 2-24195; Exhibit 4(b)-1, File No. 2-25677; Exhibit 2(c), File No. 2-27612; Exhibit 2(c), File No. 2-29001; Exhibit 2(c), File No. 2-30542; Exhibit 2(c), File No. 2-33038; Exhibit 2(c), File No. 2-37679; Exhibit 2(c), File No. 2-39006; Exhibit 2(c), File No. 2-41312; Exhibit 2(c), File No. 2-44234; Exhibit 2(c), File No. 2-46502; Exhibit 2(c), File No. 2-48679; Exhibit 2(c), File No. 2-49726; Exhibit 2(c), File No. 2-50712; Exhibit 2(c), File No. 2-52826; Exhibit 2(c), File No. 2-53272; Exhibit 2(c), File No. 2-54242; Exhibit 2(c), File No. 2-56228; Exhibits 2(c) and 2(d), File No. 2-60413; Exhibits 2(c) and 2(d), File No. 2-65701; Exhibit 2(c), File No. 2-66524; Exhibit 2(c), File No. 2-67239; Exhibit 4(c), File No. 2-69716; Exhibit 4(c), File No. 2-70767; Exhibit 4(b), File No. 2-71542; Exhibit 4(b), File No. 2-73799; Exhibits 4(c), 4(d) and 4(e), File No. 2-75762; Exhibit 4(c), File No. 2-77629; Exhibit 4(c), File No. 2-79557; Exhibit 99(a) to Post Effective Amendment No. 5 to Form S-8, File No. 33-18669; Exhibit 99(a) to Post-Effective Amendment No. 1 to Form S-3, File No. 33-46076); Exhibit 4(b) to Form 10-K for the year ended December 31, 1993, File No. 1-3545; Exhibit 4(i) to Form 10-Q for the quarter ended June 30, 1994, File No. 1-3545; Exhibit 4(b) to Form 10-Q for the quarter ended June 30, 1995, File No. 1-3545; and Exhibit 4(a) to Form 10-Q for the quarter ended March 31, 1996, File No. 1-3545)	x	x
*4(c)(i)	Indenture, dated as of November 1, 1995 between FPL and The Chase Manhattan Bank (National Association), as Trustee (filed as Exhibit 4(c)(i) to Form 10-K for the year ended December 31, 1995, File No. 1-3545)	x	x
*4(c)(ii)	Excerpts from Unanimous Consent of the Finance Committee of the Board of Directors in lieu of meeting, dated July 10, 1995, establishing certain terms of the 8.75% Quarterly Income Debt Securities (Subordinated Deferrable Interest Debentures, Due 2025) (filed as Exhibit 4(c)(ii) to Form 10-K for the year ended December 31, 1995, File No. 1-3545)	x	x
*4(c)(iii)	Officer's Certificate of FPL, dated November 10, 1995, establishing certain terms of the 8.75% Quarterly Income Debt Securities (Subordinated Deferrable Interest Debentures, Due 2025) (filed as Exhibit 4(c)(iii) to Form 10-K for the year and December 31, 1995, File No. 1-3545)	x	x
*10(a)	Supplemental Executive Retirement Plan, amended and restated effective January 1, 1994 (filed as Exhibit 10(a) to Form 10-K for the year ended December 31, 1995, File No. 1-8841)	x	
10(b)	Supplement to the FPL Group Supplemental Executive Retirement Plan as it applies to Paul J. Evanson effective January 1, 1996	x	
*10(c)	FPL Group Amended and Restated Supplemental Executive Retirement Plan for James L. Broadhead effective January 1, 1990 (filed as Exhibit 99(d) to Post-Effective Amendment No. 5 to Form S-8, File No. 33-18669)	x	
*10(d)	FPL Group Long-Term Incentive Plan of 1985, as amended (filed as Exhibit 99(h) to Post-Effective Amendment No. 5 to Form S-8, File No. 33-18669)	x	
*10(e)	Long-Term Incentive Plan 1994 (filed as Exhibit 4(d) to Form S-8, File No. 33-57673)	x	
*10(f)	Annual Incentive Plan dated as of March 31, 1994 (filed as Exhibit 10(k) to Form 10-Q for the quarter ended March 31, 1994, File No. 1-8841)	x	
*10(g)	FPL Group Deferred Compensation Plan, amended and restated effective January 1, 1995 (filed as Exhibit 10(f) to Form 10-K for the year ended December 31, 1995, File No. 1-8841)	x	

		FPL Group	FPL
*10(h)	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	
*10(i)	Employment Agreement between FPL Group and James L. Broadhead dated as of December 13, 1993 (filed as Exhibit 10(j) to Form 10-K for the year ended December 31, 1993, File No. 1-8841)	x	
*10(j)	Employment Agreement between FPL Group and James L. Broadhead dated as of December 11, 1995 (filed as Exhibit 10(i) to Form 10-K for the year ended December 31, 1995, File No. 1-8841)	x	
*10(k)	Employment Agreement between FPL Group and Dennis P. Coyle dated as of December 11, 1995 (filed as Exhibit 10(j) to Form 10-K for the year ended December 31, 1995, File No. 1-8841)	x	
*10(l)	Employment Agreement between FPL Group and Paul J. Evanson dated as of December 11, 1995 (filed as Exhibit 10(k) to Form 10-K for the year ended December 31, 1995, File No. 1-8841)	x	
*10(m)	Employment Agreement between FPL Group and Lawrence J. Kelleher dated as of December 11, 1995 (filed as Exhibit 10(l) to Form 10-K for the year ended December 31, 1995, File No. 1-8841)	x	
*10(n)	Employment Agreement between FPL Group and Thomas F. Plunkett dated as of September 16, 1996 (filed as Exhibit 10 to Form 10-Q for the quarter ended September 30, 1996)	x	
*10(o)	Employment Agreement between FPL Group and C.O. Woody dated as of December 11, 1995 (filed as Exhibit 10(m) to Form 10-K for the year ended December 31, 1995, File No. 1-8841)	x	
*10(p)	Employment Agreement between FPL Group and Michael W. Yackira as of December 11, 1995 (filed as Exhibit 10(n) to Form 10-K for the year ended December 31, 1995, File No. 1-8841)	x	
12	Computation of Ratios		x
21	Subsidiaries of the Registrant	x	
23	Independent Auditors' Consent	x	x
27	Financial Data Schedule	x	x

* Incorporated herein by reference

(b) Reports on Form 8-K - None

FPL GROUP, INC. SIGNATURES

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

FPL Group, Inc.

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

Date: March 5, 1997

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 March 5, 1997:

MICHAEL W. YACKIRA
Michael W. Yackira
Vice President, Finance and Chief Financial Officer
(Principal Financial Officer)

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

Directors:

H. JESSE ARNELLE
H. Jesse Arnelle

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

DAVID BLUMBERG
David Blumberg

J. HYATT BROWN
J. Hyatt Brown

LYNNE V. CHENEY
Lynne V. Cheney

ARMANDO M. CODINA
Armando M. Codina

MARSHALL M. CRISER
Marshall M. Criser

B. F. DOLAN
B. F. Dolan

WILLARD D. DOVER
Willard D. Dover

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

PAUL J. EVANSON
Paul J. Evanson

DREW LEWIS
Drew Lewis

FREDERIC V. MALEK
Frederic V. Malek

PAUL R. TREGURTHA
Paul R. Tregurtha

FLORIDA POWER & LIGHT COMPANY SIGNATURES

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

Florida Power & Light Company

PAUL J. EVANSON
Paul J. Evanson
President and Director

Date: March 5, 1997

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 March 5, 1997:

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

MICHAEL W. YACKIRA
Michael W. Yackira
Senior Vice President, Finance and Chief Financial Officer
(Principal Financial Officer and Director)

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

Directors:

DENNIS P. COYLE
Dennis P. Coyle

THOMAS F. PLUNKETT
Thomas F. Plunkett

C. W. WOODY
C. O. Woody

LAWRENCE J. KELLEHER
Lawrence J. Kelleher

EXHIBIT 12

FLORIDA POWER & LIGHT COMPANY
COMPUTATION OF RATIOS

RATIO OF EARNINGS TO FIXED CHARGES

	1996	1995	1994	1993	1992
	Years Ended December 31, (Thousands of Dollars)				
Earnings, as defined:					
Net income	$ 614,894	$ 611,374	$ 568,073	$ 467,960	$ 514,800
Income taxes	321,586	342,293	319,410	239,890	264,588
Fixed charges, as below	261,785	286,472	310,312	348,028	338,219
Total earnings, as defined	$1,198,265	$1,240,139	$1,197,795	$1,055,878	$1,117,607
Fixed charges, as defined:					
Interest charges	$ 246,227	$ 269,952	$ 292,347	$ 327,085	$ 315,799
Rental interest factor	5,086	5,667	6,919	9,501	9,567
Fixed charges included in nuclear fuel cost	10,472	10,853	11,046	11,442	12,853
Total fixed charges, as defined	$ 261,785	$ 286,472	$ 310,312	$ 348,028	$ 338,219
Ratio of earnings to fixed charges	4.58	4.33	3.86	3.03	3.30

RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

	1996	1995	1994	1993	1992
Earnings, as defined:					
Net income	$ 614,894	$ 611,374	$ 568,073	$ 467,960	$ 514,800
Income taxes	321,586	342,293	319,410	239,890	264,588
Fixed charges, as below	261,785	286,472	310,312	348,028	338,219
Total earnings, as defined	$1,198,265	$1,240,139	$1,197,795	$1,055,878	$1,117,607
Fixed charges, as defined:					
Interest charges	$ 246,227	$ 269,952	$ 292,347	$ 327,085	$ 315,799
Rental interest factor	5,086	5,667	6,919	9,501	9,567
Fixed charges included in nuclear fuel cost	10,472	10,853	11,046	11,442	12,853
Total fixed charges, as defined	261,785	286,472	310,312	348,028	338,219
Non-tax deductible preferred stock dividends	23,732	43,402	39,558	42,663	43,901
Ratio of income before income taxes to net income	1.52	1.56	1.56	1.51	1.51
Preferred stock dividends before income taxes	36,073	67,707	61,710	64,421	66,291
Combined fixed charges and preferred stock dividends	$ 297,858	$ 354,179	$ 372,022	$ 412,449	$ 404,510
Ratio of earnings to combined fixed charges and preferred stock dividends	4.02	3.50	3.22	2.56	2.76

EXHIBIT 21

SUBSIDIARIES OF FPL GROUP, INC.

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

(1) 100%-owned subsidiary of FPL Group Capital Inc

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 1997

OR

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

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

State or other jurisdiction of incorporation or organization: Florida

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

APPLICABLE ONLY TO CORPORATE ISSUERS:

The number of shares outstanding of each class of FPL Group, Inc. common stock, as of the latest practicable date: Common Stock, $.01 Par Value, outstanding at June 30, 1997: 182,093,386 shares

As of June 30, 1997, there were issued and outstanding 1,000 shares of Florida Power & Light Company's common stock, without par value, all of which were held, beneficially and of record, by FPL Group, Inc.

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

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

In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 (Reform Act), FPL Group, Inc. (FPL Group) and Florida Power & Light Company (FPL) (collectively, the Company) are hereby filing cautionary statements identifying important factors that could cause the Company's actual results to differ materially from those projected in forward-looking statements (as such term is defined in the Reform Act) of the Company made by or on behalf of the Company which are made in this combined Form 10-Q, in presentations, in response to questions or otherwise. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as will likely result, are expected to, will continue, is anticipated, estimated, projection, outlook) are not statements of historical facts and may be forward-looking. Forward-looking statements involve estimates, assumptions, and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Accordingly, any such statements are qualified in their entirety by reference to, and are accompanied by, the following important factors that could cause the Company's actual results to differ materially from those contained in forward-looking statements of the Company made by or on behalf of the Company.

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

Some important factors that could cause actual results or outcomes to differ materially from those discussed in the forward-looking statements include prevailing governmental policies and regulatory actions, including those of the Federal Energy Regulatory Commission (FERC), the Florida Public Service Commission (FPSC) and the Nuclear Regulatory Commission, with respect to allowed rates of return, industry and rate structure, operation of nuclear power facilities, acquisition and disposal of assets and facilities, operation and construction of plant facilities, recovery of purchased power, decommissioning costs, and present or prospective wholesale and retail competition (including but not limited to retail wheeling and transmission costs).

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

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

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

FPL GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	1997	1996	1997	1996
OPERATING REVENUES	$1,587,145	$1,474,086	$3,032,339	$2,831,793
OPERATING EXPENSES:				
Fuel, purchased power and interchange	560,346	500,169	1,103,904	949,829
Other operations and maintenance	298,267	304,451	567,441	584,235
Depreciation and amortization	262,490	231,926	530,354	499,581
Taxes other than income taxes	144,586	138,252	283,928	275,486
Total operating expenses	1,265,689	1,174,798	2,485,627	2,309,131
OPERATING INCOME	321,456	299,288	546,712	522,662
OTHER INCOME (DEDUCTIONS):				
Interest charges	(71,500)	(67,871)	(142,535)	(137,117)
Preferred stock dividends - FPL	(4,340)	(5,766)	(10,050)	(12,200)
Other - net	1,674	(8,500)	9,445	(9,863)
Total other deductions - net	(74,166)	(82,137)	(143,140)	(159,180)
INCOME BEFORE INCOME TAXES	247,290	217,151	403,572	363,482
INCOME TAXES	82,907	66,838	138,120	119,457
NET INCOME	$ 164,383	$ 150,313	$ 265,452	$ 244,025
Earnings per share of common stock	$ 0.95	$ 0.86	$ 1.53	$ 1.40
Dividends per share of common stock	$ 0.48	$ 0.46	$ 0.96	$ 0.92
Average number of common shares outstanding	173,041	174,103	173,131	174,403

This report should be read in conjunction with the Notes to Condensed Consolidated Financial Statements on Pages 9 through 11 herein and the Notes to Consolidated Financial Statements appearing in the combined Annual Report on Form 10-K for the fiscal year ended December 31, 1996 (1996 Form 10-K) for FPL Group and FPL.

FPL GROUP, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Thousands of Dollars)

	June 30, 1997 (Unaudited)	December 31, 1996
PROPERTY, PLANT AND EQUIPMENT:		
Electric utility plant and other property - at original cost, including nuclear fuel and construction work in progress	$17,651,166	$17,033,623
Less accumulated depreciation and amortization	(8,122,301)	(7,649,734)
Total property, plant and equipment - net	9,528,865	9,383,889
CURRENT ASSETS:		
Cash and cash equivalents	337,597	195,932
Customer receivables, net of allowances of $11,017 and $12,474, respectively	538,067	461,501
Materials, supplies and fossil fuel stock - at average cost	287,884	268,186
Other	158,955	247,912
Total current assets	1,322,503	1,173,531
OTHER ASSETS:		
Special use funds of FPL	896,930	805,819
Other investments	463,815	326,855
Unamortized debt reacquisition costs of FPL	231,719	282,756
Other	309,219	246,473
Total other assets	1,901,683	1,661,903
TOTAL ASSETS	$12,753,051	$12,219,323
CAPITALIZATION:		
Common shareholders' equity	$ 4,670,511	$ 4,592,132
Preferred stock of FPL without sinking fund requirements	226,250	289,580
Preferred stock of FPL with sinking fund requirements	36,500	42,000
Long-term debt	3,227,944	3,144,313
Total capitalization	8,161,205	8,068,025
CURRENT LIABILITIES:		
Accounts payable	362,488	307,836
Debt and preferred stock due within one year	360,228	154,600
Accrued interest, taxes and other	973,836	812,028
Total current liabilities	1,696,552	1,274,464
OTHER LIABILITIES AND DEFERRED CREDITS:		
Accumulated deferred income taxes	1,449,601	1,530,538
Unamortized regulatory and investment tax credits	418,145	379,279
Other	1,027,548	967,017
Total other liabilities and deferred credits	2,895,294	2,876,834
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$12,753,051	$12,219,323

This report should be read in conjunction with the Notes to Condensed Consolidated Financial Statements on Pages 9 through 11 herein and the Notes to Consolidated Financial Statements appearing in the 1996 Form 10-K for FPL Group and FPL.

FPL GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Thousands of Dollars)
(Unaudited)

	Six Months Ended June 30,	
	1997	1996
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 265,452	$ 244,025
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	530,354	499,581
Other - net	157,145	80,478
Net cash provided by operating activities	952,951	824,084
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(260,147)	(238,993)
Investments in energy-related projects	(206,527)	(975)
Other - net	48,755	(43,687)
Net cash used in investing activities	(417,919)	(283,655)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of long-term debt	20,588	-
Retirement of long-term debt and preferred stock	(204,566)	(219,765)
Decrease in short-term debt	(10,973)	(107,813)
Repurchase of common stock	(32,267)	(58,869)
Dividends on common stock	(166,149)	(160,463)
Other - net	-	39,229
Net cash used in financing activities	(393,367)	(507,681)
Net increase in cash and cash equivalents	141,665	32,748
Cash and cash equivalents at beginning of period	195,932	46,177
Cash and cash equivalents at end of period	$ 337,597	$ 78,925
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ 138,857	$ 131,331
Cash paid for income taxes	$ 84,672	$ 50,700
Supplemental schedule of noncash investing and financing activities:		
Additions to capital lease obligations	$ 40,401	$ 42,192

This report should be read in conjunction with the Notes to Condensed Consolidated Financial Statements on Pages 9 through 11 herein and the Notes to Consolidated Financial Statements appearing in the 1996 Form 10-K for FPL Group and FPL.

FLORIDA POWER & LIGHT COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Thousands of Dollars)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	1997	1996	1997	1996
OPERATING REVENUES	$1,541,119	$1,454,997	$2,939,887	$2,795,739
OPERATING EXPENSES:				
Fuel, purchased power and interchange	550,974	500,169	1,076,160	949,829
Other operations and maintenance	278,455	287,677	524,949	550,194
Depreciation and amortization	255,694	230,551	518,313	496,792
Income taxes	91,864	79,687	149,692	138,109
Taxes other than income taxes	144,009	138,156	282,996	275,252
Total operating expenses	1,320,996	1,236,240	2,552,110	2,410,176
OPERATING INCOME	220,123	218,757	387,777	385,563
OTHER INCOME (DEDUCTIONS):				
Interest charges	(57,329)	(61,548)	(116,536)	(123,934)
Other - net	1,228	1,148	2,542	3,882
Total other deductions - net	(56,101)	(60,400)	(113,994)	(120,052)
NET INCOME	164,022	158,357	273,783	265,511
PREFERRED STOCK DIVIDENDS	4,340	5,766	10,050	12,200
NET INCOME AVAILABLE TO FPL GROUP	$ 159,682	$ 152,591	$ 263,733	$ 253,311

This report should be read in conjunction with the Notes to Condensed Consolidated Financial Statements on Pages 9 through 11 herein and the Notes to Consolidated Financial Statements appearing in the 1996 Form 10-K for FPL Group and FPL.

FLORIDA POWER & LIGHT COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(Thousands of Dollars)

	June 30, 1997 (Unaudited)	December 31, 1996
ELECTRIC UTILITY PLANT:		
At original cost, including nuclear fuel and construction work in progress	$16,983,373	$16,808,792
Less accumulated depreciation and amortization	(8,013,124)	(7,610,786)
Electric utility plant - net	8,970,249	9,198,006
CURRENT ASSETS:		
Cash and cash equivalents	233,638	78,417
Customer receivables, net of allowances of $10,868 and $12,176, respectively	518,778	460,120
Materials, supplies and fossil fuel stock - at average cost	245,308	247,597
Other	144,607	225,153
Total current assets	1,142,331	1,011,287
OTHER ASSETS:		
Special use funds	896,930	805,819
Unamortized debt reacquisition costs	231,719	282,756
Other	245,680	233,405
Total other assets	1,374,329	1,321,980
TOTAL ASSETS	$11,486,909	$11,531,273
CAPITALIZATION:		
Common shareholder's equity	$ 4,716,979	$ 4,666,941
Preferred stock without sinking fund requirements	226,250	289,580
Preferred stock with sinking fund requirements	36,500	42,000
Long-term debt	2,673,002	2,981,261
Total capitalization	7,652,731	7,979,782
CURRENT LIABILITIES:		
Accounts payable	305,972	299,026
Debt and preferred stock due within one year	181,840	4,040
Accrued interest, taxes and other	906,354	824,945
Total current liabilities	1,394,166	1,128,011
OTHER LIABILITIES AND DEFERRED CREDITS:		
Accumulated deferred income taxes	1,102,848	1,146,680
Unamortized regulatory and investment tax credits	418,145	379,279
Other	919,019	897,521
Total other liabilities and deferred credits	2,440,012	2,423,480
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$11,486,909	$11,531,273

This report should be read in conjunction with the Notes to Condensed Consolidated Financial Statements on Pages 9 through 11 herein and the Notes to Consolidated Financial Statements appearing in the 1996 Form 10-K for FPL Group and FPL.

FLORIDA POWER & LIGHT COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Thousands of Dollars)
(Unaudited)

	Six Months Ended June 30, 1997	Six Months Ended June 30, 1996
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 273,783	$ 265,511
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	518,313	496,792
Other - net	58,597	69,480
Net cash provided by operating activities	850,693	831,783
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(230,123)	(236,308)
Other - net	(46,838)	(85,756)
Net cash used in investing activities	(276,961)	(322,064)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Retirement of long-term debt and preferred stock	(194,775)	(219,354)
Decrease in commercial paper	-	(138,500)
Dividends	(223,736)	(224,843)
Capital contributions from FPL Group	-	50,000
Other - net	-	34,991
Net cash used in financing activities	(418,511)	(497,706)
Net increase in cash and cash equivalents	155,221	12,013
Cash and cash equivalents at beginning of period	78,417	412
Cash and cash equivalents at end of period	$ 233,638	$ 12,425
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ 112,841	$ 120,303
Cash paid for income taxes	$ 196,657	$ 87,166
Supplemental schedule of noncash investing and financing activities:		
Additions to capital lease obligations	$ 40,401	$ 42,192

This report should be read in conjunction with the Notes to Condensed Consolidated Financial Statements on Pages 9 through 11 herein and the Notes to Consolidated Financial Statements appearing in the 1996 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 combined 1996 Form 10-K for FPL Group and FPL. In the opinion of FPL Group and FPL, all adjustments (consisting only of normal recurring accruals) necessary to present fairly the financial position as of June 30, 1997 and December 31, 1996, the results of operations for the three and six months ended June 30, 1997 and 1996 and cash flows for the six months ended June 30, 1997 and 1996 have been made. Certain amounts included in the prior year's consolidated financial statements have been reclassified to conform to the current year's presentation. The results of operations for an interim period may not give a true indication of results for the year.

1. Summary of Significant Accounting and Reporting Policies

Regulation - In April 1997, the FPSC voted to extend through 1999 FPL's program to amortize certain specified assets, mainly costs associated with nuclear and fossil generating assets and debt reacquisition costs, based on the level of retail base revenues achieved compared to a fixed amount. The decision was subject to any third party request for hearings. Such a request was filed, and hearings regarding the extension are scheduled to take place later this year. The hearings will not address amounts recorded prior to January 1, 1998.

For a discussion of amounts recorded under the special amortization program during the three and six months ended June 30, 1997 and 1996, see Management's Discussion and Analysis of Financial Condition and Results of Operations - Results of Operations.

2. Capitalization

FPL Group Common Stock - FPL Group's board of directors authorized the repurchase of up to 10 million shares of common stock commencing on April 1, 1997 under a new share repurchase program. During the three months ended June 30, 1997, FPL Group repurchased 346,500 shares of common stock under the new program. A total of 8.1 million shares were repurchased under a similar share repurchase program that began in 1994 and was terminated in March 1997, which included 371,500 shares repurchased during the first quarter of 1997.

Preferred Stock - In March 1997, FPL redeemed all 2,533,188 outstanding shares of its $2.00 No Par Value Preferred Stock, Series A (Involuntary Liquidation Value $25 Per Share).

The 1997 sinking fund requirements for the 6.84% Preferred Stock, Series Q, $100 Par Value and the 8.625% Preferred Stock, Series R, $100 Par Value were met by redeeming and retiring, in April 1997, 30,000 shares of Series Q and the remaining 50,000 shares of Series R. There are no preferred stock sinking fund requirements for the remainder of 1997.

Long-Term Debt - In March 1997, FPL redeemed all $61,670,300 face amount of the outstanding 8.75% Quarterly Income Debt Securities (Subordinated Deferrable Interest Debentures) due 2025.

In April and May 1997, FPL purchased on the open market and retired approximately $66 million in aggregate principal amount of several series of first mortgage bonds, due on dates ranging from 2013 through 2026, with interest rates ranging from 7% to 7 7/8%.

3. Commitments and Contingencies

Commitments - FPL has made commitments in connection with a portion of its projected capital expenditures. Capital expenditures for the construction or acquisition of additional facilities and equipment to meet customer demand are estimated to be approximately $1.6 billion for 1997 through 1999. Included in this three-year forecast are capital expenditures for 1997 of approximately $590 million, of which $230 million had been spent through June 30, 1997. FPL Group Capital Inc (FPL Group Capital) and its subsidiaries, primarily ESI Energy, Inc., have guaranteed approximately $150 million of lease obligations, debt service payments and other payments subject to certain contingencies.

Insurance - Liability for accidents at nuclear power plants is governed by the Price-Anderson Act, which limits the liability of nuclear reactor owners to the amount of the insurance available from private sources and under an industry retrospective payment plan. In accordance with this Act, FPL maintains $200 million of private liability insurance, which is the maximum obtainable, and participates in a secondary financial protection system under which it is subject to retrospective assessments of up to $327 million per incident at any nuclear utility reactor in the United States, payable at a rate not to exceed $40 million per incident per year.

FPL participates in nuclear insurance mutual companies that provide $2.75 billion of limited insurance coverage for property damage, decontamination and premature decommissioning risks at its nuclear plants. The proceeds from such insurance, however, must first be used for reactor stabilization and site decontamination before they can be used for plant repair. FPL also participates in an insurance program that provides limited coverage for replacement power costs if a nuclear plant is out of service because of an accident. In the event of an accident at one of FPL's or another participating insured's nuclear plants, FPL could be assessed up to $70 million in retrospective premiums.

FPL also participates in a program that provides $200 million of tort liability coverage industry wide for nuclear worker claims. In the event of a tort claim by an FPL or another insured's nuclear worker, FPL could be assessed up to $12 million in retrospective premiums per incident.

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

FPL self-insures certain of its transmission and distribution (T&D) property due to the high cost and limited coverage available from third-party insurers. FPL maintains a funded storm and property insurance reserve, which totaled approximately $237 million at June 30, 1997, for T&D property storm damage or assessments under the nuclear insurance program. Recovery from customers of any losses in excess of the storm and property insurance reserve will require the approval of the FPSC. FPL's available lines of credit include $300 million to provide additional liquidity in the event of a T&D property loss.

Contracts - FPL has entered into certain long-term purchased power and fuel contracts. Take-or-pay purchased power contracts with the Jacksonville Electric Authority (JEA) and with subsidiaries of the Southern Company (Southern Companies) provide approximately 1,300 megawatts (mw) of power through mid-2010 and 374 mw through 2022. FPL also has various firm pay-for-performance contracts to purchase approximately 1,000 mw from certain cogenerators and small power producers (qualifying facilities) with expiration dates ranging from 2002 through 2026. The purchased power contracts provide for capacity and energy payments. Energy payments are based on the actual power taken under these contracts. Capacity payments for the pay-for-performance contracts are subject to the qualifying facilities meeting certain contract conditions. The fuel contracts provide for the transportation and supply of natural gas and coal and the supply and use of Orimulsion. Orimulsion is a new fuel that FPL expected to begin using in 1998. The contract and related use of this fuel is subject to regulatory approvals. In 1996, Florida's Power Plant Siting Board denied FPL's request to burn Orimulsion at the Manatee power plant. FPL appealed the denial and the First District Court of Appeal of the State of Florida has directed Florida's Power Plant Siting Board to reconsider FPL's plan to burn Orimulsion.

The required capacity and minimum payments through 2001 under these contracts are estimated to be as follows:

	1997	1998	1999	2000	2001
		(Millions of Dollars)			
Capacity payments:					
JEA and Southern Companies	$210	$210	$210	$210	$210
Qualifying facilities	$340	$350	$360	$370	$380
Minimum payments, at projected prices:					
Natural gas, including transportation	$300	$180	$180	$190	$190
Orimulsion (1)	-	-	$140	$140	$140
Coal	$ 50	$ 50	$ 40	$ 40	$ 30

(1) All of FPL's Orimulsion-related contract obligations are subject to obtaining the required regulatory approvals.

Capacity, energy and fuel charges under these contracts were as follows:

	Three Months Ended June 30,				Six Months Ended June 30,			
	1997 Charges		1996 Charges		1997 Charges		1996 Charges	
	Capacity	Energy/ Fuel (1)	Capacity	Energy/ Fuel (1)	Capacity	Energy/ Fuel (1)	Capacity	Energy/ Fuel (1)
	(Millions of Dollars)							
JEA and Southern Companies ..	$50(2)	$ 38	$45(2)	$34	$102(2)	$ 73	$ 91(2)	$ 67
Qualifying facilities........	$74(3)	$ 31	$70(3)	$35	$148(3)	$ 60	$139(3)	$ 62
Natural gas	-	$112	-	$80	-	$201	-	$177
Coal	-	$ 14	-	$11	-	$ 26	-	$ 22

(1) Recovered through the fuel and purchased power cost recovery clause.
(2) Recovered through base rates and the capacity cost recovery clause (capacity clause).
(3) Recovered through the capacity clause.

Litigation - The Florida Municipal Power Agency (FMPA), an organization comprised of municipal electric utilities, has sued FPL for allegedly breaching a "contract" to provide transmission service to the FMPA and its members and for breaching antitrust laws by monopolizing or attempting to monopolize the provision, coordination and transmission of electric power in refusing to provide transmission service, or to permit the FMPA to invest in and use FPL's transmission system, on the FMPA's proposed terms. The FMPA seeks $140 million in damages, before trebling for the antitrust claim, and court orders requiring FPL to permit the FMPA to invest in and use FPL's transmission system on "reasonable terms and conditions" and on a basis equal to FPL. In 1995, the Court of Appeals vacated the District Court's summary judgment in favor of FPL and remanded the matter to the District Court for further proceedings. In 1996, the District Court ordered the FMPA to seek a declaratory ruling from the FERC regarding certain issues in the case. All other action in the case has been stayed pending the FERC's ruling.

A former cable installation contractor for Telesat Cablevision, Inc. (Telesat), a wholly-owned subsidiary of FPL Group Capital, sued FPL Group, FPL Group Capital and Telesat for breach of contract, fraud, violation of racketeering statutes and several other claims. The trial court entered a judgment in favor of FPL Group and Telesat on nine of twelve counts, including all of the racketeering and fraud claims, and in favor of FPL Group Capital on all counts. It also denied all parties' claims for attorneys' fees. However, the jury in the case awarded the contractor damages totaling approximately $6 million against FPL Group and Telesat for breach of contract and tortious interference. All parties have appealed.

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

4. Summarized Financial Information of FPL Group Capital

FPL Group Capital's debentures are guaranteed by FPL Group. Operating revenues of FPL Group Capital for the six months ended June 30, 1997 and 1996 were approximately $92 million and $36 million, respectively. For the same period, operating expenses were approximately $83 million and $36 million. Net income for the six months ended June 30, 1997 and 1996 was approximately $10 million and $4 million, respectively.

At June 30, 1997, FPL Group Capital had current assets of approximately $131 million, noncurrent assets of approximately $1.421 billion, current liabilities of approximately $260 million and noncurrent liabilities of approximately $958 million. At December 31, 1996, FPL Group Capital had approximately $144 million of current assets, $857 million of noncurrent assets, $182 million of current liabilities and $595 million of noncurrent liabilities. The consolidation of the Doswell Limited Partnership in the first quarter of 1997 increased total assets and liabilities by approximately $450 million. The partnership operates a 663 mw exempt wholesale generator.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This discussion should be read in conjunction with the Notes to Condensed Consolidated Financial Statements contained herein and Management's Discussion and Analysis of Financial Condition and Results of Operations appearing in the 1996 Form 10-K for FPL Group and FPL. The results of operations for an interim period may not give a true indication of results for the year. In the following discussion, all comparisons are with the corresponding items in the prior year.

RESULTS OF OPERATIONS

The principal operations of FPL Group consist of the generation, transmission, distribution and sale of electric energy by FPL. Net income for the three and six months ended June 30, 1997 benefitted from FPL's growing customer base, lower other operations and maintenance expenses and lower interest and preferred stock dividends at FPL, partly offset by higher depreciation expense. Certain fluctuations resulting from FPL's operations were offset in FPL Group's financial statements because, beginning with the first quarter of 1997, FPL Group's financial statements include the accounts of the Doswell Limited Partnership. Partnership activities did not have a significant impact on operations or net income.

FPL's revenues from base rates for the three and six months ended June 30, 1997 increased to $875 million and $1.64 billion, respectively, from approximately $845 million and $1.63 billion for the same periods in 1996. The increases reflect a 1.7% increase in customer accounts and increases in energy usage per retail customer of 2.6% and 1.4%, respectively, primarily due to weather conditions. Revenues for the six months ended June 30, 1997 also reflected a weather-related shift in sales between customer classes and the different rates charged to those classes. Cost recovery clause revenues and franchise fees comprise substantially all of the remaining portion of FPL's operating revenues. These revenues represent a pass-through of costs and do not significantly affect net income.

FPL's other operations and maintenance (O&M) expenses decreased for the three and six months ended June 30, 1997, primarily due to lower nuclear refueling outage costs. In 1996, there were two planned nuclear refueling outages, one in the first quarter and one in the second quarter. During the six months ended June 30, 1997, FPL has been recording nuclear refueling outage costs in accordance with the method approved by the FPSC in October 1996. Under this method, the estimated nuclear refueling and maintenance cost of each nuclear unit's next planned outage is accrued from the time the unit resumes operation from the preceding outage until the end of the next planned outage. FPL's interest expense and preferred stock dividend requirements also declined, resulting from reductions in debt and preferred stock balances. The increase in FPL Group's interest expense reflects the consolidation of the Doswell Limited Partnership beginning in 1997. Depreciation and amortization expense at FPL increased for the three and six months ended June 30, 1997, mainly as a result of the special amortization program, which is a function of retail base revenues. A total of $53 million and $115 million of amortization was recorded under this program during the three and six months ended June 30, 1997, respectively, and $27 million and $101 million during the same periods in 1996. The increased depreciation of nuclear and fossil generating assets during the three and six months ended June 30, 1996 resulted in increased amortization of related investment tax credits, lowering income tax expense in 1996. Special amortization in 1997 is being applied against regulatory assets, primarily debt reacquisition costs of FPL.

In April 1997, the FPSC voted to extend through 1999 FPL's program to amortize certain specified assets, mainly costs associated with nuclear and fossil generating assets and debt reacquisition costs, based on the level of retail base revenues achieved compared to a fixed amount. The decision was subject to any third party request for hearings. Such a request was filed, and hearings regarding the extension are scheduled to take place later this year. The hearings will not address amounts recorded prior to January 1, 1998.

LIQUIDITY AND CAPITAL RESOURCES

Using available cash flows from operations, FPL has redeemed certain series of its preferred stock and first mortgage bonds, thereby reducing preferred stock dividends and interest expense. Additionally, during the three and six months ended June 30, 1997, FPL Group repurchased 346,500 and 718,000 shares of common stock, respectively. These actions are consistent with management's intent to reduce debt and preferred stock balances and the number of outstanding shares of common stock when considered appropriate. See Note 2.

The change in cash flows from investing activities primarily reflects additional investment in existing domestic energy-related projects. For information concerning capital commitments, see Note 3.

PART II - OTHER INFORMATION

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

FPL Group:

(a) The Annual Meeting of FPL Group's shareholders was held on May 12, 1997. Of the 182,443,635 shares of common stock outstanding on the record date of March 3, 1997, a total of 152,867,369 shares were represented in person or by proxy.

(b) The following directors were elected effective May 12, 1997:

	Votes Cast	
	For	Against or Withheld
N. Jesse Arnelle	149,687,669	3,179,700
Robert M. Beall, II	149,712,241	3,155,128
James L. Broadhead	148,152,107	4,715,262
J. Hyatt Brown	149,177,131	3,690,238
Lynne V. Cheney	149,702,100	3,165,269
Armando M. Codina	149,643,683	3,223,686
Marshall M. Criser	149,652,651	3,214,718
B. F. Dolan	149,719,270	3,148,099
Willard D. Dover	149,389,600	3,477,769
Alexander W. Dreyfoos, Jr.	149,560,201	3,307,168
Paul J. Evanson	149,472,995	3,394,374
Drew Lewis	149,238,605	3,628,764
Frederic V. Malek	149,233,714	3,633,655
Paul R. Tregurtha	149,314,745	3,552,624

(c)(i) The vote to ratify the appointment of Deloitte & Touche LLP as independent auditors for 1997 was 150,385,979 for, 1,566,175 against and 915,215 abstaining.

(ii) The vote to approve the FPL Group, Inc. Non-Employee Directors Stock Plan was 140,784,635 for, 9,776,969 against and 2,305,765 abstaining.

(iii) The vote on a shareholder proposal requesting that FPL Group adopt cumulative voting for the election of directors was 38,503,045 for, 89,772,018 against, 3,348,509 abstaining and 21,243,797 broker non-votes.

FPL:

(a) The following FPL directors were elected effective May 12, 1997 by the written consent of FPL Group, as the sole common shareholder of FPL, in lieu of an annual meeting of shareholders:

James L. Broadhead
Dennis P. Coyle
Paul J. Evanson
Lawrence J. Kelleher
Thomas F. Plunkett
C. O. Woody
Michael W. Yackira

Item 5. Other Information

(a) Reference is made to Item 1. Business - FPL Operations - System Capability and Load in the 1996 Form 10-K for FPL Group and FPL.

On July 8, 1997, FPL reached a summer energy peak demand of 16,329 mw. Adequate resources were available at the time of peak to meet customer demand.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

Exhibit Number	Description	FPL Group	FPL
12	Computation of Ratios		x
27	Financial Data Schedule	x	x

(b) Reports on Form 8-K - None

SIGNATURES

Pursuant to the requirements 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.
FLORIDA POWER & LIGHT COMPANY
(Registrants)

Date: July 31, 1997

MICHAEL W. YACKIRA
Michael W. Yackira
Vice President, Finance and Chief Financial Officer of FPL Group, Inc.,
Senior Vice President, Finance and Chief Financial Officer of Florida Power & Light Company
(Principal Financial Officer of the Registrants)

EXHIBIT 12

FLORIDA POWER & LIGHT COMPANY
COMPUTATION OF RATIOS

	Six Months Ended June 30, 1997 (Thousands of Dollars)
RATIO OF EARNINGS TO FIXED CHARGES	
Earnings, as defined:	
Net income	$273,783
Income taxes	146,345
Fixed charges, as below	123,112
Total earnings, as defined	$543,240
Fixed charges, as defined:	
Interest expense	$116,536
Rental interest factor	1,963
Fixed charges included in nuclear fuel cost	4,613
Total fixed charges, as defined	$123,112
Ratio of earnings to fixed charges	4.41

	Six Months Ended June 30, 1997 (Thousands of Dollars)
RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS	
Earnings, as defined:	
Net income	$273,783
Income taxes	146,345
Fixed charges, as below	123,112
Total earnings, as defined	$543,240
Fixed charges, as defined:	
Interest expense	$116,536
Rental interest factor	1,963
Fixed charges included in nuclear fuel cost	4,613
Total fixed charges, as defined	123,112
Non-tax deductible preferred stock dividends	10,050
Ratio of income before income taxes to net income	1.53
Preferred stock dividends before income taxes	15,377
Combined fixed charges and preferred stock dividends	$138,489
Ratio of earnings to combined fixed charges and preferred stock dividends	3.92

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES
1998 and 1999 Sources and Uses of Funds Forecast
(Millions of Dollars)

	1998	1999
Significant cash flow items (Note 1)		
Depreciation and amortization (Note 2)	$ 850	$ 730
Deferred income taxes	(150)	(200)
Deferred investment tax credit - net	(20)	(20)
Total	$ 680	$ 510
Capital requirements		
Construction expenditures (Note 3):	$ 500	$ 520
Long-Term debt maturities	180	230
Total capital requirements	$ 680	$ 750

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES
Construction Expenditures Forecast
(Millions of Dollars)

Construction expenditures (Note 3):		
Generation	$ 80	$ 70
Transmission	40	40
Distribution	310	330
General	70	80
Total	$ 500	$ 520

NOTES

1) Projected amounts do not include any effect of potential changes in retail base rates.

2) Excludes nuclear plant decommissioning costs.

3) Excludes AFUDC. All of the estimated construction expenditures are subject to continuing review and adjustment and actual construction expenditures may vary from these estimates due to factors such as changes in customers, energy sales, business and economic conditions, construction and design requirements, fuel supply and costs, availability of labor, supplies and materials, regulatory treatment, environmental and conservation requirements, and existing and proposed legislation. FPL is keeping its construction program as flexible as possible with the intention of accommodating those factors that may develop or change.

EXHIBIT B

Statement of Capital Stock and Debt -- June 30, 1997

Preferred Stock without Sinking Fund Requirements:

Dividend Rate	Series	Issue Date	Shares Outstanding	Amount Outstanding
4.50%		09/47	100,000	$10,000,000
4.50%	A	05/51	50,000	5,000,000
4.50%	B	01/53	50,000	5,000,000
4.50%	C	02/54	62,500	6,250,000
4.32%	D	07/54	50,000	5,000,000
4.35%	E	11/55	50,000	5,000,000
6.98%	S	03/93	750,000	75,000,000
7.05%	T	06/93	500,000	50,000,000
6.75%	U	09/93	650,000	65,000,000
		Total	2,262,500	$226,250,000

Preferred Stock with Sinking Fund Requirements:

Dividend Rate	Series	Issue Date	Shares Outstanding	Amount Outstanding	
6.84%	Q	01/87	380,000	$38,000,000	(1)

Other:

Description	Issue Date	Shares Authorized (2)	Shares Outstanding
Preferred Stock, undesignated, $100 par	-	11,575,000	0
Preferred Stock, undesignated, no par	-	5,000,000	0
Subordinated Preferred Stock	-	5,000,000	0
Common Stock, no par	Dec-84	1,000	1,000
Total		21,576,000	1,000

(1) The minimum sinking fund requirement of $1.5 million is classified as a current maturity in Form 10-Q for the quarterly period ended June 30, 1997. Entire issue redeemed in September 1997.

(2) Remaining authorized under amended Charter.

Exhibit C

Statement of Capital Stock and Debt -- June 30, 1997 (1)

First Mortgage Bonds:

Series	Issue Date	Maturity	Principal Outstanding	
7.875%	01/92	01/01/07	$75,000,000	
8.500%	07/92	07/01/22	125,897,000	(2)
7.875%	12/92	12/01/12	125,779,000	
7.875%	01/93	01/01/13	215,959,000	
6.625%	02/93	02/01/03	100,000,000	
7.750%	02/93	02/01/23	124,555,000	
6.875%	04/93	04/01/04	125,000,000	
7.300%	04/93	04/01/16	225,000,000	
7.625%	06/93	06/01/24	175,000,000	
5.500%	07/93	07/01/99	230,000,000	
5.375%	09/93	04/01/00	125,000,000	
7.000%	09/93	09/01/25	108,800,000	
7.050%	12/93	12/01/26	107,919,000	
		Total	$1,863,909,000	

First Mortgage Bonds -- Medium-Term Notes:

Series	Issue Date	Maturity	Principal Outstanding	
8.10%	04/92	04/15/02	$5,000,000	(3)
8.20%	04/92	04/16/07	5,000,000	(3)
8.20%	04/92	04/23/07	10,000,000	(3)
8.00%	05/92	05/20/02	5,000,000	(3)
8.10%	05/92	05/30/07	3,500,000	(3)
8.10%	05/92	05/30/07	3,000,000	(3)
6.20%	02/93	02/02/98	36,300,000	
8.00%	08/92	08/25/22	98,610,000	
6.20%	02/93	02/02/98	23,700,000	
5.70%	03/93	03/05/98	55,000,000	
5.50%	03/93	03/11/98	65,300,000	
5.79%	09/93	09/15/03	70,000,000	
		Total	$380,410,000	

(1) Excludes unamortized premium and discount on long-term debt.
(2) Entire issue planned to be redeemed in October 1997.
(3) Entire issue redeemed in September 1997.

Exhibit C

Statement of Capital Stock and Debt -- June 30, 1997 (1)

First Mortgage Bonds - Pollution Control and Industrial Development:

Series	Issue Date	Maturity	Principal Outstanding
7.30% Martin	06/90	07/01/20	$76,300,000
7.50% St. Lucie	06/90	07/01/20	9,835,000
7.15% Dade	08/91	02/01/23	15,000,000
7.15% St. Lucie	08/91	02/01/23	32,985,000
7.15% Broward	08/91	02/01/23	4,000,000
6.7% St. Lucie	05/92	05/01/27	12,015,000
		Total	$150,135,000

Unsecured Pollution Control and Industrial Development Bonds:

Series	Issue Date	Maturity	Principal Outstanding
Variable Rate St. Lucie	05/92	05/01/27	$49,325,000
Variable Rate Jacksonville	05/92	05/01/27	28,300,000
Variable Rate St. Lucie	07/93	01/01/26	56,390,000
Variable Rate Martin	07/93	01/01/27	4,050,000
Variable Rate St. Lucie	07/93	01/01/27	16,500,000
Variable Rate Dade	12/93	06/01/21	45,750,000
Variable Rate Jacksonville	03/94	09/01/24	45,960,000
Variable Rate Martin	03/94	09/01/24	19,400,000
Variable Rate Manatee	03/94	09/01/24	16,510,000
Variable Rate Putnam	03/94	09/01/24	4,480,000
Variable Rate St. Lucie	07/94	07/01/29	57,500,000
Variable Rate St. Lucie	07/94	07/01/29	29,000,000
Variable Rate St. Lucie	03/95	03/01/27	49,995,000
Variable Rate Dade	03/95	04/01/20	8,635,000
Variable Rate Jacksonville	06/95	05/01/29	51,940,000
		Total	$483,735,000

Installment Purchase and Security Contracts:

Series	Issue Date	Maturity	Principal Outstanding	
5.90% Manatee	09/77	09/01/07	$1,000,000	(2)
5.90% Putnam	09/77	09/01/07	1,000,000	(2)
		Total	$2,000,000	

(1) Excludes unamortized premium and discount on long-term debt.
(2) Entire issue redeemed in September 1997.

Exhibit C

Proposed Notice For
Florida Administrative Weekly

NOTICE is hereby given that the Florida Public Service Commission, at the regularly scheduled Agenda Conference on November (December) ___, 1997 will take final agency action in Docket No. ______________-____ the Application of Florida Power & Light Company For Authority To Issue And Sell Securities. Pursuant to Section 366.04, Florida Statutes, Florida Power & Light Company ("FPL") seeks authority to issue and sell and/or exchange any combination of long-term debt and equity securities and/or to assume liabilities or obligations as guarantor, endorser or surety in an aggregate amount not to exceed $1.3 billion during calendar year 1998, and authority to issue and sell short-term securities during calendar years 1998 and 1999 in an amount such that the aggregate principal amount of short-term securities outstanding at the time of sale does not exceed 25 percent of FPL's gross revenues for the preceding twelve months of operation. FPL also seeks authority to enter into forward refunding or forward swap contracts during calendar year 1998, and in conjunction with those forward contracts, seeks authority to issue and sell up to $151 million of securities through December 31, 2002.

Date and Time:	Tuesday, November (December) ___, 1997, 9:30 a.m.
Place:	Commission Hearing Room 148, Betty Easley Conference Center, 4075 Esplanade Way, Tallahassee, Florida 32399-0870
Purpose:	To take final agency action in Docket No. ______________-____
Legal Authority:	Section 366.04, Florida Statutes; Chapter 25-8, Florida Administrative Code.

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CHECKLIST OF ITEMS IN FPL'S FINANCING APPLICATION WHICH NEED TO BE ADDRESSED IN THE FPSC ORDER

1. Scope of Financing Authority Sought: It is important that the Commission's order include the fact that FPL is seeking the Commission's authority for the following types of financings:

a) Issuance and sale and/or exchange of any combination of long-term debt and equity securities (as described in the Application) and/or assumption of liabilities or obligations as guarantor, endorser or surety in an aggregate amount not to exceed $1.3 billion during calendar year 1998.

b) Issuance and sale of short-term securities during the calendar years 1998 and 1999 in an amount or amounts such that the aggregate principal amount of short-term securities outstanding at the time of sale does not exceed 25 percent of FPL's gross revenues for the preceding 12 months of operation.

c) Entry into forward refunding or forward swap contracts during calendar year 1998 and in conjunction with such contracts, FPL's issuance and sale of up to $151 million of securities through December 31, 2002.

2. Purposes of Issues of Securities:

In order to ensure that FPL has authority to support its past or future financing obligations and to demonstrate the need for the scope of financing authority sought under Item 1, FPL believes that it is necessary for the Commission to address the purposes of the issues of securities. The Commission may want to discuss the sources and uses of funds and/or the construction forecasts provided by FPL as a basis for its financing request; however, at a minimum, FPL believes the inclusion of the following language in the Order would be helpful to support its financing obligations:

The net proceeds to be received from the issuance and sale and/or exchange of the additional long-term debt and equity securities (with the exception of the proceeds of the issuance and sale of any pollution control revenue bonds, solid waste disposal revenue bonds, industrial development revenue bonds, variable rate demand notes or other "private activity bonds" or similar securities which will be used for specific purposes) will be added to FPL's general funds and will be used for the following purposes: (i) to provide additional electric facilities; (ii) to reacquire, by redemption, purchase, exchange or otherwise, any of its outstanding debt securities or equity securities; (iii) to repay all or a portion of any maturing long-term debt obligations; (iv) to satisfy FPL's obligations under its nuclear fuel leases; (v) to repay all or a portion of short-term bank borrowings and commercial paper outstanding at the time of such transactions; and/or (vi) for other corporate purposes. Excess proceeds, if any, will be temporarily invested in short-term instruments pending their application to the foregoing purposes.

The short-term securities are to provide funds to temporarily finance portions of FPL's construction program and capital commitments and for other corporate purposes. During the 1998-99 period, FPL may need short-term financing for significant parts of its construction program, for seasonal fuel requirements, for contingency financing such as fuel adjustment underrecoveries or storm restoration costs, and for the temporary funding of maturing or called long-term debt securities.

The forward refunding contracts and forward swap contracts would be for the purpose of refunding up to $151 million of pollution control revenue bonds which were issued on FPL's behalf and which become callable in July, 2000, February, 2001 and May, 2002. These pollution control revenue bonds were collateralized by FPL First Mortgage Bonds and include the following: 7.30% due July, 2020 ($76,300,000); 7.50% due July, 2020 ($9,835,000); 7.15% due February, 2023 ($15,000,000); 7.15% due February, 2023 ($32,985,000); 7.15% due February, 2023 ($4,000,000) and 6.7% due May, 2027 ($12,015,000).

3. Form of Orders Proposed: In the event FPL's Application is granted, the following proposed language addresses the financing authority FPL is seeking in the Application.

Having considered FPL's Application, we find that it should be granted in its entirety.

Based on the foregoing, it is

*ORDERED, that Florida Power & Light Company's request for authority to issue and sell and/or exchange any combination of long-term debt and equity securities and/or assume liabilities or obligations as guarantor, endorser or surety in an aggregate amount not to exceed $1.3 billion during calendar year 1998 is granted. It is further

*ORDERED, that Florida Power & Light Company's request for authority to issue and sell short-term securities during the calendar years 1998 and 1999, in an amount or amounts such that the aggregate principal amount of short-term securities outstanding at the time of sale does not exceed 25 percent of FPL's gross revenues for the preceding 12 months of operation is granted. It is further

*ORDERED, that Florida Power & Light Company's request for authority to enter into forward refunding contracts or forward swap contracts during calendar year 1998, and to issue and sell up to $151 million of securities through December 31, 2002, which FPL shall commit to deliver under the forward refunding contracts or forward swap contracts is granted. It is further

*ORDERED, that Florida Power & Light Company shall file with the Commission a consummation report in compliance with Rule 25-8.009, Florida Administrative Code.