ORIGINAL

STEEL HECTOR & DAVIS

Steel Hector & Davis LLP
215 South Monroe, Suite 601
Tallahassee, Florida 32301-1804
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RECORDS AND REPORTING

Charles A. Guyton
850.222.3423

September 29, 2000

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

By Hand Delivery

001510-EI

Re: Application of Florida Power & Light Company For Authority To Issue And Sell Securities During the Calendar Year 2001 Pursuant To Section 366.04, Florida Statutes, And Chapter 25-8, Florida Administrative Code

Dear Ms. Bayó:

Enclosed for filing on behalf of Florida Power & Light Company are the original and five (5) copies of the Application of Florida Power & Light Company For Authority to Issue and Sell Securities. A separate copy of the filing has been sent to the Office of Public Counsel.

Also enclosed to assist in processing this Application are five (5) copies of a proposed Notice for the Florida Administrative Weekly. The date for final Commission action has been left blank in the proposed Notice; it is the hope of Florida Power & Light Company that the Application can be addressed at the November 7, 2000 Agenda Conference.

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

Very truly yours,

Charles A. Guyton

Charles A. Guyton

Enclosure
cc: Jack Shreve, Esq.
TAL_1998/35438-1

RECEIVED & FILED
FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE
12394 SEP 29 00
FPSC-RECORDS/REPORTING

Proposed Notice For The
Florida Administrative Weekly

The **Florida Public Service Commission** will consider and take final agency action at its regularly scheduled Agenda Conference on November __, 2000, in Docket No. _______-EI, the Application of Florida Power & Light Company For Authority To Issue And Sell Securities Pursuant to Section 366.04, Florida Statutes, and Chapter 25-8, Florida Administrative Code.
DATE AND TIME: November __, 2000. The Agenda Conference begins at 9:30a.m., although the time at which this item will be considered cannot be determined at this time.
PLACE: Commission Hearing Room 148, Betty Easley Conference Center, 4075 Esplanade Way, Tallahassee, Florida.
PURPOSE: To take final agency action in Docket No. ______-EI. Any person requiring some accommodation at this hearing of a physical impairment should call the Division of Records and Reporting at (850) 413-6770 at least 48 hours prior to hearing. Any person who is hearing or speech impaired should contact the Florida Public Service Commission by using the Florida Relay Service, which can be reached at 1-800-955-8771(TDD). Any person who decides to appeal the final agency action taken on this application will need a record of the proceedings related to it and therefore, may need to ensure that a verbatim record of such proceedings is made.
LEGAL AUTHORITY: Section 366.04, Florida Statutes, and Chapter 25-8, Florida Administrative Code.

Docket No.

Florida Public Service Commission
Tallahassee, Florida

Application of

Florida Power & Light Company

For Authority to Issue and Sell Securities

Pursuant to Section 366.04, Florida Statutes,

And Chapter 25-8, Florida Administrative Code

Address communications in connection with this Application to:

Paul I. Cutler
Assistant Treasurer and Assistant Secretary
Florida Power & Light Company
700 Universe Boulevard
P.O. Box 14000
Juno Beach, Florida 33408
Telephone (561) 694-6204

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

William G. Walker, III
Vice President, Regulatory Affairs
Florida Power & Light Company
215 S. Monroe Street, Suite 810
Tallahassee, Florida 32301
Telephone (850) 224-7517

The date of this Application is September 29, 2000

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

A. Applicability.

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

B. Contents of Application.

1. Name and Principal Business Office Address.

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

2. State and Date Incorporated.

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

3. Persons Authorized to Receive Notices and Communications.

Paul I. Cutler
Assistant Treasurer and Assistant Secretary
Florida Power & Light Company
700 Universe Boulevard
P.O. Box 14000
Juno Beach, Florida 33408
Telephone (561) 694-6204

Dennis P. Coyle
General Counsel and Secretary
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William G. Walker, III
Vice President, Regulatory Affairs
Florida Power & Light Company
215 S. Monroe Street, Suite 810
Tallahassee, Florida 32301
Telephone (850) 224-7517

4. Capital Stock and Funded Debt.

4(a)(b)(c) Information responsive to description, amount authorized and amount outstanding: These items are contained in Exhibit C "Statement of Capital Stock and Debt – June 30, 2000."

4(d) The amount held as reacquired securities: At June 30, 2000, FPL held 120,000 shares of its 6.84% Preferred Stock, Series Q, $100 par value; 500,000 shares of its 8.625% Preferred Stock, Series R, $100 par value; 600,000 shares of its 7.28% Preferred Stock, Series F, $100 par value; 400,000 shares of its 7.40% Preferred Stock, Series G, $100 par value; and 5,000,000 shares of its $2.00 No Par Preferred

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

4(e) The amount pledged by applicant: The pollution control, solid waste disposal, and industrial development first mortgage bonds, in aggregate principal amount of $126,970,000 as of June 30, 2000, have been pledged as security for the payment of principal and interest on private activity bonds issued by political subdivisions of the State of Florida on behalf of FPL.

As of June 30, 2000, FPL is the obligor on $627,735,000 aggregate principal amount of outstanding unsecured variable rate pollution control, solid waste disposal, and industrial development bonds issued by certain political subdivisions of the State of Florida which presently pay interest at a variable rate. The proceeds from the issuance of $607,785,000 aggregate principal amount of these variable rate bonds were used to redeem an equal amount of fixed rate pollution control, solid waste disposal, and industrial development bonds, and FPL's first mortgage bonds pledged as security for the redeemed fixed rate bonds were released. FPL has the option to cause the interest on the variable rate bonds to be paid at a fixed rate. If FPL exercises this option, as security for the payment of principal and interest on, and other payments with respect to, such fixed rate bonds, FPL will be required to pledge an equal aggregate principal amount of its first mortgage bonds or other forms of credit enhancement.

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

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

5. Proposed Transactions. FPL seeks permission to issue and sell and/or exchange any combination of the long-term debt and equity securities described below and/or to assume liabilities or obligations as guarantor, endorser or surety in an aggregate amount not to exceed $2.5 billion during calendar year 2001. FPL also seeks permission to enter into forward refunding or forward swap contracts during calendar year 2001. In conjunction with these forward contracts, FPL seeks permission to issue and

sell up to $5.4 million of securities through December 31, 2002, which FPL would commit to deliver under these forward contracts. In addition, FPL seeks permission to issue and sell short-term securities during the calendar years 2001 and 2002 in an amount or amounts such that the aggregate principal amount of short-term securities outstanding at the time of any such sale will not exceed 25% of FPL's gross revenues during the preceding twelve months of operation.

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

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

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

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

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

The short-term securities will have maturities of not more than twelve months and may be secured or unsecured. The Securities and Exchange Commission has heretofore indicated through a no action letter that FPL may issue and sell commercial paper without compliance with the registration requirements of the Securities Act of 1933, as amended, subject to certain conditions, including that FPL may have commercial paper borrowings outstanding up to an amount not to exceed 25% of FPL's gross revenues during the preceding twelve months of operation. For the twelve months ended June 30, 2000, 25% of FPL's gross revenues was $1.5 billion.

The interest rate that FPL could pay on debt securities will vary depending on the type of debt instruments and the terms thereof, including specifically the length of maturity, as well as market conditions. On September 27, 2000 a new issue of 30-year first mortgage bonds of FPL would have carried a yield to maturity of about 8.20%. The dividend rate for preferred or preference stock is similarly affected by the terms of the offering. On September 27, 2000 a new issue of tax deductible preferred stock of FPL would have carried a dividend yield of about 8.40%.

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

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

6. Purposes of Issues. The net proceeds to be received from the issuance and sale and/or exchange of the additional long-term debt and equity securities (with the exception of the proceeds of the issuance and sale of any pollution control revenue bonds, solid waste disposal revenue bonds, industrial development revenue bonds, demand notes or other "private activity bonds" or similar securities which will be used for specific purposes) will be added to FPL's general funds and will be used to provide additional electric facilities; to reacquire, by redemption, purchase, exchange or otherwise, any of its outstanding debt securities or equity securities; to repay all or a portion of any maturing long-term debt obligations; to satisfy FPL's obligations under the nuclear fuel leases; to repay all or a portion of short-term bank borrowings and commercial paper outstanding at the time of such transactions; and/or for other corporate purposes. Excess proceeds, if any, will be temporarily invested in short-term instruments pending their application to the foregoing purposes. During the period 2001-2002 none of FPL's long-term debt will mature.

FPL maintains a continuous construction program, principally for electric generation, transmission and distribution facilities. FPL estimates that construction expenditures under its 2001-2002 construction program will approximate $1.8 billion (see Exhibit B). There is no Allowance for Funds Used During Construction (AFUDC) assumed in the construction expenditures forecast for 2001-2002.

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

The forward refunding contracts would be for the purpose of refunding up to $5.4 million of pollution control revenue bonds which were issued on FPL's behalf and which become callable in May 2002. These 6.7% pollution control revenue bonds due May 2027 are collateralized by FPL First Mortgage Bonds which are more fully described in Exhibit C under the category of First Mortgage Bonds - Pollution Control, Solid Waste Disposal, and Industrial Development. Under federal tax law, pollution control revenue bonds cannot be refunded with tax-exempt bonds issued more than 90 days prior to the redemption or retirement of the outstanding issue. However, through a forward refunding contract, FPL could lock in prevailing tax-exempt fixed rates for refunding pollution control revenue bonds which would be issued 90 days prior to the first call date of the outstanding issue. Alternatively, FPL could enter into a forward swap contract, to become effective on the first call date of the outstanding issue, to lock in prevailing tax-exempt fixed rates. Under future market conditions, it may be economical to enter into forward refunding or forward swap contracts, and any anticipated savings generated by such forward transactions would be spread over the combined life of the outstanding bonds and the refunding bonds starting with the execution of the forward contract.

FPL's nuclear fuel leases obligate FPL to purchase portions of the nuclear fuel from the non-affiliated lessor company (the Fuel Company) at the net investment value of such fuel, if required to enable the Fuel Company to pay maturing notes or other borrowings. Also, upon the occurrence of certain events which constitute a default by FPL under such fuel leases or give rise to termination of such fuel leases, FPL may be required to purchase all of the Fuel Company's interest in such leased nuclear fuel at a purchase price equal to (i) the net investment value of such fuel, plus (ii) such additional amounts as are sufficient to enable the Fuel Company to retire all of its debt obligations and any other charges or fees under the appropriate financing agreements which correspond to such fuel leases and to which the Fuel Company is a party. As of June 30, 2000, the net investment value of the nuclear fuel outstanding under both fuel leases was approximately $164 million, and FPL estimates that if it had been required to repurchase all of the outstanding nuclear fuel on such date, the cumulative lease termination payment would have been approximately $142 million.

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

The short-term securities are to provide funds temporarily to finance portions of FPL's construction program and capital commitments and for other corporate purposes. Significant parts of FPL's construction program may temporarily be financed through the sale of short-term securities from time to time. Also, during the 2001-2002 period, FPL may need short-term financing capabilities for seasonal fuel requirements, for contingency financing such as fuel adjustment underrecoveries or storm restoration costs, and for the temporary funding of maturing or called long-term debt securities.

7. Facts Supporting Legality, Necessity or Appropriateness. In addition to the reasons shown under "Purposes of Issues", the proposed issues are consistent with the proper performance by FPL of service as a public utility, will enable and permit FPL to perform that service, and are necessary and appropriate for such purpose and other corporate purposes.

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

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

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

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

11. Exhibits.

Exhibit Number

* A(6) Annual Report on Form 10-K for the fiscal year ended December 31, 1999 and Form 10-Q for the three months ended June 30, 2000.

B 2001 and 2002 Sources and Uses of Funds Forecast and Construction Budget for Gross Property Additions.

C Statement of Capital Stock and Debt as of June 30, 2000.

* As permitted by Rule 25-8.003(1)(a)(6), Florida Administrative Code, FPL is satisfying the requirements for Schedules A(1) through A(5) by submitting its Annual Report on Form 10-K for the fiscal year ended December 31, 1999 and Form 10-Q for the three months ended June 30, 2000 in conjunction with this Application.

SIGNATURE

Pursuant to the provisions of Section 366.04, Florida Statutes and Chapter 25-8, Florida Administrative Code, Florida Power & Light Company has caused its duly authorized officer to execute this Application on this 27th day of September, 2000.

Florida Power & Light Company

By: Paul Cutler

Paul I. Cutler
Assistant Treasurer and Assistant Secretary
700 Universe Boulevard
P.O. Box 14000
Juno Beach, Florida 33408

ATTORNEYS FOR APPLICANT:

Steel Hector & Davis LLP

By: Charles A. Guyton

Charles A. Guyton
Suite 601
215 South Monroe Street
Tallahassee, Florida 32301
(850) 222-2300

EXHIBIT A (6)

The Annual Report on Form 10-K for the fiscal year ended December 31, 1999 and Form 10-Q for the three months ended June 30, 2000 will be included when the Application is filed.

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 10-Q

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

For the quarterly period ended **June 30, 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** 700 Universe Boulevard Juno Beach, Florida 33408 (561) 694-4000	59-0247775

State or other jurisdiction of incorporation or organization: Florida

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

APPLICABLE ONLY TO CORPORATE ISSUERS:

The number of shares outstanding of each class of FPL Group, Inc. common stock, as of the latest practicable date: Common Stock, $.01 par value, outstanding at July 31, 2000: 177,752,216 shares.

As of July 31, 2000, there were issued and outstanding 1,000 shares of Florida Power & Light Company's common stock, without par value, all of which were held, beneficially and of record, by FPL Group, Inc.

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

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

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

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

Some important factors that could cause actual results or outcomes to differ materially from those discussed in the forward-looking statements include changes in laws or regulations, changing governmental policies and regulatory actions, including those of the Federal Energy Regulatory Commission (FERC), the Florida Public Service Commission (FPSC), the Public Utility Regulatory Policies Act of 1978, as amended (PURPA), the Public Utility Holding Company Act of 1935, as amended and the U. S. Nuclear Regulatory Commission, with respect to allowed rates of return including but not limited to return on common equity and equity ratio limits, industry and rate structure, operation of nuclear power facilities, acquisition, disposal, depreciation and amortization of assets and facilities, operation and construction of plant facilities, recovery of fuel and purchased power costs, decommissioning costs, and present or prospective wholesale and retail competition (including but not limited to retail wheeling and transmission costs).

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

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

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

FPL GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(millions, except per share amounts)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2000	1999	2000	1999
OPERATING REVENUES	$1,670	$1,614	$3,138	$3,026
OPERATING EXPENSES:				
Fuel, purchased power and interchange	605	588	1,146	1,095
Other operations and maintenance	308	327	593	601
Depreciation and amortization	266	244	525	523
Impairment loss on Maine assets	-	176	-	176
Taxes other than income taxes	144	144	291	288
Total operating expenses	1,323	1,479	2,555	2,683
OPERATING INCOME	347	135	583	343
OTHER INCOME (DEDUCTIONS):				
Interest charges	(64)	(58)	(126)	(106)
Preferred stock dividends - FPL	(4)	(4)	(7)	(7)
Gain on sale of Adelphia Communications Corporation stock	-	-	-	149
Other - net	26	32	34	41
Total other income (deductions) - net	(42)	(30)	(99)	77
INCOME BEFORE INCOME TAXES	305	105	484	420
INCOME TAXES	101	28	159	134
NET INCOME	$ 204	$ 77	$ 325	$ 286
Earnings per share of common stock (basic and assuming dilution)	$ 1.20	$ 0.45	$ 1.91	$ 1.67
Dividends per share of common stock	$ 0.54	$ 0.52	$ 1.08	$ 1.04
Average number of common shares outstanding	170	171	170	172

This report should be read in conjunction with the Notes to Condensed Consolidated Financial Statements on pages 9 through 13 herein and the Notes to Consolidated Financial Statements appearing in the combined Annual Report on Form 10-K for the fiscal year ended December 31, 1999 (1999 Form 10-K) for FPL Group and FPL.

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

	June 30, 2000	December 31, 1999
PROPERTY, PLANT AND EQUIPMENT:		
Electric utility plant in service and other property, including nuclear fuel and construction work in progress	$20,220	$19,554
Less accumulated depreciation and amortization	(10,764)	(10,290)
Total property, plant and equipment - net	9,456	9,264
CURRENT ASSETS:		
Cash and cash equivalents	234	361
Customer receivables, net of allowances of $6 and $7, respectively	578	482
Materials, supplies and fossil fuel inventory - at average cost	320	343
Deferred clause expenses	259	54
Other	219	133
Total current assets	1,610	1,373
OTHER ASSETS:		
Special use funds of FPL	1,449	1,352
Other investments	782	611
Other	899	841
Total other assets	3,130	2,804
TOTAL ASSETS	$14,196	$13,441
CAPITALIZATION:		
Common stock	$ 2	$ 2
Additional paid-in capital	2,891	2,904
Retained earnings	2,606	2,465
Accumulated other comprehensive loss	-	(1)
Total common shareholders' equity	5,499	5,370
Preferred stock of FPL without sinking fund requirements	226	226
Long-term debt	3,479	3,478
Total capitalization	9,204	9,074
CURRENT LIABILITIES:		
Debt due within one year	823	464
Accounts payable	547	407
Deferred clause revenues	74	116
Accrued interest, taxes and other	984	883
Total current liabilities	2,428	1,870
OTHER LIABILITIES AND DEFERRED CREDITS:		
Accumulated deferred income taxes	1,176	1,079
Unamortized regulatory and investment tax credits	289	310
Other	1,099	1,108
Total other liabilities and deferred credits	2,564	2,497
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$14,196	$13,441

This report should be read in conjunction with the Notes to Condensed Consolidated Financial Statements on pages 9 through 13 herein and the Notes to Consolidated Financial Statements appearing in the 1999 Form 10-K for FPL Group and FPL.

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

	Six Months Ended June 30,	
	2000	1999
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 748	$1,090
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures of FPL	(660)	(378)
Independent power investments	(294)	(1,352)
Other - net	(63)	144
Net cash used in investing activities	(1,017)	(1,586)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of long-term debt	145	621
Retirement of long-term debt	(149)	(354)
Increase in commercial paper	363	899
Repurchase of common stock	(34)	(84)
Dividends on common stock	(183)	(178)
Net cash provided by financing activities	142	904
Net increase (decrease) in cash and cash equivalents	(127)	408
Cash and cash equivalents at beginning of period	361	187
Cash and cash equivalents at end of period	$ 234	$ 595
Supplemental disclosures of cash flow information:		
Cash paid for interest (net of amount capitalized)	$ 135	$ 117
Cash paid for income taxes	$ 35	$ 104
Supplemental schedule of noncash investing and financing activities:		
Additions to capital lease obligations	$ 22	$ 28

This report should be read in conjunction with the Notes to Condensed Consolidated Financial Statements on pages 9 through 13 herein and the Notes to Consolidated Financial Statements appearing in the 1999 Form 10-K for FPL Group and FPL.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2000	1999	2000	1999
OPERATING REVENUES	$1,533	$1,511	$2,871	$2,869
OPERATING EXPENSES:				
Fuel, purchased power and interchange	570	548	1,071	1,033
Other operations and maintenance	250	284	487	534
Depreciation and amortization	254	234	501	509
Income taxes	101	95	161	151
Taxes other than income taxes	140	143	282	285
Total operating expenses	1,315	1,304	2,502	2,512
OPERATING INCOME	218	207	369	357
OTHER INCOME (DEDUCTIONS):				
Interest charges	(42)	(43)	(82)	(86)
Other - net	-	3	(2)	4
Total other deductions - net	(42)	(40)	(84)	(82)
NET INCOME	176	167	285	275
PREFERRED STOCK DIVIDENDS	4	4	7	7
NET INCOME AVAILABLE TO FPL GROUP	$ 172	$ 163	$ 278	$ 268

This report should be read in conjunction with the Notes to Condensed Consolidated Financial Statements on pages 9 through 13 herein and the Notes to Consolidated Financial Statements appearing in the 1999 Form 10-K for FPL Group and FPL.

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

	June 30, 2000	December 31, 1999
ELECTRIC UTILITY PLANT:		
Plant in service, including nuclear fuel and construction work in progress	$18,576	$18,162
Less accumulated depreciation and amortization	(10,618)	(10,184)
Electric utility plant - net	7,958	7,978
CURRENT ASSETS:		
Cash and cash equivalents	143	-
Customer receivables, net of allowances of $6 and $7, respectively	510	433
Materials, supplies and fossil fuel inventory - at average cost	279	299
Deferred clause expenses	259	54
Other	194	107
Total current assets	1,385	893
OTHER ASSETS:		
Special use funds	1,449	1,352
Other	455	385
Total other assets	1,904	1,737
TOTAL ASSETS	$11,247	$10,608
CAPITALIZATION:		
Common shareholder's equity	$ 4,853	$ 4,793
Preferred stock without sinking fund requirements	226	226
Long-term debt	2,080	2,079
Total capitalization	7,159	7,098
CURRENT LIABILITIES:		
Debt due within one year	468	219
Accounts payable	521	379
Deferred clause revenues	74	116
Accrued interest, taxes and other	888	719
Total current liabilities	1,951	1,433
OTHER LIABILITIES AND DEFERRED CREDITS:		
Accumulated deferred income taxes	898	802
Unamortized regulatory and investment tax credits	289	310
Other	950	965
Total other liabilities and deferred credits	2,137	2,077
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$11,247	$10,608

This report should be read in conjunction with the Notes to Condensed Consolidated Financial Statements on pages 9 through 13 herein and the Notes to Consolidated Financial Statements appearing in the 1999 Form 10-K for FPL Group and FPL.

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

	Six Months Ended June 30, 2000	Six Months Ended June 30, 1999
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 722	$1,030
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(660)	(378)
Other - net	(43)	(59)
Net cash used in investing activities	(703)	(437)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of long-term debt	145	224
Retirement of long-term debt	(149)	(225)
Increase in commercial paper	253	-
Dividends	(225)	(220)
Capital contribution from FPL Group	100	-
Net cash provided by (used in) financing activities	124	(221)
Net increase in cash and cash equivalents	143	372
Cash and cash equivalents at beginning of period	-	152
Cash and cash equivalents at end of period	$ 143	$ 524
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ 89	$ 96
Cash paid (received) for income taxes	$ (27)	$ 84
Supplemental schedule of noncash investing and financing activities:		
Additions to capital lease obligations	$ 22	$ 28
Transfer of net assets to FPL FiberNet, LLC	$ 100	$ -

This report should be read in conjunction with the Notes to Condensed Consolidated Financial Statements on pages 9 through 13 herein and the Notes to Consolidated Financial Statements appearing in the 1999 Form 10-K for FPL Group and FPL.

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

The accompanying condensed consolidated financial statements should be read in conjunction with the 1999 Form 10-K for FPL Group and FPL. In the opinion of FPL Group and FPL management, all adjustments (consisting of normal recurring accruals) considered necessary for fair financial statement presentation have been made. Certain amounts included in the prior year's consolidated financial statements have been reclassified to conform to the current year's presentation. The results of operations for an interim period may not give a true indication of results for the year.

1. Capitalization

FPL Group Common Stock - During the three and six months ended June 30, 2000, FPL Group repurchased 381,000 shares and 750,400 shares of common stock, respectively, under its share repurchase program. A total of approximately 4.6 million shares have been repurchased under the share repurchase program that began in April 1997.

Long-Term Debt - In April 2000, FPL sold approximately $96 million principal amount of variable-rate pollution control revenue refunding bonds maturing in July 2022. The proceeds were used in July 2000 to redeem approximately $96 million of pollution control revenue refunding bonds, consisting of $76 million bearing interest at 7.3% and maturing in 2020 and $20 million with variable rate interest maturing in 2024.

In June 2000, FPL sold approximately $49 million principal amount of variable-rate solid waste disposal revenue refunding bonds maturing in 2025. A portion of the proceeds was used to redeem, in June 2000, solid waste disposal revenue bonds totalling $16 million bearing interest at 7.15% and maturing in 2023, and $7 million bearing interest at 6.7% and maturing in 2027. The remaining proceeds will be used to redeem solid waste disposal revenue bonds in August and September 2000, of which $10 million bear interest at 7.5% and mature in 2020 and $16 million are variable rate and mature in 2027.

Long-Term Incentive Plan - Performance shares and options granted to date under FPL Group's long-term incentive plan resulted in assumed incremental shares of common stock outstanding for purposes of computing both basic and diluted earnings per share for the three and six months ended June 30, 2000 and 1999. These incremental shares were not material in the periods presented and did not cause diluted earnings per share to differ from basic earnings per share.

Other - Comprehensive income of FPL Group, totaling $204 million and $76 million for the three months ended June 30, 2000 and 1999 and $325 million and $285 million for the six months ended June 30, 2000 and 1999, respectively, includes net income, changes in unrealized gains and losses on securities and foreign currency translation adjustments. Accumulated other comprehensive income is separately displayed in the condensed consolidated balance sheets of FPL Group.

2. Commitments and Contingencies

Commitments - FPL has made commitments in connection with a portion of its projected capital expenditures. Capital expenditures for the construction or acquisition of additional facilities and equipment to meet customer demand are estimated to be approximately $3.1 billion for 2000 through 2002. Included in this three-year forecast are capital expenditures for 2000 of approximately $1.3 billion, of which $629 million had been spent through June 30, 2000. As of June 30, 2000, FPL Energy, LLC (FPL Energy), has made commitments in connection with the development and expansion of independent power projects totaling approximately $79 million. FPL Group and its subsidiaries, other than FPL, have guaranteed approximately $370 million of purchased power agreement obligations, debt service payments and other payments subject to certain contingencies.

Insurance - Liability for accidents at nuclear power plants is governed by the Price-Anderson Act, which limits the liability of nuclear reactor owners to the amount of the insurance available from private sources and under an industry retrospective payment plan. In accordance with this Act, FPL maintains $200 million of private liability insurance, which is the maximum obtainable, and participates in a secondary financial protection system under which it is subject to retrospective assessments of up to $363 million per incident at any nuclear utility reactor in the United States, payable at a rate not to exceed $43 million per incident per year.

FPL participates in nuclear insurance mutual companies that provide $2.75 billion of limited insurance coverage for property damage, decontamination and premature decommissioning risks at its nuclear plants. The proceeds from such insurance, however, must first be used for reactor stabilization and site decontamination before they can be used for plant repair. FPL also participates in an insurance program that provides limited coverage for replacement power costs if a nuclear plant is out of service because of an accident. In the event of an accident at one of FPL's or another participating insured's nuclear plants, FPL could be assessed up to $38 million in retrospective premiums.

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

FPL self-insures the majority of its transmission and distribution (T&D) property due to the high cost and limited coverage available from third-party insurers. As approved by the FPSC, FPL maintains a funded storm and property insurance reserve, which totaled approximately $216 million at June 30, 2000, for uninsured property storm damage or assessments under the nuclear insurance program. Recovery from customers of any losses in excess of the storm and property insurance reserve will require the approval of the FPSC. FPL's available lines of credit include $300 million to provide additional liquidity in the event of a T&D property loss.

Contracts - FPL Group has entered into a $3.7 billion long-term agreement with General Electric Company for the supply of 66 gas turbines from 2000 through 2004 and parts, repairs and on-site services through 2011. The turbines are intended to support expansion at FPL and FPL Energy, and the related commitments for a portion of the 66 gas turbines are included in Commitments above.

FPL has entered into long-term purchased power and fuel contracts. Take-or-pay purchased power contracts with the Jacksonville Electric Authority (JEA) and with subsidiaries of The Southern Company (Southern Companies) provide approximately 1,300 megawatts (mw) of power through mid-2010 and 383 mw thereafter through 2021. FPL also has various firm pay-for-performance contracts to purchase approximately 900 mw from certain cogenerators and small power producers (qualifying facilities) with expiration dates ranging from 2002 through 2026. The purchased power contracts provide for capacity and energy payments. Energy payments are based on the actual power taken under these contracts. Capacity payments for the pay-for-performance contracts are subject to the qualifying facilities meeting certain contract conditions. FPL has long-term contracts for the transportation and supply of natural gas, coal and oil with various expiration dates through 2021. FPL Energy has long-term contracts for the transportation and storage of natural gas with expiration dates ranging from 2005 through 2017, and a contract for the supply of natural gas that expires in mid-2002.

The required capacity and minimum payments under these contracts for the remainder of 2000 through 2004 are estimated to be as follows:

	2000	2001	2002	2003	2004
			(millions)		
FPL:					
Capacity payments:					
JEA and Southern Companies	$110	$210	$210	$200	$200
Qualifying facilities (a)	$170	$340	$355	$365	$375
Minimum payments, at projected prices:					
Natural gas, including transportation	$390	$555	$555	$560	$555
Coal	$ 25	$ 45	$ 45	$ 20	$ 10
Oil	$145	$195	$ 10	$ -	$ -
FPL Energy:					
Natural gas, including transportation and storage	$ 10	$ 20	$ 20	$ 15	$ 15

(a) Excludes capacity payments associated with two contracts that are in dispute. The capacity payments would no longer be required pursuant to a proposed settlement, which is subject to regulatory approval. See Litigation.

Charges under these contracts were as follows:

	Three Months Ended June 30,				Six Months Ended June 30,			
	2000 Charges		1999 Charges		2000 Charges		1999 Charges	
	Capacity	Energy/ Fuel	Capacity	Energy/ Fuel	Capacity	Energy/ Fuel	Capacity	Energy/ Fuel
				(millions)				
FPL:								
JEA and Southern Companies	$51(a)	$ 41(b)	$49(a)	$ 31(b)	$102(a)	$ 72(b)	$101(a)	$ 55(b)
Qualifying facilities	$80(c)	$ 28(b)	$76(c)	$ 28(b)	$159(c)	$ 59(b)	$151(c)	$ 49(b)
Natural gas, including transportation	$ -	$130(b)	$ -	$111(b)	$ -	$212(b)	$ -	$186(b)
Coal	$ -	$ 11(b)	$ -	$ 11(b)	$ -	$ 23(b)	$ -	$ 23(b)
Oil	$ -	$ 89(b)	$ -	$ 29(b)	$ -	$110(b)	$ -	$ 40(b)
FPL Energy:								
Natural gas transportation and storage	$ -	$ 4	$ -	$ 4	$ -	$ 8	$ -	$ 8

(a) Recovered through base rates and the capacity cost recovery clause (capacity clause).
(b) Recovered through the fuel and purchased power cost recovery clause (fuel clause).
(c) Recovered through the capacity clause.

Litigation - In 1997, FPL filed a complaint against the owners of two qualifying facilities (plant owners) seeking an order declaring that FPL's obligations under the power purchase agreements with the qualifying facilities were rendered of no force and effect because the power plants failed to accomplish commercial operation before January 1, 1997, as required by the agreements. The plant owners disputed this claim. In 1997, the plant owners filed for bankruptcy under Chapter XI of the U.S. Bankruptcy Code and entered into an agreement with the holders of more than 70% of the bonds that partially financed the construction of the plants. This agreement gives the holders of a majority of the principal amount of the bonds (the majority bondholders) the right to control, fund and manage any litigation against FPL and the right to settle with FPL on any terms to which the majority bondholders agree, subject to approval by the bankruptcy court. In 1998, the plant owners (through the attorneys for the majority bondholders) filed an answer denying the allegations in FPL's complaint and asserting counterclaims for approximately $2 billion, consisting of all capacity and energy payments that could have been earned over the 30-year term of the power purchase agreements and three times their actual damages for alleged violations of Florida antitrust laws by FPL, FPL Group and FPL Group Capital Inc (FPL Group Capital), plus attorneys' fees. Recent disclosures by the plant owners state that they now seek $322.5 million in damages, plus prejudgement interest. In 1998, the trial court dismissed all of the plant owners' antitrust claims.

In July 2000, FPL, the majority bondholders, and the trustee of the indenture under which the bonds were issued entered into a conditional settlement agreement and release (settlement). Under the terms of the settlement, the trustee would be paid $222.5 million plus the amount of the security deposits, to be distributed as directed by the bankruptcy court. The settlement is conditioned upon (i) the approval of the bankruptcy court and (ii) the approval of the FPSC determining that the settlement is an appropriate buyout of the power purchase agreements and authorizing FPL to recover the settlement amount through the capacity clause and fuel clause. FPL estimates the net present value of the savings to its customers from the settlement versus the payments that would have been due under the power purchase agreements to be in excess of $350 million.

A contract with Cedar Bay Generating Company, L.P. (Cedar Bay), a qualifying facility, provides FPL with the right to dispatch the Cedar Bay facility "in any manner it deems appropriate." Despite this contractual right, Cedar Bay initiated an action in 1997 in the circuit court challenging, among other things, the manner in which the facility had been dispatched by FPL. Although the court granted summary judgment to FPL with regard to Cedar Bay's claim that FPL's dispatch decisions violated the express terms of the contract, it permitted a jury to hear Cedar Bay's claim that such dispatch decisions violated an implied duty of good faith and fair dealing. The jury awarded Cedar Bay approximately $13 million on this claim. Thereafter, the court entered a declaration that FPL was, in the future, to dispatch the Cedar Bay facility in accordance with certain specified parameters. FPL has appealed both the jury award and the court's declaration. If the jury award is upheld on appeal, FPL expects to recover this amount through the capacity clause.

In 1999, after FPL filed its notice of appeal in the Cedar Bay action, a lender, on behalf of itself and a group of other Cedar Bay lenders, filed an action against FPL in the circuit court alleging breach of contract, breach of an implied duty of good faith and fair dealing, fraud, tortious interference with contract and several other claims regarding the manner in which FPL has dispatched the Cedar Bay facility. It seeks unspecified damages and other relief. FPL has moved to dismiss all counts of this complaint.

In 1999, the Attorney General of the United States, on behalf of the U.S. Environmental Protection Agency (EPA) brought an action against Georgia Power Company and other subsidiaries of The Southern Company for injunctive relief and the assessment of civil penalties for certain violations of the Clean Air Act. Among other things, the EPA alleges Georgia Power Company constructed and is continuing to operate Scherer Unit No. 4, in which FPL owns a 76% interest, without obtaining proper permitting, and without complying with performance and technology standards as required by the Clean Air Act. The suit seeks injunctive relief requiring the installation of such technology and civil penalties of up to $25,000 per day for each violation from an unspecified date after August 7, 1977 through January 30, 1997, and $27,500 per day for each violation thereafter. Georgia Power Company has filed an answer to the complaint asserting that it has complied with all requirements of the Clean Air Act, denying the plaintiff's allegations of liability, denying that the plaintiff is entitled to any of the relief that it seeks and raising various other defenses.

In June 2000, Southern California Edison Company (SCE) filed with the FERC a Petition for Declaratory Order (petition) asking the FERC to apply a November 1999 federal circuit court of appeals' decision to all qualifying small power production facilities, including two solar facilities operated by partnerships indirectly owned in part by FPL Energy. The federal circuit court of appeals' decision invalidated the FERC's so-called essential fixed assets standard, which permitted secondary uses of fossil fuels by qualifying small power production facilities beyond those expressly set forth in PURPA. The petition requests that FERC declare that qualifying small power production facilities may not continue to use fossil fuel under the essential fixed assets standard and that they may be required to make refunds with respect to past usage. The partnerships intend to file a Motion to Intervene and Protest before the FERC, vigorously objecting to the position taken by SCE in its petition. The partnerships have always operated the solar facilities in accordance with orders issued by the FERC. Such orders were neither challenged nor appealed at the time they were granted, and it is the position of the partnerships that the orders remain in effect.

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

3. Segment Information

FPL Group's reportable segments include FPL, a regulated utility, and FPL Energy, an unregulated energy generating subsidiary. Corporate and Other represents other business activities, other segments that are not separately reportable and eliminating entries. FPL Group's segment information is as follows:

	Three Months Ended June 30, (millions)							
	2000				1999			
	FPL	FPL Energy	Corporate & Other	Total	FPL	FPL Energy	Corporate & Other	Total
Operating revenues	$ 1,533	$ 114	$ 23	$ 1,670	$ 1,511	$ 93	$ 10	$ 1,614
Net income	$ 172	$ 28	$ 4	$ 204	$ 163	$ (86)(a)	$ -	$ 77

	Six Months Ended June 30, (millions)							
	2000				1999			
	FPL	FPL Energy	Corporate & Other	Total	FPL	FPL Energy(a)	Corporate & Other(a)	Total
Operating revenues	$ 2,871	$ 222	$ 45	$ 3,138	$ 2,869	$ 134	$ 23	$ 3,026
Net income	$ 278	$ 42	$ 5	$ 325	$ 268	$ (77)(a)	$ 95(b)	$ 286

	June 30, 2000 (millions)				December 31, 1999			
	FPL(c)	FPL Energy	Corporate & Other(c)	Total	FPL	FPL Energy	Corporate & Other	Total
Total assets	$11,247	$2,471	$478	$14,196	$10,608	$2,212	$621	$13,441

(a) Includes effect of $104 million after-tax impairment loss. See Management's Discussion and Analysis of Financial Condition and Results of Operations – Results of Operations – FPL Energy.
(b) Includes $96 million after-tax gain on the sale of an investment in Adelphia Communications Corporation (Adelphia) common stock. See Management's Discussion and Analysis of Financial Condition and Results of Operations - Results of Operations - Corporate and Other.
(c) Includes effect of $100 million net asset transfer in January 2000 from FPL to FPL FiberNet, LLC.

4. Summarized Financial Information of FPL Group Capital

FPL Group Capital provides funding for and holds ownership interest in FPL Group's operating subsidiaries other than FPL. FPL Group Capital's debentures are guaranteed by FPL Group and included in FPL Group's condensed consolidated balance sheets. Summarized financial information of FPL Group Capital is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2000	1999	2000	1999
	(millions)		(millions)	
Operating revenues	$138	$103	$268	$157
Operating expenses	$109	$269 (a)	$214	$321(a)
Net income	$ 38	$(81)(a)	$ 58	$ 31(a)(b)

	June 30, 2000	December 31, 1999
	(millions)	
Current assets	$ 567	$ 640
Noncurrent assets	$3,008	$2,627
Current liabilities	$ 535	$ 414
Noncurrent liabilities..	$1,851	$1,840

(a) Includes effect of $176 million ($104 million after-tax) impairment loss. See Management's Discussion and Analysis of Financial Condition and Results of Operations – Results of Operations – FPL Energy.
(b) Includes $96 million after-tax gain on the sale of an investment in Adelphia common stock. See Management's Discussion and Analysis of Financial Condition and Results of Operations - Results of Operations - Corporate and Other.

Management has not presented separate financial statements and other disclosures concerning FPL Group Capital because management has determined that such information is not material to holders of the FPL Group Capital debentures.

5. Subsequent Event

On July 30, 2000, FPL Group and Entergy Corporation (Entergy) entered into an Agreement and Plan of Merger (agreement). Based on the number of common shares currently outstanding, FPL Group shareholders will own 57 percent of the common equity of the combined company, and Entergy shareholders will own 43 percent. The new company's board of directors 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. The agreement has been unanimously approved by FPL Group's and Entergy's Board of Directors. The merger is conditioned, among other things, upon the approvals of the shareholders of both companies and is subject to approval by various regulatory bodies. The companies' objective is to complete the transaction within 15 months.

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

This discussion should be read in conjunction with the Notes to Condensed Consolidated Financial Statements contained herein and Management's Discussion and Analysis of Financial Condition and Results of Operations appearing in the 1999 Form 10-K for FPL Group and FPL. The results of operations for an interim period may not give a true indication of results for the year. In the following discussion, all comparisons are with the corresponding items in the prior year.

RESULTS OF OPERATIONS

FPL Group's earnings for the three and six months ended June 30, 2000 improved over the same periods last year. The improvement, excluding the effects of nonrecurring transactions in 1999, was primarily the result of growth at FPL and FPL Energy, as well as positive contributions from the newly formed subsidiary, FPL FiberNet. Nonrecurring transactions in the second quarter of 1999 included the impairment loss related to the Maine assets, which, on a year-to-date basis, more than offset the first quarter 1999 gain on the sale of Adelphia stock.

FPL – FPL's net income for the three and six months ended June 30, 2000 was higher than the same periods last year despite the rate reduction that went into effect in mid-April 1999. The improvement in the second quarter was due to higher sales and lower other operations and maintenance (O&M) expense partly offset by the effect of the rate reduction agreement and higher special depreciation expense. FPL's revenues from retail base operations for the three months ended June 30, 2000 were $850 million, up from $838 million in 1999. This improvement was due to increased usage per retail customer of 2.9% primarily due to weather and a 2.5% increase in the number of customer accounts, partly offset by an increase in the accrual for revenue refund associated with the rate reduction agreement. During the second quarter 2000, FPL accrued approximately $37 million associated with refunds to retail customers, $34 million of which relates to the second twelve-month period under the rate agreement. No such amount was recorded in the second quarter of 1999. In June 2000, FPL refunded approximately $23 million, including interest, to retail customers for the first twelve-month period under the rate agreement, essentially all of which was accrued for in 1999. The rate agreement also allows for special depreciation of up to $100 million, in each year of the three-year agreement period to be applied to nuclear and/or fossil generating assets. For the three months ended June 30, 2000, FPL recorded special depreciation of approximately $36 million compared to $20 million for the same period in 1999. Second quarter earnings also reflect successful cost control efforts, as well as the timing of expenditures.

Net income for the six months ended June 30, 2000 benefited from higher sales, lower O&M expense and lower special depreciation expense partly offset by the rate reduction agreement. FPL's revenues from retail base operations for the six months ended June 30, 2000 were $1,579 million compared to $1,598 million in 1999. Increased usage per retail customer of 3.4% and an increase in the number of customer accounts of 2.4% was more than offset by the reduction in rates combined with the revenue refund accrual. Special depreciation expense recorded for the six months ended June 30, 2000 and 1999 was $65 million and $82 million, respectively. Continued cost control efforts and timing of expenditures also contributed to lower O&M expense on a year-to-date basis.

FPL Energy – FPL Energy's net income for the three and six months ended June 30, 2000 benefited from increased revenues generated by the Maine assets as a result of warmer weather and higher prices in the Northeast during May 2000. FPL Energy's net income for the three and six months ended June 30, 1999, includes the effect of a $176 million ($104 million after-tax) impairment loss recorded in the second quarter of 1999.

Corporate and Other – For the three months ended June 30, 2000, net income for the corporate and other segment was essentially flat. Net income for the six months ended June 30, 1999 reflects a $149 million ($96 million after-tax) gain recorded by FPL Group Capital on the sale of an investment in Adelphia common stock in the first quarter of 1999.

LIQUIDITY AND CAPITAL RESOURCES

For financing activity during the six months ended June 30, 2000, see Note 1 – Long-Term Debt. During the three and six months ended June 30, 2000, FPL Group repurchased 381,000 and 750,400 shares of common stock, respectively.

For information concerning capital commitments, see Note 2 - Commitments. For information concerning the announced merger of FPL Group and Entergy, see Note 5.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

Reference is made to Item 3. Legal Proceedings in the 1999 Form 10-K for FPL Group and FPL.

With regard to a contract dispute between FPL and two qualifying facilities, in July 2000, FPL, the majority bondholders, and the trustee of the indenture under which the bonds were issued entered into a settlement. Under the terms of the settlement, the trustee would be paid $222.5 million plus the amount of the security deposits, to be distributed as directed by the bankruptcy court. The settlement is conditioned upon (i) the approval of the bankruptcy court and (ii) the approval of the FPSC determining that the settlement is an appropriate buyout of the power purchase agreements and authorizing FPL to recover the settlement amount through the capacity clause and fuel clause. FPL estimates the net present value of the savings to its customers from the settlement versus the payments that would have been due under the power purchase agreements to be in excess of $350 million.

In June 2000, Southern California Edison Company (SCE) filed with the FERC a Petition for Declaratory Order (petition) asking the FERC to apply the November 1999 decision of the U.S. Court of Appeals for the District of Columbia Circuit in *Southern California Edison Co. v. FERC*, to all qualifying small power production facilities, including the SEGS VIII and SEGS IX facilities owned by Luz Solar Partners Ltd., VIII and Luz Solar Partners Ltd., IX (collectively, the partnerships), indirectly owned in part by FPL Energy. The federal circuit court of appeals' decision invalidated the FERC's so-called essential fixed assets standard, which permitted secondary uses of fossil fuels by qualifying small power production facilities beyond those expressly set forth in PURPA. The petition requests that FERC declare that qualifying small power production facilities may not continue to use fossil fuel under the essential fixed assets standard and that they may be required to make refunds with respect to past usage. The partnerships intend to file a Motion to Intervene and Protest before the FERC, vigorously objecting to the position taken by SCE in its petition. The partnerships have always operated the SEGS VIII and SEGS IX facilities in accordance with orders issued by the FERC. Such orders were neither challenged nor appealed at the time they were granted, and it is the position of the partnerships that the orders remain in effect.

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

FPL Group:

(a) The Annual Meeting of FPL Group's shareholders was held on May 15, 2000. Of the 178,166,118 shares of common stock outstanding on the record date of March 6, 2000, a total of 149,201,828 shares were represented in person or by proxy.

(b) The following directors were elected effective May 15, 2000:

	Votes Cast	
	For	Against or Withheld
H. Jesse Arnelle	146,294,886	2,906,942
Sherry S. Barrat	146,413,964	2,787,864
Robert M. Beall, II	146,480,450	2,721,378
James L. Broadhead	133,839,726	15,362,102
J. Hyatt Brown	146,071,324	3,130,504
Armando M. Codina	128,961,380	20,240,448
Marshall M. Criser	146,343,848	2,857,980
Willard D. Dover	146,435,696	2,766,132
Alexander W. Dreyfoos, Jr.	146,471,033	2,730,795
Paul J. Evanson	146,354,389	2,847,439
Drew Lewis	146,294,494	2,907,334
Frederic V. Malek	146,251,565	2,950,263
Paul R. Tregurtha	146,335,914	2,865,914

(c) The vote to ratify the appointment of Deloitte & Touche LLP as independent auditors for 2000 was 147,228,814 for, 972,189 against and 1,000,825 abstaining.

FPL:

(a) The following FPL directors were elected effective May 15, 2000 by the written consent of FPL Group, as the sole common shareholder of FPL, in lieu of an annual meeting of shareholders:

James L. Broadhead
Dennis P. Coyle
Paul J. Evanson
Lawrence J. Kelleher
Armando J. Olivera
Thomas F. Plunkett
Antonio Rodriguez

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

Exhibit Number	Description	FPL Group	FPL
10(a)	Employment Agreement between FPL Group and Armando J. Olivera, dated as of June 12, 2000	x	
10(b)	Employment Agreement between FPL Group and Antonio Rodriguez, dated as of June 12, 2000	x	
12(a)	Computation of Ratio of Earnings to Fixed Charges	x	
12(b)	Computation of Ratios		x
27	Financial Data Schedule	x	x

(b) Reports on Form 8-K

A Current Report on Form 8-K was filed with the Securities and Exchange Commission on July 31, 2000 by FPL Group reporting one event under Item 5. Other Events and filing exhibits under Item 7. Exhibits.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned thereunto duly authorized.

FPL GROUP, INC.
FLORIDA POWER & LIGHT COMPANY
(Registrants)

Date: August 2, 2000

K. MICHAEL DAVIS
K. Michael Davis
Controller and Chief Accounting Officer of FPL Group, Inc.
Vice President, Accounting, Controller and
Chief Accounting Officer of Florida Power & Light Company
(Principal Accounting Officer of the Registrants)

EXHIBIT 12(a)

FPL GROUP, INC. AND SUBSIDIARIES
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

	Six Months Ended June 30, 2000 (millions)
Earnings, as defined:	
Net income	$ 204
Income taxes	101
Fixed charges included in the determination of net income, as below	71
Distributed income of independent power investments	33
Less: Equity in earnings of independent power investments	16
Total earnings, as defined	$ 393
Fixed charges, as defined:	
Interest charges	$ 64
Rental interest factor	3
Fixed charges included in nuclear fuel cost	4
Fixed charges included in the determination of net income	71
Capitalized interest	12
Total fixed charges, as defined	$ 83
Ratio of earnings to fixed charges	4.73

EXHIBIT 12(b)

FLORIDA POWER & LIGHT COMPANY
COMPUTATION OF RATIOS

	Six Months Ended June 30, 2000 (millions)
RATIO OF EARNINGS TO FIXED CHARGES	
Earnings, as defined:	
Net income	$ 285
Income taxes	157
Fixed charges, as below	88
Total earnings, as defined	$ 530
Fixed charges, as defined:	
Interest charges	$ 82
Rental interest factor	2
Fixed charges included in nuclear fuel cost	4
Total fixed charges, as defined	$ 88
Ratio of earnings to fixed charges	6.02

RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS	
Earnings, as defined:	
Net income	$ 285
Income taxes	157
Fixed charges, as below	88
Total earnings, as defined	$ 530
Fixed charges, as defined:	
Interest charges	$ 82
Rental interest factor	2
Fixed charges included in nuclear fuel cost	4
Total fixed charges, as defined	88
Non-tax deductible preferred stock dividends	7
Ratio of income before income taxes to net income	1.55
Preferred stock dividends before income taxes	11
Combined fixed charges and preferred stock dividends	$ 99
Ratio of earnings to combined fixed charges and preferred stock dividends	5.35

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-affiliates as of January 31, 2000 (based on the closing market price on the Composite Tape on January 31, 2000) was $7,495,697,770 (determined by subtracting from the number of shares outstanding on that date the number of shares held by directors and officers of FPL Group, Inc.).

There was no voting stock of Florida Power & Light Company held by non-affiliates as of January 31, 2000.

The number of shares outstanding of each class of FPL Group, Inc. common stock, as of the latest practicable date: Common Stock, $0.01 Par Value, outstanding at January 31, 2000: 178,246,835 shares

As of January 31, 2000, there were issued and outstanding 1,000 shares of Florida Power & Light Company's common stock, without par value, all of which were held, beneficially and of record, by FPL Group, Inc.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of FPL Group, Inc.'s Proxy Statement for the 2000 Annual Meeting of Shareholders are incorporated by reference in Part III hereof.

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

DEFINITIONS

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

Term	Meaning
capacity clause	Capacity cost recovery clause
CMP	Central Maine Power Company
charter	Restated Articles of Incorporation, as amended, of FPL Group or FPL, as the case may be
Coalition	The Coalition for Equitable Rates
conservation clause	Energy conservation cost recovery clause
DOE	U.S. Department of Energy
EMF	Electric and magnetic fields
environmental clause	Environmental compliance cost recovery clause
FDEP	Florida Department of Environmental Protection
FERC	Federal Energy Regulatory Commission
FIPUG	The Florida Industrial Power Users Group
FGT	Florida Gas Transmission Company
FMPA	Florida Municipal Power Agency
FPL	Florida Power & Light Company
FPL Energy	FPL Energy, LLC (and its predecessor FPL Energy, Inc.)
FPL FiberNet	FPL FiberNet, LLC
FPL Group	FPL Group, Inc.
FPL Group Capital	FPL Group Capital Inc
FPSC	Florida Public Service Commission
fuel clause	Fuel and purchased power cost recovery clause
Holding Company Act	Public Utility Holding Company Act of 1935, as amended
IBEW	International Brotherhood of Electrical Workers
JEA	Jacksonville Electric Authority
kv	Kilovolt
kwh	Kilowatt-hour
Management's Discussion	Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations
mortgage	FPL's Mortgage and Deed of Trust dated as of January 1, 1944, as supplemented and amended
mw	Megawatt(s)
Note ____	Note ___ to Consolidated Financial Statements
NRC	U.S. Nuclear Regulatory Commission
Nuclear Waste Policy Act	Nuclear Waste Policy Act of 1982
O&M expenses	Other operations and maintenance expenses in the Consolidated Statements of Income
Public Counsel	State of Florida Office of Public Counsel
PURPA	Public Utility Regulatory Policies Act of 1978, as amended
qualifying facilities	Non-utility power production facilities meeting the requirements of a qualifying facility under the PURPA
Reform Act	Private Securities Litigation Reform Act of 1995
ROE	Return on common equity
RTOs	Regional Transmission Organizations
SJRPP	St. Johns River Power Park

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

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

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

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

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

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

PART I

Item 1. Business

FPL GROUP

FPL Group is a public utility holding company, as defined in the Holding Company Act. It was incorporated in 1984 under the laws of Florida. FPL Group's principal subsidiary, FPL, is engaged in the generation, transmission, distribution and sale of electric energy. FPL Group Capital, a wholly-owned subsidiary of FPL Group, holds the capital stock and provides funding for the operating subsidiaries other than FPL. The business activities of these operating subsidiaries primarily consist of FPL Energy's independent power projects. For financial information regarding segments, see Note 14. In 2000, FPL Group Capital formed a new subsidiary to sell wholesale fiber-optic network capacity. At December 31, 1999, FPL Group and its subsidiaries employed 10,717 persons.

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

FPL OPERATIONS

General. FPL was incorporated under the laws of Florida in 1925 and is a wholly-owned subsidiary of FPL Group. FPL supplies electric service throughout most of the east and lower west coasts of Florida with a population of approximately seven million. During 1999, FPL served approximately 3.8 million customer accounts. Operating revenues were as follows:

	Years Ended December 31, 1999	1998 (millions)	1997
Residential	$3,357	$3,580	$3,394
Commercial	2,226	2,239	2,222
Industrial	190	197	206
Other, including the net change in unbilled revenues	284	350	310
	$6,057	$6,366	$6,132

Regulation. The retail operations of FPL provided approximately 99% of FPL's operating revenues for 1999. Such operations are regulated by the FPSC which has jurisdiction over retail rates, service territory, issuances of securities, planning, siting and construction of facilities and other matters. FPL is also subject to regulation by the FERC in various respects, including the acquisition and disposition of facilities, interchange and transmission services and wholesale purchases and sales of electric energy.

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

Federal, state and local environmental laws and regulations cover air and water quality, land use, power plant and transmission line siting, EMF from power lines and substations, noise and aesthetics, solid waste and other environmental matters. Compliance with these laws and regulations increases the cost of electric service by requiring, among other things, changes in the design and operation of existing facilities and changes or delays in the location, design, construction and operation of new facilities. See Item 3. Legal Proceedings. Capital expenditures required to comply with environmental laws and regulations for 2000-02 are included in FPL's projected capital expenditures set forth in Item 1. Business - FPL Operations - Capital Expenditures and are not material.

FPL currently holds 190 franchises with varying expiration dates to provide electric service in various municipalities and counties in Florida. FPL considers its franchises to be adequate for the conduct of its business.

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

The basic costs of providing electric service, other than fuel and certain other costs, are recovered through base rates, which are designed to recover the costs of constructing, operating and maintaining the utility system. These basic costs include O&M expenses, depreciation and taxes, as well as a return on FPL's investment in assets used and useful in providing electric service (rate base). The rate of return on rate base approximates FPL's weighted cost of capital, which includes its costs for debt and preferred stock and an allowed ROE. 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 changes from cost-based regulation, existing regulatory assets and liabilities would be written off unless regulators specify an alternative means of recovery or refund. Further, other aspects of the business, such as generation assets and long-term power purchase commitments, would need to be reviewed to assess their recoverability in a changed regulatory environment. See Management's Discussion - Results of Operations and Note 1 - Regulation.

While legislators and state regulatory commissions will decide what role, if any, competitive forces will have on retail transactions, the FERC has jurisdiction over potential changes which could affect competition in wholesale transactions. In 1993, FPL filed with the FERC a comprehensive revision of its service offerings in the wholesale market. FPL proposed changes to its wholesale sales tariffs for service to municipal and cooperatively-owned electric utilities and its power sharing (interchange) agreements with other utilities. A final decision by the FERC on this filing is pending.

In December 1999, the FERC issued its final order on regional transmission organizations or RTOs. RTOs, under a variety of structures, provide for the independent operation of transmission systems for a given geographic area. The final order establishes guidelines for public utilities to use in considering and/or developing plans to initiate operations of RTOs. The order requires all public utilities to file with the FERC by October 15, 2000, a proposal for an RTO with certain minimum characteristics and functions to be operational by December 15, 2001, or alternatively, a description of efforts to participate in an RTO, any existing obstacles to RTO participation and any plans to work toward RTO participation. FPL is evaluating various alternatives for compliance with the order.

System Capability and Load. FPL's resources for serving summer load as of December 31, 1999 consisted of 18,649 mw, of which 16,444 mw are from FPL-owned facilities (see Item 2. Properties - Generating Facilities) and 2,205 mw are obtained through purchased power contracts. See Note 12 - Contracts. The compounded annual growth rate of retail kwh sales and number of retail customers was 2.9% and 1.9%, respectively, for the three years ended December 31, 1999. It is anticipated that retail kwh sales will grow at a compounded annual rate of approximately 3.7% for the next three years.

Occasionally, unusually cold temperatures during the winter months result in significant increases in electricity usage for a short period of time. However, customer usage and operating revenues are typically higher during the summer months largely due to the prevalent use of air conditioning in FPL's service territory. In 1998, FPL set four consecutive records for summertime peak demand, ranging from 17,156 mw to 17,897 mw. Adequate resources were available at the time of each peak to meet customer demand.

In 1999, the FPSC scheduled hearings to consider appropriate reserve margin targets for peninsular Florida. The FPSC approved a proposal by FPL and two other Florida utilities to voluntarily adopt a 20% reserve margin target to be achieved by 2004. FPL's reserve margin target is currently 15%.

FPL intends to repower its two Fort Myers units and two of its three Sanford units by the end of 2002; these projects will be phased in beginning in 2001. FPL will also add two new gas-fired combustion turbines at its Martin site in 2001, and add new combustion turbines and/or gas-fired combined cycle units from 2003-09. These actions, plus other changes to FPL's existing units and purchased power contracts, are expected to increase FPL's net generating capability by over 4,000 mw.

Capital Expenditures. FPL's capital expenditures totaled approximately $924 million in 1999, $617 million in 1998 and $551 million in 1997. Capital expenditures for the 2000-02 period are expected to be $3.1 billion, including $1.3 billion in 2000. This estimate is subject to continuing review and adjustment, and actual capital expenditures may vary from this estimate. See Management's Discussion - Liquidity and Capital Resources.

Nuclear Operations. FPL owns and operates four nuclear units, two at Turkey Point and two at St. Lucie. The operating licenses for Turkey Point Units Nos. 3 and 4 expire in 2012 and 2013, respectively. The operating licenses for St. Lucie Units Nos. 1 and 2 expire in 2016 and 2023, respectively. The nuclear units are periodically removed from service to accommodate normal refueling and maintenance outages, repairs and certain other modifications. A condition of the operating license for each unit requires an approved plan for decontamination and decommissioning. FPL's current plans provide for prompt dismantlement of the Turkey Point Units Nos. 3 and 4 with decommissioning activities commencing in 2012 and 2013, respectively. Current plans call for St. Lucie Unit No. 1 to be mothballed beginning in 2016 with decommissioning activities to be integrated with the prompt dismantlement of St. Lucie Unit No. 2 beginning in 2023. See estimated cost data in Note 1 - Decommissioning and Dismantlement of Generating Plant. FPL has informed the NRC of its intent to apply for a 20-year license renewal for each of its four nuclear units. FPL expects to file the application with the NRC in 2000 for the Turkey Point units and 2002 for the St. Lucie units.

Fuel. FPL's generating plants use a variety of fuels. See Item 2. Properties - Generating Facilities and Note 12 - Contracts. The diverse fuel options, along with purchased power, enable FPL to shift between sources of generation to achieve an economical fuel mix.

FPL has three contracts in place with FGT that satisfy substantially all of the anticipated needs for natural gas transportation. Additional agreements were executed to extend and provide incremental volumes to the Ft. Myers and Sanford plants, subject to approval by the FERC. The three existing contracts expire in 2010, 2015 and 2022 but can be extended at FPL's option. To the extent desirable, FPL can also purchase interruptible gas transportation service from FGT based on pipeline availability. FPL has a long-term natural gas supply contract at market rates to provide a portion of FPL's anticipated needs for natural gas. The remainder of FPL's gas requirements are purchased under other contracts and in the spot market.

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

FPL leases nuclear fuel for all four of its nuclear units. Currently, FPL is storing spent fuel on site and plans to provide adequate storage capacity for all of its spent nuclear fuel, pending its removal by the DOE. See Note 1 - Nuclear Fuel. Under the Nuclear Waste Policy Act, the DOE was required to construct permanent disposal facilities and take title to and provide transportation and disposal for spent nuclear fuel by January 31, 1998 for a specified fee based on current generation from nuclear power plants. Through December 1999, FPL has paid approximately $401 million in such fees to the DOE's Nuclear Waste Fund. The DOE did not meet its statutory obligation for disposal of spent nuclear fuel under the Nuclear Waste Policy Act. In 1997, a court ruled, in response to petitions filed by utilities, state governments and utility commissions, that the DOE could not assert a claim that its delay was unavoidable in any defense against lawsuits by utilities seeking money damages arising out of the DOE's failure to perform its obligations. In 1998, FPL filed a lawsuit against the DOE seeking in excess of $300 million in damages caused by the DOE's failure to dispose of spent nuclear fuel from FPL's nuclear power plants. The matter is pending.

Energy Marketing and Trading. FPL's Energy Marketing & Trading Division buys and sells wholesale energy commodities, such as natural gas, oil and electric power. The division procures natural gas and oil for FPL's and FPL Energy's use in power generation and sells excess electric power. Substantially all of the results of FPL activities are passed through to customers in the fuel or capacity clauses. FPL Energy's results of these activities are recognized in income by FPL Energy. The level of activity is expected to grow as FPL and FPL Energy seek to manage the risk associated with fluctuating commodity prices and increase the value of their power generation assets.

Electric and Magnetic Fields. In recent years, public, scientific and regulatory attention has been focused on possible adverse health effects of EMF. These fields are created whenever electricity flows through a power line or an appliance. Several epidemiological (i.e., statistical) studies have suggested a linkage between EMF and certain types of cancer, including leukemia and brain cancer; other studies have been inconclusive, contradicted earlier studies or have shown no such linkage. Neither these epidemiological studies nor clinical studies have produced any conclusive evidence that EMF does or does not cause adverse health effects. In 1998, a working group of the National Institute of Environmental Health Sciences issued a report classifying EMF as a possible human carcinogen.

FPL is in compliance with the FDEP regulations regarding EMF levels within and at the edge of the rights of way for transmission lines. Future changes in the FDEP regulations could require additional capital expenditures by FPL for such things as increasing the right of way corridors or relocating or reconfiguring transmission facilities. It is not presently known whether any such expenditures will be required.

Employees. FPL had 9,783 employees at December 31, 1999. Approximately 35% of the employees are represented by the IBEW under a collective bargaining agreement with FPL expiring on October 31, 2000.

FPL ENERGY OPERATIONS

FPL Energy. FPL Energy, a wholly-owned subsidiary of FPL Group Capital, was formed in 1998 to aggregate FPL Group's existing unregulated energy-related operations. Effective September 30, 1999, FPL Energy, Inc. was converted from a corporation to a limited liability company, and the name was changed to FPL Energy, LLC.

FPL Energy's participation in the domestic energy market has evolved in recent years from non-controlling equity investments to a more active role that includes ownership, development, construction, management and operation of many projects. In 1999, FPL Energy established regional offices in Pennsylvania and Texas and plans to open several more regional offices in 2000. FPL Energy is actively involved in managing more than 80% of its projects, which represents approximately 95% of the net generating capacity in which FPL Energy has an ownership interest. This active role is expected to continue as opportunities in the unregulated generation market are pursued. As of December 31, 1999, FPL Energy had ownership interests in operating independent power projects with a net generating capacity of 3,004 mw. These projects' fuel sources are 40% gas, 24% oil, 15% wind, 12% hydro and 9% other. Diversity in project locations reduces seasonal volatility on a portfolio basis. The projects are located in the following regions:

Region	% of Capacity
Northeast	48%
Mid-Atlantic	27%
West	18%
Central	4%
Colombia, South America	3%

Currently, approximately 30% of FPL Energy's net generating capacity has qualifying facility status under PURPA. Qualifying facility electricity may be generated from hydropower, wind, solar, geothermal, fossil fuels, biomass or waste-product combustion. Utilities pay for qualifying facility electricity on the basis of each utility's avoided cost of power. Qualifying facility status exempts the projects from the application of the Holding Company Act, many provisions of the Federal Power Act, and state laws and regulations respecting rates and financial or organizational regulation of electric utilities. FPL Energy also has ownership interest in operating independent power projects that have received exempt wholesale generator status as defined in the Holding Company Act. These projects represent approximately 70% of FPL Energy's net generating capacity. Exempt wholesale generators own or operate a facility exclusively to sell electric energy at wholesale. They are barred from selling electricity directly to retail customers. While projects with qualifying facility and exempt wholesale generator status are exempt from various restrictions, each project must still comply with other federal, state and local laws, including those regarding siting, construction, operation, licensing and pollution abatement.

In 1999, FPL Energy completed the purchase of CMP's non-nuclear generating assets, primarily fossil and hydro power plants, for $866 million. The purchase price was based on an agreement, subject to regulatory approvals, reached with CMP in January 1998. In October 1998, the FERC struck down transmission rules that had been in effect in New England since the 1970s. The FERC rulings regarding transmission, as well as the announcement of new entrants into the market and changes in fuel prices since January 1998, resulted in FPL Energy recording a $176 million pre-tax impairment loss related to the fossil assets. The acquisition was accounted for under the purchase method of accounting and the results of operating the Maine assets have been included in FPL Group's consolidated financial statements since the acquisition date. See Note 9.

FPL Energy's capital expenditures and investments totaled approximately $1.5 billion, $521 million and $291 million in 1999, 1998 and 1997, respectively. FPL Energy is currently constructing a 1,000 mw combined-cycle natural gas-fired plant in Texas, of which FPL Energy owns 99%. This plant is expected to become operational in 2000 and has 70% of the capacity under one- to five-year contracts. As of December 31, 1999, FPL Energy had remaining commitments of $71 million for the development of this plant. In addition, FPL Energy has announced plans to build five plants that would add approximately 2,100 mw to its generating capacity by 2003. See Management's Discussion - Liquidity and Capital Resources.

Deregulation of the electric utility market presents both opportunities and risks for FPL Energy. Opportunities exist for the selective acquisition of generation assets that are being divested under deregulation plans and for the construction and operation of efficient plants that can sell power in competitive markets. Substantially all of the energy produced in 1999 by FPL Energy's independent power projects was sold through power sales agreements with utilities that expire in 2000-24. As competitive wholesale markets become more accessible to other generators, obtaining power sales agreements will become a progressively more competitive process. FPL Energy expects that as its existing power sales agreements expire, more of the energy produced will be sold through shorter-term contracts and into competitive wholesale markets.

Competitive wholesale markets in the United States continue to evolve and vary by geographic region. Revenues from electricity sales in these markets will vary based on the prices obtainable for energy, capacity and other ancillary services. Some of the factors affecting success in these markets include the ability to operate generating assets efficiently, the price and supply of fuel, transmission constraints, competition from new sources of generation, demand growth and exposure to legal and regulatory changes.

FPL Energy had 825 employees at December 31, 1999. Approximately 18% of the employees are represented by the IBEW under a collective bargaining agreement with FPL Energy expiring on February 28, 2003.

OTHER FPL GROUP OPERATIONS

FPL FiberNet. FPL FiberNet was formed in January 2000 to enhance the value of FPL Group's fiber-optic network assets that were originally built to support FPL operations. Accordingly, FPL's existing 1,600 mile fiber-optic lines were transferred to FPL FiberNet in January 2000. FPL FiberNet will sell wholesale fiber-optic network capacity to FPL and other new and existing customers, primarily telephone, cable television, internet and other telecommunications companies. The existing network interconnects cities in Florida from Miami to Jacksonville on the east coast, Lake City in the north, and Tampa to Naples on the west coast. FPL FiberNet plans to invest approximately $225 million over the next three years to expand the existing network within major cities throughout Florida. See Note 13.

EXECUTIVE OFFICERS OF THE REGISTRANTS (a)(b)

Name	Age	Position	Effective Date
James L. Broadhead	64	Chairman of the Board and Chief Executive Officer of FPL Group	May 8, 1990
		Chairman of the Board and Chief Executive Officer of FPL	January 15, 1990
Dennis P. Coyle	61	General Counsel and Secretary of FPL Group	June 1, 1991
		General Counsel and Secretary of FPL	July 1, 1991
K. Michael Davis	53	Controller and Chief Accounting Officer of FPL Group	May 13, 1991
		Vice President, Accounting, Controller and Chief Accounting Officer of FPL	July 1, 1991
Paul J. Evanson	58	President of FPL	January 9, 1995
Lewis Hay, III	44	Vice President, Finance and Chief Financial Officer of FPL Group	August 2, 1999
		Senior Vice President, Finance and Chief Financial Officer of FPL	August 2, 1999
Lawrence J. Kelleher	52	Vice President, Human Resources of FPL Group	May 13, 1991
		Senior Vice President, Human Resources of FPL	July 1, 1991
Robert L. McGrath	46	Treasurer of FPL Group	January 11, 2000
		Treasurer of FPL	January 11, 2000
Armando J. Olivera	50	Senior Vice President, Power Systems of FPL	July 1, 1999
Thomas F. Plunkett	60	President, Nuclear Division of FPL	March 1, 1996
Antonio Rodriguez	57	Senior Vice President, Power Generation of FPL	July 1, 1999
Michael W. Yackira	48	President of FPL Energy, LLC	January 15, 1998

(a) Executive officers are elected annually by, and serve at the pleasure of, their respective boards of directors. Except as noted below, each officer has held his present position for five years or more and his employment history is continuous.

(b) The business experience of the executive officers is as follows: Mr. Hay was senior vice president and chief financial officer of US Foodservice, a food service distributor, from 1991 to 1997. From 1997 to 1999 he was executive vice president and chief financial officer of US Foodservice. Mr. McGrath was assistant treasurer of FPL Group and FPL from February 1998 to January 2000. Prior to that, Mr. McGrath was vice president and chief financial officer of ESI Energy, Inc. Mr. Olivera was vice president, distribution of FPL from February 1997 to July 1999. Prior to that, Mr. Olivera was vice president, power delivery of FPL. Mr. Plunkett was site vice president at Turkey Point. Mr. Rodriguez was vice president, power delivery of FPL from February 1997 to July 1999. Prior to that, Mr. Rodriguez was vice president, operations of FPL's power generation division. Mr. Yackira was vice president, finance and chief financial officer of FPL Group and senior vice president, finance and chief financial officer of FPL from January 1995 to January 1998.

Item 2. Properties

FPL Group and its subsidiaries maintain properties which are adequate for their operations. At December 31, 1999, the electric generating, transmission, distribution and general facilities of FPL represent 45%, 13%, 35% and 7%, respectively, of FPL's gross investment in electric utility plant in service.

Generating Facilities. As of December 31, 1999, FPL Group had the following generating facilities:

Facility	Location	No. of Units	Fuel	Net Capability (mw)(a)
FPL:				
STEAM TURBINES				
Cape Canaveral	Cocoa, FL	2	Oil/Gas	804
Cutler	Miami, FL	2	Gas	215
Fort Myers	Fort Myers, FL	2	Oil	543
Manatee	Parrish, FL	2	Oil	1,625
Martin	Indiantown, FL	2	Oil/Gas	1,631
Port Everglades	Port Everglades, FL	4	Oil/Gas	1,242
Riviera	Riviera Beach, FL	2	Oil/Gas	573
St. Johns River Power Park	Jacksonville, FL	2	Coal/Petroleum Coke	254(b)
St. Lucie	Hutchinson Island, FL	2	Nuclear	1,553(c)
Sanford	Lake Monroe, FL	3	Oil/Gas	934
Scherer	Monroe County, GA	1	Coal	658(d)
Turkey Point	Florida City, FL	2	Oil/Gas	810
		2	Nuclear	1,386
COMBINED-CYCLE				
Lauderdale	Dania, FL	2	Gas/Oil	860
Martin	Indiantown, FL	2	Gas	950
Putnam	Palatka, FL	2	Gas/Oil	498
COMBUSTION TURBINES				
Fort Myers	Fort Myers, FL	12	Oil	636
Lauderdale	Dania, FL	24	Oil/Gas	840
Port Everglades	Port Everglades, FL	12	Oil/Gas	420
DIESEL UNITS				
Turkey Point	Florida City, FL	5	Oil	12
TOTAL				16,444
FPL Energy:				
Cerro Gordo	Clearlake, IA	54	Wind	42
Doswell	Ashland, VA	4	Gas	665
Maine	Various - ME	7	Oil	713
Maine	Various - ME	92	Hydro	373
Maine	Ft. Fairfield, ME	1	Wastewood	31
Marcus Hook 50	Marcus Hook, PA	1	Gas	50
Southwest Mesa	McCamey, TX	107	Wind	75
Vansycle	Helix, OR	38	Wind	25
Investments in Joint Ventures	Various	N/M	Various	1,030
TOTAL				3,004

(a) Represents FPL's net warm weather peaking capability and FPL Energy's net ownership interest in plant capacity.
(b) Represents FPL's 20% ownership interest in each of SJRPP Units Nos. 1 and 2, which are jointly owned with the JEA.
(c) Excludes Orlando Utilities Commission's and the FMPA's combined share of approximately 15% of St. Lucie Unit No. 2.
(d) Represents FPL's approximately 76% ownership of Scherer Unit No. 4, which is jointly owned with the JEA.

N/M - Not meaningful

Transmission and Distribution. As of December 31, 1999, FPL owned and operated 487 substations and the following electric transmission and distribution lines:

Nominal Voltage	Overhead Lines Pole Miles	Trench and Submarine Cable Miles
500 kv	1,107(a)	-
230 kv	2,246	31
138 kv	1,433	49
115 kv	670	-
69 kv	166	14
Less than 69 kv	39,858	21,353
Total	45,480	21,447

(a) Includes approximately 75 miles owned jointly with the JEA.

Character of Ownership. Substantially all of FPL's properties are subject to the lien of FPL's mortgage, which secures most debt securities issued by FPL. The principal properties of FPL Group are held by FPL in fee and are free from other encumbrances, subject to minor exceptions, none of which is of such a nature as to substantially impair the usefulness to FPL of such properties. Some of FPL's electric lines are located on land not owned in fee but are covered by necessary consents of governmental authorities or rights obtained from owners of private property.

Item 3. Legal Proceedings

In 1991, FPL entered into 30-year power purchase agreements with two qualifying facilities (as defined by PURPA) located in Palm Beach County, Florida. The power plants, which have a total generating capacity of 125 mw, were intended to sell capacity and energy to FPL and to provide steam to sugar processors. The plants were to be fueled by bagasse (sugar cane waste) and wood waste. Construction of the plants was funded, in part, through the sale of $288.5 million of solid waste industrial development revenue bonds (the bonds). The plants are owned by Okeelanta Power Limited Partnership (Okeelanta); Osceola Power Limited Partnership (Osceola); Flo-Energy Corp.; Glades Power Partnership; Gator Generating Company, Limited Partnership; and Lake Power Leasing Partnership (collectively, the partnerships).

In January 1997, FPL filed a complaint against Okeelanta and Osceola in the Circuit Court for Palm Beach County, Florida, seeking an order declaring that FPL's obligations under the power purchase agreements were rendered of no force and effect because the power plants failed to accomplish commercial operation before January 1, 1997, as required by the agreements. In November 1997, the complaint was amended to include the partnerships.

The partnerships filed for bankruptcy under Chapter XI of the U.S. Bankruptcy Code in May 1997. In November 1997, the partnerships entered into an agreement with the holders of more than 70% of the bonds. This agreement gives the holders of a majority of the principal amount of the bonds (the majority bondholders) the right to control, fund and manage any litigation against FPL and the right to settle with FPL on any terms such majority bondholders approve, provided that certain agreements with sugar processors are not affected and certain other conditions are met.

In January 1998, the partnerships (through the attorneys for the majority bondholders) filed an answer denying the allegations in FPL's complaint and asserting a counterclaim for approximately $2 billion of actual damages, consisting of all capacity payments that could have been made over the 30-year term of the power purchase agreements plus some security deposits. The partnerships also seek three times their actual damages for alleged violations of Florida antitrust laws by FPL, FPL Group and FPL Group Capital, plus attorneys' fees. In October 1998, the trial court dismissed all of the partnerships' antitrust claims against FPL, FPL Group and FPL Group Capital. The partnerships appealed the trial court's dismissal to the Fourth District Court of Appeal which affirmed the trial court's decision as to FPL Group and FPL Group Capital and dismissed as premature the partnerships' appeal of the trial court's decision as to FPL. In June 1999, the partnerships' motion for summary judgment was denied; they have appealed.

In July 1990, FPL entered into an amended and restated agreement (the contract) with a qualifying facility (as defined by PURPA) located in Duval County, Florida. Construction of the facility, which is owned by Cedar Bay Generating Company, L.P. (Cedar Bay), was financed in part by loans from institutional investors, including Paribas.

The contract provides FPL with the right to dispatch the Cedar Bay facility "in any manner it deems appropriate." Despite this contractual right, Cedar Bay initiated an action in 1997 in the Circuit Court for Duval County, Florida, challenging, among other things, the manner in which the facility had been dispatched by FPL. Although the court granted summary judgment to FPL with regard to Cedar Bay's claim that FPL's dispatch decisions violated the express terms of the contract, it permitted a jury to hear Cedar Bay's claim that such dispatch decisions violated an implied duty of good faith and fair dealing. The jury awarded Cedar Bay approximately $13 million on this claim. Thereafter, the court entered a declaration that FPL was, in the future, to dispatch the Cedar Bay facility in accordance with certain specified parameters. FPL expects to recover the amount of this judgment through the capacity clause.

FPL has appealed both the jury award and the court's declaration. In October 1999, after FPL filed its notice of appeal in the Cedar Bay action, Paribas, on behalf of itself and a group of other Cedar Bay lenders, filed an action against FPL in the

Circuit Court of Duval County. The suit alleges breach of contract, breach of an implied duty of good faith and fair dealing, fraud, tortious interference with contract and several other claims regarding the manner in which FPL has dispatched the Cedar Bay facility. It seeks unspecified damages and other relief.

FPL has moved to dismiss all counts of Paribas' complaint. If the jury award and court declaration in the Cedar Bay case is upheld fully on appeal, Paribas apparently believes that, they and the other lenders have no claims against FPL (or at least would have no damages arising therefrom), and has therefore moved to stay its own action pending resolution of the appeal in the Cedar Bay action.

In November 1999, the Attorney General of the United States, on behalf of the U.S. Environmental Protection Agency (EPA) brought an action in the U.S. District Court for the Northern District of Georgia against Georgia Power Company and other subsidiaries of The Southern Company for injunctive relief and the assessment of civil penalties for violations of the Prevention of Significant Deterioration (PSD) provisions and the New Source Performance Standards (NSPS) of the Clean Air Act. Among other things, the EPA alleges Georgia Power Company constructed and is continuing to operate Scherer Unit No. 4, in which FPL owns a 76% interest, without obtaining a PSD permit, without complying with NSPS requirements, and without applying best available control technology for nitrogen oxides, sulfur dioxides and particulate matter as required by the Clean Air Act. The suit seeks injunctive relief requiring the installation of such technology and civil penalties of up to $25,000 per day for each violation from August 7, 1977 through January 30, 1997, and $27,000 per day for each violation thereafter. Georgia Power has filed an answer to the complaint asserting that it has complied with all requirements of the Clean Air Act, denying the plaintiff's allegations of liability, denying that the plaintiff is entitled to any of the relief that it seeks and raising various other defenses.

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

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

None

PART II

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

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

	1999		1998	
Quarter	High	Low	High	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 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	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%. 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 12.1%, 12.6% and 12.3% in 1999, 1998 and 1997, respectively. See Note 1 - Revenues and Rates.

The decline in revenues from retail base operations during 1999 was to a large extent due to the negative impact of the agreement that reduced retail base revenues by approximately $300 million. A 2.8% decline in usage per retail customer mainly due to milder weather conditions than the prior year was almost entirely offset by an increase in the number of customer accounts. The number of customer accounts grew 2% to approximately 3.8 million in 1999.

The increase in retail base revenues in 1998 from 1997 reflects a 4.8% increase in usage per retail customer from warmer weather combined with a 1.8% increase in the number of customer accounts.

FPL's O&M expenses in 1999 benefited from continued cost control efforts. This was partially offset by higher overhaul costs at fossil plants. O&M expenses increased in 1998 as a result of additional costs associated with improving the service reliability of FPL's distribution system, partially offset by lower nuclear maintenance costs and conservation clause expenses. Conservation clause expenses are essentially a pass-through and do not affect net income.

Lower interest charges in 1999 and 1998 reflect lower average debt balances and the full amortization in 1998 of deferred costs associated with reacquired debt.

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. 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. See Note 1 - Regulation.

FPL Energy - FPL Energy's 1999 and 1998 operating results benefited from a 60% and 51% increase, respectively, in the generating capacity of FPL Energy's power plant portfolio. Operating results also benefited from improved results of a gas-fired power plant in the Mid-Atlantic region, mainly due to the financial restructuring of the project, renegotiation of fuel and power sales contracts, lower non-fuel O&M expenses and improved plant availability. The improvement in FPL Energy's 1999 operating results were partly offset by higher administrative expenses to accommodate future growth. The generating capacity growth since 1997 is primarily the result of the acquisition of the Maine assets (1,117 mw), natural gas projects (300 mw) in the Northeast region and several wind projects (291 mw) in the Central and West regions.

In 1999, FPL Energy's operating results include the effect of a $176 million ($104 million after-tax) impairment loss. See Note 9. FPL Energy's 1998 operating results reflect the cost of terminating an interest rate swap agreement, partly offset by the receipt of a settlement relating to a contract dispute.

Deregulation of the electric utility market presents both opportunities and risks for FPL Energy. Opportunities exist for the selective acquisition of generation assets that are being divested under deregulation plans and for the construction and operation of efficient plants that can sell power in competitive markets. Substantially all of the energy produced in 1999 by FPL Energy's independent power projects was sold through power sales agreements with utilities that expire in 2000-24. As competitive wholesale markets become more accessible to other generators, obtaining power sales agreements will become a progressively more competitive process. FPL Energy expects that as its existing power sales agreements expire, more of the energy produced will be sold through shorter-term contracts and into competitive wholesale markets.

Competitive wholesale markets in the United States continue to evolve and vary by geographic region. Revenues from electricity sales in these markets will vary based on the prices obtainable for energy, capacity and other ancillary services. Some of the factors affecting success in these markets include the ability to operate generating assets efficiently, the price and supply of fuel, transmission constraints, competition from new sources of generation, demand growth and exposure to legal and regulatory changes.

Corporate and Other - In 1999, net income for the corporate and other segment reflects a $149 million ($96 million after-tax) gain on the sale of an investment in Adelphia Communications Corporation common stock, a $108 million ($66 million after-tax) gain recorded by FPL Group Capital on the redemption of its one-third equity interest in a cable limited partnership, costs associated with closing a retail marketing business and the favorable resolution of a prior year state tax matter. In 1998, net income for the corporate and other segment reflects a loss from the sale of Turner Foods Corporation's assets, the cost of terminating an agreement designed to fix interest rates and adjustments relating to prior years' tax matters, including the resolution of an audit issue with the Internal Revenue Service.

Year 2000 - FPL Group did not experience any significant year 2000-related problems. The total cost of addressing year 2000 issues was approximately $37 million.

Liquidity and Capital Resources

FPL Group's capital requirements consist of expenditures to meet increased electricity usage and customer growth of FPL and investment opportunities at FPL Energy. In 1999, FPL Group's capital expenditures reflect FPL Energy's investment in generating assets in Maine and the cost of constructing a natural gas power plant in Texas, as well as FPL's power plant expansion activities. As of December 31, 1999, FPL Energy has made commitments totaling approximately $72 million, primarily in connection with the development of an independent power project. Capital expenditures of FPL for the 2000-02 period are expected to be approximately $3.1 billion, including $1.3 billion in 2000. FPL Group Capital and its subsidiaries have guaranteed approximately $680 million of purchased power agreement obligations, debt service payments and other payments subject to certain contingencies. See Note 12 - Commitments.

Debt maturities of FPL Group's subsidiaries will require cash outflows of approximately $595 million ($420 million for FPL) through 2004, including $125 million for FPL in 2000. It is anticipated that cash requirements for capital expenditures, energy-related investments and debt maturities in 2000 will be satisfied with internally generated funds and debt issuances. Any internally generated funds not required for capital expenditures and current maturities may be used to reduce outstanding debt or repurchase common stock, or for investment. Any temporary cash needs will be met by short-term bank borrowings. In 1999 FPL Group Capital redeemed $125 million in debentures, which resulted in a loss on reacquired debt of approximately $8 million and issued $1.4 billion in debentures, primarily to finance FPL Energy's generating capacity growth. In 1999, FPL had $230 million in first mortgage bonds mature and issued $225 million in first mortgage bonds, primarily to redeem $216 million first mortgage bonds with a 2% higher interest rate. Bank lines of credit currently available to FPL Group and its subsidiaries aggregate $2.4 billion ($880 million for FPL).

During 1999, FPL Group repurchased 2.2 million shares of common stock under the 10 million share repurchase program. As of December 31, 1999, FPL Group is authorized to repurchase an additional 6.2 million shares under this program.

FPL self-insures for damage to certain transmission and distribution properties and maintains a funded storm reserve to reduce the financial impact of storm losses. The balance of the storm fund reserve at December 31, 1999 and 1998 was $216 million and $259 million, respectively. During 1999, storm fund reserves were reduced to recover the costs associated with three storms. Bank lines of credit of $300 million, included in the $880 million above, are also available if needed to provide cash for storm restoration costs. The FPSC has indicated that it would consider future storm losses in excess of the funded reserve for possible recovery from customers.

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

New Accounting Rule

In June 1998, the Financial Accounting Standards Board issued Financial Accounting Standards No. (FAS) 133, "Accounting for Derivative Instruments and Hedging Activities." The statement establishes accounting and reporting standards requiring that every derivative instrument (including certain derivative instruments embedded in other contracts) be recorded in the balance sheet as either an asset or liability measured at its fair value. The statement requires that changes in the derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. FPL Group and FPL are currently assessing the effect, if any, on their financial statements of implementing FAS 133. FPL Group and FPL will be required to adopt FAS 133 beginning in 2001.

Market Risk Sensitivity

Substantially all financial instruments and positions held by FPL Group and FPL described below are held for purposes other than trading.

Interest rate risk - The special use funds of FPL include restricted funds set aside to cover the cost of storm damage and for the decommissioning of FPL's nuclear power plants. A portion of these funds is invested in fixed income debt securities carried at their market value of approximately $847 million and $650 million at December 31, 1999 and 1998, respectively. Adjustments to market value result in a corresponding adjustment to the related liability accounts based on current regulatory treatment. Because the funds set aside for storm damage could be needed at any time, the related investments are generally more liquid and, therefore, are less sensitive to changes in interest rates. The nuclear decommissioning funds, in contrast, are generally invested in longer-term securities, as decommissioning activities are not expected to begin until at least 2012. At December 31, 1999 and 1998, other investments of FPL Group include $291 million and $72 million, respectively, of investments that are carried at estimated fair value or cost, which approximates fair value.

The following are estimates of the fair value of FPL's and FPL Group's long-term debt:

	1999		1998	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(millions)			
Long-term debt of FPL (a)	$2,204	$2,123(b)	$2,421	$2,505(b)
Long-term debt of FPL Group (a)	$3,603	$3,518(b)	$2,706	$2,797(b)

(a) Includes current maturities.
(b) Based on quoted market prices for these or similar issues.

Market risk associated with all of these securities is estimated as the potential gain in fair value of net liabilities resulting from a hypothetical 10% increase in interest rates and amounts to $97 million and $68 million for FPL Group and $39 million and $60 million for FPL at December 31, 1999 and 1998, respectively.

Equity price risk - Included in the special use funds of FPL are marketable equity securities carried at their market value of approximately $573 million and $556 million at December 31, 1999 and 1998, respectively. A hypothetical 10% decrease in the prices quoted by stock exchanges would result in a $56 million reduction in fair value and corresponding adjustment to the related liability accounts based on current regulatory treatment at both December 31, 1999 and 1998.

Other risks - Under current cost-based regulation, FPL's cost of fuel is recovered through the fuel clause, with no effect on earnings. FPL's Energy Marketing & Trading Division buys and sells wholesale energy commodities, such as natural gas, oil and electric power. The division procures natural gas and oil for FPL's and FPL Energy's use in power generation and sells excess electric power. Substantially all of the result of the FPL activities are passed through to customers in the fuel or capacity clauses. FPL Energy's results of these activities are recognized in income by FPL Energy. The level of activity is expected to grow as FPL and FPL Energy seek to manage the risk associated with fluctuating commodity prices and increase the value of their power generation assets. At December 31, 1999, there were no material open positions in these activities.

Item 7a. Quantitative and Qualitative Disclosures About Market Risk

See Management's Discussion - Market Risk Sensitivity

Item 8. Financial Statements and Supplementary Data

INDEPENDENT AUDITORS' REPORT

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

We have audited the consolidated financial statements of FPL Group, Inc. and of Florida Power & Light Company, listed in the accompanying index at Item 14(a)1 of this Annual Report (Form 10-K) to the Securities and Exchange Commission for the year ended December 31, 1999. These financial statements are the responsibility of the respective company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of FPL Group, Inc. and Florida Power & Light Company at December 31, 1999 and 1998, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1999 in conformity with generally accepted accounting principles.

DELOITTE & TOUCHE LLP
Certified Public Accountants

Miami, Florida
February 11, 2000

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

	Years Ended December 31,		
	1999	1998	1997
OPERATING REVENUES	$6,438	$6,661	$6,369
OPERATING EXPENSES:			
Fuel, purchased power and interchange	2,365	2,244	2,255
Other operations and maintenance	1,322	1,284	1,231
Depreciation and amortization	1,040	1,284	1,061
Impairment loss on Maine assets	176	-	-
Taxes other than income taxes	615	597	594
Total operating expenses	5,518	5,409	5,141
OPERATING INCOME	920	1,252	1,228
OTHER INCOME (DEDUCTIONS):			
Interest charges	(222)	(322)	(291)
Preferred stock dividends - FPL	(15)	(15)	(19)
Divestiture of cable investments	257	-	-
Other - net	80	28	4
Total other income (deductions) - net	100	(309)	(306)
INCOME BEFORE INCOME TAXES	1,020	943	922
INCOME TAXES	323	279	304
NET INCOME	$ 697	$ 664	$ 618
Earnings per share of common stock (basic and assuming dilution)	$4.07	$3.85	$3.57
Dividends per share of common stock	$2.08	$2.00	$1.92
Average number of common shares outstanding	171	173	173

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

FPL GROUP, INC.
CONSOLIDATED BALANCE SHEETS
(millions)

	December 31, 1999	December 31, 1998
PROPERTY, PLANT AND EQUIPMENT:		
Electric utility plant in service and other property	$18,474	$17,592
Nuclear fuel under capital lease - net	157	146
Construction work in progress	923	214
Less accumulated depreciation and amortization	(10,290)	(9,397)
Total property, plant and equipment - net	9,264	8,555
CURRENT ASSETS:		
Cash and cash equivalents	361	187
Customer receivables, net of allowances of $7 and $8	482	559
Materials, supplies and fossil fuel inventory - at average cost	343	282
Deferred clause expenses	54	82
Other	133	156
Total current assets	1,373	1,266
OTHER ASSETS:		
Special use funds of FPL	1,352	1,206
Other investments	611	391
Other	841	611
Total other assets	2,804	2,208
TOTAL ASSETS	$13,441	$12,029
CAPITALIZATION:		
Common shareholders' equity	$ 5,370	$ 5,126
Preferred stock of FPL without sinking fund requirements	226	226
Long-term debt	3,478	2,347
Total capitalization	9,074	7,699
CURRENT LIABILITIES:		
Short-term debt	339	110
Current maturities of long-term debt	125	359
Accounts payable	407	338
Customers' deposits	284	282
Accrued interest and taxes	182	191
Deferred clause revenues	116	89
Other	417	272
Total current liabilities	1,870	1,641
OTHER LIABILITIES AND DEFERRED CREDITS:		
Accumulated deferred income taxes	1,079	1,255
Deferred regulatory credit - income taxes	126	148
Unamortized investment tax credits	184	205
Storm and property insurance reserve	216	259
Other	892	822
Total other liabilities and deferred credits	2,497	2,689
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$13,441	$12,029

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

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

	Years Ended December 31, 1999	1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 697	$ 664	$ 618
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	1,040	1,284	1,061
Decrease in deferred income taxes and related regulatory credit	(198)	(237)	(30)
Other - net	24	32	(52)
Net cash provided by operating activities	1,563	1,743	1,597
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures of FPL	(861)	(617)	(551)
Independent power investments	(1,540)	(521)	(291)
Distributions and loan repayments from partnerships and joint ventures	132	304	53
Proceeds from the sale of assets	198	135	43
Other - net	(101)	(96)	(51)
Net cash used in investing activities	(2,172)	(795)	(797)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Issuance of long-term debt	1,609	343	42
Retirement of long-term debt	(584)	(727)	(717)
Increase (decrease) in short-term debt	229	(24)	113
Repurchase of common stock	(116)	(62)	(48)
Dividends on common stock	(355)	(345)	(332)
Net cash provided by (used in) financing activities	783	(815)	(942)
Net increase (decrease) in cash and cash equivalents	174	133	(142)
Cash and cash equivalents at beginning of year	187	54	196
Cash and cash equivalents at end of year	$ 361	$ 187	$ 54
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:			
Cash paid for interest	$ 221	$ 308	$ 287
Cash paid for income taxes	$ 573	$ 463	$ 434
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:			
Additions to capital lease obligations	$ 86	$ 34	$ 81
Debt assumed for property additions	$ -	$ -	$ 420

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

FPL GROUP, INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(millions)

	Common Stock (a) Shares	Aggregate Par Value	Additional Paid-In Capital	Unearned Compensation	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Common Shareholders' Equity
Balances, December 31, 1996	183	$2	$3,345	$(272)	$ -	$1,518	
Net income	-	-	-	-	-	618	
Repurchase of common stock ...	(1)	-	(48)	-	-	-	
Dividends on common stock	-	-	-	-	-	(332)	
Earned compensation under ESOP	-	-	6	8	-	-	
Other comprehensive income ...	-	-	-	-	1	-	
Other	-	-	(1)	-	-	-	
Balances, December 31, 1997.....	182(b)	2	3,302	(264)	1	1,804	
Net income	-	-	-	-	-	664	
Repurchase of common stock ...	(1)	-	(62)	-	-	-	
Dividends on common stock	-	-	-	-	-	(345)	
Earned compensation under ESOP	-	-	13	12	-	-	
Other comprehensive income ...	-	-	-	-	-	-	
Other	-	-	(1)	-	-	-	
Balances, December 31, 1998	181(b)	2	3,252	(252)	1	2,123	$5,126
Net income	-	-	-	-	-	697	
Repurchase of common stock ...	(2)	-	(116)	-	-	-	
Dividends on common stock	-	-	-	-	-	(355)	
Earned compensation under ESOP	-	-	12	14	-	-	
Other comprehensive loss	-	-	-	-	(2)	-	
Other	-	-	-	(6)	-	-	
Balances, December 31, 1999	179(b)	$2	$3,148	$(244)	$(1)	$2,465	$5,370

(a) $0.01 par value, authorized - 300,000,000 shares; outstanding 178,554,735 and 180,712,435 at December 31, 1999 and 1998, respectively.

(b) Outstanding and unallocated shares held by the Employee Stock Ownership Plan Trust totaled 8 million, 9 million and 9 million at December 31, 1999, 1998 and 1997, respectively.

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

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

	Years Ended December 31,		
	1999	1998	1997
OPERATING REVENUES	$6,057	$6,366	$6,132
OPERATING EXPENSES:			
Fuel, purchased power and interchange	2,232	2,175	2,196
Other operations and maintenance	1,158	1,163	1,132
Depreciation and amortization	989	1,249	1,034
Income taxes	327	356	329
Taxes other than income taxes	605	596	592
Total operating expenses	5,311	5,539	5,283
OPERATING INCOME	746	827	849
OTHER INCOME (DEDUCTIONS):			
Interest charges	(163)	(196)	(227)
Other - net	8	-	5
Total other deductions - net	(155)	(196)	(222)
NET INCOME	591	631	627
PREFERRED STOCK DIVIDENDS	15	15	19
NET INCOME AVAILABLE TO FPL GROUP, INC.	$ 576	$ 616	$ 608

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

FLORIDA POWER & LIGHT COMPANY
CONSOLIDATED BALANCE SHEETS
(millions)

	December 31, 1999	December 31, 1998
ELECTRIC UTILITY PLANT:		
Plant in service	$17,556	$17,159
Less accumulated depreciation	(10,184)	(9,317)
Net	7,372	7,842
Nuclear fuel under capital lease - net	157	146
Construction work in progress	449	159
Electric utility plant - net	7,978	8,147
CURRENT ASSETS:		
Cash and cash equivalents	-	152
Customer receivables, net of allowances of $7 and $8	433	521
Materials, supplies and fossil fuel inventory - at average cost	299	239
Deferred clause expenses	54	82
Other	107	122
Total current assets	893	1,116
OTHER ASSETS:		
Special use funds	1,352	1,206
Other	385	279
Total other assets	1,737	1,485
TOTAL ASSETS	$10,608	$10,748
CAPITALIZATION:		
Common shareholder's equity	$ 4,793	$ 4,803
Preferred stock without sinking fund requirements	226	226
Long-term debt	2,079	2,191
Total capitalization	7,098	7,220
CURRENT LIABILITIES:		
Commercial paper	94	-
Current maturities of long-term debt	125	230
Accounts payable	379	321
Customers' deposits	284	282
Accrued interest and taxes	137	198
Deferred clause revenues	116	89
Other	298	231
Total current liabilities	1,433	1,351
OTHER LIABILITIES AND DEFERRED CREDITS:		
Accumulated deferred income taxes	802	887
Deferred regulatory credit - income taxes	126	148
Unamortized investment tax credits	184	205
Storm and property insurance reserve	216	259
Other	749	678
Total other liabilities and deferred credits	2,077	2,177
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$10,608	$10,748

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

FLORIDA POWER & LIGHT COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(millions)

	Years Ended December 31,		
	1999	1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 591	$ 631	$ 627
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	989	1,249	1,034
Decrease in deferred income taxes and related regulatory credit	(105)	(202)	(98)
Other - net	24	40	(60)
Net cash provided by operating activities	1,499	1,718	1,503
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures	(861)	(617)	(551)
Other - net	(52)	(80)	(83)
Net cash used in investing activities	(913)	(697)	(634)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Issuance of long-term debt	224	197	-
Retirement of long-term debt	(455)	(389)	(505)
Increase (decrease) in commercial paper	94	(40)	40
Capital contributions from FPL Group, Inc.	-	-	140
Dividends	(601)	(640)	(619)
Net cash used in financing activities	(738)	(872)	(944)
Net increase (decrease) in cash and cash equivalents	(152)	149	(75)
Cash and cash equivalents at beginning of year	152	3	78
Cash and cash equivalents at end of year	$ -	$ 152	$ 3
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:			
Cash paid for interest	$ 171	$ 181	$ 216
Cash paid for income taxes	$ 503	$ 510	$ 575
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:			
Additions to capital lease obligations	$ 86	$ 34	$ 81

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

FLORIDA POWER & LIGHT COMPANY
CONSOLIDATED STATEMENTS OF SHAREHOLDER'S EQUITY
(millions)

	Common Stock (a)	Additional Paid-In Capital	Retained Earnings	Common Shareholder's Equity
Balances, December 31, 1996	$1,373	$2,424	$871	
Contributions from FPL Group, Inc.	-	140	-	
Net income available to FPL Group, Inc.	-	-	608	
Dividends to FPL Group, Inc.	-	-	(601)	
Other	-	2	(3)	
Balances, December 31, 1997	1,373	2,566	875	
Net income available to FPL Group, Inc.	-	-	616	
Dividends to FPL Group, Inc.	-	-	(626)	
Other	-	-	(1)	
Balances, December 31, 1998	1,373	2,566	864	$4,803
Net income available to FPL Group, Inc.	-	-	576	
Dividends to FPL Group, Inc.	-	-	(586)	
Balances, December 31, 1999	$1,373	$2,566	$ 854	$4,793

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

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

1. Summary of Significant Accounting and Reporting Policies

Basis of Presentation - FPL Group, Inc.'s (FPL Group) operations are conducted primarily through Florida Power & Light Company (FPL) and FPL Energy, LLC (FPL Energy), formerly FPL Energy, Inc. FPL, a rate-regulated public utility, supplies electric service to approximately 3.8 million customers throughout most of the east and lower west coasts of Florida. FPL Energy invests in independent power projects through both controlled and consolidated entities and non-controlling ownership interests in joint ventures accounted for under the equity method.

The consolidated financial statements of FPL Group and FPL include the accounts of their respective majority-owned and controlled subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation. Certain amounts included in prior years' consolidated financial statements have been reclassified to conform to the current year's presentation. The preparation of financial statements requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Regulation - FPL is subject to regulation by the Florida Public Service Commission (FPSC) and the Federal Energy Regulatory Commission (FERC). Its rates are designed to recover the cost of providing electric service to its customers including a reasonable rate of return on invested capital. As a result of this cost-based regulation, FPL follows the accounting practices set forth in Statement of Financial Accounting Standards No. (FAS) 71, "Accounting for the Effects of Certain Types of Regulation." FAS 71 indicates that regulators can create assets and impose liabilities that would not be recorded by unregulated entities. Regulatory assets and liabilities represent probable future revenues that will be recovered from or refunded to customers through the ratemaking process. The continued applicability of FAS 71 is assessed at each reporting period.

In the event that FPL's generating operations are no longer subject to the provisions of FAS 71, portions of the existing regulatory assets and liabilities that relate to generation would be written off unless regulators specify an alternative means of recovery or refund. The principal regulatory assets and liabilities are as follows:

	December 31,	
	1999	1998
	(millions)	
Assets (included in other assets):		
Unamortized debt reacquisition costs	$ 12	$ -
Deferred Department of Energy assessment	$ 39	$ 44
Liabilities:		
Deferred regulatory credit - income taxes	$126	$148
Unamortized investment tax credits	$184	$205
Storm and property insurance reserve (see Note 12 - Insurance)	$216	$259

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

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.

In December 1999, the FERC issued its final order on regional transmission organizations or RTOs. RTOs, under a variety of structures, provide for the independent operation of transmission systems for a given geographic area. The final order establishes guidelines for public utilities to use in considering and/or developing plans to initiate operations of RTOs. The order requires all public utilities to file with the FERC by October 15, 2000, a proposal for an RTO with certain minimum characteristics and functions to be operational by December 15, 2001, or alternatively, a description of efforts to participate in an RTO, any existing obstacles to RTO participation and any plans to work toward RTO participation. FPL is evaluating various alternatives for compliance with the order.

Revenues and Rates - FPL's retail and wholesale utility rate schedules are approved by the FPSC and the FERC, respectively. FPL records unbilled base revenues for the estimated amount of energy delivered to customers but not yet billed. Unbilled base revenues are included in customer receivables and amounted to $130 million and $152 million at December 31, 1999 and 1998, respectively. Substantially all of the energy produced by FPL Energy's independent power projects is sold through long-term power sales agreements with utilities and revenue is recorded on an as-billed basis.

In 1999, the FPSC approved a three-year agreement among FPL, the State of Florida Office of Public Counsel (Public Counsel), The Florida Industrial Power Users Group (FIPUG) and The Coalition for Equitable Rates (Coalition) regarding FPL's retail base rates, authorized regulatory return on common 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 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

In addition, the agreement 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.

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, 1999, the generating, transmission, distribution and general facilities of FPL represented approximately 45%, 13%, 35% and 7%, 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. For substantially all of FPL's property, depreciation and fossil fuel plant dismantlement 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. Fossil fuel plant dismantlement studies were filed in September 1998 and were effective January 1, 1999. The weighted annual composite depreciation rate for FPL's electric plant in service was approximately 4.3% for 1999, 4.4% for 1998 and 4.3% for 1997, 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 approximately $70 million of special depreciation in 1999. 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 and 1997 for nuclear assets. FPL also recorded under this program variable amortization based on the actual level of retail base revenues compared to a fixed amount. The variable amounts recorded in 1999, 1998 and 1997 were $54 million, $348 million and $169 million, respectively. The 1998 and 1997 variable amounts include, as depreciation and amortization expense, $161 million and $169 million, respectively, 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 and $22 million, in 1998 and 1997, respectively. 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 $83 million, $83 million and $85 million in 1999, 1998 and 1997, respectively. Included in this expense was an interest component of $8 million, $9 million and $9 million in 1999, 1998 and 1997, 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 and purchased power cost recovery clause (fuel clause). Under certain circumstances of lease termination, FPL is required to purchase all nuclear fuel in whatever form at a purchase price designed to allow the lessor to recover its net investment cost in the fuel, which totaled $157 million at December 31, 1999. For ratemaking, these leases are classified as operating leases. For financial reporting, the capital lease obligation is recorded at the amount due in the event of lease termination.

Decommissioning and Dismantlement of Generating Plant - FPL accrues nuclear decommissioning costs over the expected service life of each unit. Nuclear decommissioning studies are performed at least every five years and are submitted to the FPSC for approval. In October 1998, FPL filed updated nuclear decommissioning studies with the FPSC. These studies assume prompt dismantlement for the Turkey Point Units Nos. 3 and 4 with decommissioning activities commencing in 2012 and 2013, respectively. Current plans call for St Lucie Unit No. 1 to be mothballed beginning in 2016 with decommissioning activities to be integrated with the prompt dismantlement of St. Lucie Unit No. 2 beginning in 2023. These studies also assume that FPL will be storing spent fuel on site pending removal to a U.S. Government facility. The studies, which are pending FPSC approval, indicate FPL's portion of the ultimate costs of decommissioning its four nuclear units, including costs associated with spent fuel storage, to be $7.3 billion. Decommissioning expense accruals included in depreciation and amortization expense, were $85 million in each of the years 1999, 1998 and 1997. FPL's portion of the ultimate cost of decommissioning its four units, expressed in 1999 dollars, is currently estimated to aggregate $1.7 billion. At December 31, 1999 and 1998, the accumulated provision for nuclear decommissioning totaled approximately $1.4 billion and $1.2 billion, respectively, and is included in accumulated depreciation. See Electric Plant, Depreciation and Amortization.

Similarly, FPL accrues the cost of dismantling its fossil fuel plants over the expected service life of each unit. Fossil dismantlement expense was $17 million in each of the years 1999, 1998 and 1997, and is included in depreciation and amortization expense. FPL's portion of the ultimate cost to dismantle its fossil units is $482 million. At December 31, 1999 and 1998, the accumulated provision for fossil dismantlement totaled $232 million and $185 million, respectively, and is included in accumulated depreciation. The dismantlement studies filed in 1998 indicated an estimated reserve deficiency of $38 million, which was recovered through the special amortization program. See Electric Plant, Depreciation and Amortization.

Restricted trust funds for the payment of future expenditures to decommission FPL's nuclear units are included in special use funds of FPL. Securities held in the decommissioning fund are carried at market value with market adjustments resulting in a corresponding adjustment to the accumulated provision for nuclear decommissioning. See Note 3 - Special Use Funds. Contributions to the funds are based on current period decommissioning expense. Additionally, fund earnings, net of taxes are reinvested in the funds. The tax effects of amounts not yet recognized for tax purposes are included in accumulated deferred income taxes.

Accrual for Major Maintenance Costs - Consistent with regulatory treatment, FPL's estimated nuclear maintenance costs for each nuclear unit's next planned outage are accrued over the period from the end of the last outage to the end of the next planned outage. The accrual for nuclear maintenance costs at December 31, 1999 and 1998 totaled $42 million and $31 million, respectively. Any difference between the estimated and actual costs are included in O&M expenses when known.

FPL Energy's estimated major maintenance costs for each unit's next planned outage are accrued over the period from the end of the last outage to the end of the next planned outage. The accrual for FPL Energy's major maintenance costs at December 31, 1999 and 1998 totaled $33 million and $2 million, respectively. Any difference between the estimated and actual costs are included in O&M expenses when known.

Construction Activity - In accordance with an FPSC rule, FPL is not permitted to capitalize interest or a return on common equity during construction, except for projects that cost in excess of 1/2% of the plant in service balance and will require more than one year to complete. The FPSC allows construction projects below that threshold as an element of rate base. FPL Group's unregulated operations capitalize interest on construction projects.

Storm and Property Insurance Reserve Fund (storm fund) - The storm fund provides coverage toward storm damage costs and possible retrospective premium assessments stemming from a nuclear incident under the various insurance programs covering FPL's nuclear generating plants. Securities held in the fund are carried at market value with market adjustments resulting in a corresponding adjustment to the storm and property insurance reserve. See Note 3 - Special Use Funds and Note 12 - Insurance. Fund earnings, net of taxes, are reinvested in the fund. The tax effects of amounts not yet recognized for tax purposes are included in accumulated deferred income taxes.

Other Investments - Included in other investments in FPL Group's consolidated balance sheets is FPL Group's participation in leveraged leases of $154 million at both December 31, 1999 and 1998. Additionally, other investments include notes receivable and non-controlling non-majority owned interests in partnerships and joint ventures, essentially all of which are accounted for under the equity method. See Note 3.

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

Retirement of Long-Term Debt - The excess of FPL's reacquisition cost over the book value of long-term debt is deferred and amortized to expense ratably over the remaining life of the original issue, which is consistent with its treatment in the ratemaking process. Through this amortization and amounts recorded under the special amortization program, the remaining balance of this regulatory asset was fully amortized in 1998. Retirements of debt, after the special amortization program terminated on April 14, 1999, resulted in additional reacquisition costs. See Regulation. FPL Group Capital Inc (FPL Group Capital) expenses this cost in the period incurred.

Income Taxes - Deferred income taxes are provided on all significant temporary differences between the financial statement and tax bases of assets and liabilities. FPL is included in the consolidated federal income tax return filed by FPL Group. FPL determines its income tax provision on the "separate return method." The deferred regulatory credit - income taxes of FPL represents the revenue equivalent of the difference in accumulated deferred income taxes computed under FAS 109, "Accounting for Income Taxes," as compared to regulatory accounting rules. This amount is being amortized in accordance with the regulatory treatment over the estimated lives of the assets or liabilities which resulted in the initial recognition of the deferred tax amount. Investment tax credits (ITC) for FPL are deferred and amortized to income over the approximate lives of the related property in accordance with the regulatory treatment. The special amortization program included amortization of regulatory assets related to income taxes of $59 million in 1997.

Accounting for Derivative Instruments and Hedging Activities - In June 1998, the Financial Accounting Standards Board issued FAS 133, "Accounting for Derivative Instruments and Hedging Activities." The statement establishes accounting and reporting standards requiring that every derivative instrument (including certain derivative instruments embedded in other contracts) be recorded in the balance sheet as either an asset or liability measured at its fair value. The statement requires that changes in the derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. FPL Group and FPL are currently assessing the effect, if any, on their financial statements of implementing FAS 133. FPL Group and FPL will be required to adopt FAS 133 beginning in 2001.

2. 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 and fair value of assets over the two-year period ending September 30, 1999 and a statement of the funded status of both years:

	Pension Benefits		Other Benefits	
	1999	1998	1999	1998
	(millions)			
Change in benefit obligation:				
Obligation at October 1 of prior year	$1,173	$1,146	$ 345	$ 324
Service cost	46	45	6	5
Interest cost	71	75	21	21
Participant contributions	-	-	2	1
Plan amendments	-	8	-	-
Actuarial (gains) losses - net	(38)	34	(24)	10
Acquisitions	4	-	2	-
Benefit payments	(78)	(135)	(17)	(16)
Obligation at September 30	1,178	1,173	335	345
Change in plan assets:				
Fair value of plan assets at October 1 of prior year	2,329	2,287	115	125
Actual return on plan assets	310	184	12	7
Participant contributions	-	-	2	1
Benefit payments and expenses	(84)	(142)	(18)	(18)
Fair value of plan assets at September 30	2,555	2,329	111	115
Funded Status:				
Funded status at September 30	1,377	1,156	(224)	(230)
Unrecognized prior service cost	(89)	(100)	-	-
Unrecognized transition (asset) obligation	(117)	(140)	45	49
Unrecognized (gain) loss	(900)	(736)	7	34
Prepaid (accrued) benefit cost at FPL Group	$ 271	$ 180	$(172)	$ (147)
Prepaid (accrued) benefit cost at FPL	$ 263	$ 173	$(168)	$ (145)

The following table provides the components of net periodic benefit cost for the plans for the years ended December 31, 1999, 1998 and 1997:

	Pension Benefits			Other Benefits		
	1999	1998	1997	1999	1998	1997
	(millions)					
Service cost	$ 46	$ 45	$ 38	$ 6	$ 6	$ 6
Interest cost	71	75	76	21	21	21
Expected return on plan assets	(156)	(149)	(135)	(7)	(8)	(7)
Amortization of transition (asset) obligation	(23)	(23)	(23)	3	3	3
Amortization of prior service cost	(8)	(8)	1	-	-	-
Amortization of losses (gains)	(22)	(21)	(26)	1	1	-
Net periodic (benefit) cost	(92)	(81)	(69)	24	23	23
Effect of Maine acquisition	-	-	-	2	-	-
Effect of special retirement program	-	-	18	-	-	-
Net periodic (benefit) cost at FPL Group	$ (92)	$ (81)	$ (51)	$ 26	$ 23	$ 23
Net periodic (benefit) cost at FPL	$ (89)	$ (80)	$ (50)	$ 23	$ 23	$ 23

The weighted-average discount rate used in determining the benefit obligations was 6.5% and 6.0% for 1999 and 1998, 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.

Based on the current discount rates and current health care costs, the projected 2000 trend assumptions used to measure the expected cost of benefits covered by the plans are 6.2% and 5.6%, for persons prior to age 65 and over age 65, respectively. The rate is assumed to decrease over the next 3 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.

3. Financial Instruments

The carrying amounts of cash equivalents and short-term debt approximate their fair values. At December 31, 1999 and 1998, other investments of FPL Group include $291 million and $72 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,			
	1999		1998	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
	(millions)			
Long-term debt of FPL (a)	$2,204	$2,123(b)	$2,421	$2,505(b)
Long-term debt of FPL Group (a)	$3,603	$3,518(b)	$2,706	$2,797(b)

(a) Includes current maturities.
(b) Based on quoted market prices for these or similar issues.

Special Use Funds - The special use funds consist of storm fund assets totaling $131 million and $160 million, and decommissioning fund assets totaling $1.220 billion and $1.046 billion at December 31, 1999 and 1998, respectively. Securities held in the special use funds are carried at estimated fair value. 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 ten 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 $32 million and approximate realized losses of $22 million in 1999, $24 million and $4 million in 1998 and $3 million and $2 million in 1997, respectively. The funds had unrealized gains of approximately $286 million and $210 million at December 31, 1999 and 1998, respectively; the unrealized losses at those dates were approximately $17 million and $2 million. The proceeds from the sale of securities in 1999, 1998 and 1997 were approximately $2.7 billion, $1.2 billion and $800 million, respectively.

4. Common Stock

Common Stock Dividend Restrictions - FPL Group's charter does not limit the dividends that may be paid on its common stock. As a practical matter, the ability of FPL Group to pay dividends on its common stock is dependent upon dividends paid to it by its subsidiaries, primarily FPL. FPL's charter and a mortgage securing FPL's first mortgage bonds contain provisions that, under certain conditions, restrict the payment of dividends and other distributions to FPL Group. These restrictions do not currently limit FPL's ability to pay dividends to FPL Group. In 1999, 1998 and 1997, FPL paid, as dividends to FPL Group, its net income available to FPL Group on a one-month lag basis.

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

ESOP-related compensation expense of approximately $21 million in 1999 and $19 million in each of the years 1998 and 1997 was recognized based on the fair value of shares allocated to employee accounts during the period. Interest income on the ESOP loan is eliminated in consolidation. ESOP-related unearned compensation included as a reduction of shareholders' equity at December 31, 1999 was approximately $233 million, representing 8 million unallocated shares at the original issue price of $29 per share. The fair value of the ESOP-related unearned compensation account using the closing price of FPL Group stock as of December 31, 1999 was approximately $344 million.

Long-Term Incentive Plan - As of December 31, 1999, 9 million shares of common stock are reserved and available for awards to officers and employees of FPL Group and its subsidiaries under FPL Group's long-term incentive plan. Restricted stock is issued at market value at the date of grant, typically vests within four years and is subject to, among other things, restrictions on transferability. Performance share awards are typically payable at the end of a three- or four-year performance period and are subject to risk of forfeiture if the specified performance criteria is not met within the restriction period. The changes in share awards under the incentive plan are as follows:

	Restricted Stock	Performance Shares (a)	Options (a)
Balances, December 31, 1996	166,300	311,527	-
Granted	71,000(b)	212,011(c)	-
Paid/released	-	(70,008)	-
Forfeited	(17,750)	(10,942)	-
Balances, December 31, 1997	219,550	442,588	-
Granted	19,500(b)	178,518(c)	-
Paid/released	-	(80,920)	-
Forfeited	(22,250)	(29,566)	-
Balances, December 31, 1998	216,800	510,620	-
Granted	210,100(b)	294,662(c)	1,300,000(d)
Paid/released	-	(78,640)	-
Forfeited	(13,500)	(80,027)	(200,000)
Balances, December 31, 1999	413,400	646,615	1,100,000(e)

(a) Performance shares and options resulted in approximately 253,000, 128,000 and 132,000 assumed incremental shares of common stock outstanding for purposes of computing diluted earnings per share in 1999, 1998 and 1997, respectively. These incremental shares did not change basic earnings per share.

(b) The weighted-average grant date fair value of restricted stock granted in 1999, 1998 and 1997 was $53.21, $61.89 and $55.25, respectively.

(c) The weighted-average grant date fair value of performance shares granted in 1999, 1998 and 1997 was $61.19, $59.19 and $45.63, respectively.

(d) The weighted-average grant date fair value of options granted in 1999 was $51.59. The exercise price of each option granted in 1999 equaled the market price of FPL Group stock on the date of grant.

(e) Exercise prices for options outstanding as of December 31, 1999, ranged from $51.16 to $54.38 with a weighted-average exercise price of $51.59 and a weighted-average remaining contractual life of 8.6 years. As of December 31, 1999, there were no exercisable options. Of the options outstanding as of December 31, 1999, 225,000 vest in 2000, 475,000 in 2001, 200,000 in 2002 and 200,000 in 2003.

FAS 123, "Accounting for Stock-Based Compensation," encourages a fair value based method of accounting for stock-based compensation. FPL Group, however, uses the intrinsic value based method of accounting as permitted by the statement. Stock-based compensation expense was approximately $13 million, $10 million and $8 million in 1999, 1998 and 1997, respectively. Compensation expense for restricted stock and performance shares is the same under the fair value and the intrinsic value based methods. Had compensation expense for the options been determined as prescribed by the fair value based method, FPL Group's net income and earnings per share would have been $696 million and $4.06, respectively.

The fair value of the options granted in 1999 were estimated on the date of the grant using the Black-Scholes option-pricing model with a 3.81% weighted-average expected dividend yield, 17.88% weighted-average expected volatility, 5.46% weighted-average risk-free interest rate and a weighted-average expected term of 9.3 years.

Other - Each share of common stock has been granted a Preferred Share Purchase Right (Right), at a price of $120, subject to adjustment, in the event of certain attempted business combinations. The Rights will cause substantial dilution to a person or group attempting to acquire FPL Group on terms not approved by FPL Group's board of directors.

5. Preferred Stock

FPL Group's charter authorizes the issuance of 100 million shares of serial preferred stock, $0.01 par value. None of these shares is outstanding. FPL Group has reserved 3 million shares for issuance upon exercise of preferred share purchase rights which expire in June 2006. Preferred stock of FPL consists of the following: (a)

	December 31, 1999 Shares Outstanding	December 31, 1999 Redemption Price	December 31, 1999 (millions)	December 31, 1998 (millions)
Cumulative, $100 Par Value, without sinking fund requirements, authorized 15,822,500 shares:				
4 1/2% Series	100,000	$101.00	$ 10	$ 10
4 1/2% Series A	50,000	$101.00	5	5
4 1/2% Series B	50,000	$101.00	5	5
4 1/2% Series C	62,500	$103.00	6	6
4.32% Series D	50,000	$103.50	5	5
4.35% Series E	50,000	$102.00	5	5
6.98% Series S	750,000	$103.49(b)	75	75
7.05% Series T	500,000	$103.52(b)	50	50
6.75% Series U	650,000	$103.37(b)	65	65
Total preferred stock of FPL	2,262,500		$226	$226

(a) FPL's charter authorizes the issuance of 5 million shares of subordinated preferred stock, no par value. None of these shares is outstanding. There were no issuances or redemptions of preferred stock in 1999, 1998 and 1997.

(b) Not callable prior to 2003.

6. Debt

Long-term debt consists of the following:

	December 31, 1999 (millions)	December 31, 1998 (millions)
FPL:		
First mortgage bonds:		
Maturing through 2004 - 5 3/8% to 6 7/8%	$ 350	$ 580
Maturing 2008 through 2016 - 5 7/8% to 7 7/8%	650	641
Maturing 2023 through 2026 - 7% to 7 3/4%	516	516
Medium-term notes - maturing 2003 - 5.79%	70	70
Pollution control and industrial development series - maturing 2020 through 2027 - 6.7% to 7.5%	150	150
Pollution control, solid waste disposal and industrial development revenue bonds - maturing 2020 through 2029 - variable, 3.4% and 3.6% average annual interest rate, respectively	483	483
Unamortized discount - net	(15)	(19)
Total long-term debt of FPL	2,204	2,421
Less current maturities	125	230
Long-term debt of FPL, excluding current maturities	2,079	2,191
FPL Group Capital:		
Debentures:		
Maturing through 2004 - 6 7/8%	175	-
Maturing 2006 through 2013 - 7 3/8% to 7 5/8% (a)	1,225	125
Other long-term debt - 3.4% to 7.645% due various dates to 2018	5	162
Unamortized discount	(6)	(2)
Total long-term debt of FPL Group Capital	1,399	285
Less current maturities	-	129
Long-term debt of FPL Group Capital, excluding current maturities	1,399	156
Total long-term debt	$3,478	$2,347

(a) In December 1999, FPL Group Capital issued $400 million principal amount of 7 3/8% debentures, maturing in 2009.

Minimum annual maturities of long-term debt for FPL Group are approximately $125 million, $170 million and $300 million for 2000, 2003 and 2004, respectively. The amounts for FPL for the same periods are $125 million, $170 million and $125 million, respectively. FPL Group and FPL have no amounts due in 2001 and 2002.

Short-term debt at December 31, 1999 consists of commercial paper borrowings with a year end weighted-average interest rate of 5.60% for FPL Group (5.87% for FPL). Available lines of credit aggregated approximately $2.4 billion ($880 million for FPL) at December 31, 1999, all of which were based on firm commitments.

7. Income Taxes

The components of income taxes are as follows:

	FPL Group Years Ended December 31,			FPL Years Ended December 31,		
	1999	1998	1997	1999	1998	1997
	(millions)					
Federal:						
Current	$511	$467	$308	$383	$492	$377
Deferred	(196)	(215)	(34)	(88)	(169)	(83)
ITC and other - net	(29)	(27)	(22)	(21)	(24)	(22)
Total federal	286	225	252	274	299	272
State:						
Current	55	72	52	62	78	60
Deferred	(18)	(18)	-	(9)	(21)	(3)
Total state	37	54	52	53	57	57
Income taxes charged to operations - FPL				327	356	329
Credited to other income (deductions) - FPL				(3)	(7)	(8)
Total income taxes	$323	$279	$304	$324	$349	$321

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

	FPL Group Years Ended December 31,			FPL Years Ended December 31,		
	1999	1998	1997	1999	1998	1997
Statutory federal income tax rate	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
Increases (reductions) resulting from:						
State income taxes - net of federal income tax benefit	2.4	3.7	3.7	3.8	3.7	3.9
Amortization of ITC	(2.1)	(2.5)	(2.4)	(2.3)	(2.4)	(2.3)
Amortization of deferred regulatory credit - income taxes	(1.3)	(1.8)	(1.8)	(1.5)	(1.7)	(1.8)
Adjustments of prior years' tax matters	(2.7)	(6.3)(a)	(2.7)	(0.1)	0.1	(1.7)
Preferred stock dividends - FPL	0.5	0.5	0.7	-	-	-
Other - net	(0.2)	1.0	0.5	0.5	0.9	0.8
Effective income tax rate	31.6%	29.6%	33.0%	35.4%	35.6%	33.9%

(a) Includes the resolution of an audit issue with the Internal Revenue Service (IRS).

The income tax effects of temporary differences giving rise to consolidated deferred income tax liabilities and assets are as follows:

	FPL Group December 31,		FPL December 31,	
	1999	1998	1999	1998
	(millions)			
Deferred tax liabilities:				
Property-related	$1,377	$1,493	$1,377	$1,493
Investment-related	373	460	-	-
Other	312	255	168	140
Total deferred tax liabilities	2,062	2,208	1,545	1,633
Deferred tax assets and valuation allowance:				
Asset writedowns and capital loss carryforward	170	102	-	-
Unamortized ITC and deferred regulatory credit - income taxes	119	136	119	136
Storm and decommissioning reserves	245	258	245	258
Other	472	473	379	352
Valuation allowance	(23)	(16)	-	-
Net deferred tax assets	983	953	743	746
Accumulated deferred income taxes	$1,079	$1,255	$ 802	$ 887

The carryforward period for a capital loss from the disposition in a prior year of an FPL Group Capital subsidiary expired at the end of 1996. The amount of the deductible loss from this disposition was limited by IRS rules. FPL Group is challenging the IRS loss limitation and the IRS is disputing certain other positions taken by FPL Group. Tax benefits, if any, associated with these matters will be reported in future periods when resolved.

8. Jointly-Owned Electric Utility Plant

FPL owns approximately 85% of St. Lucie Unit No. 2, 20% of the St. Johns River Power Park units and coal terminal and approximately 76% of Scherer Unit No. 4. At December 31, 1999, FPL's gross investment in these units was $1.174 billion, $328 million and $571 million, respectively; accumulated depreciation was $710 million, $155 million and $266 million, respectively.

FPL is responsible for its share of the operating costs, as well as providing its own financing. At December 31, 1999, there was no significant balance of construction work in progress on these facilities. See Note 12 - Litigation.

9. Acquisition of Maine Assets

During the second quarter of 1999, FPL Energy completed the purchase of Central Maine Power Company's (CMP) non-nuclear generating assets, primarily fossil and hydro power plants, for $866 million. The purchase price was based on an agreement, subject to regulatory approvals, reached with CMP in January 1998. In October 1998, the FERC struck down transmission rules that had been in effect in New England since the 1970s. FPL Energy filed a lawsuit in November 1998 requesting a declaratory judgment that CMP could not meet the essential terms of the purchase agreement and, as a result, FPL Energy should not be required to complete the transaction. FPL Energy believed these FERC rulings regarding transmission constituted a material adverse effect under the purchase agreement because of the significant decline in the value of the assets caused by the rulings. The request for declaratory judgment was denied in March 1999 and the acquisition was completed on April 7, 1999. The acquisition was accounted for under the purchase method of accounting and the results of operating the Maine plants have been included in the consolidated financial statements since the acquisition date.

The FERC rulings regarding transmission, as well as the announcement of new entrants into the market and changes in fuel prices since January 1998, resulted in FPL Energy recording a $176 million pre-tax impairment loss to write-down the fossil assets to their fair value, which was determined based on a discounted cash flow analysis. The impairment loss reduced FPL Group's 1999 results of operations and earnings per share by $104 million and $0.61 per share, respectively.

Most of the remainder of the purchase price was allocated to the hydro operations. The hydro plants and related goodwill are being amortized on a straight-line basis over the 40-year term of the hydro plant operating licenses.

10. Divestiture of Cable Investments

In January 1999, an FPL Group Capital subsidiary sold 3.5 million common shares of Adelphia Communications Corporation (Adelphia) stock and in October 1999 had its one-third ownership interest in a cable limited partnership redeemed, resulting in after-tax gains of approximately $96 million and $66 million, respectively. Both investments had been accounted for on the equity method.

11. Settlement of Litigation

In October 1999, FPL and the Florida Municipal Power Agency (FMPA) entered into 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. FMPA agreed to dismiss the lawsuit with prejudice, and both parties agreed to exchange mutual releases. The settlement reduced FPL's 1999 net income by $42 million.

12. Commitments and Contingencies

Commitments - FPL has made commitments in connection with a portion of its projected capital expenditures. Capital expenditures for the construction or acquisition of additional facilities and equipment to meet customer demand are estimated to be approximately $3.1 billion for 2000 through 2002. Included in this three-year forecast are capital expenditures for 2000 of approximately $1.3 billion. As of December 31, 1999, FPL Energy has made commitments totaling approximately $72 million, primarily in connection with the development of an independent power project. FPL Group and its subsidiaries, other than FPL, have guaranteed approximately $680 million of purchased power agreement obligations, debt service payments and other payments subject to certain contingencies.

Insurance - Liability for accidents at nuclear power plants is governed by the Price-Anderson Act, which limits the liability of nuclear reactor owners to the amount of the insurance available from private sources and under an industry retrospective payment plan. In accordance with this Act, FPL maintains $200 million of private liability insurance, which is the maximum obtainable, and participates in a secondary financial protection system under which it is subject to retrospective assessments of up to $363 million per incident at any nuclear utility reactor in the United States, payable at a rate not to exceed $43 million per incident per year.

FPL participates in nuclear insurance mutual companies that provide $2.75 billion of limited insurance coverage for property damage, decontamination and premature decommissioning risks at its nuclear plants. The proceeds from such insurance, however, must first be used for reactor stabilization and site decontamination before they can be used for plant repair. FPL also participates in an insurance program that provides limited coverage for replacement power costs if a nuclear plant is out of service because of an accident. In the event of an accident at one of FPL's or another participating insured's nuclear plants, FPL could be assessed up to $50 million in retrospective premiums.

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

FPL self-insures the majority of its transmission and distribution (T&D) property due to the high cost and limited coverage available from third-party insurers. As approved by the FPSC, FPL maintains a funded storm and property insurance reserve, which totaled approximately $216 million at December 31, 1999, for T&D property storm damage or assessments under the nuclear insurance program. During 1999, storm fund reserves were reduced to recover the costs associated with three storms. Recovery from customers of any losses in excess of the storm and property insurance reserve will require the approval of the FPSC. FPL's available lines of credit include $300 million to provide additional liquidity in the event of a T&D property loss.

Contracts - FPL has entered into long-term purchased power and fuel contracts. Take-or-pay purchased power contracts with the Jacksonville Electric Authority (JEA) and with subsidiaries of The Southern Company (Southern Companies) provide approximately 1,300 megawatts (mw) of power through mid-2010 and 383 mw thereafter through 2021. FPL also has various firm pay-for-performance contracts to purchase approximately 900 mw from certain cogenerators and small power producers (qualifying facilities) with expiration dates ranging from 2002 through 2026. The purchased power contracts provide for capacity and energy payments. Energy payments are based on the actual power taken under these contracts. Capacity payments for the pay-for-performance contracts are subject to the qualifying facilities meeting certain contract conditions. FPL has long-term contracts for the transportation and supply of natural gas, coal and oil with various expiration dates through 2021. FPL Energy has long-term contracts for the transportation and storage of natural gas with expiration dates ranging from 2005 through 2017, and a 24-month contract commencing in mid-2000 for the supply of natural gas.

The required capacity and minimum payments through 2004 under these contracts are estimated to be as follows:

	2000	2001	2002 (millions)	2003	2004
FPL:					
Capacity payments:					
JEA and Southern Companies	$210	$210	$210	$200	$200
Qualifying facilities (a)	$370	$380	$400	$410	$425
Minimum payments, at projected prices:					
Natural gas, including transportation	$205	$235	$255	$255	$260
Coal	$ 50	$ 45	$ 45	$ 20	$ 10
Oil	$165	$165	$ 10	$ -	$ -
FPL Energy:					
Natural gas, including transportation and storage	$ 20	$ 20	$ 20	$ 15	$ 15

(a) Includes approximately $42 million, $44 million, $47 million, $49 million and $50 million, respectively, for capacity payments associated with two contracts that are currently in dispute. These capacity payments are subject to the outcome of the related litigation. See Litigation.

Charges under these contracts were as follows:

	1999 Charges		1998 Charges (millions)		1997 Charges	
	Capacity	Energy/ Fuel	Capacity	Energy/ Fuel	Capacity	Energy/ Fuel
FPL:						
JEA and Southern Companies	$186(a)	$132(b)	$192(a)	$138(b)	$201(a)	$153(b)
Qualifying facilities	$319(c)	$121(b)	$299(c)	$108(b)	$296(c)	$128(b)
Natural gas, including transportation	$ -	$373(b)	$ -	$280(b)	$ -	$413(b)
Coal	$ -	$ 43(b)	$ -	$ 50(b)	$ -	$ 52(b)
Oil	$ -	$115(b)	$ -	$ -	$ -	$ -
FPL Energy:						
Natural gas transportation and storage	$ -	$ 16	$ -	$ 18	$ -	$ 16

(a) Recovered through base rates and the capacity cost recovery clause (capacity clause).
(b) Recovered through the fuel and purchased power cost recovery clause.
(c) Recovered through the capacity clause.

Litigation - In 1997, FPL filed a complaint against the owners of two qualifying facilities (plant owners) seeking an order declaring that FPL's obligations under the power purchase agreements with the qualifying facilities were rendered of no force and effect because the power plants failed to accomplish commercial operation before January 1, 1997, as required by the agreements. In 1997, the plant owners filed for bankruptcy under Chapter XI of the U.S. Bankruptcy Code and entered into an agreement with the holders of more than 70% of the bonds that partially financed the construction of the plants. This agreement gives the holders of a majority of the principal amount of the bonds (the majority bondholders) the right to control, fund and manage any litigation against FPL and the right to settle with FPL on any terms such majority bondholders approve, provided that certain agreements are not affected and certain conditions are met. In 1998, the plant owners (through the attorneys for the majority bondholders) filed an answer denying the allegations in FPL's complaint and asserting counterclaims for approximately $2 billion, consisting of all capacity payments that could have been made over the 30-year term of the power purchase agreements and three times their actual damages for alleged violations of Florida antitrust laws by FPL, FPL Group and FPL Group Capital, plus attorneys' fees. The trial court dismissed all of the partnerships' antitrust claims. In 1999, the partnerships' motion for summary judgment was denied; they have appealed.

A contract with Cedar Bay Generating Company, L.P. (Cedar Bay), a qualifying facility, provides FPL with the right to dispatch the Cedar Bay facility "in any manner it deems appropriate." Despite this contractual right, Cedar Bay initiated an action in 1997 in the circuit court challenging, among other things, the manner in which the facility had been dispatched by FPL. Although the court granted summary judgment to FPL with regard to Cedar Bay's claim that FPL's dispatch decisions violated the express terms of the contract, it permitted a jury to hear Cedar Bay's claim that such dispatch decisions violated an implied duty of good faith and fair dealing. The jury awarded Cedar Bay approximately $13 million on this claim. Thereafter, the court entered a declaration that FPL was, in the future, to dispatch the Cedar Bay facility in accordance with certain specified parameters. FPL expects to recover the amount of this judgment through the capacity clause.

FPL has appealed both the jury award and the court's declaration. In 1999, after FPL filed its notice of appeal in the Cedar Bay action, a lender, on behalf of itself and a group of other Cedar Bay lenders, filed an action against FPL in the circuit court alleging breach of contract, breach of an implied duty of good faith and fair dealing, fraud, tortious interference with contract and several other claims regarding the manner in which FPL has dispatched the Cedar Bay facility. It seeks unspecified damages and other relief. FPL has moved to dismiss all counts of this complaint.

In 1999, the Attorney General of the United States, on behalf of the U.S. Environmental Protection Agency (EPA) brought an action against Georgia Power Company and other subsidiaries of The Southern Company for injunctive relief and the assessment of civil penalties for certain violations of the Clean Air Act. Among other things, the EPA alleges Georgia Power Company constructed and is continuing to operate Scherer Unit No. 4, in which FPL owns a 76% interest, without obtaining proper permitting, and without complying with performance and technology standards as required by the Clean Air Act. The suit seeks injunctive relief requiring the installation of such technology and civil penalties of up to $25,000 per day for each violation from August 7, 1977 through January 30, 1997, and $27,000 per day for each violation thereafter. Georgia Power has filed an answer to the complaint asserting that it has complied with all requirements of the Clean Air Act, denying the plaintiff's allegations of liability, denying that the plaintiff is entitled to any of the relief that it seeks and raising various other defenses.

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

13. Subsequent Event

FPL FiberNet, LLC (FPL FiberNet) was formed in January 2000 to enhance the value of FPL Group's fiber-optic network assets that were originally built to support FPL operations. FPL's existing fiber-optic net assets with a net book value of approximately $100 million were transferred to FPL FiberNet in January 2000. FPL FiberNet will sell wholesale fiber-optic network capacity to FPL and other new and existing customers, primarily telephone, cable television, internet and other telecommunications companies.

14. Segment Information

FPL Group's reportable segments include FPL, a regulated utility, and FPL Energy, an unregulated energy generating subsidiary. Corporate and other represents other business activities, other segments that are not separately reportable and eliminating entries. For all years presented approximately 98% of FPL Group's operating revenues were derived from the sale of electricity in the United States. As of December 31, 1999 and 1998, less than 1% of long-lived assets were located in foreign countries.

FPL Group's segment information is as follows:

	1999				1998				1997			
	FPL	(a) FPL Energy	Corp. and Other	Total	FPL	(a) FPL Energy	Corp. and Other	Total	FPL	(a) FPL Energy	Corp. and Other	Total
						(millions)						
Operating revenues	$ 6,057	$ 323	$ 58	$ 6,438	$ 6,366	$ 234	$ 61	$ 6,661	$ 6,132	$189	$ 48	$ 6,369
Interest expense ..	$ 164	$ 44	$ 14	$ 222	$ 196	$ 84	$ 42	$ 322	$ 227	$ 49	$ 15	$ 291
Depreciation and amortization	$ 989	$ 34	$ 17	$ 1,040	$ 1,249	$ 31	$ 4	$ 1,284	$ 1,034	$ 22	$ 5	$ 1,061
Equity in earnings of equity method investees	$ -	$ 50	$ -	$ 50	$ -	$ 39	$ -	$ 39	$ -	$ 12	$ 2	$ 14
Income tax expense (benefit)(b)	$ 324	$ (42)	$ 41	$ 323	$ 349	$ 24	$(94)	$ 279	$ 321	$ 5	$(22)	$ 304
Net income (loss)(c)	$ 576	$ (46)	$167	$ 697	$ 616	$ 32	$ 16	$ 664	$ 608	$ 9	$ 1	$ 618
Significant noncash items	$ 86	$ -	$ -	$ 86	$ 34	$ -	$ -	$ 34	$ 81	$420	$ -	$ 501
Capital expenditures and investments	$ 924	$1,540	$ 15	$ 2,479	$ 617	$ 313	$ 16	$ 946	$ 551	$291	$ -	$ 842
Total assets	$11,231	$2,212	$ (2)	$13,441	$10,748	$1,092	$189	$12,029	$11,172	$912	$365	$12,449
Investment in equity method investees	$ -	$ 166	$ -	$ 166	$ -	$ 165	$ -	$ 165	$ -	$ 74	$ 2	$ 76

(a) In 1999 and 1998, FPL Energy's interest expense was based on an assumed capital structure of 50% debt for operating projects and 100% debt for projects under construction. FPL Energy's 1998 interest expense also includes the cost of terminating an interest rate swap agreement. FPL Energy's 1997 interest expense was related to its outstanding debt, which exceeded the assumed capital structure.

(b) FPL Group allocates income taxes to FPL Energy on a "separate return method" as if it were a tax paying entity.

(c) The following nonrecurring items affected 1999 net income: FPL settled litigation (see Note 11); FPL Energy recorded an impairment loss (see Note 9); and Corporate and Other divested its cable investments (see Note 10).

15. Summarized Financial Information of FPL Group Capital

FPL Group Capital's debentures, when outstanding, are guaranteed by FPL Group and included in FPL Group's consolidated balance sheets. Summarized financial information of FPL Group Capital is as follows:

	1999	1998	1997
		(millions)	
Operating revenues	$380	$295	$237
Operating expenses	$533	$225	$186
Gain on divestiture of cable investments ..	$257	$ -	$ -
Net income	$138	$ 68	$ 27

	1999	1998
	(millions)	
Current assets	$ 640	$ 317
Noncurrent assets	$2,627	$1,445
Current liabilities	$ 414	$ 310
Noncurrent liabilities ..	$1,840	$ 703

16. Quarterly Data (Unaudited)

Condensed consolidated quarterly financial information for 1999 and 1998 is as follows:

	March 31 (a)	June 30 (a)	September 30 (a)	December 31 (a)
		(millions, except per share amounts)		
FPL Group:				
1999				
Operating revenues	$ 1,412	$ 1,614	$ 1,892	$ 1,520
Operating income	$ 208	$ 135(b)	$ 470	$ 107(c)
Net income	$ 209(d)	$ 77(b)	$ 291	$ 120(c)(e)
Earnings per share(f)	$ 1.22(d)	$ 0.45(b)	$ 1.70	$ 0.71(c)(e)
Dividends per share	$ 0.52	$ 0.52	$ 0.52	$ 0.52
High-low common stock sales prices	$61 15/16-50 1/8	$ 60 1/2-52 7/8	$56 11/16-49 1/8	$ 52 1/2-41 1/8
1998				
Operating revenues	$ 1,338	$ 1,692	$ 1,999	$ 1,632
Operating income	$ 218	$ 317	$ 528	$ 189
Net income	$ 108	$ 176	$ 287	$ 93(g)
Earnings per share(f)	$ 0.63	$ 1.02	$ 1.66	$ 0.54(g)
Dividends per share	$ 0.50	$ 0.50	$ 0.50	$ 0.50
High-low common stock sales prices	$65 3/16-56 1/16	$65 5/8-58 11/16	$ 70-59 11/16	$ 72 9/16-60 1/2
FPL:				
1999				
Operating revenues	$ 1,359	$ 1,511	$ 1,769	$ 1,418
Operating income	$ 150	$ 207	$ 303	$ 86(c)
Net income	$ 108	$ 167	$ 268	$ 48(c)
Net income available to FPL Group	$ 104	$ 163	$ 264	$ 45(c)
1998				
Operating revenues	$ 1,295	$ 1,634	$ 1,878	$ 1,559
Operating income	$ 159	$ 216	$ 314	$ 138
Net income	$ 107	$ 167	$ 267	$ 90
Net income available to FPL Group	$ 103	$ 163	$ 263	$ 87

(a) In the opinion of FPL Group and FPL, all adjustments, which consist of normal recurring accruals necessary to present a fair statement of the amounts shown for such periods, have been made. Results of operations for an interim period may not give a true indication of results for the year.
(b) Includes impairment loss on Maine assets.
(c) Includes the settlement of litigation between FPL and FMPA.
(d) Includes gain on the sale of an investment in Adelphia common stock.
(e) Includes gain on the redemption of a one-third ownership interest in a cable limited partnership.
(f) Basic and assuming dilution. The sum of the quarterly amounts may not equal the total for the year due to rounding.
(g) Includes a loss on the sale of Turner Foods Corporation and the cost of terminating an agreement designed to fix interest rates, partly offset by the favorable resolution of an audit issue with the IRS.

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

None

PART III

Item 10. Directors and Executive Officers of the Registrants

FPL Group - The information required by this Item will be included in FPL Group's Proxy Statement which will be filed with the Securities and Exchange Commission in connection with the 2000 Annual Meeting of Shareholders (FPL Group's Proxy Statement) and is incorporated herein by reference, or is included in Item I. Business - Executive Officers of the Registrants.

FPL DIRECTORS(a)

James L. Broadhead. Mr. Broadhead, 64, is chairman and chief executive officer of FPL and FPL Group. He is a director of Delta Air Lines, Inc., New York Life Insurance Company and The Pittston Company, and a trustee of Cornell University. Mr. Broadhead has been a director of FPL and FPL Group since 1989.

Dennis P. Coyle. Mr. Coyle, 61, 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, 58, is the 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.

Lewis Hay, III. Mr. Hay, 44, is senior vice president, finance and chief financial officer of FPL and vice president, finance and chief financial officer of FPL Group. Mr. Hay has been a director of FPL since 1999.

Lawrence J. Kelleher. Mr. Kelleher, 52, is senior vice president, human resources of FPL and vice president, human resources of FPL Group. Mr. Kelleher has been a director of FPL since 1990.

Armando J. Olivera. Mr. Olivera, 50, is senior vice president, power systems of FPL. Mr. Olivera has been a director of FPL since 1999.

Thomas F. Plunkett. Mr. Plunkett, 60, is president of FPL's nuclear division. Mr. Plunkett has been a director of FPL since 1996.

Antonio Rodriguez. Mr. Rodriguez, 57, is senior vice president, power generation 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, 1999.

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 Chairman of the Board and Chief Executive Officer of FPL and FPL Group	1999	$943,000	$895,850	$18,809	$2,412,005	250,000	$1,083,272	$12,658
	1998	847,875	937,125	9,809	-	-	1,788,731	12,009
	1997	846,000	824,850	9,813	-	-	1,402,140	11,286
Paul J. Evanson 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
	1997	564,300	423,200	2,646	-	-	306,741	15,233
Dennis P. Coyle General Counsel and Secretary of FPL and FPL Group	1999	399,832	259,891	7,964	964,802	100,000	236,783	10,259
	1998	357,000	257,040	595	-	-	368,079	9,737
	1997	353,628	198,904	3,600	-	-	310,021	10,653
Thomas F. Plunkett President, Nuclear Division of FPL	1999	340,000	219,100	10,088	255,780	100,000	179,564	10,146
	1998	302,500	177,900	3,482	-	-	103,481	10,344
	1997	275,000	123,200	3,482	-	-	82,128	11,899
Lawrence J. Kelleher Senior Vice President, Human Resources of FPL and Vice President, Human Resources of FPL Group	1999	306,475	220,662	10,213	964,802	100,000	177,346	10,661
	1998	267,750	194,119	3,108	-	-	267,694	9,724
	1997	258,500	147,768	3,273	538,150	-	222,173	11,655

(a) At December 31, 1999, Mr. Broadhead held 146,800 shares of restricted common stock with a value of $6,284,875. Of these, 96,800 shares were awarded in 1991 for the purpose of financing Mr. Broadhead's supplemental retirement plan and will offset lump sum benefits that would otherwise be payable to him in cash upon retirement. See Retirement Plans. The remaining 50,000 shares vest in 2001. At December 31, 1999, Mr. Evanson held 25,000 shares of restricted common stock with a value of $1,070,313 that vest as to 6,250 shares in each of the years 2000, 2001, 2002 and 2003; Mr. Coyle held 20,000 shares of restricted common stock with a value of $856,250 that vest as to 5,000 shares in each of the years 2000, 2001, 2002 and 2003; Mr. Plunkett held 20,000 shares of restricted common stock with a value of $856,250, 5,000 shares of which were granted in 1999 and vest as to 1,250 shares in each of the years 2000, 2001, 2002 and 2003; and Mr. Kelleher held 30,000 shares of restricted common stock with a value of $1,284,375, 20,000 shares of which were granted in 1999 and vest as to 5,000 shares in each of the years 2000, 2001, 2002 and 2003. Dividends at normal rates are paid on restricted common stock.

(b) Payouts are in cash (for payment of income taxes) and shares of common stock, valued at the closing price on the last business day preceding payout. Messrs. Evanson and Plunkett deferred their payouts under FPL Group's Deferred Compensation Plan.

(c) For 1999, represents employer matching contributions to employee thrift plans and employer contributions for life insurance as follows:

	Thrift Match	Life Insurance
Mr. Broadhead	$7,167	$5,491
Mr. Evanson	7,600	5,939
Mr. Coyle	7,167	3,092
Mr. Plunkett	7,600	2,546
Mr. Kelleher	7,167	3,494

Long-Term Incentive Plan Awards - In 1999, performance awards, shareholder value awards and stock option 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.

LONG-TERM INCENTIVE PLAN AWARDS

			Estimated Future Payouts Under Non-Stock Price-Based Plans	
Name	Number of Shares	Performance Period Until Payout	Target(#)	Maximum(#)
James L. Broadhead	19,687	1/1/99 - 12/31/02	19,687	31,499
Paul J. Evanson	7,874	1/1/99 - 12/31/02	7,874	12,598
Dennis P. Coyle	4,553	1/1/99 - 12/31/02	4,553	7,285
Thomas F. Plunkett	3,651	1/1/99 - 12/31/02	3,651	5,842
Lawrence J. Kelleher	3,291	1/1/99 - 12/31/02	3,291	5,266

Shown in the preceding table, the performance share awards are payable at the end of the four-year performance period. The amount of the payout is determined by multiplying the participant's target number of shares by his average level of attainment, expressed as a percentage, which may not exceed 160%, of his targeted awards under the Annual Incentive Plans for each of the years encompassed by the award period. Annual incentive compensation is based on the attainment of net income goals for FPL and FPL Group, which are established by the Compensation Committee of FPL Group's Board of Directors (the Committee) at the beginning of the year. The amounts earned on the basis of this performance measure are subject to reduction based on the degree of achievement of other corporate and business unit performance measures, and in the discretion of the Committee. Mr. Broadhead's annual incentive compensation for 1999 was based on the achievement of FPL Group's net income goals and the following performance measures for FPL (weighted 75%) and the non-utility and/or new businesses (weighted 25%) and upon certain qualitative factors. For FPL, the incentive performance measures were financial indicators (weighted 50%) and operating indicators (weighted 50%). The financial indicators were operations and maintenance costs, capital expenditure levels, net income, regulatory return on equity and operating cash flow. The operating indicators were service reliability as measured by the frequency and duration of service interruptions and service unavailability, system performance as measured by availability factors for the fossil power plants, WANO index for nuclear power plants, employee safety, number of significant environmental violations, customer satisfaction survey results, load management installed capability and conservation programs' annual installed capacity. For the non-utility and/or new businesses, the performance measures were total combined return on equity; non-utility net income and return on equity; corporate and other net income; employee safety; number of significant environmental violations; and the development of a plan to meet five-year growth objectives. The qualitative factors included measures to position the Corporation for greater competition and initiating other actions that significantly strengthen the Corporation and enhance shareholder value.

Name	Number of Shares	Performance Period Until Payout	Estimated Future Payouts Under Non-Stock Price-Based Plans Target(#)	Maximum(#)
James L. Broadhead	13,423	1/1/99 - 12/31/01	13,423	21,477
Paul J. Evanson	6,749	1/1/99 - 12/31/01	6,749	10,798
Dennis P. Coyle	3,415	1/1/99 - 12/31/01	3,415	5,464
Thomas F. Plunkett	2,738	1-1-99 - 12/31/01	2,738	4,381
Lawrence J. Kelleher	2,468	1/1/99 - 12/31/01	2,468	3,948

Shown in the preceding table, the shareholder value share awards are payable at the end of the three-year performance period. The amount of the payout is determined by multiplying the participant's target number of shares by a factor derived by dividing the average annual total shareholder return of FPL Group (price appreciation of FPL Group common stock plus dividends) by the total shareholder return of the Dow Jones Electric Utilities Index companies over the three-year performance period. This payment may not exceed 160% of targeted awards.

Option Grants in Last Fiscal Year

Name	Individual Grants: Number of Securities Underlying Options Granted(a)	Percent of Total Options Granted to Employees in Fiscal Year	Exercise or Base Price Per Share	Expiration Date	Grant Date Present Value(b)
James L. Broadhead	250,000	19.2%	$51.156	2/15/06	$2,247,027
Paul J. Evanson	150,000	11.5%	$51.156	2/15/09	$1,515,497
Dennis P. Coyle	100,000	7.7%	$51.156	2/15/09	$1,010,331
Thomas F. Plunkett	100,000	7.7%	$51.156	2/15/09	$1,010,331
Lawrence J. Kelleher	100,000	7.7%	$51.156	2/15/09	$1,010,331

(a) Options granted are non-qualified stock options. Mr. Broadhead's options will be exercisable on November 28, 2001. All other stock options will become exercisable 25% per year and be fully exercisable after four years. All options were granted at an exercise price per share of 100% of the fair market value of FPL Group, Inc. common stock on the date of grant.

(b) The values shown reflect standard application of the Black-Scholes pricing model. Volatility is equal to 18.08% and yield is equal to 3.81%. The interest rate is equal to the U.S. Treasury Strip Rate on the date of grant with a term equal to that of the option (5.19% for the 7-year options expiring 2/15/06 and 5.40% for the 10-year options expiring 2/15/09). The values do not take into account risk factors such as non-transferability or risk of forfeiture.

The preceding table sets forth information concerning individual grants of common stock options during fiscal year 1999 to the executive officers named in the Summary Compensation Table. Such awards are also listed in the Summary Compensation Table in the column entitled Number of Securities Underlying Options.

Aggregated Option Exercises in Last Fiscal Year and Fiscal Year-End Option Values

Name	Shares Acquired on Exercise	Value Realized	Number of Securities Underlying Unexercised Options at Fiscal Year-End: Exercisable	Unexercisable	Value of Unexercised In-The-Money Options at Fiscal Year-End: Exercisable	Unexercisable
James L. Broadhead	0	$0	0	250,000	$0	$0
Paul J. Evanson	0	$0	0	150,000	$0	$0
Dennis P. Coyle	0	$0	0	100,000	$0	$0
Thomas F. Plunkett	0	$0	0	100,000	$0	$0
Lawrence J. Kelleher	0	$0	0	100,000	$0	$0

The preceding table sets forth information, with respect to the named officers, concerning the exercise of stock options during the fiscal year, and unexercised options held at the end of the fiscal year. The named officers did not exercise any stock options during 1999, and held no exercisable options at the end of the year. All of the unexercisable options shown in the preceding table were granted in 1999. At December 31, 1999, the fair market value of the underlying securities (based on the closing share price of FPL Group, Inc. Common Stock reported on the NYSE of $42.8125 per share) did not exceed the exercise or base price of the options, therefore the options were not in-the-money at fiscal year-end.

Retirement Plans - FPL Group maintains a non-contributory defined benefit pension plan and a supplemental executive retirement plan which covers FPL employees. The following table shows the estimated annual benefits, calculated on a straight-line annuity basis, payable upon retirement in 1999 at age 65 after the indicated years of service.

PENSION PLAN TABLE

Eligible Average Annual Compensation	Years of Service 10	20	30	40	50
$ 300,000	$ 58,809	$117,606	$ 146,414	$ 154,909	$ 157,297
400,000	78,809	157,606	196,414	207,409	209,797
500,000	98,809	197,606	246,414	259,909	262,297
600,000	118,809	237,606	296,414	312,409	314,797
700,000	138,809	277,606	346,414	364,909	367,297
800,000	158,809	317,606	396,414	417,409	419,797
900,000	178,809	357,606	446,414	469,909	472,297
1,000,000	198,809	397,606	496,414	522,409	524,797
1,100,000	218,809	437,606	546,414	574,909	577,297
1,200,000	238,809	477,606	596,414	627,409	629,797
1,300,000	258,809	517,606	646,414	679,909	682,297
1,400,000	278,809	557,606	696,414	732,409	734,797
1,500,000	298,809	597,606	746,414	784,909	787,297
1,600,000	318,809	637,606	796,414	837,409	839,797
1,700,000	338,809	677,606	846,414	889,909	892,297
1,800,000	358,809	717,606	896,414	942,409	944,797
1,900,000	378,809	757,606	946,414	994,909	997,297
2,000,000	398,809	797,606	996,414	1,047,409	1,049,797
2,100,000	418,809	837,606	1,046,414	1,099,909	1,102,297
2,200,000	438,809	877,606	1,096,414	1,152,409	1,154,797
2,300,000	458,809	917,606	1,146,414	1,204,909	1,207,297
2,400,000	478,809	957,606	1,196,414	1,257,409	1,259,797

The compensation covered by the plans includes annual salaries and bonuses of certain officers of FPL Group and annual salaries of officers of FPL, as shown in the respective Summary Compensation Tables, but no other amounts shown in those tables. The estimated credited years of service for the executive officers named in the Summary Compensation Table are: Mr. Broadhead, 11 years; Mr. Evanson, 7 years; Mr. Coyle, 10 years; Mr. Plunkett, 9 years and Mr. Kelleher, 32 years. Amounts shown in the table reflect deductions to partially cover employer contributions to social security.

A supplemental retirement plan for Mr. Broadhead provides for a lump-sum retirement benefit equal to the then present value of a joint and survivor annuity providing annual payments to him or his surviving beneficiary equal to 61% to 70% of his average annual compensation for the three years prior to his retirement between age 62 (1998) and age 65 (2001), reduced by the then present value of the annual amount of payments to which he is entitled under all other pension and retirement plans of FPL Group and former employers. This benefit is further reduced by the then value of 96,800 shares of restricted common stock which vest in 2001. Upon a change of control of FPL Group (as defined below under Employment Agreements), the restrictions on the restricted stock lapse and the full retirement benefit becomes payable. Upon termination of Mr. Broadhead's employment agreement (also described below) without cause, the restrictions on the restricted stock lapse and he becomes fully vested under the supplemental retirement plan.

A supplemental retirement plan for Mr. Coyle provides for benefits, upon retirement at age 62 (2000) or more, based on two times his credited years of service. A supplemental retirement plan for Mr. Evanson provides for benefits based on two times his credited years of service up to age 65 and one times his credited years of service thereafter. A supplemental retirement plan for Mr. Plunkett provides for benefits, upon retirement at age 62 or more, based on two times his credited years of service up to age 65 and one times his credited years of service thereafter.

In 1998, the vesting schedule attached to 10,000 shares of restricted common stock held by C.O. Woody, then President of the Power Generation Division of FPL, was amended to coincide with Mr. Woody's planned retirement in June 1999. As a consequence of the amended vesting schedule, Mr. Woody was indebted to FPL for a period of less than two weeks in June 1999 for $147,133 in taxes owed upon vesting of the shares.

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

Employment Agreements - FPL Group has an employment agreement with Mr. Broadhead that provides for automatic one-year extensions after 2000 unless either party elects not to extend. The agreement provides for a minimum base salary of $765,900 per year, subject to increases based upon corporate and individual performance and increases in cost-of-living indices, plus annual and long-term incentive compensation opportunities at least equal to those currently in effect. If FPL

Group terminates Mr. Broadhead's employment without cause, he is entitled to receive a lump-sum payment of two years' compensation. Compensation is measured by the then current base salary plus the average of the preceding two years' annual incentive awards. He would also be entitled to receive all amounts accrued under all performance share grants in progress, prorated for the year of termination and assuming achievement of the targeted award, and to full vesting of his benefits under his supplemental retirement plan.

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

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

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

Item 12. Security Ownership of Certain Beneficial Owners and Management

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

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

Name	Number of Shares (a)
James L. Broadhead	243,640(b)(c)
Dennis P. Coyle	63,469(b)(c)(d)
Paul J. Evanson	96,170(b)(c)(d)
Lewis Hay, III	25,134(b)(c)
Lawrence J. Kelleher	69,562(b)(c)(d)
Armando J. Olivera	42,676(b)(c)(d)
Thomas F. Plunkett	55,261(b)(c)(d)
Antonio Rodriguez	6,171(b)
All directors and executive officers as a group	708,939(b)(c)(d)(e)

(a) Information is as of January 31, 2000, except for executive officers' holdings under the thrift plans and the Supplemental Executive Retirement Plan, which are as of December 31, 1999. Unless otherwise indicated, each person has sole voting and sole investment power.

(b) Includes 15,625, 3,876, 4,335, 84, 1,292, 195, 549 and 111 phantom shares for Messrs. Broadhead, Coyle, Evanson, Hay, Kelleher, Olivera, Plunkett and Rodriguez, respectively, and a total of 28,967 phantom shares for all directors and officers as a group, credited to a Supplemental Matching Contribution Account under the Supplemental Executive Retirement Plan.

(c) Includes 146,800, 20,000, 25,000, 25,000, 30,000, 10,000 and 20,000 shares of restricted stock as to which Messrs. Broadhead, Coyle, Evanson, Hay, Kelleher, Olivera and Plunkett, respectively, and a total 311,800 shares of restricted stock for all directors and officers as a group, have voting but not investment power.

(d) Includes options held by Messrs. Coyle, Evanson, Kelleher, Olivera and Plunkett to purchase 25,000, 37,500, 25,000, 12,500 and 25,000 shares, respectively, and options to purchase a total of 162,500 shares for all directors and officers as a group.

(e) Less than 1% of FPL Group's common stock outstanding.

Section 16(a) Beneficial Ownership Reporting Compliance - FPL's directors and executive officers are required to file initial reports of ownership and reports of changes of ownership of FPL Group common stock with the Securities and Exchange Commission. Based upon a review of these filings and written representations from FPL directors and executive officers, all required filings were timely made in 1999.

Item 13. Certain Relationships and Related Transactions

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

FPL - None

PART IV

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

(a) 1. Financial Statements

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

3. Exhibits including those Incorporated by Reference

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

		FPL Group	FPL
*3(ii)b	Bylaws of FPL dated May 11, 1992 (filed as Exhibit 3 to Form 8-K dated May 1, 1992, File No. 1-3545)		x
*4(a)	Form of Rights Agreement, dated as of July 1, 1996, between FPL Group and the First National Bank of Boston (filed as Exhibit 4 to Form 8-K dated June 17, 1996, File No. 1-8841)	x	
*4(b)	Mortgage and Deed of Trust dated as of January 1, 1944, and Ninety-nine Supplements thereto between FPL and Bankers Trust Company and The Florida National Bank of Jacksonville (now First Union National Bank of Florida), Trustees (as of September 2, 1992, the sole trustee is Bankers Trust Company) (filed as Exhibit B-3, File No. 2-4845; Exhibit 7(a), File No. 2-7126; Exhibit 7(a), File No. 2-7523; Exhibit 7(a), File No. 2-7990; Exhibit 7(a), File No. 2-9217; Exhibit 4(a)-5, File No. 2-10093; Exhibit 4(c), File No. 2-11491; Exhibit 4(b)-1, File No. 2-12900; Exhibit 4(b)-1, File No. 2-13255; Exhibit 4(b)-1, File No. 2-13705; Exhibit 4(b)-1, File No. 2-13925; Exhibit 4(b)-1, File No. 2-15088; Exhibit 4(b)-1, File No. 2-15677; Exhibit 4(b)-1, File No. 2-20501; Exhibit 4(b)-1, File No. 2-22104; Exhibit 2(c), File No. 2-23142; Exhibit 2(c), File No. 2-24195; Exhibit 4(b)-1, File No. 2-25677; Exhibit 2(c), File No. 2-27612; Exhibit 2(c), File No. 2-29001; Exhibit 2(c), File No. 2-30542; Exhibit 2(c), File No. 2-33038; Exhibit 2(c), File No. 2-37679; Exhibit 2(c), File No. 2-39006; Exhibit 2(c), File No. 2-41312; Exhibit 2(c), File No. 2-44234; Exhibit 2(c), File No. 2-46502; Exhibit 2(c), File No. 2-48679; Exhibit 2(c), File No. 2-49726; Exhibit 2(c), File No. 2-50712; Exhibit 2(c), File No. 2-52826; Exhibit 2(c), File No. 2-53272; Exhibit 2(c), File No. 2-54242; Exhibit 2(c), File No. 2-56228; Exhibits 2(c) and 2(d), File No. 2-60413; Exhibits 2(c) and 2(d), File No. 2-65701; Exhibit 2(c), File No. 2-66524; Exhibit 2(c), File No. 2-67239; Exhibit 4(c), File No. 2-69716; Exhibit 4(c), File No. 2-70767; Exhibit 4(b), File No. 2-71542; Exhibit 4(b), File No. 2-73799; Exhibits 4(c), 4(d) and 4(e), File No. 2-75762; Exhibit 4(c), File No. 2-77629; Exhibit 4(c), File No. 2-79557; Exhibit 99(a) to Post-Effective Amendment No. 5 to Form S-8, File No. 33-18669; Exhibit 99(a) to Post-Effective Amendment No. 1 to Form S-3, File No. 33-46076; Exhibit 4(b) to Form 10-K for the year ended December 31, 1993, File No. 1-3545; Exhibit 4(i) to Form 10-Q for the quarter ended June 30, 1994, File No. 1-3545; Exhibit 4(b) to Form 10-Q for the quarter ended June 30, 1995, File No. 1-3545; Exhibit 4(a) to Form 10-Q for the quarter ended March 31, 1996, File No. 1-3545; Exhibit 4 to Form 10-Q for the quarter ended June 30, 1998, File No. 1-3545; and Exhibit 4 to Form 10-Q for the quarter ended March 31, 1999, File No. 1-8841)	x	x
*4(c)	Indenture, dated as of June 1, 1999, between FPL Group Capital Inc and The Bank of New York, as Trustee (filed as Exhibit 4(a) to Form 8-K Dated July 16, 1999, File No. 1-8841)	x	
*4(d)	Guarantee Agreement between FPL Group, Inc. (as guarantor) and The Bank of New York (as Guarantor Trustee) dated as of June 1, 1999 (filed as Exhibit 4(b) to Form 8-K dated July 16, 1999, File No. 1-8841)	x	
10(a)	FPL Group Supplemental Executive Retirement Plan, amended and restated effective April 1, 1997	x	
10(b)	Amendments # 1 and 2 effective January 1, 1998 to FPL Group Supplemental Executive Retirement Plan, amended and restated effective April 1, 1997	x	
10(c)	Amendment #3 effective January 1, 1999, to FPL Group Supplemental Executive Retirement Plan, amended and restated effective April 1, 1997	x	
*10(d)	FPL Group Amended and Restated Supplemental Executive Retirement Plan for James L. Broadhead effective January 1, 1990 (filed as Exhibit 99(d) to Post-Effective Amendment No. 5 to Form S-8, File No. 33-18669)	x	
*10(e)	Supplement to the FPL Group Supplemental Executive Retirement Plan as it applies to Paul J. Evanson effective January 1, 1996 (filed as Exhibit 10(b) to Form 10-K for the year ended December 31, 1996, File No. 1-8841)	x	
*10(f)	Supplement to the FPL Group Supplemental Executive Retirement Plan as it applies to Thomas F. Plunkett (filed as Exhibit 10(e) to Form 10-K for the year ended December 31, 1997, File No. 1-8841)	x	
*10(g)	FPL Group Long-Term Incentive Plan of 1985, as amended (filed as Exhibit 99(h) to Post-Effective Amendment No. 5 to Form S-8, File No. 33-18669)	x	
*10(h)	Long-Term Incentive Plan 1994 (filed as Exhibit 4(d) to Form S-8, File No. 33-57673)	x	
10(i)	Annual Incentive Plan	x	
*10(j)	FPL Group, Inc. Deferred Compensation Plan, amended and restated effective January 1, 1995 (filed as Exhibit 99 to Form S-8, File No. 1-8841)	x	
*10(k)	FPL Group Executive Long Term Disability Plan effective January 1, 1995 (filed as Exhibit 10(g) to Form 10-K for the year ended December 31, 1995, File No. 1-8841)	x	

		FPL Group	FPL
*10(l)	Employment Agreement between FPL Group and James L. Broadhead, amended and restated as of May 10, 1999 (filed as Exhibit 10(a) to Form 10-Q for the quarter ended September 30, 1999, File No. 1-8841)	x	
*10(m)	Employment Agreement between FPL Group and Dennis P. Coyle, amended and restated as of May 10, 1999 (filed as Exhibit 10(b) to Form 10-Q for the quarter ended September 30, 1999, File No. 1-8841)	x	
*10(n)	Employment Agreement between FPL Group and Paul J. Evanson, amended and restated as of May 10, 1999 (filed as Exhibit 10(c) to Form 10-Q for the quarter ended September 30, 1999, File No. 1-8841)	x	
*10(o)	Employment Agreement between FPL Group and Lewis Hay, III, dated as of September 13, 1999 (filed as Exhibit 10(d) to Form 10-Q for the quarter ended September 30, 1999, File No. 1-8841)	x	
*10(p)	Employment Agreement between FPL Group and Lawrence J. Kelleher, amended and restated as of May 10, 1999 (filed as Exhibit 10(e) to Form 10-Q for the quarter ended September 30, 1999, File No. 1-8841)	x	
*10(q)	Employment Agreement between FPL Group and Thomas F. Plunkett, amended and restated as of May 10, 1999 (filed as Exhibit 10(f) to Form 10-Q for the quarter ended September 30, 1999, File No. 1-8841)	x	
*10(r)	Employment Agreement between FPL Group and Michael W. Yackira, amended and restated as of May 10, 1999 (filed as Exhibit 10(g) to Form 10-Q for the quarter ended September 30, 1999, File No. 1-8841)	x	
*10(s)	FPL Group, Inc. Non-Employee Directors Stock Plan dated as of March 17, 1997 (filed as Appendix A to FPL Group's 1997 Proxy Statement, File No. 1-8841)	x	
12(a)	Computation of Ratio of Earnings to Fixed Charges	x	
12(b)	Computation of Ratios		x
21	Subsidiaries of the Registrant	x	
23	Independent Auditors' Consent	x	x
27	Financial Data Schedule	x	x

* Incorporated herein by reference

(b) Reports on Form 8-K - none

FPL GROUP, INC. SIGNATURES

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

FPL Group, Inc.

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

Date: February 28, 2000

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

Signature and Title as of February 28, 2000:

LEWIS HAY, III
Lewis Hay, III
Vice President, Finance and Chief Financial Officer
(Principal Financial Officer)

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

Directors:

H. JESSE ARNELLE
H. Jesse Arnelle

SHERRY S. BARRAT
Sherry S. Barrat

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

J. HYATT BROWN
J. Hyatt Brown

ARMANDO M. CODINA
Armando M. Codina

MARSHALL M. CRISER
Marshall M. Criser

B. F. Dolan

WILLARD D. DOVER
Willard D. Dover

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

PAUL J. EVANSON
Paul J. Evanson

DREW LEWIS
Drew Lewis

FREDERIC V. MALEK
Frederic V. Malek

PAUL R. TREGURTHA
Paul R. Tregurtha

FLORIDA POWER & LIGHT COMPANY SIGNATURES

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

Florida Power & Light Company

PAUL J. EVANSON
Paul J. Evanson
President and Director

Date: February 28, 2000

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

Signature and Title as of February 28, 2000:

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

LEWIS HAY, III
Lewis Hay, III
Senior Vice President, Finance and Chief Financial Officer
(Principal Financial Officer and Director)

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

Directors:

DENNIS P. COYLE
Dennis P. Coyle

THOMAS F. PLUNKETT
Thomas F. Plunkett

LAWRENCE J. KELLEHER
Lawrence J. Kelleher

ANTONIO RODRIGUEZ
Antonio Rodriguez

ARMANDO J. OLIVERA
Armando J. Olivera

EXHIBIT 12(a)

FPL GROUP, INC. AND SUBSIDIARIES
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

	Years Ended December 31,				
	1999	1998	1997	1996	1995
	(Millions of Dollars)				
Earnings, as defined:					
Net income	$ 697	$ 664	$ 618	$ 579	$ 553
Income taxes	323	279	304	294	329
Fixed charges, included in the determination of net income, as below	234	335	304	283	308
Distributed income of independent power investments	75	68	47	38	39
Less: Equity in earnings of independent power investments	50	39	14	5	6
Total earnings, as defined	$1,279	$1,307	$1,259	$1,189	$1,223
Fixed charges, as defined:					
Interest charges	$ 222	$ 322	$ 291	$ 267	$ 291
Rental interest factor	4	4	4	5	6
Fixed charges included in nuclear fuel cost	8	9	9	11	11
Fixed charges, included in the determination of net income	234	335	304	283	308
Capitalized interest	9	2	4	-	-
Total fixed charges, as defined	$ 243	$ 337	$ 308	$ 283	$ 308
Ratio of earnings to fixed charges	5.26	3.88	4.09	4.20	3.97

EXHIBIT 12(b)

FLORIDA POWER & LIGHT COMPANY
COMPUTATION OF RATIOS

RATIO OF EARNINGS TO FIXED CHARGES

	Years Ended December 31, 1999	1998	1997	1996	1995
	(Millions of Dollars)				
Earnings, as defined:					
Net income	$ 591	$ 631	$ 627	$ 615	$ 611
Income taxes	324	349	321	322	342
Fixed charges, as below	174	209	240	262	286
Total earnings, as defined	$1,089	$1,189	$1,188	$1,199	$1,239
Fixed charges, as defined:					
Interest charges	$ 163	$ 196	$ 227	$ 246	$ 270
Rental interest factor	3	4	4	5	5
Fixed charges included in nuclear fuel cost	8	9	9	11	11
Total fixed charges, as defined	$ 174	$ 209	$ 240	$ 262	$ 286
Ratio of earnings to fixed charges	6.26	5.69	4.95	4.58	4.33

RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

	1999	1998	1997	1996	1995
Earnings, as defined:					
Net income	$ 591	$ 631	$ 627	$ 615	$ 611
Income taxes	324	349	321	322	342
Fixed charges, as below	174	209	240	262	286
Total earnings, as defined	$1,089	$1,189	$1,188	$1,199	$1,239
Fixed charges, as defined:					
Interest charges	$ 163	$ 196	$ 227	$ 246	$ 270
Rental interest factor	3	4	4	5	5
Fixed charges included in nuclear fuel cost	8	9	9	11	11
Total fixed charges, as defined	174	209	240	262	286
Non-tax deductible preferred stock dividends	15	15	19	24	43
Ratio of income before income taxes to net income	1.55	1.55	1.51	1.52	1.56
Preferred stock dividends before income taxes	23	23	29	36	68
Combined fixed charges and preferred stock dividends	$ 197	$ 232	$ 269	$ 298	$ 354
Ratio of earnings to combined fixed charges and preferred stock dividends	5.53	5.13	4.42	4.02	3.50

EXHIBIT 21

SUBSIDIARIES OF FPL GROUP, INC.

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

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

EXHIBIT 23

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statement No. 33-56869 on Form S-3; Registration Statement No. 33-57673 on Form S-8; Post-Effective Amendment No. 2 to Registration Statement No. 33-31487 on Form S-8; Post-Effective Amendment No. 2 to Registration Statement No. 33-33215 on Form S-8; Registration Statement No. 33-11631 on Form S-8; Post-Effective Amendment No. 1 to Registration Statement No. 33-39306 on Form S-3; Registration Statement No. 33-57470 on Form S-3; Post-Effective Amendment No. 6 to Registration Statement No. 33-18669 on Form S-8; Registration Statement No. 333-27079 on Form S-8; Registration Statement No. 333-30695 on Form S-8; Registration Statement No. 333-30697 on Form S-8; Registration Statement No. 333-87869 on Form S-8; Registration Statement No. 333-87941 on Form S-3; Registration Statement No. 333-88067 on Form S-8 and Post-Effective Amendment No. 1 to Registration Statement No. 333-79305 on Form S-8 of FPL Group, Inc., of our report dated February 11, 2000 appearing in this Annual Report on Form 10-K of FPL Group, Inc. for the year ended December 31, 1999.

We also consent to the incorporation by reference in Registration Statement No. 33-40123 on Form S-3; Post-Effective Amendment No. 1 to Registration Statement No. 33-46076 on Form S-3; Registration Statement No. 333-53053 on Form S-3 and Registration Statement No. 333-84005 of Florida Power & Light Company, of our report dated February 11, 2000 appearing in this Annual Report on Form 10-K of Florida Power & Light Company for the year ended December 31, 1999.

We also consent to the incorporation by reference on Form S-3; Registration Statement No. 333-87941-01 on Form S-3 of FPL Group Capital Inc, of our report dated February 11, 2000 appearing in this Annual Report on Form 10-K of FPL Group, Inc., for the year ended December 31, 1999.

DELOITTE & TOUCHE LLP

Miami, Florida
March 1, 2000

EXHIBIT B

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES
2001 and 2002 Sources and Uses of Funds Forecast
(Millions of Dollars)

	2001	2002
Significant cash flow items (Note 1)		
Depreciation and amortization (Note 2)	$ 820	$ 810
Deferred income taxes	(140)	(120)
Deferred investment tax credit - net	(20)	(20)
Total	$ 660	$ 670
Capital requirements		
Construction expenditures (Note 3):	$ 970	$ 820
Long-term debt maturities	0	0
Total capital requirements	$ 970	$ 820

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES
Construction Budget for Gross Property Additions
(Millions of Dollars)

Construction expenditures (Note 3):	$ 970	$ 820

NOTES

1) Projected amounts do not include any effect of potential changes in retail base rates or other regulated activities which could cause the projections to change.

2) Excludes nuclear plant decommissioning costs.

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

EXHIBIT C

FLORIDA POWER & LIGHT COMPANY
Statement of Capital Stock and Debt -- June 30, 2000

Preferred Stock without Sinking Fund Requirements:

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

Other:

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

(1) Remaining authorized under amended Charter.

Exhibit C

FLORIDA POWER & LIGHT COMPANY
Statement of Capital Stock and Debt -- June 30, 2000

First Mortgage Bonds:

Series	Issue Date	Maturity	Principal Outstanding
6.625%	02/93	02/01/03	$100,000,000
7.750%	02/93	02/01/23	$124,555,000
6.875%	04/93	04/01/04	$125,000,000
7.300%	04/93	04/01/16	$225,000,000
7.625%	06/93	06/01/24	$175,000,000
7.000%	09/93	09/01/25	$108,800,000
7.050%	12/93	12/01/26	$107,919,000
6.000%	06/98	06/01/08	$200,000,000
5.875%	04/99	04/01/09	$225,000,000
		Total	$1,391,274,000

First Mortgage Bonds -- Medium-Term Notes:

Series	Issue Date	Maturity	Principal Outstanding
5.79%	09/93	09/15/03	$70,000,000

FLORIDA POWER & LIGHT COMPANY
Statement of Capital Stock and Debt -- June 30, 2000

First Mortgage Bonds - Pollution Control, Solid Waste Disposal, and Industrial Development:

Series	Issue Date	Maturity	Principal Outstanding	
7.30% Martin	06/90	07/01/20	$76,300,000	(1)
7.50% St. Lucie	06/90	07/01/20	$9,835,000	(2)
7.15% Dade	08/91	02/01/23	$15,000,000	
7.15% St. Lucie	08/91	02/01/23	$16,520,000	
7.15% Broward	08/91	02/01/23	$4,000,000	
6.7% St. Lucie	05/92	05/01/27	$5,315,000	
		Total	$126,970,000	

Unsecured Pollution Control, Solid Waste Disposal, and Industrial Development Bonds:

Series	Issue Date	Maturity	Principal Outstanding	
Variable Rate St. Lucie	05/92	05/01/27	$49,325,000	
Variable Rate Jacksonville	05/92	05/01/27	$28,300,000	
Variable Rate St. Lucie	07/93	01/01/26	$56,390,000	
Variable Rate Martin	07/93	01/01/27	$4,050,000	
Variable Rate St. Lucie	07/93	01/01/27	$15,900,000	(2)
Variable Rate Dade	12/93	06/01/21	$45,750,000	
Variable Rate Jacksonville	03/94	09/01/24	$45,960,000	
Variable Rate Martin	03/94	09/01/24	$19,400,000	(1)
Variable Rate Manatee	03/94	09/01/24	$16,510,000	
Variable Rate Putnam	03/94	09/01/24	$4,480,000	
Variable Rate St. Lucie	07/94	07/01/29	$57,500,000	
Variable Rate St. Lucie	07/94	07/01/29	$29,000,000	
Variable Rate St. Lucie	03/95	03/01/27	$49,995,000	
Variable Rate Dade	03/95	04/01/20	$8,635,000	
Variable Rate Jacksonville	06/95	05/01/29	$51,940,000	
Variable Rate Martin	04/00	07/01/22	$95,700,000	(1)
Variable Rate St. Lucie	06/00	01/15/25	$48,900,000	(2)
		Total	$627,735,000	

(1) The proceeds from the issuance in April 2000 of $95,700,000 principal amount of bonds were used to redeem, in July 2000, all $76,300,000 principal amount of bonds and all $19,400,000 principal amount of bonds.

(2) The proceeds from the issuance in June 2000 of $48,900,000 principal amount of bonds were used in part to redeem all $9,835,000 principal amount of bonds in August 2000 and all $15,900,000 principal amount of bonds in September 2000.