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July 6, 2001

Via Federal Express

Ms. Blanca S. Bayo
Commission Clerk
Division of the Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

010944-EI

Re: Complaint of South Florida Hospital and Healthcare Association, *et al.* against Florida Power & Light Company, request for expeditious relief and request for interim rate procedures with rates subject to bond

Dear Ms. Bayo:

Enclosed for filing are the original and seven (7) copies of South Florida Hospital and Healthcare Association, *et al.* (the "Hospitals") Complaint against Florida Power & Light Company, request for expeditious relief and request for interim rate procedures with rates subject to bond. Also enclosed is a 3½" diskette in Word format, and an extra copy of the filing to be date stamped and returned to us in the enclosed self-addressed envelope. A copy of this filing is being served upon Florida Power & Light Company.

Please do not hesitate to contact the undersigned if you have any questions regarding the above.

Very truly yours,

Mark F. Sundback

Mark F. Sundback
An Attorney For the Hospitals

Enclosures

DOCUMENT NUMBER-DATE
08284 JUL-6 01
FPSC-RECORDS/REPORTING

WAS:87996.1

**BEFORE THE FLORIDA
PUBLIC SERVICE COMMISSION**

In re: Complaint of South Florida Hospital and Healthcare Association, *et. al.* against Florida Power & Light Company, request for expeditious relief and request for interim rate procedures with rates subject to bond	§ § § § § §	**Docket No.** 010944-EI

COMPLAINT OF SOUTH FLORIDA HOSPITAL AND HEALTHCARE ASSOCIATION, *ET AL.* AGAINST FLORIDA POWER & LIGHT COMPANY, REQUEST FOR EXPEDITIOUS RELIEF, AND REQUEST FOR INTERIM RATE PROCEDURES WITH RATES SUBJECT TO BOND

South Florida Hospital and Healthcare Association ("SFHHA") and individual healthcare facilities supporting this effort as identified in Docket No. 001148-EI (collectively with the SFHHA, the "Hospitals"), by and through their undersigned counsel, and pursuant to Sections 366.03, 366.05, 366.06, 366.07 and 366.71, Florida Statutes and Rule 25-22.036 of the Florida Administrative Code, hereby file the instant complaint against Florida Power & Light Company ("FP&L" or the "Company"). The Hospitals respectfully request that rates charged by FP&L be reduced to a level that is "fair and reasonable" level under interim procedures established under Section 366.071, and that interest accrue on any refunds pending a final determination of issues addressed in the instant complaint. The Company and the Commission have assembled a solid record conclusively demonstrating that FP&L is over-earning; the Hospitals believe that relief requested herein is mandated by Florida law.

I.

SUMMARY

1. There is no reasonable basis for debate that FP&L is over-earning. Data contained in its own filings show that it is earning a return in excess of the range identified by the Commission as reasonable, even before correcting for items that are not cognizable for retail rate purposes, but nonetheless were included by FP&L for purposes of calculating earnings. The Commission's June 19, 2001 Order in Docket No. 001148-EI recognizes as much, noting that FP&L has consistently enjoyed returns in excess of the maximum authorized level of return on equity ("ROE"). Regardless of whether based upon representations volunteered to this Commission by FP&L, filings made by FP&L, communications with FP&L shareholders, or the Commission's own analysis, FP&L is enjoying excessive returns that are inconsistent with the Commission's statutory mandates. While some entities voluntarily agreed under a Stipulation to forgo rights to seek reductions to base rates until April 15, 2002, the Commission and FP&L have been very careful to point out the limited universe of parties that entered into the Stipulation. Consequently, FP&L's rates do not satisfy the "fair and reasonable" standard, and rates to customers not signatories to the Stipulation now are, and have been, unlawful.

2. The Commission therefore is respectfully requested to (1) order that FP&L hold all revenues contributing to earnings above an equity return of 11% (the mid-point of the authorized range), calculated to recognize adjustments discussed herein; (2) implement a procedural schedule to allow for expeditious processing of the instant docket; (3) conduct further proceedings as are necessary to bring review of FP&L's admittedly excessive earnings to a close; and (4) issue a final order directing the return of

rates held subject to refund (with interest), adopting a mid-point return on equity, and setting lower retail base rates and charges as described herein.

II.

FP&L IS EARNING IN EXCESS OF ITS AUTHORIZED EQUITY RETURN

3. FP&L acknowledges that "FP&L's authorized regulatory ROE range [is] 10-12%" which was lowered in 1999 from a range of 11-13% (1999 Form 10-K) (*see* Appendix A hereto). The Commission receives reports of earnings from FP&L. FP&L's earnings reports disclose that it consistently earns in excess of the maximum authorized equity return of 12% (Stipulation, Article 4) (Appendix B hereto). The earnings surveillance reports, filed by FP&L, are in the Commission's files and the Hospitals incorporate the same by reference (*see* Appendix C hereto). The earnings surveillance reports show that for months on end, FP&L exceeded the 12% high-end ROE referenced in the Stipulation.

4. Moreover, the ROE calculation understates the excessiveness of FP&L's earnings. FP&L's earnings computations attribute $69 million, otherwise available as earnings, to a settlement with the Florida Municipal Power Agency ("FMPA") (in November 1999) and presumes such an expense would be prudent. FP&L and FMPA entered into an agreement under which FP&L paid FMPA a cash settlement, reduced the demand charge on an existing power purchase agreement, and agreed to give FMPA the right to purchase specified amounts of power at specified prices. In return, FMPA agreed to dismiss its lawsuit (*see* Appendix D hereto). Proper treatment of the $69 million would increase the equity return reported by approximately another .9 percent points.

5. Moreover, FP&L's earnings have been reduced by its decision to accelerate depreciation to the tune of $70 million in Fiscal Year 1999, and $101 million in Fiscal Year 2000. FP&L FERC Form No. 1 for 2000, p. 123.2 (*see* Appendix E hereto). Accelerated depreciation is not warranted given what we now know. Collecting accelerated depreciation may have made sense when, prior to recent experience, it was anticipated that in a deregulated, restructured electric industry, power prices would be below historical cost-based rates. In such an environment, utilities with significant net generation plant balances could be exposed to large stranded costs, prompting huge claims against ratepayers; paying down the balance through accelerated depreciation could be argued to be a reasonable mitigation strategy.

6. But we know now (based, for instance, on the California experience) that power price deregulation can lead to *increased*, not decreased, electricity prices, which means that a utility with a largely depreciated generation plant has a valuable asset, rather than a costly burden. Of particular concern to Florida's ratepayers is the plan to allow the State's utilities to transfer their generation plants to affiliates at only net book value (*see* Appendix F hereto). This would confer windfalls on the utilities' affiliates when power produced by the plants is sold at deregulated prices. In effect, what would happen is that FP&L is able to shelter excessive earnings by attributing such revenues to accelerated, voluntarily-implemented "depreciation", which significantly drives down net book value, and then transfer the facility to its affiliate at a firesale price reflecting the effects of that accelerated depreciation. Ratepayers in that case will have subsidized FP&L to the tune of hundreds of millions of dollars (by lowering the capital that would have to be recovered by the FP&L affiliate from revenues in the deregulated power market) and given FP&L affiliates an artificial competitive benefit over other potential power

merchants. In other words, FP&L's voluntary decision to accelerate depreciation is not a sound policy reason for keeping FP&L's rates too high; it represents a decision to take what are now, in reality, excessive earnings and under a book-keeping fiction (*i.e.*, accelerated depreciation) ultimately transfer such excessive earnings to FP&L affiliates. Under these circumstances, accelerated depreciation will primarily benefit FP&L shareholders, and since such acceleration is not necessary, the amounts are not prudently accrued at this time. It would be an unpleasant moment for Florida ratepayers to discover that they had paid down on an accelerated schedule the cost basis of plants that are transferred at below market value to enhance the profitability of FP&L affiliates. Alternatively, if FP&L is to be permitted to accelerate depreciation now, it should be obligated to agree that it will credit to ratepayers the difference between market value and net book value of generation plants it now owns when power prices are deregulated or the Florida electric industry is restructured.

7. FP&L has attributed to costs, not earnings, revenues to cover millions of dollars associated with executives' golden parachutes, and a total of $62 million, triggered by the failed attempt to merge with Entergy (*see* Appendix G hereto, pp. 4, 6 thereof), which revenue, if properly attributed to earnings, would raise the ROE level more than 50 basis points. The prudence of incurring such costs is called into question when FP&L itself admits that the merger "would not achieve the synergies or create the shareholder value originally contemplated" (FPL Group 2000 Annual Report, p. 23 which is the sixth page of Appendix G hereto). The Form 10-K discloses that the failed merger helped produce payouts and other compensation in excess of $30 million to a

single individual[1] (contained in Appendix G hereto, pp. 2-3). Moreover, given that an "Employee Retention Bonus Plan" established in November, 2000, entitles "certain employees" to an additional 25% retention bonus if the merger has been *terminated* ("Employee Retention Bonus Plan," Section 7) (excerpts of which are contained in Appendix H hereto) -- an event that occurred in the second quarter of 2001, outside the chronological period covered by the 2000 Form 10-K -- it is unlikely the foregoing compensation data represent the full scope of compensation that will have to be paid because of the failed merger. FP&L payments to employees of a 25% bonus because of the *failure* of the merger are imprudent and should not be cognizable expenses for purposes of establishing retail rates. Such remarkable numbers merit, at a minimum, scrutiny so that consumers have some assurance that when costs of this type are attributed to their service, they understand exactly how a failed merger, which FP&L belatedly discovered "would not achieve . . . synergies . . . originally contemplated," has provided value to them.

8. FP&L lowers its calculation of earned return by further including an estimate of more than $87 million in "potential" retail refunds. *See* April 12, 2001 letter from FP&L covering its February 2001 earnings report (contained in Appendix C hereto).

9. In other words, while the earnings surveillance reports demonstrate that FP&L is over-earning, they under-state the full dimensions of FP&L's earnings. But even without challenging these items, FP&L's own reports show that the Company is earning in excess of the maximum authorized return on equity.

[1] Compensating an executive of a company for take-over risk in a situation triggered by that company's own decision to merge, when under the terms of the merger, the affected executive will become CEO of a much larger post-merger organization with a majority of the Board derived from the executive's organization, raises serious questions regarding the prudence of such expenditures and of the terms of any compensation arrangement producing such a result.

10. The conclusions derived from the earnings surveillance reports are reinforced by FP&L's shareholder communications. The 2000 Form 10-K discloses that FP&L's net income from operating activities increased from $591 million to $622 million (2000 Form 10-K, Notes, Appendix I hereto) even though FP&L included in its calculations the costs from the failed merger with Entergy.

11. Materials prepared by FP&L also indicated that in 2000 and in 1999, its special use funds had unrealized gains of approximately $258 million and $286 million respectively (and unrealized losses of $4 million and $17 million, respectively) (2000 Form 10-K, "Financial Instruments") (*see* Appendix J hereto). The pension plan held assets of $2.329 billion on October 1, 1998, and $2.750 billion on September 30, 2000, an 18% increase, while the benefit obligation increased by only 2% during the same period. FPL Group 2000 Form 10-K, Notes to Consolidated Financial Statements, "3. Employee Retirement Benefits" (*see* Appendix K hereto). In other words, the present level of funding for such funds incorporated in current rates is too high, and should be reduced.

12. FP&L freely admits that many of its costs have decreased, across a wide range of items. In fact, FP&L provides substantial evidence of decreased costs. When appearing before the Commission, FP&L acknowledged that its operation and maintenance ("O&M") expense has declined. Tr. 8:18-22. According to shareholder disclosure materials, "FP&L's O&M expenses continued to decline in 2000 . . . O&M expenses in 1999 also declined . . ." (2000 Form 10-K) (*see* Appendix L hereto, p. 2). While O&M expenses decreased by 10.6% on a unit basis from 1998-2000,[2] FP&L kwh

[2] FPL Group 2000 Annual Report, p. 4 (*i.e.*, from $1.22/kwh to $1.09/kwh) (*see* Appendix L hereto, p. 4 thereof).

sales volumes increased by only 2.9%.[3] In other words, unit O&M costs decreased disproportionately to volumetric increases, indicating the absolute level of O&M was decreasing, rather than just achieving reduced unit costs by spreading the same aggregate level of cost over more units.

13. The total amount of overcollections on an annualized basis for FP&L retail operations exceeds $210 million. FP&L has received approximately $17 million of earnings in excess of a 12% equity return just from the face of FP&L's own reports filed with the Commission for the twelve month period ending March 31, 2001; over $50 million is attributable to bringing FP&L to the mid-point of the range of reasonableness (11%) for equity returns; and tax consequences related to the foregoing equity earnings also must be taken into account. Moreover, FP&L has artificially and incorrectly reduced earnings reflected in its reports by attributing revenues properly treated as earnings instead to a variety of imprudent or extraordinary items not cognizable for purposes of setting retail rates, including the costs of the failed attempt to merge with Entergy ($62 million); the $69 million attributed to FMPA; $87 million attributed to potential refunds; and the value of FP&L's excessive earnings that FP&L has chosen to relabel accelerated depreciation (*e.g.*, $101 million in Fiscal Year 2000).

III.

THE COMMISSION HAS JURISDICTION TO REDUCE EXCESSIVE RATES

14. According to FP&L, "FP&L's last full rate proceeding was 1984" (1999 10-K) (contained in Appendix A hereto), based upon data from periods before 1984. In 1999, the Office of Public Counsel ("Public Counsel" or "OPC") requested a full revenue

[3] FPL Group 2000 Annual Report, p. 22 (*i.e.*, from 89,362 million kwh to 91,969 million kwh) (*see* Appendix L hereto, p. 5 thereof).

requirements rate case for FP&L, and the Florida Industrial Power Users Group ("FIPUG") and the Coalition for Equitable Rates (the "Coalition") intervened. In resolving the request, a Stipulation was entered into by the Public Counsel, FIPUG, the Coalition and FP&L (contained in Appendix B hereto). FP&L carefully noted in its disclosure materials to investors (which can create significant liability to shareholders if misleading) that the Stipulation "states that Public Counsel, FIPUG and [the] Coalition will neither seek nor support any additional base rate reductions during the three year term of the agreement unless such reduction is initiated by FP&L" (1999 Form 10-K) (contained in Appendix A hereto).

15. The Stipulation's actual language could not be more precise:

> "*OPC, FIPUG and the Coalition* will neither seek nor support any additional reduction in FP&L's base rates [during a three year period].

Stipulation, Article 5, second sentence; emphasis added (Appendix B hereto). The Stipulation's prefatory language references "the Parties to this Stipulation," who are the entities that "stipulate and agree" to all of the Stipulation's operative provisions (Stipulation, fourth "WHEREAS" clause and clause commencing "NOW THEREFORE"). In case there was any room for doubt, the Stipulation again defines parties by reference to entities signing the Stipulation (*see* Stipulation's signature page), which consists of the four entities identified in the Stipulation's preamble.

16. The Stipulation does not purport to foreclose the rights of entities that are *not* signatories to seek changes in rates. The Stipulation is quite specific in identifying those entities which are precluded from seeking rate reductions -- they are the parties to the Stipulation: People's Counsel, FIPUG, the Coalition and FP&L. No *party* to the

Stipulation can seek to reduce base rates by alternative means, and it was *those parties* who stipulated and agreed that their exclusive means of receiving reductions in base rates during the term of the Stipulation would be when aggregate revenues exceeded certain levels. Thus, when entities were to be precluded from further rate relief, the Stipulation carefully identified them.

17. Against this backdrop, the Commission approved the Stipulation on March 17, 1999. The Commission clearly is at pains to note that it is not a party to the Stipulation, and therefore is not bound by it. When discussing the Stipulation, the Commission's June 19, 2001 order in PSC-01-1346-PCO-EI ("June 19, 2001 Order") observed that "we are not a party bound by its terms" (*mimeo* p. 6). For that matter, neither the Hospitals nor other non-signatories to the Stipulation were parties to the Stipulation. The Stipulation is very careful to note that it is only "OPC, FIPUG and the Coalition" that have contractually relinquished rights to "seek [or] support any additional reduction in FPL's base rates . . . ." The Commission should honor the careful contract drafting undertaken by, *inter alia*, FP&L which clearly recognized the limited scope of parties agreeing to sign on to the Stipulation, as well as the precise designation of those entities forbidden from filing a complaint to reduce base rates.

IV.

THE ESSENTIAL REQUIREMENTS OF FLORIDA LAW MANDATE RATE REDUCTIONS

18. When a customer requests that rates in excess of the lawful level be reduced, the statutory mandate of the Commission is unequivocal under Florida law. "All rates and charges made, demanded of, [and] received . . . shall be fair and reasonable." Section 366.03, Florida Statutes. "Whenever the Commission . . . shall find

the rates . . . collected by any public utility . . . are . . . excessive, . . . the Commission *shall* . . . fix the fair and reasonable rates to be charged." Section 366.07 (emphasis added). Upon a finding of excessive rates, the Commission shall "determine just and reasonable rates" under lawful procedures. Section 366.6(2), Florida Statutes. Thus, the Commission is directed by statute to undertake action upon a finding that rates do not correspond to the statutory scheme. Additionally, unlike many other regulatory schemes, the Florida statutory framework details how the Commission is to determine whether a utility is over-earning. *See* Section 366.071, Florida Statutes. A utility's rate of return cannot be set so low as to confiscate the utility's property, nor so high as to provide a greater than reasonable rate of return prejudicing the customer. *United Telephone v. Mayo*, 345 So.2d 648, 653 (Fla. 1977).

19. The Commission has repeatedly emphasized, consistent with Florida law, that it cannot be precluded by a settlement from exercising its jurisdiction under the state's statutes. In one proceeding, involving a multi-year program previously approved by the Commission,

> Southern Bell argued that, in approving the parameters of the Plan, we committed to leave the Plan as is, absent some precipitous change in circumstances. Several parties had argued that, because the cost of equity capital had fallen, certain amounts of revenue should be held subject to refund, pending the outcome of the upcoming rate case. We concluded that regardless of the Plan's silence on whether it could be modified due to changes solely in the cost of equity capital and regardless of our prior approval of the Plan, we were not precluded from acting, if the public interest so required. <u>See</u> Order No. PSC-92-0524-FOF-TL, issued June 18, 1992.
>
> The Commission, even if it so desired, cannot be bound to a specific course of action through the approval of a stipulation. As we stated in Docket No. 890216-TL:

> [W]e do not possess the legal capacity of a private party to enter into contracts covering our statutory duties. Indeed, we cannot abrogate -- by contract or otherwise -- our authority to assure that our mandate from the Legislature is carried out. As a result, we may not bind the Commission to take or forego action in derogation of our statutory obligations.
>
> *See* Order No. 22352, issued December 29, 1989.
>
> The parties are without authority to confer or preclude our exercise of jurisdiction by agreement. In our view, any such provisions in the Settlement are not fatal flaws; they are simply unenforceable against the Commission and are void ab initio. The parties cannot give away or obtain that for which they have no authority.

Order No. PSC-94-0172-FOF-EI at pages 5, 6.

20. Indeed, as the Staff Memorandum involving the 1999 Stipulation noted:

> *The stipulation binds the parties, and not the Commission.* The Commission remains able to utilize during the term of the agreement, all powers explicitly and impliedly granted by Chapter 366, Florida Statutes. This includes the ability to determine that the rates charged by FPL are no longer fair, just, and reasonable, and to change those rates. *This also includes the ability to order an interim change in rates* [emphases added].

Staff Memorandum, *mimeo* p. 10. Commissioners, in approving the Stipulation, repeatedly stated that they were not sacrificing Commission jurisdiction. Docket No. 990067-EI, Tr. 38:3-7; 39:14-20; 37:7-11 (contained in Appendix M hereto). One sponsor of the Stipulation emphasized to the Commission that "[w]e can bind ourselves, but we're not trying to change what your authority is." The Commission's Chairman responded that "I don't think anyone disagrees with that . . . ." Docket No. 990067-EI, Tr. 37:7-11 (March 16, 1999) (*see* Appendix M hereto).

21. In its June 19, 2001 Order, the Commission emphasized that "[our] over-arching concern is that the public interest be protected. It is our responsibility to ensure that the company's retail rates are at an appropriate level." June 19, 2001 Order *mimeo* at p. 6. Whatever the merits of these issues might be before other fora, it is clear that under Florida law, the Commission cannot contract away its statutorily-mandated jurisdiction. Given the overwhelming record demonstrating FP&L's excessive earnings, it is appropriate and indeed legally necessary to exercise the Commission's inherent authority to reduce FP&L's rates when requested by the Hospitals based upon substantial evidence. The Hospitals, under Florida law, are entitled to fair and reasonable rates so that FP&L's earnings are not excessive; the information before the Commission clearly indicates that FP&L is earning excessive returns.

V.

INTERIM RELIEF

22. The Hospitals request that the Commission observe interim rate relief procedures. Clearly, as noted above, FP&L is earning outside the range of reasonableness on its rate of return if calculated in accordance with Section 366.071(5), Florida Statutes. As noted above, in the most recent individual rate proceeding involving FP&L, the Commission established 12% as the maximum of the authorized range of equity returns. FP&L consistently exceeded that level. As a consequence, interim rate reduction procedures under Section 366.071 are warranted. Under the interim rate procedures, the Commission can "preclude the recovery of any extraordinary or imprudently incurred expenses," Section 366.071(3), and may require interest on any refunds ultimately ordered, Section 366.071(4). Clearly, items described above are extraordinary, if not imprudent, and ratepayers should not be made responsible for them.

Moreover, the excessive earnings are not reasonably disputed; the Company documents demonstrate them.

23. Relief is especially meritorious here. FP&L now knows that a rate proceeding is underway that may result in scrutiny of its rates with a reduction potentially effective April 15, 2002. However, according to FP&L, "[r]ate cases either force or result in defensive strategies . . . ." Tr. 8, lines 14-16 (May 15, 2001). FP&L will have many opportunities to implement "defensive strategies" to inflate costs for test year purposes, and one way in which to reduce such opportunities is to expose FP&L rates to reduction now, so that FP&L does not have a risk-free opportunity to defer costs simply to coincide with the test year in 2002 (*see* Order No. PSC-01-1346-PCO-EI, mimeo p. 6), because the higher the level of costs deferred into the test year, the lower the level of costs available to justify rates during other periods. Thus, interim rate relief will help counteract the strategies which FP&L has told the Commission are the results of processes already underway.

24. Therefore, the Hospitals, as non-parties to the Stipulation, respectfully maintain that relief under interim rate procedures is warranted as to their rates, that the Company should be required to post a bond, to cover amounts due in compliance with Section 366.071(2)(b), Florida Statutes, and that interest accrue on any refunds ultimately ordered.

VI.

COMMUNICATIONS

25. Notices, pleadings, correspondence and orders in this matter should be sent to:

Mark F. Sundback
Kenneth L. Wiseman
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Linda Quick, President
South Florida Hospital and
Healthcare Association
6363 Taft Street
Hollywood, Florida 33024
(954) 964-1660 Phone
(954) 9642-1260 Facsimile

26. This complaint is lodged against Florida Power & Light Company, whose address is

700 Universe Blvd.
P.O. Box 14000
Juno Beach, FL 33408-0420.

VII.

CONCLUSION

27. WHEREFORE, the Hospitals request that the Florida Public Service Commission grant the relief requested herein and any other remedy as to which the Hospitals may be entitled under law.

Mark F. Sundback

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Attorneys for the Hospitals

July 5, 2001

A

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, 1999

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 700 Universe Boulevard Juno Beach, Florida 33408 (561) 694-4000	59-0247775

State or other jurisdiction of incorporation or organization: Florida

	Name of exchange on which registered
Securities registered pursuant to Section 12(b) of the Act:	
FPL Group, Inc.: Common Stock, $0.01 Par Value and Preferred Share Purchase Rights	New York Stock Exchange
Florida Power & Light Company: None	

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. [X]

Aggregate market value of the voting stock of FPL Group, Inc. held by non-

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. 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, Public Counsel or a substantially affected party.

FPL's last full rate proceeding was in 1984. In 1990, FPL's base rates were reduced following a change in federal income tax rates. In 1999, the FPSC approved a three-year agreement among FPL, Public Counsel, FIPUG and Coalition regarding FPL's retail base rates, authorized regulatory ROE, capital structure and other matters. The agreement, which became effective April 15, 1999, provides for a $350 million reduction in annual revenues from retail base operations allocated to all customers on a cents-per-kilowatt-hour basis. Additionally, the agreement sets forth a revenue sharing mechanism for each of the twelve-month periods covered by the agreement, whereby revenues from retail base operations in excess of a stated threshold will be shared on the basis of two-thirds refunded to retail customers and one-third retained by FPL. Revenues from retail base operations in excess of a second threshold will be refunded 100% to retail customers.

The thresholds are as follows:

	Twelve Months Ended April 14,		
	2000	2001	2002
		(millions)	
Threshold to refund 66 2/3% to customers	$3,400	$3,450	$3,500
Threshold to refund 100% to customers	$3,556	$3,606	$3,656

Offsetting the annual revenue reduction will be lower special depreciation. The agreement allows for special depreciation of up to $100 million, at FPL's discretion, in each year of the three-year agreement period to be applied to nuclear and/or fossil generating assets. Under this new depreciation program, FPL recorded approximately $70 million of special depreciation in 1999. The new depreciation program replaced a revenue-based special amortization program whereby special amortization in the amount of $63 million, $378 million and $199 million was recorded in 1999, 1998 and 1997, respectively.

In addition, the agreement lowered FPL's authorized regulatory ROE range to 10% - 12% from 11% - 13%. During the term of the agreement, the achieved ROE may from time to time be outside the authorized range, and the revenue sharing mechanism described above is specified to be the appropriate and exclusive mechanism to address that circumstance. For purposes of calculating ROE, the agreement establishes a cap on FPL's adjusted equity ratio of 55.83%. The adjusted equity ratio reflects a discounted amount for off-balance sheet obligations under certain long-term purchased power contracts. Finally, included in the agreement are provisions which limit depreciation rates, and accruals for nuclear decommissioning and fossil dismantlement costs, to currently approved levels and limit amounts recoverable under the environmental clause during the term of the agreement.

The agreement states that Public Counsel, FIPUG and Coalition will neither seek nor support any additional base rate reductions during the three-year term of the agreement unless such reduction is initiated by FPL. Further, FPL agreed to not petition for any base rate increases that would take effect during the term of the agreement.

Fuel costs totaled $1.7 billion in 1999 and are recovered through levelized charges per kwh established pursuant to the fuel clause. These charges are calculated annually based on estimated fuel costs and estimated customer usage for the following year, plus or minus a true-up adjustment to reflect the variance of actual costs and usage from the estimates used in setting the fuel adjustment charges for prior periods.

Capacity payments to other utilities and generating companies for purchased power are recovered through the capacity clause and base rates. In 1999, $440 million was recovered through the capacity clause. Costs associated with implementing energy conservation programs totaled $83 million in 1999 and are recovered through the conservation clause. Costs of complying with federal, state and local environmental regulations enacted after April 1993 totaled $16 million in 1999 and are recovered through the environmental clause to the extent not included in base rates. The new rate agreement limits recovery under this clause to $12.8 million in 2000 and $6.4 million in 2001, with no further amounts recoverable during the remaining term of the agreement.

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 1999, operating revenues from wholesale and industrial customers combined represented approximately 4% of FPL's total operating revenues. A number of potential merchant plants have been announced to date in Florida. However, only two submissions to seek a determination of need totaling approximately 1,000 mw have been presented to the FPSC. In March 1999, the FPSC approved one of the petitions for a power plant to be constructed within FPL's service territory. FPL, along with other Florida utilities, has appealed the decision to the Florida Supreme Court.

Almost half of the states, other than Florida, have enacted legislation or have state commissions that issued orders 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 and other services provided to retail customers. 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. It is generally believed transmission and distribution activities would remain regulated. Since there is no deregulation proposal currently under consideration in Florida, FPL is unable to predict the impact of a change to a more competitive environment or when such a change might occur.

In the event the basis of regulation for some or all of FPL's business

B

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for a full revenue requirements rate case for Florida Power & Light Company	DOCKET NO. 990067-EI

STIPULATION AND SETTLEMENT

WHEREAS, the Office of Public Counsel of the State of Florida ("OPC") has petitioned the Florida Public Service Commission to initiate and conduct a full revenue requirements base rate proceeding for Florida Power & Light Company ("FPL"). In its Petition, the OPC, among other matters, alleges that, while long- term benefits for both FPL and its customers may have been achieved by the "Plans" approved by the Florida Public Service Commission in Dockets Nos. 950359-EI and 970410-EI, the time has now come for the customers to share in the benefits;

WHEREAS, The Florida Industrial Power Users Group ("FIPUG") and The Coalition For Equitable Rates ("Coalition")have petitioned for and been granted leave to intervene;

WHEREAS, a base rate proceeding can be costly, time consuming, lengthy and disruptive to efficient and appropriate management and regulatory efforts; and, WHEREAS, the Parties to this Stipulation and Settlement have undertaken to resolve the matters raised in the Petition so as to effect a current and prompt reduction in base rates charged customers and achieve a degree of stability to the base rates and charges;

NOW THEREFORE, in consideration of the foregoing and the covenants contained herein, the Parties hereby stipulate and agree:

1. This Stipulation and Settlement will become effective on the day following the vote by the Florida Public Service Commission approving this Stipulation and Settlement which will be reflected in a final Order. The starting date for the three-year term of this Stipulation and Settlement will be 30 days following the vote and will be referred to as the "Implementation Date."

2. The continued amortization and booking of expenses and other cost recognition authorized and required by the Florida Public Service Commission in Dockets Nos. 950359-EI and 970410-EI will terminate on the day before the Implementation Date. Beginning on the Implementation Date, FPL is authorized to record an amortization amount of up to $100 million at the discretion of the Company per year for each twelve months of the

term of this Stipulation and Settlement which shall be applied to reduce nuclear and/or fossil production plant in service. The amortization will be separate and apart from normal depreciation, and existing depreciation practices and resulting depreciation rates will not be adjusted, either before, during or after the term hereof to eliminate the effect of the additional amortization amount recorded.

3. FPL will reduce its base rates by $350 million. The base rate reduction will be reflected on FPL's customer bills by reducing the base rate energy charge by .420 cents per kWh. FPL will begin applying the lower base rate energy charge required by this Stipulation and Settlement to meter readings made on and after the Implementation Date.

4. Effective on the Implementation Date, FPL's authorized return on equity range on a prospective basis will be 10.00% to 12.00% with a midpoint of 11.00% for all regulatory purposes; it being understood that during the term of this Stipulation and Settlement the achieved return on equity may, from time to time, be outside the authorized range and the sharing mechanism herein described is intended to be the appropriate and exclusive mechanism to address that circumstance. FPL's adjusted equity ratio will be capped at 55.83% as included in FPL's projected

1998 Rate of Return Report for surveillance purposes. The adjusted equity ratio equals common equity divided by the sum of common equity, preferred equity, debt and off-balance sheet obligations. The amount used for off-balance sheet obligations will be calculated per the Standard & Poor's methodology as used in its August 1998 credit report.

5. No party to this Stipulation and Settlement will request, support, or seek to impose a change in the application of any provision hereof. OPC, FIPUG and the Coalition will neither seek nor support any additional reduction in FPL's base rates and charges, including interim rate decreases, to take effect for three years from the Implementation Date unless such reduction is initiated by FPL. FPL will not petition for an increase in its base rates and charges, including interim rate increases, to take effect before three years from the Implementation Date. Other than with respect to the environmental cost recovery clause as herein addressed, FPL will not use the various cost recovery clauses to recover new capital items which traditionally and historically would be recoverable through base rates.

6. During the term of this Stipulation and Settlement revenues which are above the levels stated herein will be shared

between FPL and its retail electric utility customers--it being expressly understood and agreed that the mechanism for earnings sharing herein established is not intended to be a vehicle for "rate case" type inquiry concerning expenses, investment and financial results of operations. For the first 12 months beginning with the Implementation Date, FPL's retail base rate revenues in excess of $3.400 billion up to $3.556 billion will be shared between FPL and its customers on a one-third/two-thirds basis, one-third to be retained by FPL and two-thirds to be refunded to its customers. Retail base rate revenues above $3.556 billion for the first 12-month period will be refunded to FPL's customers. For the second 12-month period, retail base rate revenues in excess of $3.450 billion up to $3.606 billion will be subject to the same one-third/two-thirds sharing between FPL and its customers. Retail base rate revenues above $3.606 billion for the second 12-month period will be refunded to FPL customers. For the third and final 12-month period, retail base rate revenues in excess of $3.500 billion up to $3.656 billion will be subject to the same one-third/two-thirds sharing between FPL and its customers. Retail base rate revenues above $3.656 billion for the third 12-month period will be refunded to FPL's customers. Because implementation of this Stipulation and

Settlement may not begin on the first day of a calendar month, the three resulting 12 month periods used to calculate potential refunds may each include two partial calendar months. Revenues for these two partial calendar months will be calculated by multiplying total revenues for the full calendar month by the ratio of days the Stipulation and Settlement is in effect in the partial calendar month, or days to complete the applicable twelve month period, as the case may be, to the total days in that calendar month.

All refunds will be paid with interest at the 30-day commercial paper rate as specified in Rule 25-6.109, Florida Administrative Code, to customers of record during the last three months of each applicable 12-month period based on their proportionate share of kWh usage for the 12-month period. For purposes of calculating interest only, it will be assumed that revenues to be refunded were collected evenly throughout the preceding 12-month period at the rate of one-twelfth per month. All refunds with interest will be in the form of a credit on the customers' bills beginning with the first day of the first billing cycle of the second month after the end of the applicable twelve month period. Refunds to former customers will be completed as expeditiously as reasonably possible.

7. FPL's recovery of costs through the environmental cost recovery docket will be phased out over a three-year period beginning January 1, 2000. FPL will be allowed to recover its otherwise eligible and prudent environmental costs, including true-up amounts, in 2000 up to $12.8 million. For 2001, FPL will be allowed to recover its otherwise eligible and prudent environmental costs, including true-up amounts, up to $6.4 million. For 2002, FPL will not be allowed to recover any costs through the environmental cost recovery docket. FPL may, however, petition to recover in 2003 prudent environmental costs incurred after the expiration of the three-year term of this Stipulation and Settlement in 2002.

8. During the term of this Stipulation and Settlement, accruals for nuclear decommissioning and fossil dismantlement expense will be capped at the level previously approved by the Commission in Order No. PSC-95-1531-FOF-EI in Dockets Nos. 941350-EI and 941352-EI as amended by Order No. PSC-95-1531A-FOF-EI and Order No. PSC-95-1532-FOF-EI in Docket No. 941343-EI. In addition, the Protests or Petitions on Proposed Agency Action by FIPUG and the Coalition of Order No. PSC-99-0073-FOF-EI will

be withdrawn and that Order will be made final. Thereafter, depreciation rates as addressed in Order No. PSC-99-0073-FOF-EI will not be exceeded for the term of this Stipulation and Settlement.

9. The construction costs associated with the Ft. Myers and Sanford plant repowering projects will be treated as CWIP in rate base and AFUDC will not be accrued on these projects.

10. This Stipulation and Settlement is contingent on approval in its entirety by the Florida Public Service Commission. This Stipulation and Settlement will resolve all matters in this Docket pursuant to and in accordance with Section 120.57(4), Florida Statutes (1997). This Docket will be closed effective on the date the Florida Public Service Commission Order approving this Stipulation and Settlement is final.

11. This Stipulation and Settlement, dated as of March 10, 1999, may be executed in counterpart originals and a facsimile of an original signature shall be deemed an original.

In Witness Whereof, the Parties evidence their acceptance and agreement with the provisions of this Stipulation and Settlement by their signature.

Florida Power & Light Company
9250 West Flagler Street
Miami, Florida 33174

Steel Hector & Davis LLP

By: ____________________________
By: ________________________
Matthew M. Childs, P.A.

Office of Public Counsel
111 West Madison Street
Suite 810
Tallahassee, FL 32399

Jack Shreve

Florida Industrial
Power Users Group

John W. McWhirter, Jr., Esq.
McWhirter,Reeves,McGlothlin,
Davidson, Decker, Kaufman
Arnold & Steen, P.A.
P. O. Box 3350
Tampa, FL 33601-3350

By: ________________________
John W. McWhirter

The Coalition for
Equitable Rates

Ronald C. LaFace, Esq.
Seann M. Frazier, Esq.
Greenberg, Traurig, P.A.
101 East College Avenue
Tallahassee, FL 32301

By: ________________________
Ronald C. LaFace

C

P.O. Box 029100, Miami, FL 33102

FPL

February 12, 2001

Mr. John Slemkewicz
Public Utilities Supervisor of Electric and Gas Accounting
Division of Auditing and Financial Analysis
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Dear Mr. Slemkewicz,

Re: Rate of Return Report

Enclosed is a copy of Florida Power & Light Company's (Company) Rate of Return Surveillance Report to the Florida Public Service Commission for December 2000. This report was prepared using a thirteen month average and year-end rate base and adjustments consistent with Docket No. 830465-EI, Order Nos. 13537 and 13948. The required rate of return was calculated using the return on common equity as authorized in Docket No. 990067-EI, Order No. PSC-99-0519-AS-EI.The report includes additional depreciation expense of $100.6 million and potential retail refunds of $83.3 million recorded pursuant to the settlement agreement approved by the Commission in Order NO. PSC-99-0519-AS-EI. In addition, the report includes the retail portion of the amounts recorded resulting from the settlement reached with the Florida Municipal Power Agency on October 21, 1999.

This report also includes certain pro forma adjustments to rate base and net operating income which reflect the annual effect of known future events. The pro forma return on common equity is 11.09% and includes the following adjustments:

- Revenue normalization due to abnormal weather conditions.

This report was prepared consistent with the guidelines provided in Commission Form PSC/AFA 14.

Very truly yours,

D. L. Babka
Director Regulatory
and Tax Accounting
DLB:TTK

Enclosures
Copy: B. D. Smith, Office of Public Counsel

FILED-PUBLIC SERVICE
01 FEB 14 PM 3:40
RECORDS AND REPORTING REGULATION

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
EARNINGS SURVEILLANCE REPORT SUMMARY
DECEMBER 31, 2000

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	$ 804,297,699 (A)	$ (16,895,652) (B)	$ 787,402,048	$ (9,393,809)	$ 778,008,239
AVERAGE RATE BASE	$ 7,746,467,919	$ 1,217,932,716	$8,964,400,635	$ 549,867,403	$ 9,514,268,038
AVERAGE RATE OF RETURN	10 38%		8 78%		8 18%
II.YEAR END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	$ 804,297,699 (A)	$ (4,636,752) (B)	$ 799,660,948	$ (8,753,464)	$ 790,907,483
YEAR END RATE BASE	$ 7,903,342,273	$ 1,277,452,398	$9,180,794,671	$ 549,867,403	$ 9,730,662,074
YEAR END RATE OF RETURN	10 18%		8 71%		8 13%

(A) INCLUDES AFUDC EARNINGS (B) INCLUDES REVERSAL OF AFUDC EARNINGS

III REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)

LOW	7 58%	
MIDPOINT	8 13%	
HIGH	8 68%	
IV. FINANCIAL INTEGRITY INDICATORS		
A. TIE WITH AFUDC	6 47	(SYSTEM PER BOOKS BASIS)
B TIE WITHOUT AFUDC	6 47	(SYSTEM PER BOOKS BASIS)
C. AFUDC TO NET INCOME	0 00%	(SYSTEM PER BOOKS BASIS)
D. INTERNALLY GENERATED FUNDS	26 29%	(SYSTEM PER BOOKS BASIS)
E LTD TO TOTAL INVESTOR FUNDS	28.84%	(FPSC ADJUSTED BASIS)
F STD TO TOTAL INVESTOR FUNDS	3 72%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	12 21%	(FPSC ADJUSTED)
H RETURN ON COMMON EQUITY	11 09%	(PROFORMA ADJUSTED)

NOTE: THIS REPORT HAS BEEN PREPARED USING A THIRTEEN MONTH AVERAGE AND END OF PERIOD RATE BASE AND ADJUSTMENTS CONSISTENT WITH DOCKET NO 830465-EI, ORDER NOS. 13537 AND 13948 THIS REPORT DOES NOT NECESSARILY REPRESENT THE OPINION OF THE COMPANY AS TO THE ACTUAL EARNED RATE OF RETURN FOR THE PERIOD COVERED

I AM AWARE THAT SECTION 837 06, FLORIDA STATUTES, PROVIDES:
WHOEVER KNOWINGLY MAKES A FALSE STATEMENT IN WRITING WITH THE INTENT TO MISLEAD A PUBLIC SERVANT IN THE PERFORMANCE OF HIS OFFICIAL DUTY SHALL BE GUILTY OF A MISDEMEANOR OF THE SECOND DEGREE, PUNISHABLE AS PROVIDED IN S.775.082, S.775.083, OR S 775 084

K. M. DAVIS
(VICE PRESIDENT AND CONTROLLER)

[signature]
(SIGNATURE)

2/12/01
(DATE)

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
DECEMBER 31, 2000

LINE NO	AVERAGE	(1) SYSTEM PER BOOKS	(2) RETAIL PER BOOKS	ADJUSTMENTS (3) PRO RATA	ADJUSTMENTS (4) SPECIFIC	(5) ADJUSTED RETAIL	(6) RATIO (%)	LOW POINT (7) COST RATE (%)	LOW POINT (8) WEIGHTED COST (%)	MIDPOINT (9) COST RATE (%)	MIDPOINT (10) WEIGHTED COST (%)	HIGH POINT (11) COST RATE (%)	HIGH POINT (12) WEIGHTED COST (%)
	LONG TERM DEBT	$ 1,980,632,960	$ 1,984,220,102	$ 329,262,712	$(146,276,721)	$2,167,206,093	24.18	6.08	1.47	6.08	1.47	6.08	1.47
	SHORT TERM DEBT	236,626,917	237,055,474	42,511,908	0	279,567,382	3.12	6.41	0.20	6.41	0.20	6.41	0.20
	PREFERRED STOCK	188,953,210	189,295,425	33,946,948	0	223,242,373	2.49	6.59	0.16	6.59	0.16	6.59	0.16
	CUSTOMER DEPOSITS	220,442,764	220,442,764	40,734,280	0	261,177,045	2.91	5.91	0.17	5.91	0.17	5.91	0.17
	COMMON EQUITY	4,099,161,149	4,106,585,176	736,507,036	322,888	4,843,415,100	54.03	10.00	5.40	11.00	5.94	12.00	6.48
	DEFERRED INCOME TAXES	862,706,841	864,269,297	154,992,148	0	1,019,261,444	11.37	0.00	0.00	0.00	0.00	0.00	0.00
	TAX CREDIT - ZERO COST	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	TAX CREDIT - WEIGHTED COST (1)	144,338,268	144,599,681	25,931,518	0	170,531,199	1.90	8.72	0.17	9.39	0.18	10.06	0.19
	TOTAL	$ 7,732,862,109	$ 7,746,467,919	$1,363,886,550	$(145,953,833)	$8,964,400,635	100.00		7.58		8.13		8.68

YEAR END	(1) SYSTEM PER BOOKS	(2) RETAIL PER BOOKS	ADJUSTMENTS (3) PRO RATA	ADJUSTMENTS (4) SPECIFIC	(5) ADJUSTED RETAIL	(6) RATIO (%)	LOW POINT (7) COST RATE (%)	LOW POINT (8) WEIGHTED COST (%)	MIDPOINT (9) COST RATE (%)	MIDPOINT (10) WEIGHTED COST (%)	HIGH POINT (11) COST RATE (%)	HIGH POINT (12) WEIGHTED COST (%)
LONG TERM DEBT	$ 2,132,406,917	$ 2,135,399,263	$ 362,208,670	$(129,218,641)	$2,368,389,293	25.80	6.27	1.62	6.27	1.62	6.27	1.62
SHORT TERM DEBT	434,867,816	435,478,054	78,678,025	0	514,156,079	5.60	6.60	0.37	6.60	0.37	6.60	0.37
PREFERRED STOCK	175,694,363	175,940,910	31,787,327	0	207,728,237	2.26	6.59	0.15	6.59	0.15	6.59	0.15
CUSTOMER DEPOSITS	197,016,317	197,016,317	36,629,752	0	233,646,070	2.54	6.26	0.16	6.26	0.16	6.26	0.16
COMMON EQUITY	3,902,365,439	3,907,877,178	706,288,306	1,080,370	4,615,245,854	50.27	10.00	5.03	11.00	5.53	12.00	6.03
DEFERRED INCOME TAXES	924,441,473	925,738,715	167,253,650	0	1,092,992,365	11.91	0.00	0.00	0.00	0.00	0.00	0.00
TAX CREDIT - ZERO COST	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	- 0.00
TAX CREDIT - WEIGHTED COST (1)	125,715,423	125,891,836	22,744,937	0	148,636,773	1.62	8.67	0.14	9.31	0.15	9.96	0.16
TOTAL	$ 7,892,507,749	$ 7,903,342,273	$1,405,590,669	$(128,138,271)	$9,180,794,671	100.00		7.46		7.98		8.49

NOTE:
(1) COST RATES ARE BASED ON THE WEIGHTED AVERAGE COST OF LONG TERM DEBT, PREFERRED STOCK AND COMMON EQUITY
(2) COLUMNS MAY NOT FOOT DUE TO ROUNDING.

FPL

Florida Power & Light Company, 215 S. Monroe St., Suite 810, Tallahassee, FL 32301

RECEIVED
FLORIDA PUBLIC SERVICE
COMMISSION

01 JAN 16 PM 5:46

ECONOMIC REGULATION

January 16, 2001

Mr. John Slemkewicz
Public Utilities Supervisor of Electric and Gas Accounting
Division of Auditing and Financial Analysis
Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Rate of Return Report

Dear Mr. Slemkewicz,

Enclosed is a copy of Florida Power & Light Company's (Company) Rate of Return Surveillance Report to the Florida Public Service Commission for November 2000. This report was prepared using a thirteen month average and year-end rate base and adjustments consistent with Docket No. 830465-EI, Order Nos. 13537 and 13948. The required rate of return was calculated using the return on common equity as authorized in Docket No. 990067-EI, Order No. PSC-99-0519-AS-EI. The report includes additional depreciation expense of $69.6 million and potential retail refunds of $47.5 million recorded pursuant to the settlement agreement approved by the Commission in Order No. PSC-99-0519-AS-EI. In addition, the report includes certain proforma adjustments to rate base and net operating income which reflect the annual effect of known future events.

Reported earnings for November are substantially elevated by the elimination of the one-time charge to earnings associated with the FMPA settlement. However, this short-term impact will be mitigated in the December 2000 surveillance report by the cumulative effect of:

- FPL's voluntary agreement to absorb certain carrying costs associated with the 2000 fuel cost underrecovery and the Osceola/Okeelanta cogeneration contract buy-outs.
- Additional depreciation to be recorded under the terms of Commission Order No. PSC-99-0519-AS-EI.
- Non-recurring charges associated with FPL's pending merger.

It is anticipated that the cumulative impact of these items will exceed 120 basis points on equity.

This report was prepared consistent with the guidelines provided in Commission Form PSC/AFA 14.

Very truly yours,

D. L. Babka
Director, Regulatory
and Tax Accounting

DLB:lmr

Enclosures
Copy: B.D. Smith, Office of Public Counsel

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
EARNINGS SURVEILLANCE REPORT SUMMARY
NOVEMBER 30, 2000

SCHEDULE 1· PAGE 1 OF 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I.AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	$ 860,466,335 (A)	$ (15,053,427) (B)	$ 845,412,908	$ (9,279,653)	$ 836,133,255
AVERAGE RATE BASE	$ 7,652,810,287	$ 1,190,547,587	$8,843,357,874	$ 0	$ 8,843,357,874
AVERAGE RATE OF RETURN	11 24%		9 56%		9.45%
II.YEAR END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	$ 860,466,335 (A)	$ (13,938,290) (B)	$ 846,528,045	$ (9,279,653)	$ 837,248,392
YEAR END RATE BASE	$ 7,704,040,579	$ 1,337,870,245	$9,041,910,823	$ 0	$ 9,041,910,823
YEAR END RATE OF RETURN	11 17%		9 36%		9 26%

(A) INCLUDES AFUDC EARNINGS (B) INCLUDES REVERSAL OF AFUDC EARNINGS

III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)

LOW	7 60%	
MIDPOINT	8.16%	
HIGH	8 72%	

IV FINANCIAL INTEGRITY INDICATORS

A. TIE WITH AFUDC	7 19	(SYSTEM PER BOOKS BASIS)
B TIE WITHOUT AFUDC	7 19	(SYSTEM PER BOOKS BASIS)
C AFUDC TO NET INCOME	0 00%	(SYSTEM PER BOOKS BASIS)
D. INTERNALLY GENERATED FUNDS	14 50%	(SYSTEM PER BOOKS BASIS)
E LTD TO TOTAL INVESTOR FUNDS	28 77%	(FPSC ADJUSTED BASIS)
F STD TO TOTAL INVESTOR FUNDS	3 20%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	13 57%	(FPSC ADJUSTED)
H RETURN ON COMMON EQUITY	13 38%	(PROFORMA ADJUSTED)

NOTE· THIS REPORT HAS BEEN PREPARED USING A THIRTEEN MONTH AVERAGE AND END OF PERIOD RATE BASE AND ADJUSTMENTS CONSISTENT WITH DOCKET NO. 830465-EI,ORDER NOS. 13537 AND 13948 THIS REPORT DOES NOT NECESSARILY REPRESENT THE OPINION OF THE COMPANY AS TO THE ACTUAL EARNED RATE OF RETURN FOR THE PERIOD COVERED

I AM AWARE THAT SECTION 837.06, FLORIDA STATUTES, PROVIDES:
WHOEVER KNOWLINGLY MAKES A FALSE STATEMENT IN WRITING WITH THE INTENT TO MISLEAD A PUBLIC SERVANT IN THE PERFORMANCE OF HIS OFFICIAL DUTY SHALL BE GUILTY OF A MISDEMEANOR OF THE SECOND DEGREE, PUNISHABLE AS PROVIDED IN S 775 082, S 775 083, OR S 775 084

K. M DAVIS
(VICE PRESIDENT AND CONTROLLER)

Gerald T Bille Jr. (SIGNATURE) 1/11/01 (DATE)

K M Davis

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
NOVEMBER 30, 2000

LINE NO	AVERAGE	(1) SYSTEM PER BOOKS	(2) RETAIL PER BOOKS	ADJUSTMENTS (3) PRO RATA	ADJUSTMENTS (4) SPECIFIC	(5) ADJUSTED RETAIL	(6) RATIO (%)	LOW POINT (7) COST RATE (%)	LOW POINT (8) WEIGHTED COST (%)	MIDPOINT (9) COST RATE (%)	MIDPOINT (10) WEIGHTED COST (%)	HIGH POINT (11) COST RATE (%)	HIGH POINT (12) WEIGHTED COST (%)
	LONG TERM DEBT	$ 1,951,650,946	$ 1,956,715,603	$ 321,706,965	$(146,662,351)	$2,131,760,217	24.11	6.09	1.47	6.09	1.47	6.09	1.47
	SHORT TERM DEBT	200,479,588	200,999,845	35,777,322	0	236,777,167	2.68	6.39	0.17	6.39	0.17	6.39	0.17
	PREFERRED STOCK	188,791,674	189,281,600	33,691,512	0	222,973,113	2.52	6.59	0.17	6.59	0.17	6.59	0.17
	CUSTOMER DEPOSITS	222,328,333	222,328,333	40,919,815	0	263,248,148	2.98	5.92	0.18	5.92	0.18	5.92	0.18
	COMMON EQUITY	4,079,695,799	4,090,282,868	728,099,510	228,065	4,818,610,443	54.49	10.00	5.45	11.00	5.99	12.00	6.54
	DEFERRED INCOME TAXES	844,893,390	847,085,941	150,778,556	0	997,864,497	11.28	0.00	0.00	0.00	0.00	0.00	0.00
	TAX CREDIT - ZERO COST	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	TAX CREDIT - WEIGHTED COST (1)	145,737,899	146,116,098	26,008,193	0	172,124,290	1.95	8.73	0.17	9.40	0.18	10.08	0.20
	TOTAL	$ 7,633,577,627	$ 7,652,810,287	$1,336,981,873	$(146,434,286)	$8,843,357,874	100.00		7.60		8.16		8.72

YEAR END	(1) SYSTEM PER BOOKS	(2) RETAIL PER BOOKS	ADJUSTMENTS (3) PRO RATA	ADJUSTMENTS (4) SPECIFIC	(5) ADJUSTED RETAIL	(6) RATIO (%)	LOW POINT (7) COST RATE (%)	LOW POINT (8) WEIGHTED COST (%)	MIDPOINT (9) COST RATE (%)	MIDPOINT (10) WEIGHTED COST (%)	HIGH POINT (11) COST RATE (%)	HIGH POINT (12) WEIGHTED COST (%)
LONG TERM DEBT	$ 1,910,316,608	$ 1,914,609,660	$ 345,651,114	$(133,675,721)	$2,126,585,053	23.52	5.62	1.32	5.62	1.32	5.62	1.32
SHORT TERM DEBT	377,493,278	378,341,618	73,512,201	0	451,853,820	5.00	6.55	0.33	6.55	0.33	6.55	0.33
PREFERRED STOCK	177,456,116	177,854,913	34,557,409	0	212,412,322	2.35	6.59	0.15	6.59	0.15	6.59	0.15
CUSTOMER DEPOSITS	197,941,745	197,941,745	39,642,998	0	237,584,743	2.63	6.26	0.16	6.26	0.16	6.26	0.16
COMMON EQUITY	4,016,630,026	4,025,695,064	782,162,028	(145,729)	4,807,711,363	53.17	10.00	5.32	11.00	5.85	12.00	6.38
DEFERRED INCOME TAXES	878,925,615	880,900,823	171,160,020	0	1,052,060,843	11.64	0.00	0.00	0.00	0.00	0.00	0.00
TAX CREDIT - ZERO COST	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TAX CREDIT - WEIGHTED COST (1)	128,408,184	128,696,755	25,005,924	0	153,702,680	1.70	8.60	0.15	9.27	0.16	9.94	0.17
TOTAL	$ 7,687,171,573	$ 7,704,040,579	$1,471,691,695	$(133,821,451)	$9,041,910,823	100.00		7.43		7.98		8.52

NOTE:
(1) COST RATES ARE BASED ON THE WEIGHTED AVERAGE COST OF LONG TERM DEBT, PREFERRED STOCK AND COMMON EQUITY
(2) COLUMNS MAY NOT FOOT DUE TO ROUNDING.

P.O. Box 029100, Miami, FL 33102

FPL

December 12, 2000

Mr. John Slemkewicz
Public Utilities Supervisor of Electric and Gas Accounting
Division of Auditing and Financial Analysis
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Dear Mr. Slemkewicz,

Re: Rate of Return Report

Enclosed is a copy of Florida Power & Light Company's (Company) Rate of Return Surveillance Report to the Florida Public Service Commission for October 2000. This report was prepared using a thirteen month average and year-end rate base and adjustments consistent with Docket No. 830465-EI, Order Nos. 13537 and 13948. The required rate of return was calculated using the return on common equity as authorized in Docket No. 990067-EI, Order No. PSC-99-0519-AS-EI.The report includes additional depreciation expense of $93.6 million and potential retail refunds of $52.7 million recorded pursuant to the settlement agreement approved by the Commission in Order NO. PSC-99-0519-AS-EI. In addition, the report includes the retail portion of the amounts recorded resulting from the settlement reached with the Florida Municipal Power Agency on October 21, 1999.

This report also includes certain pro forma adjustments to rate base and net operating income which reflect the annual effect of known future events. The pro forma return on common equity is 12.27% and includes the following adjustments:

- Revenue normalization due to abnormal weather conditions.

This report was prepared consistent with the guidelines provided in Commission Form PSC/AFA 14.

Very truly yours,

D. L. Babka
Director Regulatory
and Tax Accounting
DLB:TTK

Enclosures
Copy: B. D. Smith, Office of Public Counsel

00 DEC 13 PM 4:45

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
EARNINGS SURVEILLANCE REPORT SUMMARY
OCTOBER 31, 2000

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	$ 804,032,024 (A)	$ (12,978,312) (B)	$ 791,053,711	$ (9,675,824)	$ 781,377,888
AVERAGE RATE BASE	$ 7,620,533,973	$ 1,189,368,639	$8,809,902,612	$ 0	$ 8,809,902,612
AVERAGE RATE OF RETURN	10 55%		8 98%		8.87%
II. YEAR END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	$ 804,032,024 (A)	$ (12,289,061) (B)	$ 791,742,963	$ (9,675,824)	$ 782,067,140
YEAR END RATE BASE	$ 7,635,753,648	$ 1,341,431,064	$8,977,184,712	$ 0	$ 8,977,184,712
YEAR END RATE OF RETURN	10 53%		8.82%		8 71%

(A) INCLUDES AFUDC EARNINGS (B) INCLUDES REVERSAL OF AFUDC EARNINGS

III REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)

LOW	7 62%	
MIDPOINT	8.18%	
HIGH	8 74%	

IV. FINANCIAL INTEGRITY INDICATORS

A. TIE WITH AFUDC	6.73	(SYSTEM PER BOOKS BASIS)
B TIE WITHOUT AFUDC	6 73	(SYSTEM PER BOOKS BASIS)
C. AFUDC TO NET INCOME	0 00%	(SYSTEM PER BOOKS BASIS)
D. INTERNALLY GENERATED FUNDS	9 57%	(SYSTEM PER BOOKS BASIS)
E LTD TO TOTAL INVESTOR FUNDS	29 05%	(FPSC ADJUSTED BASIS)
F STD TO TOTAL INVESTOR FUNDS	2.73%	(FPSC ADJUSTED BASIS)
G RETURN ON COMMON EQUITY (AVERAGE)	12.47%	(FPSC ADJUSTED)
H RETURN ON COMMON EQUITY	12 27%	(PROFORMA ADJUSTED)

NOTE. THIS REPORT HAS BEEN PREPARED USING A THIRTEEN MONTH AVERAGE AND END OF PERIOD RATE BASE AND ADJUSTMENTS CONSISTENT WITH DOCKET NO. 830465-EI, ORDER NOS 13537 AND 13948 THIS REPORT DOES NOT NECESSARILY REPRESENT THE OPINION OF THE COMPANY AS TO THE ACTUAL EARNED RATE OF RETURN FOR THE PERIOD COVERED

I AM AWARE THAT SECTION 837 06, FLORIDA STATUTES, PROVIDES:
WHOEVER KNOWINGLY MAKES A FALSE STATEMENT IN WRITING WITH THE INTENT TO MISLEAD A PUBLIC SERVANT IN THE PERFORMANCE OF HIS OFFICIAL DUTY SHALL BE GUILTY OF A MISDEMEANOR OF THE SECOND DEGREE, PUNISHABLE AS PROVIDED IN S 775 082, S 775 083, OR S.775 084.

K. M. DAVIS
(VICE PRESIDENT AND CONTROLLER)

Donald F. [illegible] for
(SIGNATURE)
K M Davis

12/12/00
(DATE)

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
OCTOBER 31, 2000

SCHEDULE 4: PAGE 1 OF 2

LINE NO	AVERAGE	(1) SYSTEM PER BOOKS	(2) RETAIL PER BOOKS	ADJUSTMENTS (3) PRO RATA	(4) SPECIFIC	(5) ADJUSTED RETAIL	(6) RATIO (%)	LOW POINT (7) COST RATE (%)	(8) WEIGHTED COST (%)	MIDPOINT (9) COST RATE (%)	(10) WEIGHTED COST (%)	HIGH POINT (11) COST RATE (%)	(12) WEIGHTED COST (%)
	LONG TERM DEBT	$ 1,950,923,936	$ 1,957,344,544	$ 322,855,057	$(137,684,492)	$2,142,515,109	24.32	6.14	1.49	6.14	1.49	6.14	1.49
	SHORT TERM DEBT	170,130,712	170,690,622	30,500,631	0	201,191,254	2.28	6.36	0.15	6.36	0.15	6.36	0.15
	PREFERRED STOCK	189,397,232	190,020,549	33,954,688	0	223,975,237	2.54	6.59	0.17	6.59	0.17	6.59	0.17
	CUSTOMER DEPOSITS	225,743,593	225,743,593	41,826,630	0	267,570,224	3.04	5.94	0.18	5.94	0.18	5.94	0.18
	COMMON EQUITY	4,073,995,456	4,087,403,220	730,418,907	(9,285,979)	4,808,536,148	54.58	10.00	5.46	11.00	6.00	12.00	6.55
	DEFERRED INCOME TAXES	838,353,531	841,112,603	150,298,037	0	991,410,641	11.25	0.00	0.00	0.00	0.00	0.00	0.00
	TAX CREDIT - ZERO COST	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	TAX CREDIT - WEIGHTED COST (1)	147,732,644	148,218,842	26,485,159	0	174,704,000	1.98	8.75	0.17	9.42	0.19	10.09	0.20
	TOTAL	$ 7,596,277,105	$ 7,620,533,973	$1,336,339,110	$(146,970,471)	$8,809,902,612	100.00		7.62		8.18		8.74

YEAR END	(1) SYSTEM PER BOOKS	(2) RETAIL PER BOOKS	ADJUSTMENTS (3) PRO RATA	(4) SPECIFIC	(5) ADJUSTED RETAIL	(6) RATIO (%)	LOW POINT (7) COST RATE (%)	(8) WEIGHTED COST (%)	MIDPOINT (9) COST RATE (%)	(10) WEIGHTED COST (%)	HIGH POINT (11) COST RATE (%)	(12) WEIGHTED COST (%)
LONG TERM DEBT	$ 1,908,741,229	$ 1,914,447,426	$ 350,010,587	$(139,876,967)	$2,124,581,046	23.67	5.69	1.35	5.69	1.35	5.69	1.35
SHORT TERM DEBT	330,807,736	331,796,688	65,541,590	0	397,338,278	4.43	6.53	0.29	6.53	0.29	6.53	0.29
PREFERRED STOCK	176,876,404	177,405,177	35,043,802	0	212,448,979	2.37	6.59	0.16	6.59	0.16	6.59	0.16
CUSTOMER DEPOSITS	200,851,309	200,851,309	40,994,846	0	241,846,154	2.69	6.27	0.17	6.27	0.17	6.27	0.17
COMMON EQUITY	4,014,476,915	4,026,520,603	795,343,973	(146,279)	4,821,718,297	53.71	10.00	5.37	11.00	5.91	12.00	6.45
DEFERRED INCOME TAXES	852,381,166	854,929,367	168,878,810	0	1,023,808,177	11.40	0.00	0.00	0.00	0.00	0.00	0.00
TAX CREDIT - ZERO COST	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TAX CREDIT - WEIGHTED COST (1)	129,416,188	129,803,079	25,640,702	0	155,443,781	1.73	8.62	0.15	9.29	0.16	9.97	0.17
TOTAL	$ 7,613,550,946	$ 7,635,753,648	$1,481,454,310	$(140,023,246)	$8,977,184,712	100.00		7.48		8.03		8.58

NOTE:
(1) COST RATES ARE BASED ON THE WEIGHTED AVERAGE COST OF LONG TERM DEBT, PREFERRED STOCK AND COMMON EQUITY
(2) COLUMNS MAY NOT FOOT DUE TO ROUNDING

P.O. Box 029100, Miami, FL 33102

FPL

November 13, 2000

Mr. John Slemkewicz
Public Utilities Supervisor of Electric and Gas Accounting
Division of Auditing and Financial Analysis
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Dear Mr. Slemkewicz,

Re: Rate of Return Report

Enclosed is a copy of Florida Power & Light Company's (Company) Rate of Return Surveillance Report to the Florida Public Service Commission for Semptember 2000. This report was prepared using a thirteen month average and year-end rate base and adjustments consistent with Docket No. 830465-EI, Order Nos. 13537 and 13948. The required rate of return was calculated using the return on common equity as authorized in Docket No. 990067-EI, Order No. PSC-99-0519-AS-EI.The report includes additional depreciation expense of $98.6 million and potential retail refunds of $56.3 million recorded pursuant to the settlement agreement approved by the Commission in Order NO. PSC-99-0519-AS-EI. In addition, the report includes the retail portion of the amounts recorded resulting from the settlement reached with the Florida Municipal Power Agency on October 21, 1999.

This report also includes certain pro forma adjustments to rate base and net operating income which reflect the annual effect of known future events. The pro forma return on common equity is 12.05% and includes the following adjustments:

- Revenue normalization due to abnormal weather conditions.

This report was prepared consistent with the guidelines provided in Commission Form PSC/AFA 14.

Very truly yours,

D. L. Babka
Director Regulatory
and Tax Accounting
DLB:TTK

Enclosures
Copy: B. D. Smith, Office of Public Counsel

FLORIDA PUBLIC SERVICE
00 NOV 14 PM 12: 21
ECONOMIC REGULATION

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
EARNINGS SURVEILLANCE REPORT SUMMARY
SEPTEMBEP 30, 2000

SCHEDULE 1 PAGE 1 OF 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	$ 786,650,729 (A)	$ (11,840,761) (B)	$ 774,809,968	$ (18,952,719)	$ 755,857,249
AVERAGE RATE BASE	$ 7,595,362,686	$ 1,186,999,291	$8,782,361,977	$ 0	$ 8,782,361,977
AVERAGE RATE OF RETURN	10 36%		8 82%		8 61%
II YEAR END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	$ 786,650,729 (A)	$ (12,612,467) (B)	$ 774,038,262	$ (18,952,719)	$ 755,085,543
YEAR END RATE BASE	$ 7,587,110,267	$ 1,344,211,788	$8,931,322,055	$ 0	$ 8,931,322,055
YEAR END RATE OF RETURN	10 37%		8 67%		8 45%

(A) INCLUDES AFUDC EARNINGS (B) INCLUDES REVERSAL OF AFUDC EARNINGS

III REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)

LOW	7 49%
MIDPOINT	8.04%
HIGH	8 59%

IV. FINANCIAL INTEGRITY INDICATORS

A TIE WITH AFUDC	6 64	(SYSTEM PER BOOKS BASIS)
B TIE WITHOUT AFUDC	6 64	(SYSTEM PER BOOKS BASIS)
C AFUDC TO NET INCOME	0 00%	(SYSTEM PER BOOKS BASIS)
D INTERNALLY GENERATED FUNDS	12 30%	(SYSTEM PER BOOKS BASIS)
E LTD TO TOTAL INVESTOR FUNDS	29 28%	(FPSC ADJUSTED BASIS)
F STD TO TOTAL INVESTOR FUNDS	2 30%	(FPSC ADJUSTED BASIS)
G RETURN ON COMMON EQUITY (AVERAGE)	12 45%	(FPSC ADJUSTED)
H RETURN ON COMMON EQUITY	12 05%	(PROFORMA ADJUSTED)

NOTE. THIS REPORT HAS BEEN PREPARED USING A THIRTEEN MONTH AVERAGE AND END OF PERIOD RATE BASE AND ADJUSTMENTS CONSISTENT WITH DOCKET NO 830465-EI, ORDER NOS 13537 AND 13948 THIS REPORT DOFS NOT NECESSARILY REPRESENT THE OPINION OF THE COMPANY AS TO THE ACTUAL EARNED RATE OF RETURN FOR THE PERIOD COVERED

I AM AWARE THAT SECTION 837 06, FLORIDA STATUTES, PROVIDES
WHOEVER KNOWLINGLY MAKES A FALSE STATEMENT IN WRITING WITH THE INTENT TO MISLEAD A PUBLIC SERVANT IN THE PERFORMANCE OF HIS OFFICIAL DUTY SHALL BE GUILTY OF A MISDEMEANOR OF THE SECOND DEGREE, PUNISHABLE AS PROVIDED IN S 775 082, S 775 083, OR S 775 084

K M DAVIS
(VICE PRESIDENT AND CONTROLLER)

Darrell F Robb for
(SIGNATURE)

11/13/00
(DATE)

K M Davis

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
SEPTEMBER 30, 2000

LINE NO	AVERAGE	(1) SYSTEM PER BOOKS	(2) RETAIL PER BOOKS	ADJUSTMENTS (3) PRO RATA	ADJUSTMENTS (4) SPECIFIC	(5) ADJUSTED RETAIL	(6) RATIO (%)	LOW POINT (7) COST RATE (%)	LOW POINT (8) WEIGHTED COST (%)	MIDPOINT (9) COST RATE (%)	MIDPOINT (10) WEIGHTED COST (%)	HIGH POINT (11) COST RATE (%)	HIGH POINT (12) WEIGHTED COST (%)
	LONG TERM DEBT	$ 1,950,426,123	$ 1,958,177,162	$ 316,069,610	$(161,769,120)	$2,112,477,652	24 05	6 19	1 49	6 19	1 49	6 19	1.49
	SHORT TERM DEBT	143,365,145	143,934,881	25,186,193	(3,104,912)	166,016,162	1 89	6 33	0 12	6 33	0 12	6 33	0.12
	PREFERRED STOCK	190,036,834	190,792,045	33,385,412	(4,115,698)	220,061,759	2 51	6 59	0 17	6 59	0 17	6 59	0.17
	CUSTOMER DEPOSITS	228,792,172	228,792,172	41,647,422	(4,955,037)	265,484,558	3.02	5 97	0 18	5 97	0 18	5 97	0 18
	COMMON EQUITY	4,070,624,246	4,086,801,002	715,180,058	(86,983,256)	4,714,997,804	53 69	10 00	5 37	11 00	5 91	12 00	6.44
	DEFERRED INCOME TAXES	833,195,763	836,506,902	176,543,188	116,848,687	1,129,898,777	12 87	0 00	0 00	0 00	0 00	0 00	0 00
	TAX CREDIT - ZERO COST	0	0	0	0	0	0 00	0.00	0 00	0 00	0 00	0 00	0 00
	TAX CREDIT - WEIGHTED COST (1)	149,763,359	150,358,522	26,310,223	(3,243,480)	173,425,265	1 97	8 75	0 17	9 42	0 19	10.09	0.20
	TOTAL	$ 7,566,203,641	$ 7,595,362,686	$1,334,322,107	$(147,322,815)	$8,782,361,977	100 00		7 49		8 04		8.59

YEAR END	(1) SYSTEM PER BOOKS	(2) RETAIL PER BOOKS	ADJUSTMENTS (3) PRO RATA	ADJUSTMENTS (4) SPECIFIC	(5) ADJUSTED RETAIL	(6) RATIO (%)	LOW POINT (7) COST RATE (%)	LOW POINT (8) WEIGHTED COST (%)	MIDPOINT (9) COST RATE (%)	MIDPOINT (10) WEIGHTED COST (%)	HIGH POINT (11) COST RATE (%)	HIGH POINT (12) WEIGHTED COST (%)
LONG TERM DEBT	$ 1,912,359,683	$ 1,919,447,411	$ 345,383,886	$(157,632,002)	$2,107,199,295	23 59	5 72	1 35	5 72	1 35	5.72	1.35
SHORT TERM DEBT	261,893,190	262,863,837	51,263,398	(5,925,653)	308,201,582	3 45	6 56	0 23	6 56	0 23	6 56	0.23
PREFERRED STOCK	176,875,624	177,531,174	34,621,922	(4,002,027)	208,151,068	2 33	6 59	0 15	6 59	0.15	6 59	0.15
CUSTOMER DEPOSITS	200,000,854	200,000,854	40,416,875	(4,525,264)	235,892,465	2 64	6 27	0 17	6 27	0 17	6.27	0.17
COMMON EQUITY	4,035,670,590	4,050,668,731	790,202,853	(89,495,957)	4,751,375,628	53.20	10 00	5 32	11 00	5 85	12 00	6.38
DEFERRED INCOME TAXES	842,148,986	845,270,220	200,431,536	120,821,267	1,166,523,024	13 06	0 00	0 00	0 00	0 00	0 00	0.00
TAX CREDIT - ZERO COST	0	0	0	0	0	0 00	0 00	0 00	0 00	0 00	0 00	0 00
TAX CREDIT - WEIGHTED COST (1)	130,843,098	131,328,038	25,611,440	(2,960,485)	153,978,994	1.72	8 62	0.15	9 30	0 16	9 97	0.17
TOTAL	$ 7,559,792,026	$ 7,587,110,267	$1,487,931,910	$(143,720,121)	$8,931,322,055	100 00		7 36		7 91		8 45

NOTE.
(1) COST RATES ARE BASED ON THE WEIGHTED AVERAGE COST OF LONG TERM DEBT, PREFERRED STOCK AND COMMON EQUITY
(2) COLUMNS MAY NOT FOOT DUE TO ROUNDING

P.O. Box 029100, Miami, FL 33102

FPL

RECEIVED
FLORIDA PUBLIC SERVICE COMMISSION

00 OCT 16 AM 10: 59

DIVISION OF ECONOMIC REGULATION

October 12, 2000

Mr. John Slemkewicz
Public Utilities Supervisor of Electric and Gas Accounting
Division of Auditing and Financial Analysis
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Dear Mr. Slemkewicz,

Re: Rate of Return Report

Enclosed is a copy of Florida Power & Light Company's (Company) Rate of Return Surveillance Report to the Florida Public Service Commission for August 2000. This report was prepared using a thirteen month average and year-end rate base and adjustments consistent with Docket No. 830465-EI, Order Nos. 13537 and 13948. The required rate of return was calculated using the return on common equity as authorized in Docket No. 990067-EI, Order No. PSC-99-0519-AS-EI.The report includes additional depreciation expense of $107.6 million and potential retail refunds of $41.6 million recorded pursuant to the settlement agreement approved by the Commission in Order NO. PSC-99-0519-AS-EI. In addition, the report includes the retail portion of the amounts recorded resulting from the settlement reached with the Florida Municipal Power Agency on October 21, 1999.

This report also includes certain pro forma adjustments to rate base and net operating income which reflect the annual effect of known future events. The pro forma return on common equity is 12.09% and includes the following adjustments:

- Revenue normalization due to abnormal weather conditions.

This report was prepared consistent with the guidelines provided in Commission Form PSC/AFA 14.

Very truly yours,

Donald L Babka

D. L. Babka
Director Regulatory
and Tax Accounting
DLB:TTK

Enclosures
Copy: B. D. Smith, Office of Public Counsel

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
EARNINGS SURVEILLANCE REPORT SUMMARY
AUGUST 31, 2000

	(1) ACTUAL PER BOOKS		(2) FPSC ADJUSTMENTS		(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I.AVERAGE RATE OF RETURN (JURISDICTIONAL)							
NET OPERATING INCOME	$ 782,440,187	(A)	$ (10,304,738)	(B)	$ 772,135,449	$ (15,435,708)	$ 756,699,741
AVERAGE RATE BASE	$ 7,556,613,930		$ 1,189,823,403		$8,746,437,333	$ 0	$ 8,746,437,333
AVERAGE RATE OF RETURN	10 35%				8 83%		8 65%
II YEAR END RATE OF RETURN (JURISDICTIONAL)							
NET OPERATING INCOME	$ 782,440,187	(A)	$ (11,034,224)	(B)	$ 771,405,963	$ (15,435,708)	$ 755,970,255
YEAR END RATE BASE	$ 7,602,650,572		$ 1,289,753,511		$8,892,404,082	$ 0	$ 8,892,404,082
YEAR END RATE OF RETURN	10 29%				8 67%		8 50%

(A) INCLUDES AFUDC EARNINGS (B) INCLUDES REVERSAL OF AFUDC EARNINGS

III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)

LOW	7 52%	
MIDPOINT	8.07%	
HIGH	8 62%	

IV. FINANCIAL INTEGRITY INDICATORS

A. TIE WITH AFUDC	6 75	(SYSTEM PER BOOKS BASIS)
B TIE WITHOUT AFUDC	6 75	(SYSTEM PER BOOKS BASIS)
C. AFUDC TO NET INCOME	0.00%	(SYSTEM PER BOOKS BASIS)
D. INTERNALLY GENERATED FUNDS	16.88%	(SYSTEM PER BOOKS BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	29 39%	(FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	1 97%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	12 41%	(FPSC ADJUSTED)
H RETURN ON COMMON EQUITY	12 09%	(PROFORMA ADJUSTED)

NOTE: THIS REPORT HAS BEEN PREPARED USING A THIRTEEN MONTH AVERAGE AND END OF PERIOD RATE BASE AND ADJUSTMENTS CONSISTENT WITH DOCKET NO. 830465-EI,ORDER NOS 13537 AND 13948. THIS REPORT DOES NOT NECESSARILY REPRESENT THE OPINION OF THE COMPANY AS TO THE ACTUAL EARNED RATE OF RETURN FOR THE PERIOD COVERED

I AM AWARE THAT SECTION 837.06, FLORIDA STATUTES, PROVIDES:
WHOEVER KNOWLINGLY MAKES A FALSE STATEMENT IN WRITING WITH THE INTENT TO MISLEAD A PUBLIC SERVANT IN THE PERFORMANCE OF HIS OFFICIAL DUTY SHALL BE GUILTY OF A MISDEMEANOR OF THE SECOND DEGREE, PUNISHABLE AS PROVIDED IN S.775.082, S 775.083, OR S.775 084.

K. M DAVIS (VICE PRESIDENT AND CONTROLLER)

Donald [illegible] fa (SIGNATURE)

10/12/00 (DATE)

KM DAVIS

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
AUGUST 31, 2000

LINE NO	AVERAGE	(1) SYSTEM PER BOOKS	(2) RETAIL PER BOOKS	ADJUSTMENTS (3) PRO RATA	ADJUSTMENTS (4) SPECIFIC	(5) ADJUSTED RETAIL	(6) RATIO (%)	LOW POINT (7) COST RATE (%)	LOW POINT (8) WEIGHTED COST (%)	MIDPOINT (9) COST RATE (%)	MIDPOINT (10) WEIGHTED COST (%)	HIGH POINT (11) COST RATE (%)	HIGH POINT (12) WEIGHTED COST (%)
	LONG TERM DEBT	$ 1,945,033,158	$ 1,953,963,617	$ 317,604,104	$ (161,934,309)	$2,109,633,412	24.12	6.24	1.50	6.24	1.50	6.24	1.50
	SHORT TERM DEBT	121,841,794	122,401,221	21,580,873	(2,632,751)	141,349,343	1.62	6.35	0.10	6.35	0.10	6.35	0.10
	PREFERRED STOCK	190,226,221	191,099,629	33,693,265	(4,110,397)	220,682,497	2.52	6.59	0.17	6.59	0.17	6.59	0.17
	CUSTOMER DEPOSITS	231,211,662	231,211,662	42,499,771	(4,996,008)	268,715,425	3.07	6.00	0.18	6.00	0.18	6.00	0.18
	COMMON EQUITY	4,056,462,282	4,075,087,193	718,530,615	(86,569,906)	4,707,047,902	53.82	10.00	5.38	11.00	5.92	12.00	6.46
	DEFERRED INCOME TAXES	826,913,233	830,709,936	176,661,240	115,945,016	1,123,316,193	12.84	0.00	0.00	0.00	0.00	0.00	0.00
	TAX CREDIT - ZERO COST	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	TAX CREDIT - WEIGHTED COST (1)	151,445,324	152,140,672	26,824,312	(3,272,422)	175,692,562	2.01	8.77	0.18	9.43	0.19	10.10	0.20
	TOTAL	$ 7,523,133,674	$ 7,556,613,930	$1,337,394,180	$(147,570,777)	$8,746,437,333	100.00		7.52		8.07		8.62

YEAR END	(1) SYSTEM PER BOOKS	(2) RETAIL PER BOOKS	ADJUSTMENTS (3) PRO RATA	ADJUSTMENTS (4) SPECIFIC	(5) ADJUSTED RETAIL	(6) RATIO (%)	LOW POINT (7) COST RATE (%)	LOW POINT (8) WEIGHTED COST (%)	MIDPOINT (9) COST RATE (%)	MIDPOINT (10) WEIGHTED COST (%)	HIGH POINT (11) COST RATE (%)	HIGH POINT (12) WEIGHTED COST (%)
LONG TERM DEBT	$ 1,777,117,233	$ 1,784,761,490	$ 306,559,930	$ (83,088,639)	$2,008,232,781	22.58	6.12	1.38	6.12	1.38	6.12	1.38
SHORT TERM DEBT	278,907,926	280,107,647	52,215,534	(6,154,159)	326,169,022	3.67	6.54	0.24	6.54	0.24	6.54	0.24
PREFERRED STOCK	181,852,790	182,635,029	34,045,431	(4,012,618)	212,667,842	2.39	6.59	0.16	6.59	0.16	6.59	0.16
CUSTOMER DEPOSITS	205,136,279	205,136,279	39,766,238	(4,526,373)	240,376,144	2.70	6.27	0.17	6.27	0.17	6.27	0.17
COMMON EQUITY	4,163,261,776	4,181,166,613	779,444,521	(156,387,628)	4,804,223,506	54.03	10.00	5.40	11.00	5.94	12.00	6.48
DEFERRED INCOME TAXES	828,701,303	832,265,956	188,615,666	120,816,563	1,141,698,185	12.84	0.00	0.00	0.00	0.00	0.00	0.00
TAX CREDIT - ZERO COST	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TAX CREDIT - WEIGHTED COST (1)	135,992,587	136,577,558	25,459,748	(3,000,703)	159,036,603	1.79	8.82	0.16	9.52	0.17	10.21	0.18
TOTAL	$ 7,570,969,895	$ 7,602,650,572	$1,426,107,067	$(136,353,557)	$8,892,404,082	100.00		7.51		8.06		8.62

NOTE:
(1) COST RATES ARE BASED ON THE WEIGHTED AVERAGE COST OF LONG TERM DEBT, PREFERRED STOCK AND COMMON EQUITY
(2) COLUMNS MAY NOT FOOT DUE TO ROUNDING.

P.O. Box 029100, Miami, FL 33102

FPL

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FLORIDA PUBLIC SERVICE
COMMISSION

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DIVISION OF
ECONOMIC REGULATION

September 13, 2000

Mr. John Slemkewicz
Public Utilities Supervisor of Electric and Gas Accounting
Division of Auditing and Financial Analysis
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Dear Mr. Slemkewicz,

Re: Rate of Return Report

Enclosed is a copy of Florida Power & Light Company's (Company) Rate of Return Surveillance Report to the Florida Public Service Commission for July 2000. This report was prepared using a thirteen month average and year-end rate base and adjustments consistent with Docket No. 830465-EI, Order Nos. 13537 and 13948. The required rate of return was calculated using the return on common equity as authorized in Docket No. 990067-EI, Order No. PSC-99-0519-AS-EI.The report includes additional depreciation expense of $96.0 million and potential retail refunds of $40.3 million recorded pursuant to the settlement agreement approved by the Commission in Order NO. PSC-99-0519-AS-EI. In addition, the report includes the retail portion of the amounts recorded resulting from the settlement reached with the Florida Municipal Power Agency on October 21, 1999.

This report also includes certain pro forma adjustments to rate base and net operating income which reflect the annual effect of known future events. The pro forma return on common equity is 11.79% and includes the following adjustments:

- Revenue normalization due to abnormal weather conditions.

This report was prepared consistent with the guidelines provided in Commission Form PSC/AFA 14.

Very truly yours,

Donald L. Babka

D. L. Babka
Director Regulatory
and Tax Accounting
DLB:TTK

Enclosures
Copy: B. D. Smith, Office of Public Counsel

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
EARNINGS SURVEILLANCE REPORT SUMMARY
JULY 31, 2000

SCHEDULE 1 · PAGE 1 OF 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	$ 770,067,650 (A)	$ (8,539,999) (B)	$ 761,527,651	$ (20,737,144)	$ 740,790,507
AVERAGE RATE BASE	$ 7,527,896,697	$ 1,198,480,206	$8,726,376,902	$ 0	$ 8,726,376,902
AVERAGE RATE OF RETURN	10.23%		8 73%		8.49%
II. YEAR END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	$ 770,067,650 (A)	$ (5,151,246) (B)	$ 764,916,403	$ (20,737,144)	$ 744,179,260
YEAR END RATE BASE	$ 7,571,361,064	$ 1,299,520,511	$8,870,881,575	$ 0	$ 8,870,881,575
YEAR END RATE OF RETURN	10.17%		8 62%		8 39%

(A) INCLUDES AFUDC EARNINGS (B) INCLUDES REVERSAL OF AFUDC EARNINGS

III REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)

LOW	7 51%	
MIDPOINT	8.07%	
HIGH	8 62%	

IV. FINANCIAL INTEGRITY INDICATORS

A. TIE WITH AFUDC	6 74	(SYSTEM PER BOOKS BASIS)
B. TIE WITHOUT AFUDC	6 74	(SYSTEM PER BOOKS BASIS)
C AFUDC TO NET INCOME	0 00%	(SYSTEM PER BOOKS BASIS)
D. INTERNALLY GENERATED FUNDS	1 11%	(SYSTEM PER BOOKS BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	29.68%	(FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	1 62%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	12.23%	(FPSC ADJUSTED)
H. RETURN ON COMMON EQUITY	11.79%	(PROFORMA ADJUSTED)

NOTE: THIS REPORT HAS BEEN PREPARED USING A THIRTEEN MONTH AVERAGE AND END OF PERIOD RATE BASE AND ADJUSTMENTS CONSISTENT WITH DOCKET NO. 830465-EI, ORDER NOS. 13537 AND 13948. THIS REPORT DOES NOT NECESSARILY REPRESENT THE OPINION OF THE COMPANY AS TO THE ACTUAL EARNED RATE OF RETURN FOR THE PERIOD COVERED.

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K. M. DAVIS
(VICE PRESIDENT AND CONTROLLER)

Donald F Babb for
(SIGNATURE)

9/13/00
(DATE)

KM DAVIS

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
JULY 31, 2000

LINE NO.	AVERAGE	(1) SYSTEM PER BOOKS	(2) RETAIL PER BOOKS	ADJUSTMENTS (3) PRO RATA	ADJUSTMENTS (4) SPECIFIC	(5) ADJUSTED RETAIL	(6) RATIO (%)	LOW POINT (7) COST RATE (%)	LOW POINT (8) WEIGHTED COST (%)	MIDPOINT (9) COST RATE (%)	MIDPOINT (10) WEIGHTED COST (%)	HIGH POINT (11) COST RATE (%)	HIGH POINT (12) WEIGHTED COST (%)
	LONG TERM DEBT	$ 1,953,381,437	$ 1,962,146,978	$ 322,389,657	$(161,226,069)	$2,123,310,566	24.33	6.24	1.52	6.24	1.52	6.24	1.52
	SHORT TERM DEBT	99,479,263	99,925,663	17,796,497	(2,139,608)	115,582,552	1.32	6.31	0.08	6.31	0.08	6.31	0.08
	PREFERRED STOCK	190,378,933	191,233,233	34,058,134	(4,094,685)	221,196,681	2.53	6.59	0.17	6.59	0.17	6.59	0.17
	CUSTOMER DEPOSITS	233,581,460	233,581,460	43,321,138	(5,023,889)	271,878,709	3.12	6.02	0.19	6.02	0.19	6.02	0.19
	COMMON EQUITY	4,039,744,576	4,057,872,396	722,738,216	(86,327,899)	4,694,282,714	53.79	10.00	5.38	11.00	5.92	12.00	6.46
	DEFERRED INCOME TAXES	825,644,760	829,349,732	177,888,170	115,004,335	1,122,242,237	12.86	0.00	0.00	0.00	0.00	0.00	0.00
	TAX CREDIT - ZERO COST	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	TAX CREDIT - WEIGHTED COST (1)	153,100,217	153,787,234	27,389,100	(3,292,892)	177,883,443	2.04	8.76	0.18	9.43	0.19	10.09	0.21
	TOTAL	$ 7,495,310,646	$ 7,527,896,697	$1,345,580,912	$(147,100,706)	$8,726,376,902	100.00		7.51		8.07		8.62

YEAR END	(1) SYSTEM PER BOOKS	(2) RETAIL PER BOOKS	ADJUSTMENTS (3) PRO RATA	ADJUSTMENTS (4) SPECIFIC	(5) ADJUSTED RETAIL	(6) RATIO (%)	LOW POINT (7) COST RATE (%)	LOW POINT (8) WEIGHTED COST (%)	MIDPOINT (9) COST RATE (%)	MIDPOINT (10) WEIGHTED COST (%)	HIGH POINT (11) COST RATE (%)	HIGH POINT (12) WEIGHTED COST (%)
LONG TERM DEBT	$ 1,826,205,412	$ 1,833,881,103	$ 319,427,987	$(149,743,309)	$2,003,565,780	22.59	6.18	1.39	6.18	1.39	6.18	1.39
SHORT TERM DEBT	341,092,283	342,525,922	64,625,495	(7,436,942)	399,714,475	4.51	6.55	0.30	6.55	0.30	6.55	0.30
PREFERRED STOCK	185,956,937	186,738,530	35,232,574	(4,054,477)	217,916,626	2.46	6.59	0.16	6.59	0.16	6.59	0.16
CUSTOMER DEPOSITS	209,473,601	209,473,601	41,056,178	(4,567,219)	245,962,561	2.77	6.27	0.17	6.27	0.17	6.27	0.17
COMMON EQUITY	3,995,362,602	4,012,150,550	756,985,309	(86,272,936)	4,682,862,922	52.79	10.00	5.28	11.00	5.81	12.00	6.33
DEFERRED INCOME TAXES	841,899,482	845,438,054	192,663,244	118,037,477	1,156,138,775	13.03	0.00	0.00	0.00	0.00	0.00	0.00
TAX CREDIT - ZERO COST	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TAX CREDIT - WEIGHTED COST (1)	140,562,509	141,153,305	26,631,859	(3,064,728)	164,720,436	1.86	8.78	0.16	9.46	0.18	10.14	0.19
TOTAL	$ 7,540,552,827	$ 7,571,361,064	$1,436,622,646	$(137,102,135)	$8,870,881,575	100.00		7.47		8.01		8.55

NOTE:
(1) COST RATES ARE BASED ON THE WEIGHTED AVERAGE COST OF LONG TERM DEBT, PREFERRED STOCK AND COMMON EQUITY.
(2) COLUMNS MAY NOT FOOT DUE TO ROUNDING.

P.O. Box 029100, Miami, FL 33102

FPL

August 14, 2000

Mr. John Slemkewicz
Public Utilities Supervisor of Electric and Gas Accounting
Division of Auditing and Financial Analysis
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Dear Mr. Slemkewicz,

Re: Rate of Return Report

Enclosed is a copy of Florida Power & Light Company's (Company) Rate of Return Surveillance Report to the Florida Public Service Commission for June 2000. This report was prepared using a thirteen month average and year-end rate base and adjustments consistent with Docket No. 830465-EI, Order Nos. 13537 and 13948. The required rate of return was calculated using the return on common equity as authorized in Docket No. 990067-EI, Order No. PSC-99-0519-AS-EI.The report includes additional depreciation expense of $96.0 million and potential retail refunds of $34.6 million recorded pursuant to the settlement agreement approved by the Commission in Order NO. PSC-99-0519-AS-EI. In addition, the report includes the retail portion of the amounts recorded resulting from the settlement reached with the Florida Municipal Power Agency on October 21, 1999.

This report also includes certain pro forma adjustments to rate base and net operating income which reflect the annual effect of known future events. The pro forma return on common equity is 11.86% and includes the following adjustments:

- Revenue normalization due to abnormal weather conditions.

This report was prepared consistent with the guidelines provided in Commission Form PSC/AFA 14.

Very truly yours,

D. L. Babka
Director Regulatory
and Tax Accounting
DLB:TTK

Enclosures
Copy: B. D. Smith, Office of Public Counsel

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
EARNINGS SURVEILLANCE REPORT SUMMARY
JUNE 30, 2000

SCHEDULE 1: PAGE 1 OF 1

	(1) ACTUAL PER BOOKS		(2) FPSC ADJUSTMENTS		(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I AVERAGE RATE OF RETURN (JURISDICTIONAL)							
NET OPERATING INCOME	$ 768,227,647	(A)	$ (7,197,083)	(B)	$ 761,030,564	$ (18,941,593)	$ 742,088,971
AVERAGE RATE BASE	$ 7,534,888,279		$ 1,173,050,521		$8,707,938,800	$ 0	$ 8,707,938,800
AVERAGE RATE OF RETURN	10 20%				8 74%		8 52%
II.YEAR END RATE OF RETURN (JURISDICTIONAL)							
NET OPERATING INCOME	$ 768,227,647	(A)	$ (4,930,872)	(B)	$ 763,296,775	$ (18,941,593)	$ 744,355,182
YEAR END RATE BASE	$ 7,560,294,153		$ 1,271,886,727		$8,832,180,880	$ 0	$ 8,832,180,880
YEAR END RATE OF RETURN	10 16%				8 64%		8 43%

(A) INCLUDES AFUDC EARNINGS (B) INCLUDES REVERSAL OF AFUDC EARNINGS

III REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)

LOW	7.51%	
MIDPOINT	8.06%	
HIGH	8 61%	

IV. FINANCIAL INTEGRITY INDICATORS

A TIE WITH AFUDC	6 81	(SYSTEM PER BOOKS BASIS)
B TIE WITHOUT AFUDC	6 81	(SYSTEM PER BOOKS BASIS)
C. AFUDC TO NET INCOME	0 00%	(SYSTEM PER BOOKS BASIS)
D. INTERNALLY GENERATED FUNDS	76.16%	(SYSTEM PER BOOKS BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	30 09%	(FPSC ADJUSTED BASIS)
F STD TO TOTAL INVESTOR FUNDS	1 18%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	12.26%	(FPSC ADJUSTED)
H. RETURN ON COMMON EQUITY	11 86%	(PROFORMA ADJUSTED)

NOTE. THIS REPORT HAS BEEN PREPARED USING A THIRTEEN MONTH AVERAGE AND END OF PERIOD RATE BASE AND ADJUSTMENTS CONSISTENT WITH DOCKET NO 830465-EI, ORDER NOS 13537 AND 13948 THIS REPORT DOES NOT NECESSARILY REPRESENT THE OPINION OF THE COMPANY AS TO THE ACTUAL EARNED RATE OF RETURN FOR THE PERIOD COVERED

I AM AWARE THAT SECTION 837 06, FLORIDA STATUTES, PROVIDES
WHOEVER KNOWINGLY MAKES A FALSE STATEMENT IN WRITING WITH THE INTENT TO MISLEAD A PUBLIC SERVANT IN THE PERFORMANCE OF HIS OFFICIAL DUTY SHALL BE GUILTY OF A MISDEMEANOR OF THE SECOND DEGREE, PUNISHABLE AS PROVIDED IN S 775.082, S 775 083, OR S.775.084.

K M. DAVIS (VICE PRESIDENT AND CONTROLLER)

Donald F Babka [signature] (SIGNATURE) 8/14/00 (DATE)

K M DAVIS

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
JUNE 30, 2000

LINE NO	AVERAGE	(1) SYSTEM PER BOOKS	(2) RETAIL PER BOOKS	ADJUSTMENTS (3) PRO RATA	ADJUSTMENTS (4) SPECIFIC	(5) ADJUSTED RETAIL	(6) RATIO (%)	LOW POINT (7) COST RATE (%)	LOW POINT (8) WEIGHTED COST (%)	MIDPOINT (9) COST RATE (%)	MIDPOINT (10) WEIGHTED COST (%)	HIGH POINT (11) COST RATE (%)	HIGH POINT (12) WEIGHTED COST (%)
	LONG TERM DEBT	$ 1,977,564,164	$ 1,986,134,357	$ 320,246,594	$(159,457,825)	$2,146,923,126	24.65	6.19	1.53	6.19	1.53	6.19	1.53
	SHORT TERM DEBT	72,720,660	73,035,810	12,751,259	(1,549,512)	84,237,557	0.97	6.19	0.06	6.19	0.06	6.19	0.06
	PREFERRED STOCK	190,649,471	191,475,691	33,429,575	(4,062,307)	220,842,959	2.54	6.59	0.17	6.59	0.17	6.59	0.17
	CUSTOMER DEPOSITS	235,998,747	235,998,747	42,888,472	(5,028,597)	273,858,622	3.14	6.19	0.19	6.19	0.19	6.19	0.19
	COMMON EQUITY	4,044,964,840	4,062,494,553	709,325,731	(87,758,310)	4,684,061,973	53.79	10.00	5.38	11.00	5.92	12.00	6.45
	DEFERRED INCOME TAXES	826,642,957	830,225,390	174,230,932	114,181,314	1,118,637,635	12.85	0.00	0.00	0.00	0.00	0.00	0.00
	TAX CREDIT - ZERO COST	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	TAX CREDIT - WEIGHTED COST (1)	154,852,645	155,523,732	27,152,754	(3,299,558)	179,376,928	2.06	8.74	0.18	9.40	0.19	10.07	0.21
	TOTAL	$ 7,503,393,484	$ 7,534,888,279	$1,320,025,316	$(146,974,796)	$8,707,938,800	100.00		7.51		8.06		8.61

YEAR END	(1) SYSTEM PER BOOKS	(2) RETAIL PER BOOKS	ADJUSTMENTS (3) PRO RATA	ADJUSTMENTS (4) SPECIFIC	(5) ADJUSTED RETAIL	(6) RATIO (%)	LOW POINT (7) COST RATE (%)	LOW POINT (8) WEIGHTED COST (%)	MIDPOINT (9) COST RATE (%)	MIDPOINT (10) WEIGHTED COST (%)	HIGH POINT (11) COST RATE (%)	HIGH POINT (12) WEIGHTED COST (%)
LONG TERM DEBT	$ 1,906,212,012	$ 1,913,980,922	$ 328,936,718	$(156,197,191)	$2,086,720,448	23.63	5.94	1.40	5.94	1.40	5.94	1.40
SHORT TERM DEBT	284,437,424	285,596,670	53,168,555	(6,148,975)	332,616,250	3.77	6.63	0.25	6.63	0.25	6.63	0.25
PREFERRED STOCK	185,458,119	186,213,967	34,666,817	(4,009,238)	216,871,546	2.46	6.59	0.16	6.59	0.16	6.59	0.16
CUSTOMER DEPOSITS	208,279,864	208,279,864	40,258,808	(4,502,599)	244,036,073	2.76	6.27	0.17	6.27	0.17	6.27	0.17
COMMON EQUITY	3,972,735,243	3,988,920,507	742,848,823	(84,062,423)	4,647,706,907	52.62	10.00	5.26	11.00	5.79	12.00	6.31
DEFERRED INCOME TAXES	831,653,118	835,042,583	187,529,414	115,976,917	1,138,548,914	12.89	0.00	0.00	0.00	0.00	0.00	0.00
TAX CREDIT - ZERO COST	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TAX CREDIT - WEIGHTED COST (1)	141,682,204	142,259,641	26,483,991	(3,062,889)	165,680,742	1.88	8.67	0.16	9.34	0.18	10.01	0.19
TOTAL	$ 7,530,457,985	$ 7,560,294,153	$1,413,893,126	$(142,006,399)	$8,832,180,880	100.00		7.41		7.95		8.49

NOTE:
(1) COST RATES ARE BASED ON THE WEIGHTED AVERAGE COST OF LONG TERM DEBT, PREFERRED STOCK AND COMMON EQUITY
(2) COLUMNS MAY NOT FOOT DUE TO ROUNDING.

P.O. Box 029100, Miami, FL 33102

FPL

July 12, 2000

Mr. John Slemkewicz
Public Utilities Supervisor of Electric and Gas Accounting
Division of Auditing and Financial Analysis
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Dear Mr. Slemkewicz,

Re: Rate of Return Report

Enclosed is a copy of Florida Power & Light Company's (Company) Rate of Return Surveillance Report to the Florida Public Service Commission for May 2000. This report was prepared using a thirteen month average and year-end rate base and adjustments consistent with Docket No. 830465-EI, Order Nos. 13537 and 13948. The required rate of return was calculated using the return on common equity as authorized in Docket No. 990067-EI, Order No. PSC-99-0519-AS-EI.The report includes additional depreciation expense of $82.7 million and potential retail refunds of $40.4 million recorded pursuant to the settlement agreement approved by the Commission in Order NO. PSC-99-0519-AS-EI. In addition, the report includes the retail portion of the amounts recorded resulting from the settlement reached with the Florida Municipal Power Agency on October 21, 1999.

This report also includes certain pro forma adjustments to rate base and net operating income which reflect the annual effect of known future events. The pro forma return on common equity is 12.06% and includes the following adjustments:

- Revenue normalization due to abnormal weather conditions.

This report was prepared consistent with the guidelines provided in Commission Form PSC/AFA 14.

Very truly yours,

D. L. Babka
Director Regulatory
and Tax Accounting
DLB:TTK

Enclosures
Copy: B. D. Smith, Office of Public Counsel

RECEIVED
FLORIDA PUBLIC SERVICE COMMISSION
00 JUL 13 AM 10: 32
DIVISION OF ECONOMIC REGULATION

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
EARNINGS SURVEILLANCE REPORT SUMMARY
MAY 31, 2000

SCHEDULE 1. PAGE 1 OF 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	$ 762,669,927 (A)	$ (6,622,061) (B)	$ 756,047,866	$ (6,592,936)	$ 749,454,930
AVERAGE RATE BASE	$ 7,540,018,476	$ 1,149,851,554	$8,689,870,030	$ 0	$ 8,689,870,030
AVERAGE RATE OF RETURN	10 11%		8 70%		8 62%
II. YEAR END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	$ 762,669,927 (A)	$ (5,346,764) (B)	$ 757,323,163	$ (6,592,936)	$ 750,730,227
YEAR END RATE BASE	$ 7,549,921,735	$ 1,264,439,571	$8,814,361,307	$ 0	$ 8,814,361,307
YEAR END RATE OF RETURN	10 10%		8.59%		8 52%

(A) INCLUDES AFUDC EARNINGS (B) INCLUDES REVERSAL OF AFUDC EARNINGS

****

III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)

LOW	7 50%
MIDPOINT	8 06%
HIGH	8 61%

IV. FINANCIAL INTEGRITY INDICATORS

A. TIE WITH AFUDC	6 79	(SYSTEM PER BOOKS BASIS)
B. TIE WITHOUT AFUDC	6 79	(SYSTEM PER BOOKS BASIS)
C. AFUDC TO NET INCOME	0 00%	(SYSTEM PER BOOKS BASIS)
D. INTERNALLY GENERATED FUNDS	34 28%	(SYSTEM PER BOOKS BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	30.42%	(FPSC ADJUSTED BASIS)
F STD TO TOTAL INVESTOR FUNDS	0 82%	(FPSC ADJUSTED BASIS)
G RETURN ON COMMON EQUITY (AVERAGE)	12 20%	(FPSC ADJUSTED)
H. RETURN ON COMMON EQUITY	12.06%	(PROFORMA ADJUSTED)

NOTE: THIS REPORT HAS BEEN PREPARED USING A THIRTEEN MONTH AVERAGE AND END OF PERIOD RATE BASE AND ADJUSTMENTS CONSISTENT WITH DOCKET NO. 830465-EI, ORDER NOS. 13537 AND 13948 THIS REPORT DOES NOT NECESSARILY REPRESENT THE OPINION OF THE COMPANY AS TO THE ACTUAL EARNED RATE OF RETURN FOR THE PERIOD COVERED

****

I AM AWARE THAT SECTION 837 06, FLORIDA STATUTES, PROVIDES·
WHOEVER KNOWLINGLY MAKES A FALSE STATEMENT IN WRITING WITH THE INTENT TO MISLEAD A PUBLIC SERVANT IN THE PERFORMANCE OF HIS OFFICIAL DUTY SHALL BE GUILTY OF A MISDEMEANOR OF THE SECOND DEGREE, PUNISHABLE AS PROVIDED IN S 775 082, S 775 083, OR S.775 084.

K. M. DAVIS (VICE PRESIDENT AND CONTROLLER) — Donald L Babka (SIGNATURE) — 7/12/00 (DATE)

for K M Davis

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
MAY 31, 2000

SCHEDULE 4: PAGE 1 OF 2

LINE NO	AVERAGE	(1) SYSTEM PER BOOKS	(2) RETAIL PER BOOKS	ADJUSTMENTS (3) PRO RATA	ADJUSTMENTS (4) SPECIFIC	(5) ADJUSTED RETAIL	(6) RATIO (%)	LOW POINT (7) COST RATE (%)	LOW POINT (8) WEIGHTED COST (%)	MIDPOINT (9) COST RATE (%)	MIDPOINT (10) WEIGHTED COST (%)	HIGH POINT (11) COST RATE (%)	HIGH POINT (12) WEIGHTED COST (%)
	LONG TERM DEBT	$ 1,995,531,280	$ 2,003,839,171	$ 317,535,907	$(155,949,725)	$2,165,425,354	24.92	6.21	1.55	6.21	1.55	6.21	1.55
	SHORT TERM DEBT	50,304,687	50,514,118	8,659,563	(1,062,190)	58,111,491	0.67	5.10	0.03	5.10	0.03	5.10	0.03
	PREFERRED STOCK	190,939,039	191,733,966	32,868,680	(4,031,704)	220,570,943	2.54	6.59	0.17	6.59	0.17	6.59	0.17
	CUSTOMER DEPOSITS	238,328,356	238,328,356	42,501,413	(5,032,335)	275,797,433	3.17	6.11	0.19	6.11	0.19	6.11	0.19
	COMMON EQUITY	4,050,768,219	4,067,632,571	697,348,567	(90,899,369)	4,674,081,770	53.79	10.00	5.38	11.00	5.92	12.00	6.45
	DEFERRED INCOME TAXES	827,249,773	830,693,818	170,855,638	113,402,571	1,114,952,028	12.83	0.00	0.00	0.00	0.00	0.00	0.00
	TAX CREDIT - ZERO COST	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	TAX CREDIT - WEIGHTED COST (1)	156,624,409	157,276,475	26,961,682	(3,307,146)	180,931,011	2.08	8.74	0.18	9.40	0.20	10.06	0.21
	TOTAL	$ 7,509,745,763	$ 7,540,018,476	$1,296,731,451	$(146,879,897)	$8,689,870,030	100.00		7.50		8.06		8.6[illegible]

YEAR END	(1) SYSTEM PER BOOKS	(2) RETAIL PER BOOKS	ADJUSTMENTS (3) PRO RATA	ADJUSTMENTS (4) SPECIFIC	(5) ADJUSTED RETAIL	(6) RATIO (%)	LOW POINT (7) COST RATE (%)	LOW POINT (8) WEIGHTED COST (%)	MIDPOINT (9) COST RATE (%)	MIDPOINT (10) WEIGHTED COST (%)	HIGH POINT (11) COST RATE (%)	HIGH POINT (12) WEIGHTED COST (%)
LONG TERM DEBT	$ 1,914,465,890	$ 1,921,918,814	$ 330,205,173	$(160,910,919)	$2,091,213,068	23.73	6.00	1.42	6.00	1.42	6.00	1.42
SHORT TERM DEBT	216,568,949	217,412,042	40,590,614	(4,652,610)	253,350,046	2.87	6.55	0.19	6.55	0.19	6.55	0.19
PREFERRED STOCK	187,734,578	188,465,420	35,186,308	(4,033,153)	219,618,575	2.49	6.59	0.16	6.59	0.16	6.59	0.16
CUSTOMER DEPOSITS	213,480,445	213,480,445	41,327,406	(4,586,259)	250,221,593	2.84	6.27	0.18	6.27	0.18	6.27	0.18
COMMON EQUITY	4,011,293,275	4,026,902,207	751,794,410	(85,300,677)	4,693,395,939	53.25	10.00	5.32	11.00	5.86	12.00	6.39
DEFERRED INCOME TAXES	833,059,747	836,302,809	187,616,745	113,161,438	1,137,080,993	12.90	0.00	0.00	0.00	0.00	0.00	0.00
TAX CREDIT - ZERO COST	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TAX CREDIT - WEIGHTED COST (1)	144,876,004	145,439,999	27,153,505	(3,112,411)	169,481,093	1.92	8.70	0.17	9.37	0.18	10.04	0.19
TOTAL	$ 7,521,478,889	$ 7,549,921,735	$1,413,874,161	$(149,434,590)	$8,814,361,307	100.00		7.45		7.99		8.54

NOTE:
(1) COST RATES ARE BASED ON THE WEIGHTED AVERAGE COST OF LONG TERM DEBT, PREFERRED STOCK AND COMMON EQUITY.
(2) COLUMNS MAY NOT FOOT DUE TO ROUNDING

P.O. Box 029100, Miami, FL 33102

FPL

June 13, 2000

Mr. John Slemkewicz
Public Utilities Supervisor of Electric and Gas Accounting
Division of Auditing and Financial Analysis
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Dear Mr. Slemkewicz,

Re: Rate of Return Report

Enclosed is a copy of Florida Power & Light Company's (Company) Rate of Return Surveillance Report to the Florida Public Service Commission for April 2000. This report was prepared using a thirteen month average and year-end rate base and adjustments consistent with Docket No. 830465-EI, Order Nos. 13537 and 13948. The required rate of return was calculated using the return on common equity as authorized in Docket No. 990067-EI, Order No. PSC-99-0519-AS-EI.The report includes additional depreciation expense of $66.7 million and potential retail refunds of $27.8 million recorded pursuant to the settlement agreement approved by the Commission in Order NO. PSC-99-0519-AS-EI. In addition, the report includes the retail portion of the amounts recorded resulting from the settlement reached with the Florida Municipal Power Agency on October 21, 1999.

This report also includes certain pro forma adjustments to rate base and net operating income which reflect the annual effect of known future events. The pro forma return on common equity is 12.10% and includes the following adjustments:

- Revenue normalization due to abnormal weather conditions.

This report was prepared consistent with the guidelines provided in Commission Form PSC/AFA 14.

Very truly yours,

D. L. Babka
Director Regulatory
and Tax Accounting
DLB:TTK

Enclosures
Copy: B. D. Smith, Office of Public Counsel

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
EARNINGS SURVEILLANCE REPORT SUMMARY
APRIL 30, 2000

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	$ 758,555,537 (A)	$ (6,065,751) (B)	$ 752,489,786	$ (2,202,697)	$ 750,287,089
AVERAGE RATE BASE	$ 7,581,293,177	$ 1,094,679,241	$8,675,972,418	$ 0	$ 8,675,972,418
AVERAGE RATE OF RETURN	10 01%		8.67%		8.65%
II YEAR END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	$ 758,555,537 (A)	$ (8,940,373) (B)	$ 749,615,164	$ (2,202,697)	$ 747,412,466
YEAR END RATE BASE	$ 7,554,082,286	$ 1,217,312,594	$8,771,394,880	$ 0	$ 8,771,394,880
YEAR END RATE OF RETURN	10 04%		8 55%		8.52%

(A) INCLUDES AFUDC EARNINGS (B) INCLUDES REVERSAL OF AFUDC EARNINGS

****

III REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)

LOW	7 51%
MIDPOINT	8 06%
HIGH	8 61%

IV FINANCIAL INTEGRITY INDICATORS

A. TIE WITH AFUDC	6.73	(SYSTEM PER BOOKS BASIS)
B TIE WITHOUT AFUDC	6.73	(SYSTEM PER BOOKS BASIS)
C. AFUDC TO NET INCOME	0.00%	(SYSTEM PER BOOKS BASIS)
D. INTERNALLY GENERATED FUNDS	38.33%	(SYSTEM PER BOOKS BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	30.77%	(FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	0 54%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	12 14%	(FPSC ADJUSTED)
H RETURN ON COMMON EQUITY	12.10%	(PROFORMA ADJUSTED)

NOTE: THIS REPORT HAS BEEN PREPARED USING A THIRTEEN MONTH AVERAGE AND END OF PERIOD RATE BASE AND ADJUSTMENTS CONSISTENT WITH DOCKET NO. 830465-EI, ORDER NOS. 13537 AND 13948 THIS REPORT DOES NOT NECESSARILY REPRESENT THE OPINION OF THE COMPANY AS TO THE ACTUAL EARNED RATE OF RETURN FOR THE PERIOD COVERED.

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K M. DAVIS
(VICE PRESIDENT AND CONTROLLER) (SIGNATURE) (DATE)

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
APRIL 30, 2000

LINE NO.	AVERAGE	(1) SYSTEM PER BOOKS	(2) RETAIL PER BOOKS	ADJUSTMENTS (3) PRO RATA	ADJUSTMENTS (4) SPECIFIC	(5) ADJUSTED RETAIL	(6) RATIO (%)	LOW POINT (7) COST RATE (%)	LOW POINT (8) WEIGHTED COST (%)	MIDPOINT (9) COST RATE (%)	MIDPOINT (10) WEIGHTED COST (%)	HIGH POINT (11) COST RATE (%)	HIGH POINT (12) WEIGHTED COST (%)
	LONG TERM DEBT	$ 2,033,204,855	$ 2,041,268,195	$ 308,527,852	$(162,901,802)	$2,186,894,246	25.21	6.22	1.57	6.22	1.57	6.22	1.57
	SHORT TERM DEBT	33,468,838	33,601,569	5,485,429	(696,882)	38,390,116	0.44	5.09	0.02	5.09	0.02	5.09	0.02
	PREFERRED STOCK	191,555,202	192,314,877	31,395,247	(3,988,526)	219,721,599	2.53	6.59	0.17	6.59	0.17	6.59	0.17
	CUSTOMER DEPOSITS	241,120,098	241,120,098	40,954,617	(5,020,556)	277,054,159	3.19	6.11	0.20	6.11	0.20	6.11	0.20
	COMMON EQUITY	4,063,431,938	4,079,546,808	666,020,839	(83,605,729)	4,661,961,918	53.73	10.00	5.37	11.00	5.91	12.00	6.45
	DEFERRED INCOME TAXES	830,898,831	834,194,033	163,008,337	112,806,099	1,110,008,468	12.79	0.00	0.00	0.00	0.00	0.00	0.00
	TAX CREDIT - ZERO COST	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	TAX CREDIT - WEIGHTED COST (1)	158,618,543	159,247,597	25,997,040	(3,302,725)	181,941,912	2.10	8.72	0.18	9.38	0.20	10.04	0.21
	TOTAL	$ 7,552,298,306	$ 7,581,293,177	$1,241,389,361	$(146,710,120)	$8,675,972,418	100.00		7.51		8.06		8.61

YEAR END	(1) SYSTEM PER BOOKS	(2) RETAIL PER BOOKS	ADJUSTMENTS (3) PRO RATA	ADJUSTMENTS (4) SPECIFIC	(5) ADJUSTED RETAIL	(6) RATIO (%)	LOW POINT (7) COST RATE (%)	LOW POINT (8) WEIGHTED COST (%)	MIDPOINT (9) COST RATE (%)	MIDPOINT (10) WEIGHTED COST (%)	HIGH POINT (11) COST RATE (%)	HIGH POINT (12) WEIGHTED COST (%)
LONG TERM DEBT	$ 1,949,232,424	$ 1,956,596,849	$ 325,459,721	$(161,596,221)	$2,120,460,348	24.17	6.17	1.49	6.17	1.49	6.17	1.49
SHORT TERM DEBT	184,952,173	185,650,944	33,515,804	(3,909,215)	215,257,532	2.45	0.00	0.00	0.00	0.00	0.00	0.00
PREFERRED STOCK	191,075,019	191,796,923	34,625,345	(4,038,630)	222,383,638	2.54	6.59	0.17	6.59	0.17	6.59	0.17
CUSTOMER DEPOSITS	228,920,582	228,920,582	42,850,722	(4,838,547)	266,932,756	3.04	6.27	0.19	6.27	0.19	6.27	0.19
COMMON EQUITY	3,985,685,651	4,000,737,518	722,212,920	(83,350,544)	4,639,599,893	52.89	10.00	5.29	11.00	5.82	12.00	6.35
DEFERRED INCOME TAXES	837,643,565	840,808,279	181,621,915	110,906,536	1,133,336,730	12.92	0.00	0.00	0.00	0.00	0.00	0.00
TAX CREDIT - ZERO COST	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	- 0.00
TAX CREDIT - WEIGHTED COST (1)	149,008,223	149,571,193	27,002,280	(3,149,491)	173,423,982	1.98	8.73	0.17	9.39	0.19	10.06	0.20
TOTAL	$ 7,526,517,637	$ 7,554,082,286	$1,367,288,707	$(149,976,113)	$8,771,394,880	100.00		7.31		7.85		8.40

NOTE:
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(2) COLUMNS MAY NOT FOOT DUE TO ROUNDING

P.O. Box 029100, Miami, FL 33102

FPL

May 12, 2000

Mr. John Slemkewicz
Public Utilities Supervisor of Electric and Gas Accounting
Division of Auditing and Financial Analysis
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Dear Mr. Slemkewicz,

Re: Rate of Return Report

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This report also includes certain pro forma adjustments to rate base and net operating income which reflect the annual effect of known future events. The pro forma return on common equity is 11.83% and includes the following adjustments:

- Revenue normalization due to abnormal weather conditions.

- Annualized effect of $350 million decrease in base revenues approved March 17, 1999 in order No. PSC-99-0519-AS-EI .

This report was prepared consistent with the guidelines provided in Commission Form PSC/AFA 14.

Very truly yours,

Donald L Babka

D. L. Babka
Director Regulatory
and Tax Accounting
DLB:TTK

Enclosures
Copy: B. D. Smith, Office of Public Counsel

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
EARNINGS SURVEILLANCE REPORT SUMMARY
MARCH 31, 2000

SCHEDULE 1 PAGE 1 OF 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	$ 757,590,729 (A)	$ (6,976,635) (B)	$ 750,614,094	$ (12,666,968)	$ 737,947,126
AVERAGE RATE BASE	$ 7,618,912,918	$ 1,047,539,384	$8,666,452,302	$ 0	$ 8,666,452,302
AVERAGE RATE OF RETURN	9 94%		8 66%		8 51%
II YEAR END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	$ 757,590,729 (A)	$ (7,081,103) (B)	$ 750,509,626	$ (12,666,968)	$ 737,842,658
YEAR END RATE BASE	$ 7,563,792,222	$ 1,175,702,193	$8,739,494,415	$ 0	$ 8,739,494,415
YEAR END RATE OF RETURN	10 02%		8 59%		8 44%

(A) INCLUDES AFUDC EARNINGS (B) INCLUDES REVERSAL OF AFUDC EARNINGS

III REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)

LOW	7 52%	
MIDPOINT	8 07%	
HIGH	8 62%	
IV FINANCIAL INTEGRITY INDICATORS		
A TIE WITH AFUDC	6 69	(SYSTEM PER BOOKS BASIS)
B TIE WITHOUT AFUDC	6 69	(SYSTEM PER BOOKS BASIS)
C. AFUDC TO NET INCOME	0 00%	(SYSTEM PER BOOKS BASIS)
D INTERNALLY GENERATED FUNDS	13 56%	(SYSTEM PER BOOKS BASIS)
E LTD TO TOTAL INVESTOR FUNDS	31.00%	(FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	0 31%	(FPSC ADJUSTED BASIS)
G RETURN ON COMMON EQUITY (AVERAGE)	12 10%	(FPSC ADJUSTED)
H RETURN ON COMMON EQUITY	11 83%	(PROFORMA ADJUSTED)

NOTE. THIS REPORT HAS BEEN PREPARED USING A THIRTEEN MONTH AVERAGE AND END OF PERIOD RATE BASE AND ADJUSTMENTS CONSISTENT WITH DOCKET NO 830465-EI, ORDER NOS 13537 AND 13948 THIS REPORT DOES NOT NECESSARILY REPRESENT THE OPINION OF THE COMPANY AS TO THE ACTUAL EARNED RATE OF RETURN FOR THE PERIOD COVERED

I AM AWARE THAT SECTION 837.06, FLORIDA STATUTES, PROVIDES·
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K M. DAVIS (VICE PRESIDENT AND CONTROLLER) — Donald F. Babka for (SIGNATURE) — (DATE)

K M Davis

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
MARCH 31, 2000

SCHEDULE 4: PAGE 1 OF

LINE NO.	AVERAGE	(1) SYSTEM PER BOOKS	(2) RETAIL PER BOOKS	ADJUSTMENTS (3) PRO RATA	ADJUSTMENTS (4) SPECIFIC	(5) ADJUSTED RETAIL	(6) RATIO (%)	LOW POINT (7) COST RATE (%)	LOW POINT (8) WEIGHTED COST (%)	MIDPOINT (9) COST RATE (%)	MIDPOINT (10) WEIGHTED COST (%)	HIGH POINT (11) COST RATE (%)	HIGH POINT (12) WEIGHTED COST (%)
	LONG TERM DEBT	$ 2,056,646,865	$ 2,064,443,283	$ 299,059,290	$(163,372,417)	$2,200,130,156	25.39	6 24	1 58	6.24	1.58	6.24	1.58
	SHORT TERM DEBT	19,266,457	19,339,493	3,023,515	(394,775)	21,968,233	0 25	5.73	0.01	5.73	0.01	5.73	0.01
	PREFERRED STOCK	192,158,245	192,886,686	30,155,695	(3,937,375)	219,105,007	2 53	6.59	0 17	6 59	0.17	6.59	0.17
	CUSTOMER DEPOSITS	242,933,399	242,933,399	39,520,227	(4,977,772)	277,475,854	3.20	6 12	0.20	6.12	0.20	6 12	0 20
	COMMON EQUITY	4,081,751,165	4,097,224,428	640,607,683	(82,579,847)	4,655,252,264	53.72	10 00	5 37	11.00	5.91	12 00	6 45
	DEFERRED INCOME TAXES	837,686,769	840,862,305	156,808,262	111,712,451	1,109,383,017	12 80	0 00	0 00	0 00	0 00	0.00	0.00
	TAX CREDIT - ZERO COST	0	0	0	0	0	0 00	0 00	0 00	0.00	0 00	0.00	0 00
	TAX CREDIT - WEIGHTED COST (1)	160,614,461	161,223,325	25,205,480	(3,291,034)	183,137,770	2 11	8 73	0 18	9 38	0 20	10 04	0 21
	TOTAL	$ 7,591,057,361	$ 7,618,912,918	$1,194,380,153	$(146,840,769)	$8,666,452,302	100.00		7 52		8 07		8.62

	YEAR END	(1) SYSTEM PER BOOKS	(2) RETAIL PER BOOKS	ADJUSTMENTS (3) PRO RATA	ADJUSTMENTS (4) SPECIFIC	(5) ADJUSTED RETAIL	(6) RATIO (%)	LOW POINT (7) COST RATE (%)	LOW POINT (8) WEIGHTED COST (%)	MIDPOINT (9) COST RATE (%)	MIDPOINT (10) WEIGHTED COST (%)	HIGH POINT (11) COST RATE (%)	HIGH POINT (12) WEIGHTED COST (%)
	LONG TERM DEBT	$ 2,022,455,005	$ 2,029,934,732	$ 328,355,911	$(150,450,150)	$2,207,840,493	25 26	6.25	1.58	6 25	1 58	6.25	1.58
	SHORT TERM DEBT	13,811,969	13,863,051	2,433,515	(288,157)	16,008,409	0.18	6 20	0 01	6 20	0.01	6 20	0.01
	PREFERRED STOCK	195,309,880	196,032,203	34,411,428	(4,074,723)	226,368,908	2 59	6 59	0.17	6.59	0.17	6 59	0.17
	CUSTOMER DEPOSITS	237,155,677	237,155,677	43,170,052	(4,947,746)	275,377,983	3 15	6 31	0.20	6.31	0.20	6 31	0.20
	COMMON EQUITY	4,052,121,447	4,067,100,464	714,107,826	(99,403,574)	4,681,804,716	53.57	10 00	5.36	11.00	5.89	12.00	6.43
	DEFERRED INCOME TAXES	862,049,199	865,237,350	180,289,611	108,193,594	1,153,720,555	13.20	0.00	0 00	0 00	0.00	0.00	0.00
	TAX CREDIT - ZERO COST	0	0	0	0	0	0.00	0 00	0.00	0.00	0.00	0 00	- 0.00
	TAX CREDIT - WEIGHTED COST (1)	153,899,572	154,468,745	27,115,392	(3,210,786)	178,373,352	2.04	8.74	0 18	9 40	0.19	10.06	0 21
	TOTAL	$ 7,536,802,750	$ 7,563,792,222	$1,329,883,735	$(154,181,542)	$8,739,494,415	100 00		7 50		8 05		8.59

NOTE:
(1) COST RATES ARE BASED ON THE WEIGHTED AVERAGE COST OF LONG TERM DEBT, PREFERRED STOCK AND COMMON EQUITY
(2) COLUMNS MAY NOT FOOT DUE TO ROUNDING

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
EARNINGS SURVEILLANCE REPORT SUMMARY
MARCH 31, 2001

SCHEDULE 1. PAGE 1 OF 1

	(1) ACTUAL PER BOOKS		(2) FPSC ADJUSTMENTS		(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)							
NET OPERATING INCOME	$ 804,838,637	(A)	$ (17,764,383)	(B)	$ 787,074,255	$ (27,249,657)	$ 759,824,598
AVERAGE RATE BASE	$ 8,007,116,920		$ 1,250,207,059		$9,257,323,979	$ 389,934,469	$ 9,647,258,448
AVERAGE RATE OF RETURN	10.05%				8.50%		7.88%
II. YEAR END RATE OF RETURN (JURISDICTIONAL)							
NET OPERATING INCOME	$ 804,838,637	(A)	$ (15,864,007)	(B)	$ 788,974,631	$ (27,233,720)	$ 761,740,920
YEAR END RATE BASE	$ 8,160,136,634		$ 1,303,453,572		$9,463,590,206	$ 389,934,469	$ 9,853,524,675
YEAR END RATE OF RETURN	9.86%				8.34%		7.71%

(A) INCLUDES AFUDC EARNINGS (B) INCLUDES REVERSAL OF AFUDC EARNINGS

III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)

LOW	7.50%	
MIDPOINT	8.04%	
HIGH	8.59%	

IV. FINANCIAL INTEGRITY INDICATORS

A. TIE WITH AFUDC	6.05	(SYSTEM PER BOOKS BASIS)
B. TIE WITHOUT AFUDC	6.05	(SYSTEM PER BOOKS BASIS)
C. AFUDC TO NET INCOME	0.00%	(SYSTEM PER BOOKS BASIS)
D. INTERNALLY GENERATED FUNDS	25.76%	(SYSTEM PER BOOKS BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	29.01%	(FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	4.65%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	11.86%	(FPSC ADJUSTED)
H. RETURN ON COMMON EQUITY	10.69%	(PROFORMA ADJUSTED)

NOTE: THIS REPORT HAS BEEN PREPARED USING A THIRTEEN MONTH AVERAGE AND END OF PERIOD RATE BASE AND ADJUSTMENTS CONSISTENT WITH DOCKET NO. 830465-EI, ORDER NOS. 13537 AND 13948. THIS REPORT DOES NOT NECESSARILY REPRESENT THE OPINION OF THE COMPANY AS TO THE ACTUAL EARNED RATE OF RETURN FOR THE PERIOD COVERED.

I AM AWARE THAT SECTION 837.06, FLORIDA STATUTES, PROVIDES:
WHOEVER KNOWINGLY MAKES A FALSE STATEMENT IN WRITING WITH THE INTENT TO MISLEAD A PUBLIC SERVANT IN THE PERFORMANCE OF HIS OFFICIAL DUTY SHALL BE GUILTY OF A MISDEMEANOR OF THE SECOND DEGREE, PUNISHABLE AS PROVIDED IN S 775.082, S 775.083, OR S.775.084.

K. M. DAVIS
(VICE PRESIDENT AND CONTROLLER)

Donald Walker for
(SIGNATURE)

5/14/01
(DATE)

1

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
MARCH 31, 2001

LINE NO	AVERAGE	(1) SYSTEM PER BOOKS	(2) RETAIL PER BOOKS	ADJUSTMENTS (3) PRO RATA	ADJUSTMENTS (4) SPECIFIC	(5) ADJUSTED RETAIL	(6) RATIO (%)	LOW POINT (7) COST RATE (%)	LOW POINT (8) WEIGHTED COST (%)	MIDPOINT (9) COST RATE (%)	MIDPOINT (10) WEIGHTED COST (%)	HIGH POINT (11) COST RATE (%)	HIGH POINT (12) WEIGHTED COST (%)
	LONG TERM DEBT	$ 2,051,688,109	$ 2,050,833,149	$ 337,216,558	$(138,217,160)	$2,249,832,547	24.30	6.09	1.48	6.09	1.48	6.09	1.48
	SHORT TERM DEBT	306,719,111	306,591,298	54,049,292	0	360,640,589	3.90	5.83	0.23	5.83	0.23	5.83	0.23
	PREFERRED STOCK	189,236,594	189,157,737	33,346,810	0	222,504,547	2.40	6.59	0.16	6.59	0.16	6.59	0.16
	CUSTOMER DEPOSITS	215,976,815	215,976,815	38,859,993	0	254,836,807	2.75	5.98	0.16	5.98	0.16	5.98	0.16
	COMMON EQUITY	4,185,482,756	4,183,738,622	737,614,117	324,537	4,921,677,275	53.17	10.00	5.32	11.00	5.85	12.00	6.38
	DEFERRED INCOME TAXES	921,285,706	920,901,797	162,346,714	0	1,083,248,511	11.70	0.00	0.00	0.00	0.00	0.00	0.00
	TAX CREDIT - ZERO COST	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	TAX CREDIT - WEIGHTED COST (1)	139,975,833	139,917,503	24,666,199	0	164,583,702	1.78	8.71	0.15	9.37	0.17	10.04	0.18
	TOTAL	$ 8,010,364,924	$ 8,007,116,920	$1,388,099,682	$(137,892,623)	$9,257,323,979	100.00		7.50		8.04		8.59

YEAR END	(1) SYSTEM PER BOOKS	(2) RETAIL PER BOOKS	ADJUSTMENTS (3) PRO RATA	ADJUSTMENTS (4) SPECIFIC	(5) ADJUSTED RETAIL	(6) RATIO (%)	LOW POINT (7) COST RATE (%)	LOW POINT (8) WEIGHTED COST (%)	MIDPOINT (9) COST RATE (%)	MIDPOINT (10) WEIGHTED COST (%)	HIGH POINT (11) COST RATE (%)	HIGH POINT (12) WEIGHTED COST (%)
LONG TERM DEBT	$ 2,162,026,500	$ 2,160,547,938	$ 361,731,699	$(127,648,905)	$2,394,630,731	25.30	6.38	1.61	6.38	1.61	6.38	1.61
SHORT TERM DEBT	161,267,014	161,156,727	28,669,864	0	189,826,590	2.01	5.15	0.10	5.15	0.10	5.15	0.10
PREFERRED STOCK	182,433,309	182,308,547	32,432,783	0	214,741,330	2.27	6.59	0.15	6.59	0.15	6.59	0.15
CUSTOMER DEPOSITS	209,592,972	209,592,972	38,027,267	0	247,620,239	2.62	6.26	0.16	6.26	0.16	6.26	0.16
COMMON EQUITY	4,304,743,324	4,301,823,638	765,514,934	1,082,019	5,068,420,651	53.56	10.00	5.36	11.00	5.89	12.00	6.43
DEFERRED INCOME TAXES	1,019,369,756	1,018,672,631	181,222,379	0	1,199,895,010	12.68	0.00	0.00	0.00	0.00	0.00	0.00
TAX CREDIT - ZERO COST	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TAX CREDIT - WEIGHTED COST (1)	126,120,371	126,034,120	22,421,534	0	148,455,654	1.57	8.78	0.14	9.44	0.15	10.10	0.16
TOTAL	$ 8,165,553,246	$ 8,160,136,634	$1,430,020,459	$(126,566,887)	$9,463,590,206	100.00		7.52		8.07		8.62

NOTE:
(1) COST RATES ARE BASED ON THE WEIGHTED AVERAGE COST OF LONG TERM DEBT, PREFERRED STOCK AND COMMON EQUITY.
(2) COLUMNS MAY NOT FOOT DUE TO ROUNDING.

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
CAPITAL STRUCTURE
PROFORMA ADJUSTED BASIS
MARCH 31, 2001

LINE NO.	AVERAGE	(1) FPSC ADJUSTED	(2) PRO-FORMA ADJUSTMENTS	(3) TOTAL PRO-FORMA ADJUSTED	(4) TOTAL RATIO (%)	LOW POINT (5) COST RATE (%)	(6) WEIGHTED COST (%)	MIDPOINT (7) COST RATE (%)	(8) WEIGHTED COST (%)	HIGH POINT (9) COST RATE (%)	(10) WEIGHTED COST (%)
	LONG TERM DEBT	$2,249,832,547 $	94,766,831 $	2,344,599,378	24.30	6.09	1.48	6.09	1.48	6.09	1.48
	SHORT TERM DEBT	360,640,589	15,190,804	375,831,394	3.90	5.83	0.23	5.83	0.23	5.83	0.23
	PREFERRED STOCK	222,504,547	9,372,276	231,876,823	2.40	6.59	0.16	6.59	0.16	6.59	0.16
	CUSTOMER DEPOSITS	254,836,807	10,734,166	265,570,974	2.75	5.88	0.16	5.88	0.16	5.88	0.16
	COMMON EQUITY	4,921,677,275	207,309,544	5,128,986,820	53.17	10.00	5.32	11.00	5.85	12.00	6.38
	DEFERRED INCOME TAXES	1,083,248,511	45,628,298	1,128,876,808	11.70	0.00	0.00	0.00	0.00	0.00	0.00
	TAX CREDIT - ZERO COST	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	TAX CREDIT - WEIGHTED COST (1)	164,583,702	6,932,550	171,516,252	1.78	8.71	0.15	9.37	0.17	10.04	0.18
	TOTAL	$9,257,323,979 $	389,934,469 $	9,647,258,448	100.00		7.50		8.04		8.59

YEAR END	(1) FPSC ADJUSTED	(2) PRO-FORMA ADJUSTMENTS	(3) PRO-FORMA ADJUSTED	(4) TOTAL RATIO (%)	LOW POINT (5) TOTAL COST RATE (%)	(6) WEIGHTED COST (%)	MIDPOINT (7) COST RATE (%)	(8) WEIGHTED COST (%)	HIGH POINT (9) COST RATE (%)	(10) WEIGHTED COST (%)
LONG TERM DEBT	$2,394,630,731 $	98,667,529 $	2,493,298,261	25.30	6.38	1.61	6.38	1.61	6.38	1.61
SHORT TERM DEBT	189,826,590	7,821,549	197,648,139	2.01	5.15	0.10	5.15	0.10	5.15	0.10
PREFERRED STOCK	214,741,330	8,848,127	223,589,457	2.27	6.59	0.15	6.59	0.15	6.59	0.15
CUSTOMER DEPOSITS	247,620,239	10,202,858	257,823,097	2.62	6.26	0.16	6.26	0.16	6.26	0.16
COMMON EQUITY	5,068,420,651	208,837,436	5,277,258,087	53.56	10.00	5.36	11.00	5.89	12.00	6.43
DEFERRED INCOME TAXES	1,199,895,010	49,440,055	1,249,335,065	12.68	0.00	0.00	0.00	0.00	0.00	0.00
TAX CREDIT - ZERO COST	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TAX CREDIT - WEIGHTED COST (1)	148,455,654	6,116,915	154,572,569	1.57	8.76	0.14	9.46	0.15	10.10	0.16
TOTAL	$9,463,590,206 $	389,934,469 $	9,853,524,675	100.00		7.52		8.07		8.62

NOTE:
(1) COST RATES ARE BASED ON THE WEIGHTED AVERAGE COST OF LONG TERM DEBT, PREFERRED STOCK AND COMMON EQUITY.
(2) COLUMNS MAY NOT FOOT DUE TO ROUNDING.

P.O. Box 029100, Miami, FL 33102

FPL

April 12, 2001

Mr. John Slemkewicz
Public Utilities Supervisor of Electric and Gas Accounting
Division of Auditing and Financial Analysis
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Dear Mr. Slemkewicz,

Re: Rate of Return Report

Enclosed is a copy of Florida Power & Light Company's (Company) Rate of Return Surveillance Report to the Florida Public Service Commission for February 2000. This report was prepared using a thirteen month average and year-end rate base and adjustments consistent with Docket No. 830465-EI, Order Nos. 13537 and 13948. The required rate of return was calculated using the return on common equity as authorized in Docket No. 990067-EI, Order No. PSC-99-0519 AS-EI.The report includes additional depreciation expense of $92.6 million and potential retail refunds of $87.8 million recorded pursuant to the settlement agreement approved by the Commission in Order NO. PSC-99-0519-AS-EI.

This report also includes certain pro forma adjustments to rate base and net operating income which reflect the annual effect of known future events. The pro forma return on common equity is 10.70% and includes the following adjustments:

- Revenue normalization due to abnormal weather conditions.
- Other regulatory asset for deferred fuel under recovery.
- Other regulatory asset for the Okeelanta Settlement

This report was prepared consistent with the guidelines provided in Commission Form PSC/AFA 14.

Very truly yours,

D. L. Babka
Director Regulatory
and Tax Accounting
DLB:TTK

Enclosures
Copy: B. D. Smith, Office of Public Counsel

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
EARNINGS SURVEILLANCE REPORT SUMMARY
FEBRUARY 28, 2001

SCHEDULE 1: PAGE 1 OF 1

	(1) ACTUAL PER BOOKS		(2) FPSC ADJUSTMENTS		(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)							
NET OPERATING INCOME	$ 806,029,975	(A)	$ (17,260,646)	(B)	$ 788,769,330	$ (29,815,780)	$ 758,953,550
AVERAGE RATE BASE	$ 7,922,189,559		$ 1,240,364,930		$9,162,554,490	$ 441,566,489	$ 9,604,120,979
AVERAGE RATE OF RETURN	10.17%				8.61%		7.90%
II. YEAR END RATE OF RETURN (JURISDICTIONAL)							
NET OPERATING INCOME	$ 806,029,975	(A)	$ (9,129,080)	(B)	$ 796,900,895	$ (29,551,916)	$ 767,348,979
YEAR END RATE BASE	$ 8,070,356,256		$ 1,293,207,777		$9,363,564,034	$ 441,566,489	$ 9,805,130,523
YEAR END RATE OF RETURN	9.99%				8.51%		7.83%

(A) INCLUDES AFUDC EARNINGS (B) INCLUDES REVERSAL OF AFUDC EARNINGS

III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)

LOW	7.52%	
MIDPOINT	8.06%	
HIGH	8.61%	

IV. FINANCIAL INTEGRITY INDICATORS

A. TIE WITH AFUDC	6.29	(SYSTEM PER BOOKS BASIS)
B. TIE WITHOUT AFUDC	6.29	(SYSTEM PER BOOKS BASIS)
C. AFUDC TO NET INCOME	0.00%	(SYSTEM PER BOOKS BASIS)
D. INTERNALLY GENERATED FUNDS	25.33%	(SYSTEM PER BOOKS BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	28.97%	(FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	4.57%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	12.03%	(FPSC ADJUSTED)
H. RETURN ON COMMON EQUITY	10.70%	(PROFORMA ADJUSTED)

NOTE: THIS REPORT HAS BEEN PREPARED USING A THIRTEEN MONTH AVERAGE AND END OF PERIOD RATE BASE AND ADJUSTMENTS CONSISTENT WITH DOCKET NO. 830465-EI, ORDER NOS. 13537 AND 13948. THIS REPORT DOES NOT NECESSARILY REPRESENT THE OPINION OF THE COMPANY AS TO THE ACTUAL EARNED RATE OF RETURN FOR THE PERIOD COVERED.

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K. M. DAVIS
(VICE PRESIDENT AND CONTROLLER)

[signature] for 4/12/01
(SIGNATURE) (DATE)

K M DAVIS

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
FEBRUARY 28, 2001

SCHEDULE 4: PAGE 1 OF 2

LINE NO.	AVERAGE	(1) SYSTEM PER BOOKS	(2) RETAIL PER BOOKS	ADJUSTMENTS (3) PRO RATA	ADJUSTMENTS (4) SPECIFIC	(5) ADJUSTED RETAIL	(6) RATIO (%)	LOW POINT (7) COST RATE (%)	LOW POINT (8) WEIGHTED COST (%)	MIDPOINT (9) COST RATE (%)	MIDPOINT (10) WEIGHTED COST (%)	HIGH POINT (11) COST RATE (%)	HIGH POINT (12) WEIGHTED COST (%)
	LONG TERM DEBT	$ 2,029,035,464	$ 2,029,647,623	$ 334,932,437	$(140,711,744)	$2,223,838,315	24.27	6.09	1.48	6.09	1.48	6.09	1.48
	SHORT TERM DEBT	298,044,053	298,138,380	52,871,795	0	351,010,175	3.83	6.02	0.23	6.02	0.23	6.02	0.23
	PREFERRED STOCK	189,124,977	189,184,633	33,549,997	0	222,734,830	2.43	6.59	0.16	6.59	0.16	6.59	0.16
	CUSTOMER DEPOSITS	217,077,391	217,077,391	39,416,863	0	256,494,254	2.80	5.89	0.16	5.89	0.16	5.89	0.16
	COMMON EQUITY	4,143,228,025	4,144,539,312	735,033,618	229,714	4,879,802,644	53.26	10.00	5.33	11.00	5.86	12.00	6.39
	DEFERRED INCOME TAXES	901,854,095	902,139,526	159,985,225	0	1,062,124,751	11.59	0.00	0.00	0.00	0.00	0.00	0.00
	TAX CREDIT - ZERO COST	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	TAX CREDIT - WEIGHTED COST (1)	141,417,737	141,462,494	25,086,927	0	166,549,422	1.82	8.71	0.16	9.38	0.17	10.04	0.18
	TOTAL	$ 7,919,751,745	$ 7,922,189,559	$1,380,846,360	$(140,482,030)	$9,162,554,490	100.00		7.52		8.06		8.61

	YEAR END	(1) SYSTEM PER BOOKS	(2) RETAIL PER BOOKS	ADJUSTMENTS (3) PRO RATA	ADJUSTMENTS (4) SPECIFIC	(5) ADJUSTED RETAIL	(6) RATIO (%)	LOW POINT (7) COST RATE (%)	LOW POINT (8) WEIGHTED COST (%)	MIDPOINT (9) COST RATE (%)	MIDPOINT (10) WEIGHTED COST (%)	HIGH POINT (11) COST RATE (%)	HIGH POINT (12) WEIGHTED COST (%)
	LONG TERM DEBT	$ 2,219,064,441	$ 2,219,131,132	$ 356,088,769	$(127,849,492)	$2,347,370,409	25.07	6.30	1.58	6.30	1.58	6.30	1.58
	SHORT TERM DEBT	457,465,430	457,483,827	81,815,998	0	539,299,825	5.76	5.54	0.32	5.54	0.32	5.54	0.32
	PREFERRED STOCK	178,620,329	178,625,957	31,331,074	0	210,807,031	2.25	6.59	0.15	6.59	0.15	6.59	0.15
	CUSTOMER DEPOSITS	203,210,330	203,210,330	37,182,327	0	240,392,656	2.57	6.26	0.16	6.26	0.16	6.26	0.16
	COMMON EQUITY	3,996,756,575	3,996,908,490	714,817,621	(244,081)	4,711,582,031	50.32	10.00	5.03	11.00	5.54	12.00	6.04
	DEFERRED INCOME TAXES	989,395,637	989,426,775	176,948,199	0	1,166,374,974	12.46	0.00	0.00	0.00	0.00	0.00	0.00
	TAX CREDIT - ZERO COST	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	TAX CREDIT - WEIGHTED COST (1)	125,065,810	125,069,746	22,367,361	0	147,437,108	1.57	8.71	0.14	9.35	0.15	10.00	0.16
	TOTAL	$ 8,069,762,550	$ 8,070,056,256	$1,421,292,350	$(127,993,573)	$9,363,264,034	100.00		7.38		7.89		8.40

NOTE:
(1) COST RATES ARE BASED ON THE WEIGHTED AVERAGE COST OF LONG TERM DEBT, PREFERRED STOCK AND COMMON EQUITY
(2) COLUMNS MAY NOT FOOT DUE TO ROUNDING.

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
CAPITAL STRUCTURE
PROFORMA ADJUSTED BASIS
FEBRUARY 28, 2001

LINE NO.	AVERAGE	(1) FPSC ADJUSTED	(2) PRO-FORMA ADJUSTMENTS	(3) TOTAL PRO-FORMA ADJUSTED	(4) TOTAL RATIO (%)	LOW POINT (5) COST RATE (%)	LOW POINT (6) WEIGHTED COST (%)	MIDPOINT (7) COST RATE (%)	MIDPOINT (8) WEIGHTED COST (%)	HIGH POINT (9) COST RATE (%)	HIGH POINT (10) WEIGHTED COST (%)
	LONG TERM DEBT	$2,223,838,315	$ 107,172,345	$ 2,331,010,661	24.27	6.09	1.48	6.09	1.48	6.09	1.48
	SHORT TERM DEBT	351,010,175	16,916,061	367,926,236	3.83	6.02	0.23	6.02	0.23	6.02	0.23
	PREFERRED STOCK	222,734,830	10,734,150	233,468,980	2.43	6.59	0.16	6.59	0.16	6.59	0.16
	CUSTOMER DEPOSITS	256,494,354	12,361,106	268,855,460	2.80	5.89	0.16	5.89	0.16	5.89	0.16
	COMMON EQUITY	4,879,802,644	235,169,932	5,114,972,577	53.26	10.00	5.33	11.00	5.86	12.00	6.39
	DEFERRED INCOME TAXES	1,062,124,751	51,186,457	1,113,311,207	11.59	0.00	0.00	0.00	0.00	0.00	0.00
	TAX CREDIT - ZERO COST	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	TAX CREDIT - WEIGHTED COST (1)	166,549,422	8,026,434	174,575,856	1.82	8.71	0.16	9.38	0.17	10.04	0.18
	TOTAL	$9,162,554,490	$ 441,566,439	$ 9,604,120,979	100.00		7.52		8.06		8.61

YEAR END	(1) FPSC ADJUSTED	(2) PRO-FORMA ADJUSTMENTS	(3) PRO-FORMA ADJUSTED	(4) TOTAL RATIO (%)	LOW POINT (5) TOTAL COST RATE (%)	LOW POINT (6) WEIGHTED COST (%)	MIDPOINT (7) COST RATE (%)	MIDPOINT (8) WEIGHTED COST (%)	HIGH POINT (9) COST RATE (%)	HIGH POINT (10) WEIGHTED COST (%)
LONG TERM DEBT	$2,347,370,409	$ 110,700,724	$ 2,458,071,133	25.07	6.30	1.58	6.30	1.58	6.30	1.58
SHORT TERM DEBT	539,299,825	25,433,089	564,732,915	5.76	5.54	0.32	5.54	0.32	5.54	0.32
PREFERRED STOCK	210,807,031	9,941,546	220,748,576	2.25	6.59	0.15	6.59	0.15	6.59	0.15
CUSTOMER DEPOSITS	240,392,656	11,336,788	251,729,445	2.57	6.26	0.16	6.26	0.16	6.26	0.16
COMMON EQUITY	4,711,582,031	222,195,671	4,933,777,702	50.32	10.00	5.03	11.00	5.54	12.00	6.04
DEFERRED INCOME TAXES	1,166,374,974	55,005,616	1,221,380,589	12.46	0.00	0.00	0.00	0.00	0.00	0.00
TAX CREDIT - ZERO COST	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TAX CREDIT - WEIGHTED COST (1)	147,437,108	6,953,055	154,390,162	1.57	8.71	0.16	9.25	0.15	10.30	0.16
TOTAL	$9,363,264,034	$ 441,566,439	$ 9,804,830,523	100.00		7.38		7.89		8.40

NOTES:
(1) COST RATES ARE BASED ON THE WEIGHTED AVERAGE COST OF LONG TERM DEBT, PREFERRED STOCK AND COMMON EQUITY.
(2) COLUMNS MAY NOT FOOT DUE TO ROUNDING.

D

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, 1999

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 700 Universe Boulevard Juno Beach, Florida 33408 (561) 694-4000	59-0247775

State or other jurisdiction of incorporation or organization: Florida

	Name of exchange on which registered
Securities registered pursuant to Section 12(b) of the Act:	
FPL Group, Inc.: Common Stock, $0.01 Par Value and Preferred Share Purchase Rights	New York Stock Exchange
Florida Power & Light Company: None	

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. [X]

Aggregate market value of the voting stock of FPL Group, Inc. held by non-

transactions are discussed in more detail below within the segment to which they relate.

FPL - FPL's results for 1999 include the settlement of litigation between FPL and FMPA, which resulted in a fourth quarter after-tax charge of $42 million. The charge, included in O&M expenses, reflects a settlement agreement pursuant to which FPL agreed to pay FMPA a cash settlement; FPL agreed to reduce the demand charge on an existing power purchase agreement; and FPL and FMPA agreed to enter into a new power purchase agreement giving FMPA the right to purchase limited amounts of power in the future at a specified price. This agreement settled a dispute with FMPA that had been pending for nearly ten years.

FPL's net income for 1999, excluding the FMPA charge, was up slightly from 1998. Lower depreciation, customer growth and lower O&M expenses offset the effect of the rate reduction, implemented in April 1999, and a decline in electricity used by retail customers. FPL's net income growth in 1998 compared to 1997 was primarily associated with an increase in total kwh sales and lower interest charges, partly offset by higher depreciation and O&M expenses.

FPL's operating revenues consist primarily of revenues from retail base operations, cost recovery clauses and franchise fees. Revenues from retail base operations were $3.2 billion, $3.6 billion and $3.4 billion in 1999, 1998 and 1997, respectively. 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.

In 1999, the FPSC approved a three-year agreement among FPL, Public Counsel, FIPUG and Coalition regarding FPL's retail base rates, authorized regulatory ROE, capital structure and other matters. The agreement, which became effective April 15, 1999, provides for a $350 million reduction in annual revenues from retail base operations allocated to all customers on a cents-per-kilowatt-hour basis. Additionally, the agreement sets forth a revenue sharing mechanism for each of the twelve-month periods covered by the agreement, whereby revenues from retail base operations in excess of a stated threshold will be shared on the basis of two-thirds refunded to retail customers and one-third retained by FPL. Revenues from retail base operations in excess of a second threshold will be refunded 100% to retail customers.

The thresholds are as follows:

	Twelve Months Ended April 14,		
	2000	2001 (millions)	2002
Threshold to refund 66 2/3% to customers	$3,400	$3,450	$3,500
Threshold to refund 100% to customers	$3,556	$3,606	$3,656

Offsetting the annual revenue reduction will be lower special depreciation. The agreement allows for special depreciation of up to $100 million, at FPL's discretion, in each year of the three-year agreement period to be applied to nuclear and/or fossil generating assets. Under this new depreciation program, FPL recorded approximately $70 million of special depreciation in 1999. The new depreciation program replaced a revenue-based special amortization program whereby special amortization in the amount of $63 million, $378 million and $199 million was recorded in 1999, 1998 and 1997, E

THIS FILING IS (CHECK ONE BOX FOR EACH ITEM)		
Item 1: [X] An Initial (Original) Submission	OR [ ]	Resubmission No. ____
Item 2: [ ] An Original Signed Form	OR [ ]	Conformed Copy

Form Approved
OMB No. 1902-0021
(Expires 11/30/2001)

FERC Form No. 1:
ANNUAL REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHERS

Exact Legal Name of Respondent (Company)	Year of Report
Florida Power & Light Company	Dec. 31, 2000

addition, if in any month actual revenues are above or below planned revenues, the accrual is increased or decreased as necessary to recognize the effect of this variance on the expected refund amount. The annual refund (including interest) is paid to customers as a credit to their June electric bill. As of December 31, 2000 and 1999, the accrual for the revenue refund was approximately $57 million and $20 million, respectively.

The agreement also lowered FPL's authorized regulatory ROE range to 10% - 12%. During the term of the agreement, the achieved ROE may from time to time be outside the authorized range, and the revenue sharing mechanism described above is specified to be the appropriate and exclusive mechanism to address that circumstance. For purposes of calculating ROE, the agreement establishes a cap on FPL's adjusted equity ratio of 55.83%. The adjusted equity ratio reflects a discounted amount for off-balance sheet obligations under certain long-term purchased power contracts. Finally, the agreement established a new special depreciation program (see Electric Plant, Depreciation and Amortization) and includes provisions which limit depreciation rates and accruals for nuclear decommissioning and fossil dismantlement costs to currently approved levels and limit amounts recoverable under the environmental compliance cost recovery clause during the term of the agreement.

The agreement states that Public Counsel, FIPUG and Coalition will neither seek nor support any additional base rate reductions during the three-year term of the agreement unless such reduction is initiated by FPL. Further, FPL agreed to not petition for any base rate increases that would take effect during the term of the agreement.

FPL's revenues include amounts resulting from cost recovery clauses, certain revenue taxes and franchise fees. Cost recovery clauses, which are designed to permit full recovery of certain costs and provide a return on certain assets utilized by these programs, include substantially all fuel, purchased power and interchange expenses, conservation- and environmental-related expenses and certain revenue taxes. 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. See Regulation.

Electric Plant, Depreciation and Amortization – The cost of additions to units of utility property of FPL and FPL Energy is added to electric utility plant. In accordance with regulatory accounting, the cost of FPL's units of utility property retired, less 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, 2000, the generating, transmission, distribution and general facilities of FPL represented approximately 45%, 13%, 36% and 6%, respectively, of FPL's gross investment in electric utility plant in service. Substantially all electric utility plant of FPL is subject to the lien of a mortgage securing FPL's first mortgage bonds.

Depreciation of electric property is primarily provided on a straight-line average remaining life basis. FPL includes in depreciation expense a provision for fossil plant dismantlement and nuclear plant decommissioning (see Decommissioning and Dismantlement of Generating Plant). For substantially all of FPL's property, depreciation studies are performed and filed with the FPSC at least every four years. In April 1999, the FPSC granted final approval of FPL's most recent depreciation studies, which were effective January 1, 1998. The weighted annual composite depreciation rate for FPL's electric plant in service was approximately 4.2% for 2000, 4.3% for 1999 and 4.4% for 1998, excluding the effects of decommissioning and dismantlement. Further, these rates exclude the special and plant-related deferred cost amortization discussed below.

The agreement that reduced FPL's base rates (see Revenues and Rates) also allows for special depreciation of up to $100 million, at FPL's discretion, in each year of the three-year agreement period to be applied to nuclear and/or fossil generating assets. Under this new depreciation program, FPL recorded $100 million of special depreciation in the first twelve-month period and $71 million through December 31, 2000 of the second twelve-month period. On a fiscal year basis, FPL recorded approximately $101 million and $70 million of special depreciation in 2000 and 1999, respectively. The new depreciation program replaced a revenue-based special amortization program whereby FPL recorded as depreciation and amortization expense a fixed amount of $9 million in 1999 and $30 million in 1998 for nuclear assets. FPL also recorded under the revenue-based special amortization program variable amortization based on the actual level of retail base revenues compared to a fixed amount. The variable amounts recorded in 1999 and 1998 were $54 million and $348 million, respectively. The 1998 variable amount includes, as depreciation and amortization expense, $161 million for amortization of regulatory assets. The remaining variable amounts were applied against nuclear and fossil production assets. Additionally, FPL completed amortization of certain plant-related deferred costs by recording $24 million in 1998. These costs are considered recoverable costs and are monitored through the monthly reporting process with the FPSC.

Nuclear Fuel – FPL leases nuclear fuel for all four of its nuclear units. Nuclear fuel lease expense was $82 million, $83 million and $85 million in 2000, 1999 and 1998, respectively. Included in this expense was an interest component of $9 million, $8 million and $9 million in 2000, 1999 and 1998, respectively. 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 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

F

MEMORANDUM

To: Joe Tannehill, Chairman, Task Force on Stranded Investment
Florida Energy 2020 Study Commission

From: Stephen J. Mitchell

Date: June 4, 2001

Re: Proposal for Recovery of Stranded Investment

The following is presented to you and members of the Task Force, as well as interested parties, for discussion purposes and consideration as a possible framework to be utilized to address the stranded investment issue. This proposal was predicated on testimony that has been received by the Study Commission on the results of deregulation in other states, particularly the State of California. As we all know, the deregulation effort in California is a model that we do not wish to follow. Dr. Jurewitz' presentation at the recent meeting of the Study Commission was most compelling. He strongly emphasized the following elements as the basic underlying causes for the debacle that exists in California.

1. Lack of capacity;
2. Forced divestiture; and
3. Spot market acquisition requirements.

I believe the proposal submitted by the Study Commission to the Governor at year-end for consideration by the legislature positively addressed and appropriately handled these issues. Unfortunately, the paralyzing issue that developed was whether the investor-owned utilities (IOU), who agreed to forego recovery of stranded costs, would reap a windfall by retaining all stranded benefits (i.e., excess of actual value over depreciated book value).

Basically, the proposal submitted by the Study Commission contemplated that IOU's generating assets would be transferred to an affiliate entity at book value. This affiliate entity would then be in the business of generating power and selling such power to the load-serving utility and other wholesale purchasers. This concept would purportedly place the generation facilities on an equal level and equal footing with merchant plants and other independent power producers to provide capacity to service the ever-growing demand in the State of Florida.

How do you determine whether there are stranded benefits and/or costs? In California they utilized forced divestiture to effectively quantify what the market would pay for such a facility, thereby quantifying stranded benefit and/or stranded cost. Unfortunately, and as described by Dr. Jurewitz, this turned out to be a major problem since the capacity that Southern California Edison needed to service their customer base was stripped away by the forced divestiture and they had to go to the "spot market" to service their rate payers.

As a possible solution to Florida's stranded investment issue, the following basic structure is proposed:

(a) The IOUs transfer at book value their generating systems to competitive generating affiliates.

(b) The generating affiliates would hold such generating capacity until such time as they determine to convey the generating facilities to independent unrelated third party purchasers pursuant to arms-length negotiations.

(c) At the time of sale to an independent unrelated third party purchaser, the stranded benefit would be determined by deducting from the purchase price the net book value and costs of sale, to determine if, in fact, a stranded benefit exists.

(d) If a stranded benefit exists, the benefit would be shared by and between the IOU and the State and/or rate payers.

(e) The stranded benefit would be shared in a ratio with the seller of the generating facility retaining ___% of the stranded benefit and the balance of ___% of the stranded benefit being funded in whatever manner the legislature may determine, i.e., to an entity established for the purpose of developing energy conservation, or to the rate payers, or to improving infrastructure required for distribution of electrical power. Alternatively, the sharing percentage could change at various dollar threshold levels with the IOU receiving a greater percentage at the higher dollar thresholds (i.e., percentage change at each $_______ million dollar level of stranded benefit).

(f) If stranded costs exist as a result of the arms-length sale, the stranded costs would not be immediately accounted for, but would be interest bearing at a reasonable return and be netted against future sales of generating units if a stranded benefit is determined from such future sales. If after _____ years a net stranded cost exists, the stranded costs would be returned to the IOUs' by reasonable rate adjustments approved by the PSC.

By waiting until an arms-length sale, rather than to attempt to develop a theoretical value of any generating plant at the time of transferring the plant to an affiliate or by requiring mandatory divestiture, the IOUs would be provided with the ability to sell at such time as they determine to sell, thereby preserving generation capacity to service the needs of their customers and/or to compete with other generators of power that would be in the marketplace.

Library: Tampa; Document #: 1349v1

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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, 2000

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

	Name of exchange on which registered
Securities registered pursuant to Section 12(b) of the Act:	
FPL Group, Inc.: Common Stock, $0.01 Par Value and Preferred Share Purchase Rights	New York Stock Exchange
Florida Power & Light Company: None	

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-

and FPL Group since 1989.

Dennis P. Coyle. Mr. Coyle, 62, is general counsel and secretary of FPL and FPL Group. He is a director of Adelphia Communications Corporation. Mr. Coyle has been a director of FPL since 1990.

Paul J. Evanson. Mr. Evanson, 59, is president of FPL. He is a director of Lynch Interactive Corporation. Mr. Evanson has been a director of FPL since 1992 and a director of FPL Group since 1995.

Lawrence J. Kelleher. Mr. Kelleher, 53, is senior vice president, human resources and corporate services of FPL and vice president, human resources of FPL Group. Mr. Kelleher has been a director of FPL since 1990.

Armando J. Olivera. Mr. Olivera, 51, is senior vice president, power systems of FPL. Mr. Olivera has been a director of FPL since 1999.

Thomas F. Plunkett. Mr. Plunkett, 61, is president of FPL's nuclear division. Mr. Plunkett has been a director of FPL since 1996.

Antonio Rodriguez. Mr. Rodriguez, 58, is senior vice president, power generation division of FPL. Mr. Rodriguez has been a director of FPL since 1999.

(a) 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, 2000.

SUMMARY COMPENSATION TABLE

		Annual Compensation			Long-Term Compensation			
Name and Principal Position	Year	Salary	Bonus	Other Annual Compen-sation	Restricted Stock Awards(a)	Number of Securities Underlying Options	Long-Term Incentive Plan Payouts(b)	All Other Compen-sation(c)
James L. Broadhead	2000	$974,400	$1,132,740	$20,632	$ -	-	$21,053,233	$13,563,705
Chairman of the Board and	1999	943,000	895,850	18,809	2,412.005	250,000	1,083,272	12,658
Chief Executive Officer	1998	847,875	937,125	9,809	-	-	1,788,731	12,009
of FPL and FPL Group								

Paul J. Evanson	2000	660,000	660,700	11,105	-	-	10,395,654	8,544
President of FPL	1999	628,500	616,900	8,656	1,278,900	150,000	458,985	13,539
	1998	592,500	546,900	2,785	-	-	704,304	13,746
Dennis P. Coyle	2000	410,640	310,045	8,487	-	-	5,892,417	7,900
General Counsel and	1999	399,832	259,891	7,964	964,802	100,000	236,783	10,259
Secretary of FPL and FPL Group	1998	357,000	257,040	595	-	-	368,079	9,737
Thomas F. Plunkett	2000	375,000	243,000	11,121	-	-	5,902,937	8,391
President, Nuclear	1999	340,000	219,100	10,088	255,780	100,000	179,564	10,146
Division of FPL	1998	302,500	177,900	3,482	-	-	103,481	10,344
Lawrence J. Kelleher	2000	316,680	240,723	11,952	-	-	5,757,767	7,616
Senior Vice President,	1999	306,475	220,662	10,213	964,802	100,000	267,694	10,661
Human Resources and Corporate Services of FPL and Vice President, Human Resources of FPL Group	1998	267,750	194,119	3,108	-	-	222,173	9,724

(a) At December 31, 2000, none of the named officers held any shares of restricted common stock.

(b) FPL Group shareholders' December 15, 2000 approval of the proposed merger with Entergy Corporation resulted in a change of control under the definition in FPL Group's 1994 Long Term Incentive Plan. Upon the change of control, all performance criteria of performance-based awards, restricted stock and other stock-based awards held by the executive officers were deemed fully achieved and all such awards were deemed fully earned and vested, all options and other exercisable rights became exercisable and vested; the restrictions, deferral limitations and forfeiture conditions applicable to all awards under the Plan lapsed; and all outstanding awards were canceled and the holder thereof paid in cash on the basis of the highest trading price of FPL Group common stock during the 60-day period preceding the date that the shareholders approved the merger.

(c) For 2000, represents employer matching contributions to employee thrift plans and employer contributions for life insurance as follows:

	Thrift Match	Life Insurance
Mr. Broadhead	$7,494	$1,245
Mr. Evanson	8,075	469
Mr. Coyle	7,494	406
Mr. Plunkett	8,075	316
Mr Kelleher	7,494	122

Also represents FPL's portion of the distribution upon change of control on December 15, 2000 to Mr. Broadhead of his already vested benefit under his individual supplemental retirement plan. Mr. Broadhead's vested lump sum benefit payable in cash as of December 15, 2000, was $14,021,598, this amount included the value of 96,800 shares of restricted Common Stock awarded to him in 1991 for the purpose of financing this plan, which would have otherwise vested on January 2, 2001. Also includes for Mr. Broadhead, $585,046 in cash that accrued in a trust established to receive dividends from the 96,800 restricted shares that was not part of the supplemental retirement plan lump sum benefit.

Long-Term Incentive Plan Awards - In 2000, performance awards and shareholder value awards 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 tables.

Performance Share Awards

million loss as the cumulative effect on FPL Group's earnings of a change in accounting principle representing the effect of those derivative instruments for which hedge accounting was not applied.

In December 2000, the Financial Accounting Standards Board's Derivatives Implementation Group (DIG) discussed several issues related to the power generation industry, but did not reach conclusions on those issues. The ultimate resolution of these issues could result in a requirement to mark certain of FPL Group's power and fuel agreements to their fair market values each reporting period. If these agreements are required to be treated as derivative instruments, the new accounting would first be applied in the quarter following final resolution of the issues. At this time, management is unable to estimate the effects on the financial statements of any future decisions of the Financial Accounting Standards Board or the DIG.

2. Merger

In July 2000, FPL Group and Entergy Corporation (Entergy) announced a proposed merger. FPL Group and Entergy shareholders approved the proposed merger in December 2000. The merger will create a company with capabilities and resources to succeed and grow in the competitive energy marketplace. In a tax-free, stock-for-stock exchange, each holder of FPL Group common stock will receive one share of the new holding company for each share of FPL Group common stock, and each holder of Entergy common stock will receive 0.585 of a share of the new holding company for each share of Entergy common stock. Based on the number of common shares outstanding as of December 31, 2000, FPL Group shareholders would own 58 percent of the common equity of the new company and Entergy shareholders would own 42 percent. FPL Group will account for the merger as an acquisition of Entergy under the purchase method of accounting. The companies' objective is to complete the merger by the end of 2001. However, completion of the merger and the ultimate closing date depend upon meeting a number of conditions, including the receipt of applicable regulatory approvals.

The new company's board of directors, which will include James L. Broadhead, FPL Group chairman and chief executive officer, and J. Wayne Leonard, Entergy chief executive officer, will initially consist of 15 members, eight from FPL Group and seven from Entergy. Corporate headquarters of the merged company will be located in Juno Beach, Florida, while the utility group will be headquartered in New Orleans, Louisiana. Each of the company's six utilities will continue to maintain its headquarters at its present location. In 2000, FPL Group recorded $67 million in merger-related expenses of which FPL recorded $62 million ($38 million after-tax), FPL Energy recorded $2 million ($1 million after-tax) and Corporate and Other recorded $3 million ($2 million after-tax).

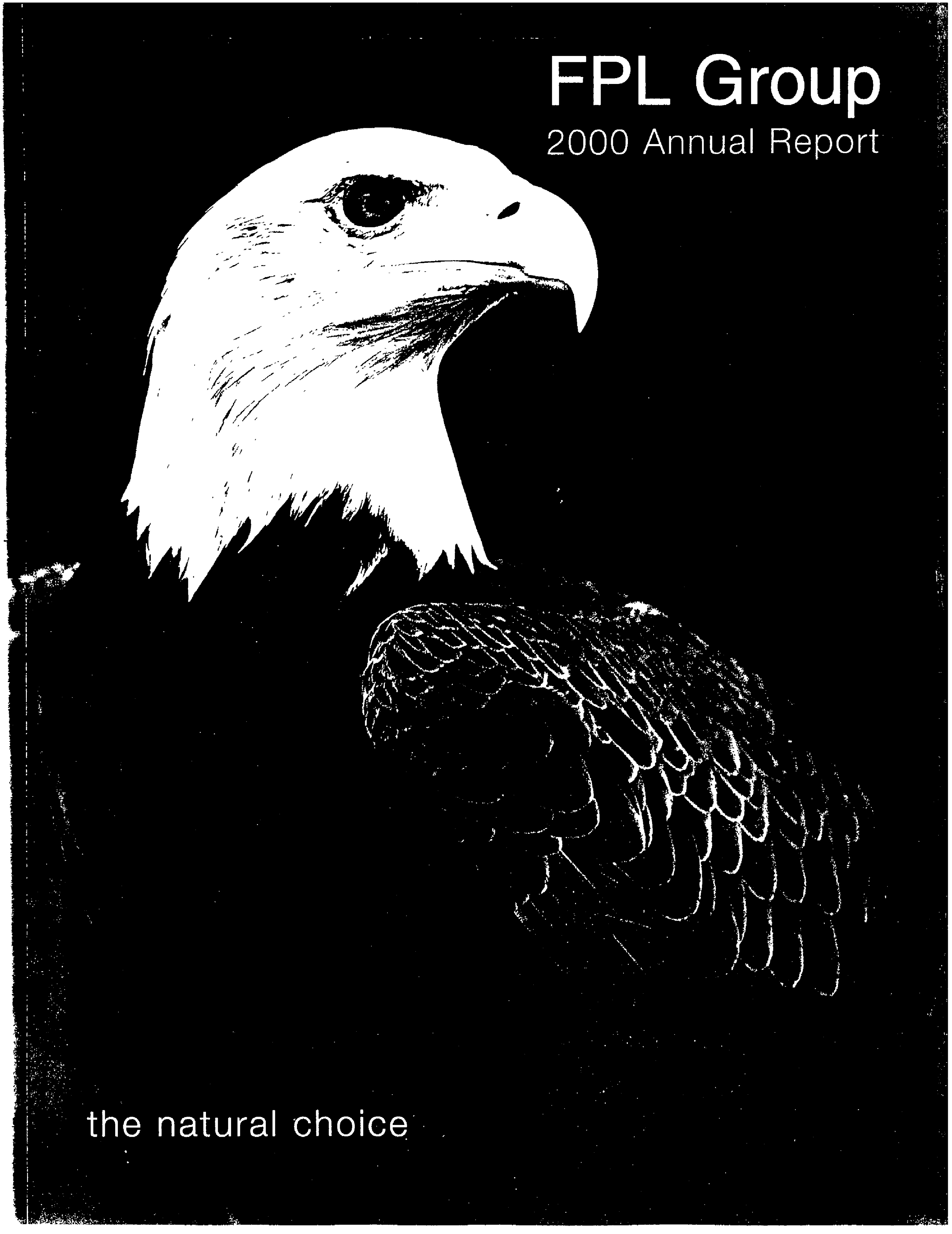
3. Employee Retirement Benefits

FPL Group and its subsidiaries sponsor a noncontributory defined benefit pension plan and defined benefit postretirement plans for health care and life insurance benefits (other benefits) for substantially all employees. The following tables provide a reconciliation of the changes in the plans' benefit obligations, fair value of assets and a statement of the funded status:

Pension Benefits	Other Benefits

FPL Group

2000 Annual Report



the natural choice

management's discussion and analysis of financial condition and results of operations

This discussion should be read in conjunction with the Notes to Consolidated Financial Statements contained herein In the following discussion, all comparisons are with the corresponding items in the prior year

MERGER

In July 2000, FPL Group and Entergy announced a proposed merger, which was approved by the shareholders of the respective companies in December 2000 Subsequently, a number of factors led FPL Group to conclude the merger would not achieve the synergies or create the shareholder value originally contemplated when the merger was announced As a result, on April 1, 2001, FPL Group and Entergy mutually terminated the merger agreement.

In 2000, FPL Group recorded $67 million in merger-related expenses, of which FPL recorded $62 million ($38 million after-tax), FPL Energy recorded $2 million ($1 million after-tax) and Corporate and Other recorded $3 million ($2 million after-tax). Merger-related expenses will continue in 2001, although to a lesser degree For additional information concerning the merger, see Note 2

RESULTS OF OPERATIONS

FPL Group's net income and earnings per share in 2000 increased despite a charge for merger-related expenses This charge reduced net income and earnings per share by $41 million and $0 24, respectively. Net income and earnings per share in 1999 included the net effect of several nonrecurring transactions that resulted in additional net income of $16 million, or $0 09 per share Excluding the merger-related expenses in 2000 and the nonrecurring items in 1999, FPL Group's net income in 2000 increased 9 4% to $745 million, and earnings per share increased 10 1% to $4.38 The comparable growth rates for 1999 were 2 6% and 3.4%, respectively, excluding the effects of the nonrecurring items in 1999 In 2000, both FPL and FPL Energy contributed to the growth, while in 1999 the growth was primarily attributable to FPL Energy

FPL — FPL's results for 2000 continued to benefit from customer growth, increased electricity usage per retail customer and lower O&M expenses The effect of the rate reduction and higher interest charges partly offset these positives. FPL's portion of the merger-related expenses in 2000 reduced net income by $38 million. Results for 1999 also include a nonrecurring charge related to the settlement of litigation that reduced net income by $42 million. FPL's net income, excluding these items in both periods, was $645 million in 2000, up $27 million from 1999 Excluding the litigation settlement in 1999, FPL's slight net income growth in 1999 reflected lower depreciation, customer growth and lower O&M expenses partly offset by the effect of the rate reduction and a decline in electricity usage per retail customer

FPL's operating revenues consist primarily of revenues from retail base operations, cost recovery clauses and franchise fees Revenues from retail base operations were $3 5 billion, $3 5 billion and $3 8 billion in 2000, 1999 and 1998 respectively 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 Due to higher than projected oil and natural gas prices in 2000 the Florida Public Service Commission (FPSC) approved higher per kwh charges effective June 15, 2000. These additional clause revenues resulted in higher operating revenues Later in the year, the FPSC approved FPL's annual fuel filing for 2001, which included an estimate of under-recovered fuel costs in 2000 of $518 million. FPL will recover the $518 million over a two-year period beginning January 2001, rather than the typical one-year time frame. FPL has also agreed that instead of receiving a return at the commercial paper rate on this unrecovered portion through the fuel and purchased power cost recovery clause (fuel clause), the under-recovery will be included as a rate base regulatory asset over the two-year recovery period. Actual under-recovered fuel costs through December 31, 2000 exceeded the estimates made earlier in the year by $78 million, and in February 2001, FPL requested the FPSC to approve a fuel adjustment increase effective April 2001 to recover the additional $78 million of under-recovered fuel costs. See Note 1 — Regulation.

In 1999, the FPSC approved a three-year agreement among FPL, the State of Florida Office of Public Counsel, The Florida Industrial Power Users Group and The Coalition for Equitable Rates regarding FPL's retail base rates, authorized regulatory return on equity (ROE), capital structure and other matters. The agreement, which became effective April 15, 1999, provides for a $350 million reduction in annual revenues from retail base operations allocated to all customers on a cents-per-kilowatt-hour basis. Additionally, the agreement sets forth a revenue sharing mechanism for each of the twelve month periods covered by the agreement, whereby revenues from retail base operations in excess of a stated threshold are required to be shared on the basis of two-thirds refunded to retail customers and one-third retained by FPL. Revenues from retail base operations in excess of a second threshold are required to be refunded 100% to retail customers

The refund thresholds are as follows:

(millions) Twelve Months Ended April 14	2000	2001	2002
66⅔% to customers	$3 400	$3,450	$3,500
100% to customers	$3,556	$3,606	$3,656

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Exhibit 10(v)

FPL GROUP, INC.
EMPLOYEE RETENTION BONUS PLAN

Section 1. General

Effective November 6, 2000, FPL GROUP, INC. ("the Company") hereby establishes the FPL GROUP EMPLOYEE RETENTION BONUS PLAN (the "Plan") to provide certain employees of the Company and its affiliates ("Affiliates") with incentive to remain in the employment of the Company (or its successor) or an Affiliate. The Plan is intended to constitute a bonus program within the meaning of U.S. Department of Labor Regulation Section 2510.3-2 (c), and not an "employee pension benefit plan," as defined in Labor Regulation Section 2510.3-2 (c).

Section 2. Definitions

The following terms when used herein shall have the designated meaning unless a different meaning is plainly required by the context in which the term used:

(a) "Administrator" shall mean the officer or officers of the Company designated by the Compensation Committee of the Board, or, in the absence of such designation, the Vice President of Human Resources of the Company.

(b) "Affiliate" shall mean: (i) an entity that, directly or through one or more intermediaries, is controlled by the Company; and (ii) an entity in which the Company has a significant equity interest as determined by the Administrator.

(c) "Agreement of Merger" shall mean the Agreement and Plan of Merger among the Company, Entergy Corporation, WCB Holding Corp., Ranger Acquisition Corp., and Ring Acquisition Corp. dated as of July 30, 2000.

(d) Base Pay" shall mean the total salary or wage for one year's service, divided by twelve, under the monthly, semi-monthly, bi-weekly, daily or hourly base rates in effect on the date of Closing (except as is otherwise provided in this Plan). Base Pay shall include any amounts contributed by the Participant to any retirement plan of the Company which, pursuant to Section 401 (k) of the Internal Revenue Code, are not included in the gross income of the Participant in the taxable year in which such contributions are made, and including amounts contributed by the Participant to any welfare benefit plans maintained by the Company through a reduction in the Participant's compensation which pursuant to Section 125 of the Internal Revenue Code, are not included in the gross income of the Participant for the taxable year in which such amounts are contributed, but exclude overtime earnings, lump sum payments, or any special or extra compensation paid to a Participant. The Administrator's determination of Base Pay shall be binding and conclusive.

(e) Board" shall mean the Board of Directors of FPL Group, Inc.

(f) "Cause" to terminate the Participant's employment shall exist if he or she (1) engages in one or more acts constituting a felony or involving fraud or serious moral turpitude; (2) willfully refuses (except by reason of incapacity due to accident or illness) substantially to perform his duties; (3) misappropriates assets of the Company; or (4) engages in gross or willful misconduct materially injurious to the Company.

(g) "Closing" shall mean the closing date of the mergers contemplated by the Agreement of Merger.

contemplated by the Agreement of Merger and who are determined to have high employment marketability outside of the Company or any Affiliate and/or are susceptible to resign from their employment with the Company or any Affiliate as a result of the merger shall receive a Retention Bonus of up to eighteen months of Base Pay.

(c) Level III - Participants who are determined to be critical to the operations of the Company or any Affiliate and to the Closing of the merger contemplated by the Agreement of Merger shall receive a Retention Bonus of up to twenty-four months of Base Pay.

The exact amount of each Participant's Retention Bonus shall be determined by the Administrator and communicated to the Participant in writing.

Section 6. Requirement of Continued Employment

A Participant shall not be entitled to receive payment of his Retention Bonus under this Section 6 unless:

(a) He or she remains actively employed by the Company or an Affiliate (or any successors thereto) until the date on which the final installment payment is due under Section 9;

(b) His or her employment with the Company or an Affiliate (or any successors thereto) has been terminated by the Company for reasons other than for Cause prior to the date the final installment payment is due under Section 9; or

(c) His or her employment with the Company or an Affiliate (or any successors thereto) has been terminated by the Participant for Good Reason prior to the date the final installment payment is due under Section 9.

The Administrator's determination of Cause and Good Reason shall be final and binding. Notwithstanding anything to the contrary, the Administrator may shorten the continued employment requirements and accelerate payment in individual circumstances.

Section 7. Effect of Termination of the Agreement of Merger

In the event the Agreement of Merger is terminated (for any reason) after the Company's shareholders approve the Merger, each Participant who (i) remains an employee of the Company or an Affiliate on the date of termination of the Agreement of Merger; (ii) has been terminated from employment by the Company or an Affiliate for any reason other than for Cause prior to the date of the termination of the Agreement of Merger; or (iii) has voluntarily terminated his or her employment for Good Reason prior to the date of the termination of the Agreement of Merger, shall receive a cash bonus equal to 25% of the Retention Bonus which would otherwise be payable hereunder. For purposes of this payment, Base Pay shall be determined as of the date of the termination of the Agreement of Merger. This payment shall be in lieu of the payment provided in Section 5.

Section 8. Payment in the Event of Participant's Early Retirement or Voluntary Separation

In the event the Company or an Affiliate chooses to implement an Early Retirement or Voluntary Severance Program during the period of time after the Closing but prior to the first anniversary of the Closing, any Employee who elects to participate in those programs and as a result of such election fails to fulfill the employment requirements of this Plan shall forfeit his or her entitlement to any remaining payments under the Plan. In the event the Company

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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, 1999

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

	Name of exchange on which registered
Securities registered pursuant to Section 12(b) of the Act:	
FPL Group, Inc.: Common Stock, $0.01 Par Value and Preferred Share Purchase Rights	New York Stock Exchange
Florida Power & Light Company: None	

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. [X]

Aggregate market value of the voting stock of FPL Group, Inc. held by non-

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	1999 High	1999 Low	1998 High	1998 Low
First	$61 15/16	$50 1/8	$65 3/16	$56 1/16
Second	$60 1/2	$52 7/8	$65 5/8	$58 11/16
Third	$56 11/16	$49 1/8	$70	$59 11/16
Fourth	$52 1/2	$41 1/8	$72 9/16	$60 1/2

Approximate Number of Stockholders. As of the close of business on January 31, 2000, there were 49,694 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	1999	1998
First	$0 52	$0.50
Second	$0.52	$0.50
Third	$0.52	$0.50
Fourth	$0.52	$0.50

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 - Common Stock Dividend Restrictions regarding dividends paid by FPL to FPL Group.

Item 6. Selected Financial Data

	Years Ended December 31, 1999	1998	1997	1996	1995
SELECTED DATA OF FPL GROUP					
(millions, except per share amounts)					
Operating revenues	$ 6,438	$ 6,661	$ 6,369	$ 6,037	$ 5,592

Net income	$ 697	$ 664	$ 618	$ 579	$ 553
Earnings per share of common stock(a)	$ 4.07	$ 3.85	$ 3.57	$ 3.33	$ 3.16
Dividends paid per share of common stock	$ 2.08	$ 2.00	$ 1.92	$ 1.84	$ 1.76
Total assets	$13,441	$12,029	$12,449	$12,219	$12,459
Long-term debt, excluding current maturities	$ 3,478	$ 2,347	$ 2,949	$ 3,144	$ 3,377
Obligations of FPL under capital lease, excluding current maturities	$ 157	$ 146	$ 186	$ 182	$ 179
Preferred stock of FPL with sinking fund requirements, excluding current maturities	$ -	$ -	$ -	$ 42	$ 50
Energy sales (kwh)	92,483	91,041	84,642	80,889	79,756
SELECTED DATA OF FPL (millions):					
Operating revenues	$ 6,057	$ 6,366	$ 6,132	$ 5,986	$ 5,530
Net income available to FPL Group	$ 576	$ 616	$ 608	$ 591	$ 568
Total assets	$10,608	$10,748	$11,172	$11,531	$11,751
Long-term debt, excluding current maturities	$ 2,079	$ 2,191	$ 2,420	$ 2,981	$ 3,094
Energy sales (kwh)	88,067	89,362	82,734	80,889	79,756
Energy sales:					
Residential	50.2%	50.9%	50.6%	51.1%	50 8%
Commercial	40 3	38.8	39.8	38.6	38.5
Industrial	4.5	4.4	4.7	4.7	4.9
Interchange power sales	3.0	3.2	2.1	2.6	1.6
Other(b)	2 0	2.7	2.8	3.0	4.2
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Approximate 60-minute net peak served (mw)(c):					
Summer season	17,615	17,897	16,613	16,064	15,813
Winter season	17,057	16,802	13,047	16,490	18,096
Average number of customer accounts (thousands)					
Residential	3,332	3,266	3,209	3,153	3,097
Commercial	405	397	389	381	374
Industrial	16	15	15	15	15
Other	3	2	3	2	3
Total	3,756	3,680	3,616	3,551	3,489
Average price per kwh (cents)(d)	6.87	7.13	7.37	7.39	6.97

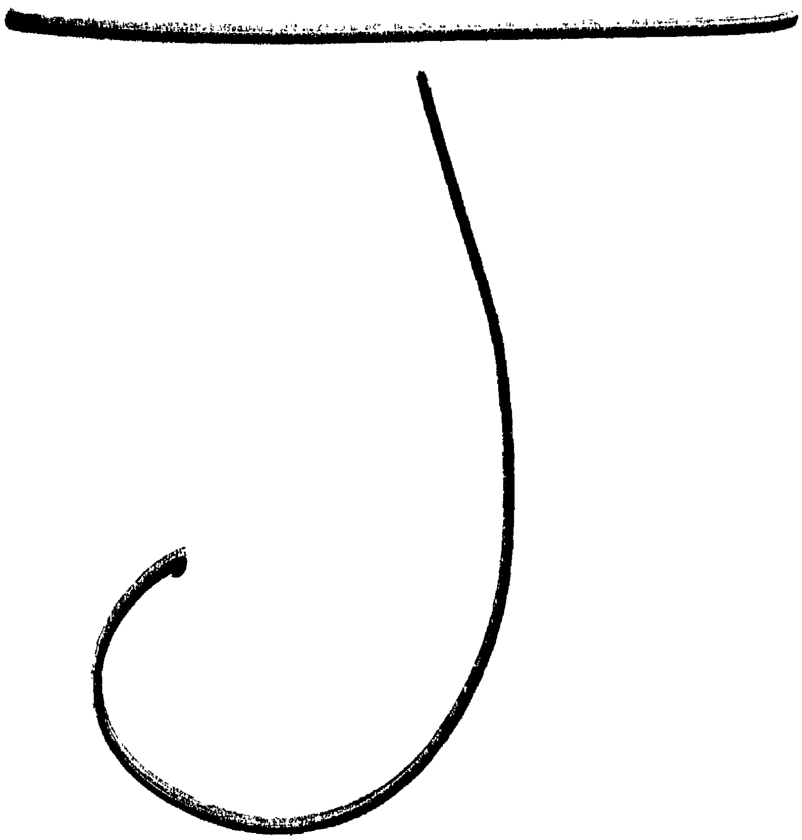
(a) Basic and assuming dilution.
(b) Includes the net change in unbilled sales.
(c) Winter season includes November - December of the current year and January - March of the following year.
(d) Excludes interchange power sales, net change in unbilled revenues and cost recovery clause revenues, and the provision for refund

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

Results of Operations

The operations of FPL continue to be the predominant contributor to FPL Group's earnings Earnings growth, however, over the past two years has mostly come from improved results at FPL Energy.

FPL Group's 1999 net income and earnings per share grew 5.0% and 5.7%, respectively. The 1999 amounts include the net effect of several nonrecurring transactions that resulted in additional net income of $16 million, or $0.09 per share for the year. Excluding the nonrecurring items, FPL Group's net income was $681 million and earnings per share were $3.98, resulting in growth of 2 6% and 3.4%, respectively The comparable growth rates for 1998 were 7 4% and 7.8%, respectively. The nonrecurring



UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

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For the fiscal year ended December 31, 2000

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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

	Name of exchange on which registered
Securities registered pursuant to Section 12(b) of the Act:	
FPL Group, Inc.: Common Stock, $0.01 Par Value and Preferred Share Purchase Rights	New York Stock Exchange
Florida Power & Light Company: None	

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-

Based on the current discount rates and current health care costs, the projected 2001 trend assumptions used to measure the expected cost of benefits covered by the plans are 5.8% for persons up to age 65 and 5.4% thereafter. The rate is assumed to decrease over the next two years to the ultimate trend rate of 5% for all age groups and remain at that level thereafter.

Assumed health care cost trend rates can have a significant effect on the amounts reported for the health care plans. A 1% increase or decrease in assumed health care cost trend rates would have a corresponding effect on the service and interest cost components and the accumulated obligation of other benefits of approximately $1 million and $13 million, respectively.

4. Financial Instruments

The carrying amounts of cash equivalents and commercial paper approximate their fair values. At December 31, 2000 and 1999, other investments of FPL Group include $300 million and $291 million, respectively, of investments that are carried at estimated fair value or cost, which approximates fair value. The following estimates of the fair value of financial instruments have been made 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, 2000		1999	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
	(millions)			
Long-term debt of FPL, including current maturities	$2,642	$2,621(a)	$2,204	$2,123(a)
Long-term debt of FPL Group, including current maturities	$4,041	$4,080(a)	$3,603	$3,518(a)

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

Special Use Funds - The special use funds consist of storm fund assets totaling $140 million and $131 million, and decommissioning fund assets totaling $1.357 billion and $1.220 billion at December 31, 2000 and 1999, respectively. Securities held in the special use funds are carried at estimated fair value based on quoted market prices. The nuclear decommissioning fund consists of approximately 40% equity securities and 60% municipal, government, corporate and mortgage- and other asset-backed debt securities with a weighted-average maturity of approximately nine years. The storm fund primarily consists of municipal debt securities with a weighted-average maturity of approximately four years. The cost of securities sold is determined on the specific identification method. The funds had approximate realized gains of $8 million and approximate realized losses of $15 million in 2000, $32 million and $22 million in 1999 and $24 million and $4 million in 1998, respectively. The funds had unrealized gains of approximately $258 million and $286 million at December 31, 2000 and 1999, respectively; the unrealized losses at those dates were approximately $4 million and $17 million. The proceeds from the sale of securities in 2000, 1999 and 1998 were approximately $2.0 billion, $2.7 billion and $1.2 billion, respectively.

5. Common Stock

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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

	Name of exchange on which registered
Securities registered pursuant to Section 12(b) of the Act:	
FPL Group, Inc.: Common Stock, $0.01 Par Value and Preferred Share Purchase Rights	New York Stock Exchange
Florida Power & Light Company: None	

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-

million loss as the cumulative effect on FPL Group's earnings of a change in accounting principle representing the effect of those derivative instruments for which hedge accounting was not applied.

In December 2000, the Financial Accounting Standards Board's Derivatives Implementation Group (DIG) discussed several issues related to the power generation industry, but did not reach conclusions on those issues. The ultimate resolution of these issues could result in a requirement to mark certain of FPL Group's power and fuel agreements to their fair market values each reporting period. If these agreements are required to be treated as derivative instruments, the new accounting would first be applied in the quarter following final resolution of the issues. At this time, management is unable to estimate the effects on the financial statements of any future decisions of the Financial Accounting Standards Board or the DIG.

2. Merger

In July 2000, FPL Group and Entergy Corporation (Entergy) announced a proposed merger. FPL Group and Entergy shareholders approved the proposed merger in December 2000. The merger will create a company with capabilities and resources to succeed and grow in the competitive energy marketplace. In a tax-free, stock-for-stock exchange, each holder of FPL Group common stock will receive one share of the new holding company for each share of FPL Group common stock, and each holder of Entergy common stock will receive 0.585 of a share of the new holding company for each share of Entergy common stock. Based on the number of common shares outstanding as of December 31, 2000, FPL Group shareholders would own 58 percent of the common equity of the new company and Entergy shareholders would own 42 percent. FPL Group will account for the merger as an acquisition of Entergy under the purchase method of accounting. The companies' objective is to complete the merger by the end of 2001. However, completion of the merger and the ultimate closing date depend upon meeting a number of conditions, including the receipt of applicable regulatory approvals.

The new company's board of directors, which will include James L. Broadhead, FPL Group chairman and chief executive officer, and J. Wayne Leonard, Entergy chief executive officer, will initially consist of 15 members, eight from FPL Group and seven from Entergy. Corporate headquarters of the merged company will be located in Juno Beach, Florida, while the utility group will be headquartered in New Orleans, Louisiana. Each of the company's six utilities will continue to maintain its headquarters at its present location. In 2000, FPL Group recorded $67 million in merger-related expenses of which FPL recorded $62 million ($38 million after-tax), FPL Energy recorded $2 million ($1 million after-tax) and Corporate and Other recorded $3 million ($2 million after-tax).

3. Employee Retirement Benefits

FPL Group and its subsidiaries sponsor a noncontributory defined benefit pension plan and defined benefit postretirement plans for health care and life insurance benefits (other benefits) for substantially all employees. The following tables provide a reconciliation of the changes in the plans' benefit obligations, fair value of assets and a statement of the funded status:

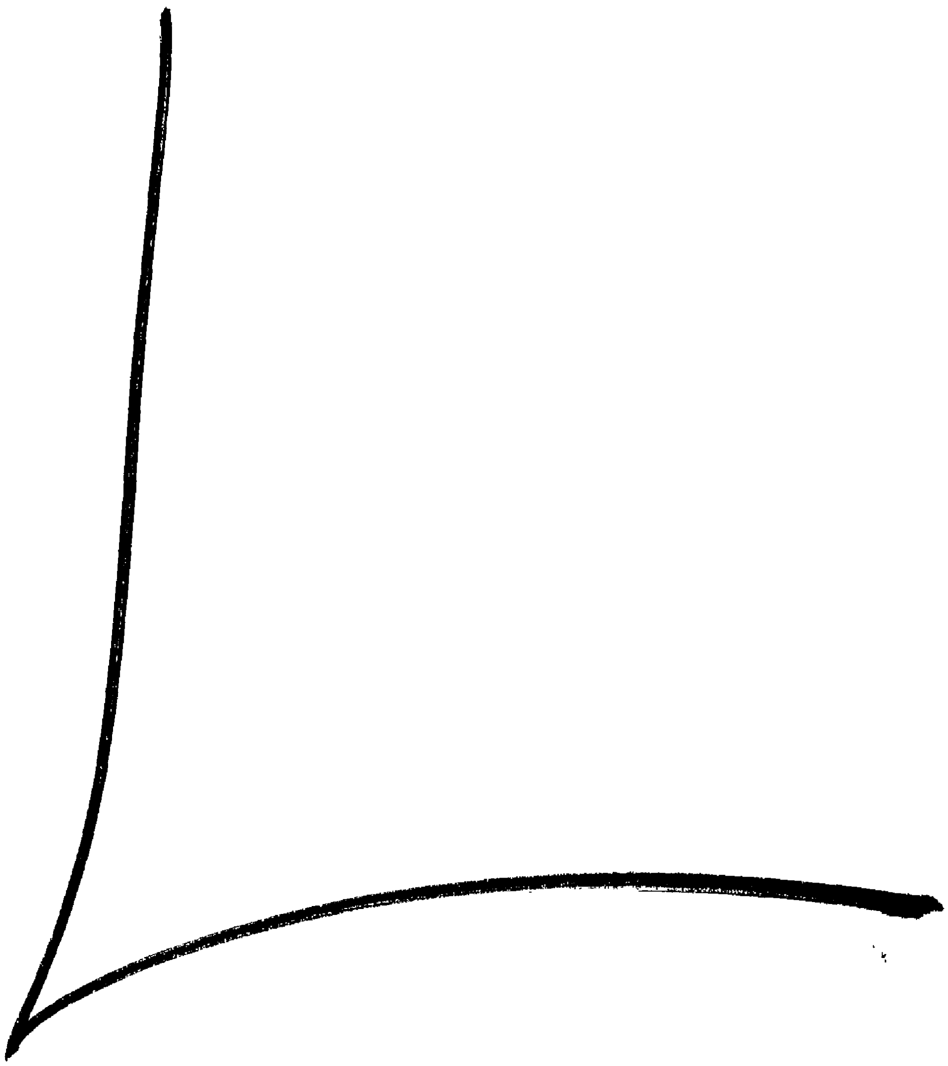
Pension Benefits	Other Benefits

	2000	1999	2000	1999
	(millions)			
Change in benefit obligation:				
Obligation at October 1 of prior year	$1,178	$1,173	$ 335	$ 345
Service cost	44	46	5	6
Interest cost	77	71	22	21
Participant contributions	-	-	1	2
Plan amendments	6	-	-	-
Actuarial (gains) losses - net	(20)	(38)	4	(24)
Acquisitions	-	4	-	2
Benefit payments	(80)	(78)	(17)	(17)
Obligation at September 30	1,205	1,178	350	335
Change in plan assets:				
Fair value of plan assets at October 1 of prior year	2,555	2,329	111	115
Actual return on plan assets	284	310	7	12
Participant contributions	-	-	1	2
Benefit payments and expenses	(89)	(84)	(21)	(18)
Fair value of plan assets at September 30	2,750	2,555	98	111
Funded Status:				
Funded status at September 30	1,545	1,377	(252)	(224)
Unrecognized prior service cost	(76)	(89)	-	-
Unrecognized transition (asset) obligation	(93)	(117)	42	45
Unrecognized (gain) loss	(993)	(900)	15	7
Prepaid (accrued) benefit cost at FPL Group at December 31	$ 383	$ 271	$(195)	$ (172)
Prepaid (accrued) benefit cost at FPL at December 31	$ 371	$ 263	$(191)	$ (168)

The following table provides the components of net periodic benefit cost for the plans:

	Pension Benefits			Other Benefits		
	Years Ended December 31,			Years Ended December 31,		
	2000	1999	1998	2000	1999	1998
	(millions)					
Service cost	$ 44	$ 46	$ 45	$ 5	$ 6	$ 6
Interest cost	77	71	75	21	21	21
Expected return on plan assets	(172)	(156)	(149)	(7)	(7)	(8)
Amortization of transition (asset) obligation.	(23)	(23)	(23)	4	3	3
Amortization of prior service cost	(7)	(8)	(8)	-	-	-
Amortization of losses (gains)	(31)	(22)	(21)	-	1	1
Effect of Maine acquisition	-	-	-	-	2	-
Net periodic (benefit) cost at FPL Group	$(112)	$ (92)	$ (81)	$ 23	$ 26	$ 23
Net periodic (benefit) cost at FPL	$(108)	$ (89)	$ (80)	$ 23	$ 23	$ 23

The weighted-average discount rate used in determining the benefit obligations was 6.75% and 6.5% for 2000 and 1999, respectively. The assumed level of increase in future compensation levels was 5.5% for all years. The expected long-term rate of return on plan assets was 7.75% for all years.



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State or other jurisdiction of incorporation or organization: Florida

	Name of exchange on which registered
Securities registered pursuant to Section 12(b) of the Act:	
FPL Group, Inc.: Common Stock, $0.01 Par Value and Preferred Share Purchase Rights	New York Stock Exchange
Florida Power & Light Company: None	

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-

66 2/3% to customers	$3,400	$3,450	$3,500
100% to customers	$3,556	$3,606	$3,656

During 2000, FPL accrued approximately $60 million relating to refunds to retail customers compared to $20 million in 1999. Furthermore, FPL refunded in 2000 approximately $23 million, including interest, to retail customers for the first twelve-month period under the rate agreement. At December 31, 2000 and 1999, the accrual for the revenue refund was approximately $57 million and $20 million, respectively.

The earnings effect of the annual revenue reduction was offset by lower special depreciation. The agreement allows for special depreciation of up to $100 million, at FPL's discretion, in each year of the three-year agreement period to be applied to nuclear and/or fossil generating assets. Under this new depreciation program, FPL recorded $100 million of special depreciation in the first twelve-month period and $71 million through December 31, 2000 of the second twelve-month period. On a fiscal year basis, FPL recorded approximately $101 million and $70 million of special depreciation in 2000 and 1999, respectively. The new depreciation program replaced a revenue-based special amortization program whereby special amortization in the amount of $63 million and $378 million was recorded in 1999 and 1998, respectively. See Note 1 - Electric Plant, Depreciation and Amortization.

The agreement also lowered FPL's authorized regulatory ROE range to 10% - 12%. During the term of the agreement, the achieved ROE may from time to time be outside the authorized range, and the revenue sharing mechanism described above is specified to be the appropriate and exclusive mechanism to address that circumstance. FPL reported an ROE of 12.2%, 12.1% and 12.6% in 2000, 1999 and 1998, respectively. See Note 1 - Revenues and Rates.

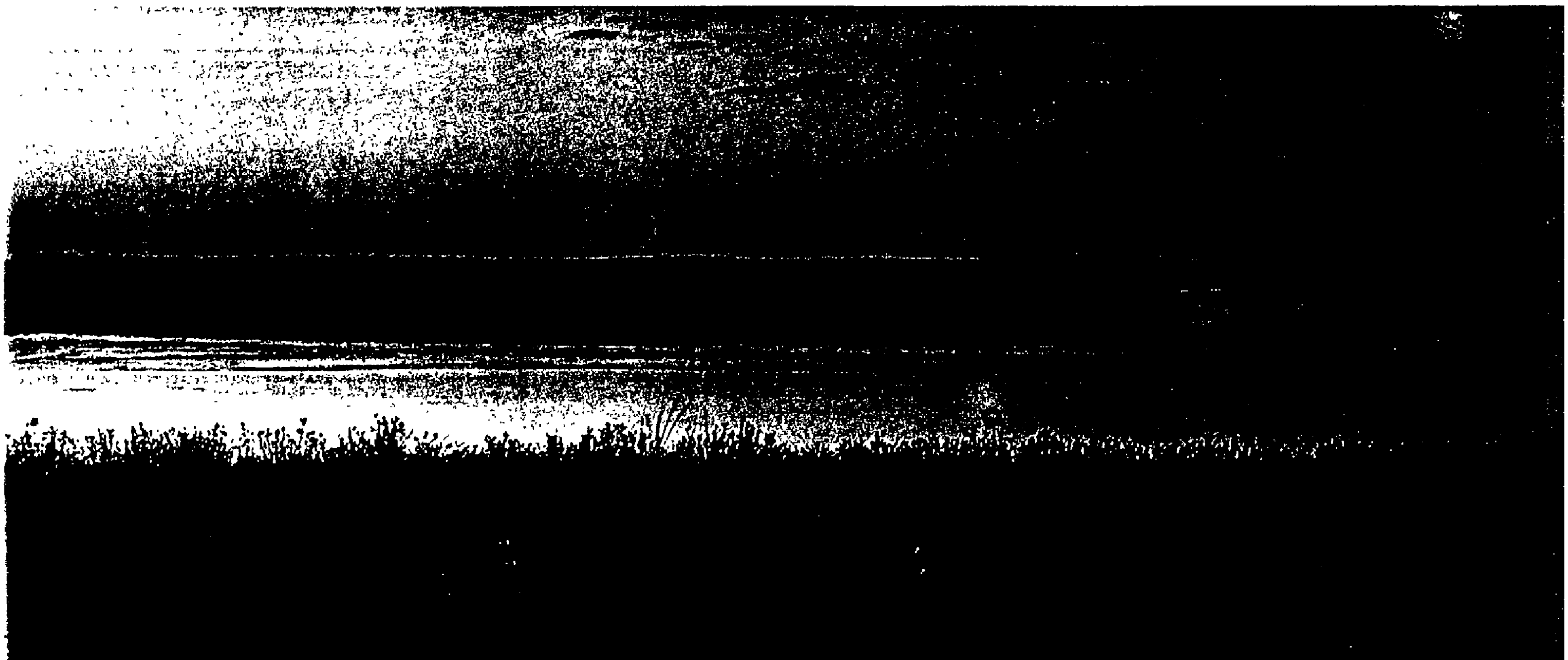
Revenues from retail base operations were flat during 2000. Customer growth of 2.5% and a 1.9% increase in electricity usage per retail customer was almost entirely offset by the effect of the rate reduction.

The decline in retail base revenues in 1999 was largely due to the rate reduction. A 2.8% decline in electricity usage per retail customer, mainly due to milder weather conditions, was almost entirely offset by the 2.0% increase in the number of customer accounts.

FPL's O&M expenses continued to decline in 2000 due to improved productivity. O&M expenses in 1999 also declined as a result of continued cost control efforts partially offset by higher overhaul costs at fossil plants.

Interest charges increased in 2000 reflecting increased debt activity to fund FPL's capital expansion program and under-recovered fuel costs. Lower interest charges in 1999 and 1998 reflect lower average debt balances and the full amortization in 1998 of deferred costs associated with debt reacquired through 1998.

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 2000, operating revenues from wholesale and industrial customers combined represented approximately 4% of FPL's total operating revenues. A number of potential merchant plants have been announced in Florida over the past



- Earnings per share increased by 10% to a record $4.38.

Shareholder returns

Electric utility stocks fared very well in 2000 compared with the overall stock market, and FPL Group performed substantially better than the industry as a whole. The total return on the company's common stock – dividends plus stock price appreciation – was 74.8%. The return of the Standard & Poor's Electric Companies Index was 53.4%. More importantly, the stock of FPL Group has been a sound long-term investment. Since we began restructuring our company in 1990, the annualized total return to our shareholders has been 15.2%, compared to the 12.3% return for the Standard & Poor's Electric Companies Index.

Major achievements of Florida Power & Light:

The key to FPL's success in recent years has been its ability to lower costs while improving customer service and reliability. Outstanding achievements continued in all of these areas.

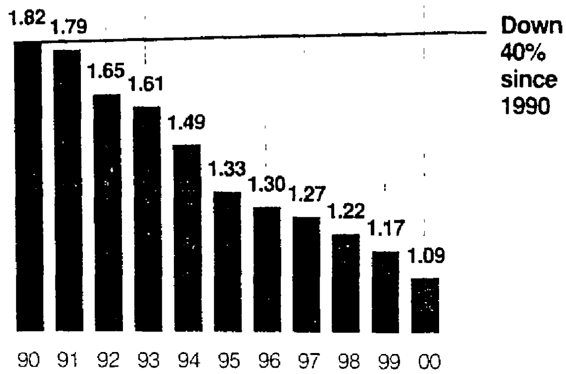
- Operations and maintenance costs per kilowatt-hour declined for the tenth consecutive year. Since 1990, we have reduced O&M costs by 40% – from 1.82 cents per kWh to 1.09 cents. What's more, the lower costs have been achieved during a period when the Consumer Price Index has risen nearly 38% and FPL has added more than 700,000 new customers.
- Power plant performance, already among the best in the nation, continued to reach new levels

- The 95% "availability factor" of our fossil plants was the highest ever and substantially above the industry average.
- Our nuclear plant availability of 93% was far superior to the industry average. It was less than one percentage point short of the previous year's record, despite an additional scheduled refueling outage.
- Service reliability again improved, and FPL's reliability is within the top 20% of the industry.
- FPL's customer satisfaction surveys, carried out by an independent agency, rewarded us with some of the highest marks for service in the last decade.

Accomplishments of FPL Energy:

FPL Energy, our non-regulated wholesale power business that operates outside Florida, is an industry leader in the use of environmentally friendly fuels. Approximately 80% of its electricity is generated from clean fuels, including natural gas and renewable resources such as wind and solar. It is the largest developer of wind generation in the country and operates the two largest solar plants in the world.

A Decade of O&M Expense Reductions
(cents per kilowatt-hour)



- In 2000 FPL Energy constructed and began operation of a 1,000-megawatt natural gas-fired plant in Texas and purchased a 104-megawatt wind facility in Minnesota. This increased its generating capacity by over one-third – from 3,000 to more than 4,100 megawatts.
- The company now has power plants in operation in 12 states. Additional announced projects aggregating more than 2,700 megawatts are under late-stage development or construction. These projects will further enhance the company's regional portfolios.
- FPL Energy's contributions to earnings, excluding nonrecurring charges and merger-related expenses, increased to $83 million, up 43% from $58 million in 1999. With a solid pipeline of potential projects, we expect FPL Energy's healthy growth to continue.

f i n a n c i a l   i n f o r m a t i o n

financial and operating statistics

Years Ended December 31,	2000	1999	1998	1997	1996	1995	1990
FPL GROUP, INC. (millions)							
Operating Revenues	$7,082	$6,438	$6,661	$6,369	$6,037	$5,592	$5,075
Operating Expenses	$5,842	$5,518	$5,409	$5,141	$4,866	$4,395	$4,326
Operating Income	$1,240	$920	$1,252	$1,228	$1,171	$1,197	$749
Income from Continuing Operations	$704	$697	$664	$618	$579	$553	$298 [1]
Net Income (Loss)	$704 [2]	$697 [3]	$664	$618	$579	$553	$(391) [4]
Total Assets	$15,300	$13,441	$12,029	$12,449	$12,219	$12,459	$10,802
Long-Term Debt							
(excluding current maturities)	$3,976	$3,478	$2,347	$2,949	$3,144	$3,377	$3,853
Preferred Stock of FPL with							
sinking fund requirements							
(excluding current maturities)	$ —	$ —	$ —	$ —	$42	$50	$166
Energy Sales (kwh)	100,777	92,446	91,041	84,642	80,889	79,756	66,763
FLORIDA POWER & LIGHT COMPANY							
Operating Revenues (millions)	$6,361	$6,057	$6,366	$6,132	$5,986	$5,530	$4,988
Energy Sales (millions of kwh)	91,969	88,067	89,362	82,734	80,889	79,756	66,763
Customer Accounts —							
Average (thousands)	3,848	3,756	3,680	3,616	3,551	3,489	3,159
Peak Load Winter (mw 60-minute) [5]	18,219	17,057	16,802	13,047	16,490	18,096	11,868
Peak Load Summer (mw 60-minute)	17,808	17,615	17,897	16,613	16,064	15,813	13,754
Total Capability (summer peak, mw) [6]	19,069	18,649	18,509	18,715	18,538	18,153	16,074
Reserve Margin (summer peak, %) [6]	13	14	10	20	23	21	19
Net Energy for Load (%)							
Oil	25	25	27	18	18	19	23
Natural Gas	25	25	26	29	29	31	17
Nuclear	26	27	26	25	26	25	24
Net Purchased Power and Interchange	17	16	14	20	20	18	33
Coal	7	7	7	8	7	7	3
Capital Expenditures	$1,299	$924	$617	$551	$474	$669	$1,038
COMMON STOCK DATA							
Average Shares Outstanding (millions)	170	171	173	173	174	175	137
Earnings Per Share of Common Stock [7]							
Continuing Operations	$4.14	$4.07	$3.85	$3.57	$3.33	$3.16	$2.18 [1]
Net Income (Loss)	$4.14 [2]	$4.07 [3]	$3.85	$3.57	$3.33	$3.16	$(2.86) [4]
Dividends Paid Per Share	$2.16	$2.08	$2.00	$1.92	$1.84	$1.76	$2.34
Book Value Per Share (year end)	$33.22	$31.47	$29.76	$28.03	$26.46	$25.12	$19.63
Market Price Per Share (year end)	$71[illegible]	$42[illegible]	$61⅝	$59[illegible]	$46	$46⅜	$29
Market Price Per Share (high-low)	$73-36[illegible]	$61[illegible]-41[illegible]	$72[illegible]-56[illegible]	$60-42[illegible]	$48[illegible]-41[illegible]	$46½-34	$36½-26⅛
Number of Shareholders (year end)	45,066	50,215	55,149	60,493	67,580	74,169	69,554

(1) Includes charges for write-down of businesses to be discontinued. Excluding these charges, income and earnings per share from continuing operations would have been $361 million and $2.64, respectively.

(2) Includes merger-related expenses. Excluding these expenses, net income and earnings per share would have been $745 million and $4.38, respectively.

(3) Includes effects of a gain on sale of Adelphia Communications Corporation stock, impairment loss on Maine assets, settlement of litigation between FPL and FMPA and a gain on the redemption of a one-third ownership interest in a cable limited partnership. Excluding these items, net income and earnings per share would have been $681 million and $3.98, respectively.

(4) Includes charges for disposition and write-down of a subsidiary accounted for as discontinued operations.

(5) Winter season includes November and December of the current year and January to March of the following year.

(6) Represents installed capability plus purchased power. Reserve margin is based on peak load net of load management.

(7) Basic and assuming dilution.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
TALLAHASSEE, FLORIDA

IN RE: Petition by The Citizens of the State of Florida for a full revenue requirements rate case for Florida Power & Light Company.

DOCKET NO. 990067-EI

BEFORE:	CHAIRMAN JOE GARCIA COMMISSIONER J. TERRY DEASON COMMISSIONER SUSAN F. CLARK COMMISSIONER JULIA A. JOHNSON COMMISSIONER E. LEON JACOBS
PROCEEDING:	AGENDA CONFERENCE
ITEM NUMBER:	10A**
DATE:	March 16, 1999
PLACE:	4075 Esplanade Way, Room 148 Tallahassee, Florida

JANE FAUROT, RPR
P.O. BOX 10751
TALLAHASSEE, FLORIDA 32302
(850) 561-5598

jurisdiction, no, but I'm saying when you exercise it now in approving it you are exercising your jurisdiction and saying you think that it is an appropriate settlement.

CHAIRMAN GARCIA: Correct.

MR. ELIAS: And if I could just quote through --

CHAIRMAN GARCIA: Mr. Elias, excuse me for a second. Mr. Shreve had asked to speak.

MR. SHREVE: Mr. Elias said that we're determining what is fair and reasonable rates by a revenue mechanism. The revenue mechanism is determining the possibility of a refund that in a rate case you would not have. The company has given us that safety net, so to speak. That is now on a revenue basis, and the reason it's on a revenue basis is because in the past we have put in some language that said the issues would be the same as in the last rate case.

We did that in the Tampa Electric settlement, and the staff said, well, no, that's not really what you meant when you said that. So now we're taking away that and we're not going to lose that benefit for the customers anymore. We're saying above a certain amount of revenue there is a refund available. We have also put in here a range of 10 to 12 with a midpoint of 11, which is lower than the staff of the Public Service Commission agreed to with Florida Power & Light. That range is for all purposes. We have determined what the rates are under this and we under this settlement cannot change what your authority is. We went through the same thing with the Florida Power settlement. We can bind ourselves, but we're not trying to change what your authority is. If you have it, you have it; if you don't, you don't.

CHAIRMAN GARCIA: I don't think anyone disagrees with that, Mr. Elias, and I don't think you do, either.

MR. ELIAS: Good.

CHAIRMAN GARCIA: With that said, we have a motion and a second by Commissioner Clark.

COMMISSIONER CLARK: Mr. Chairman, I would indicate that I really can't add anything beyond what Commissioner Deason said, only that I don't think I would like to negotiate with Mr. Shreve under any circumstances.

MR. CHILDS: Mr. Chairman, the approval though should just be a simple approval of the settlement, not going into a forty page discourse from staff.

COMMISSIONER DEASON: Let me clarify my motion, okay? I did technically move approval of the primary.

Maybe I misspoke. I want to approve the stipulation and the stipulation provides what the stipulation provides. Our jurisdiction is what our jurisdiction is, okay? And we're not giving up any of our jurisdiction, in my opinion. We can't. I mean, our jurisdiction is what it is by law and we can't, you know, change that.

But I wanted it understood that my motion tried to include the clarification that we discussed here today, and I guess that's when I said move primary. I'm willing to move approval of the stipulation consistent with the discussion that has taken place here today.

CHAIRMAN GARCIA: And I think the parties openly said that clearly if there was any discussion on these issues this is the forum --

COMMISSIONER DEASON: And that's the clarification I want to make sure is that as I indicated earlier, no matter how well-crafted a stipulation is, or an order from this Commission, whatever, in the future there may be a question and that this Commission is going to ultimately have to decide that interpretation if it comes to that. Hopefully, everything will go so smoothly there is no controversy whatsoever. But in the event that there is, that's still resides with the Commission.

CHAIRMAN GARCIA: All right. We have a motion and Commissioner Clark agrees with that, and seconds it --

COMMISSIONER JACOBS: One very brief point. I would be interested in hearing from staff and from the parties to contact -- not today, but I'll be interested in understanding the extent which we can look at doing a cost of service study outside of a rate case.

CHAIRMAN GARCIA: Okay. Commissioner Johnson, did you want to say anything before we call the vote?

COMMISSIONER JOHNSON: I agree with all the comments made by Commissioner Deason. In the first instance, I was prepared to move staff with the clarifications that they were suggesting that we do upfront, but understanding that we have continuing jurisdiction. To the extent that there is ambiguity that needs to be resolved, I'm sure it will be back before us. With that, I'm in favor of the motion.

CHAIRMAN GARCIA: Very good. I'm going to move -- I'm going to vote with Commissioner Deason on this. I want to again express -- first of all, I want to commend staff. I think today that the message unfortunately wasn't as clear as it should have been