



34th Annual PURC Conference

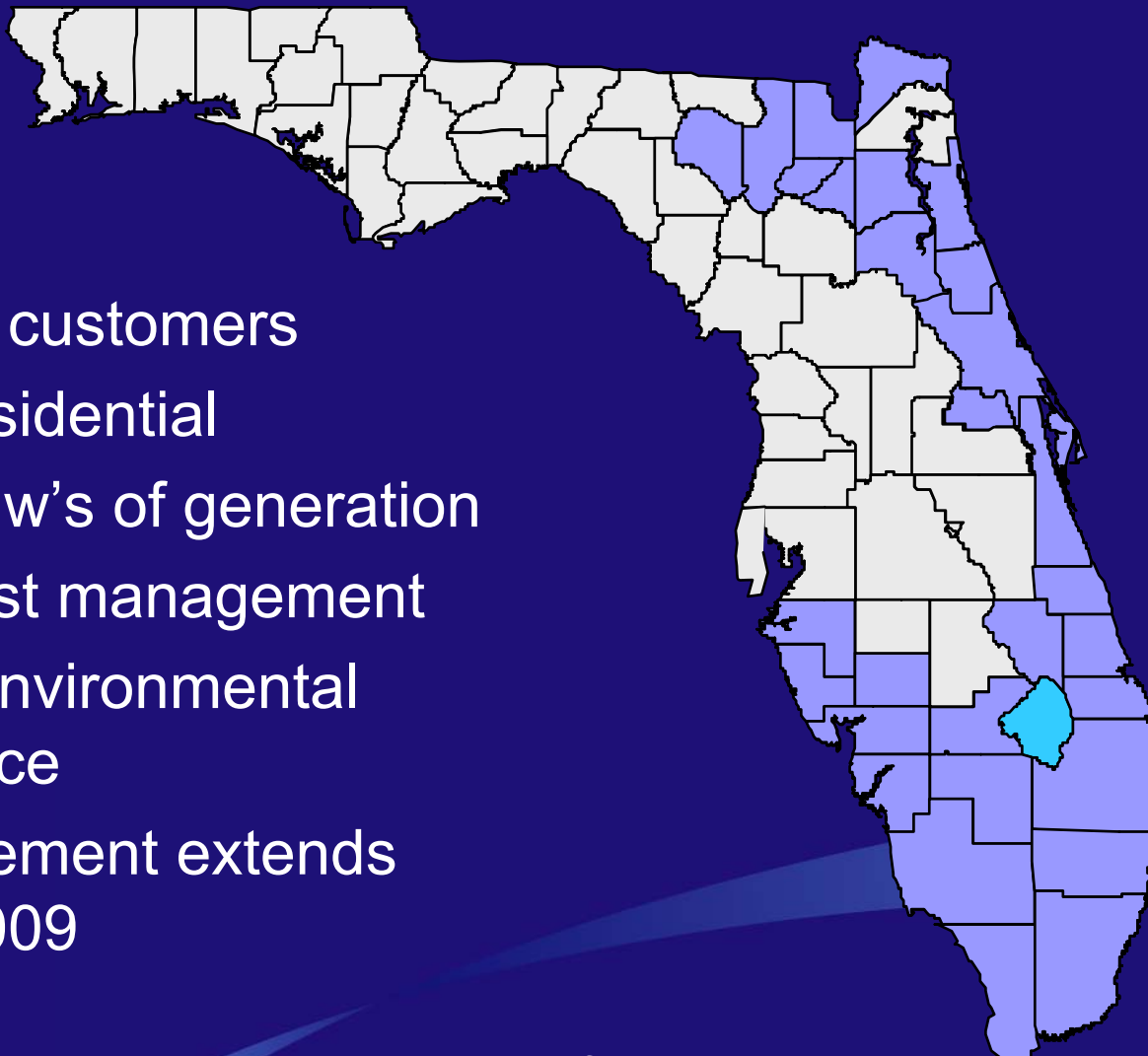
Florida's Electricity Investment

Paul Cutler

Cautionary Statements And Risk Factors That May Affect Future Results

Any statements made herein about future operating results or other future events are forward-looking statements under the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements may include, for example, statements regarding anticipated future financial and operating performance and results, including estimates for growth. Actual results may differ materially from such forward-looking statements. A discussion of factors that could cause actual results or events to vary is contained in the Appendix herein and our SEC filings.

➤ On the fastest growing electric utilities in the U.S.



- 4.5 million customers
- Largely residential
- ≈21,000 mw's of generation
- Proven cost management
- Superior environmental performance
- Rate agreement extends through 2009



FPL

* As of June 30, 2006

➤ Florida ranks 1st in growth among most populous states

<u>State</u>	<u>CAGR</u> <u>2000-2004</u>	<u>% of Population</u> <u>in 2004¹</u>	<u>CAGR</u> <u>2000-2030</u>	<u>% of Population</u> <u>in 2030¹</u>
Florida	2.1%	5.9%	2.0%	7.9%
Texas	1.9%	7.7%	1.6%	9.2%
California	1.5%	12.2%	1.1%	12.8%
Illinois	0.6%	4.3%	0.3%	3.7%
New York	0.3%	6.5%	0.1%	5.4%
United States	1.1%		0.9%	



FPL

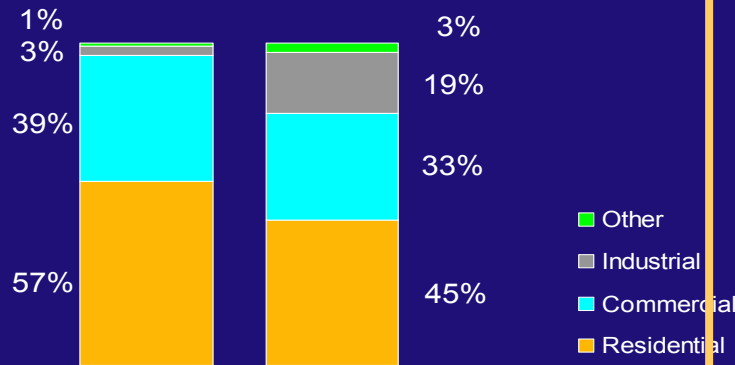
¹ Estimated population by state as a percentage of total U.S. population; figures for 2030 are based on estimated population
Source: U.S. Census Bureau

➤ Customer Mix and Usage Comparison

Higher percentage of residential customers and higher usage per residential customer

Favorable Customer Mix

Revenues by Customer Category



FPL¹

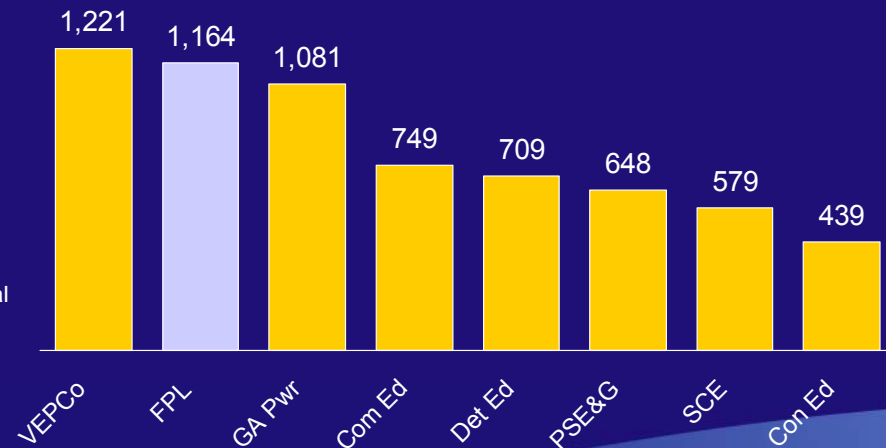
Industry Average²

¹ As of 12/31/05

² Source: 12/06 RDI PowerDat from FF1

Usage per Residential Customer³

(average monthly kWh)

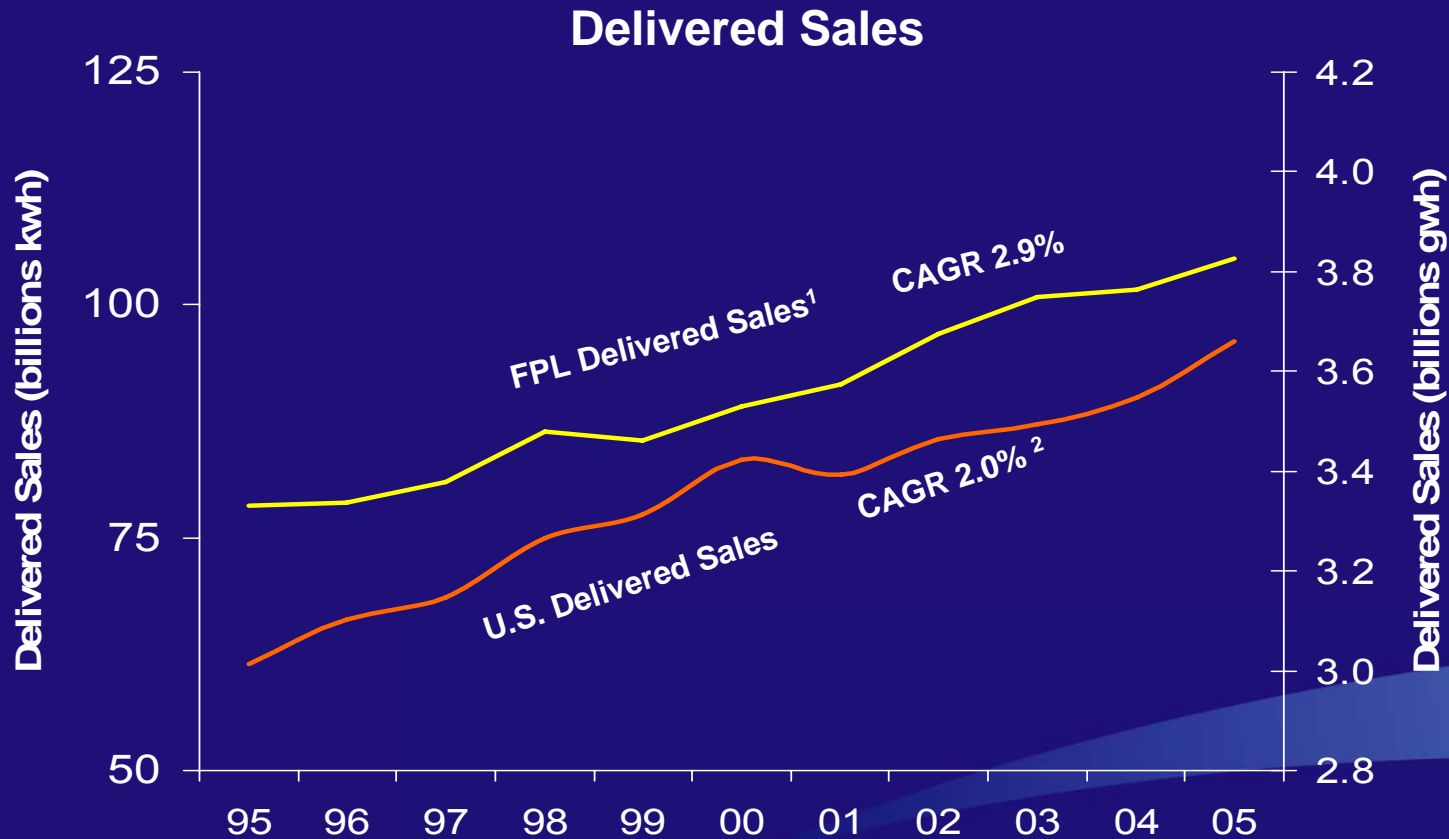


³ Source: 12/06 RDI PowerDat from FF1



➤ Sales growth faster than national averages

Direct relationship of customer growth to capital expenditures.



¹ Delivered sales adjusted for the impact of the 2004 and 2005 hurricane seasons

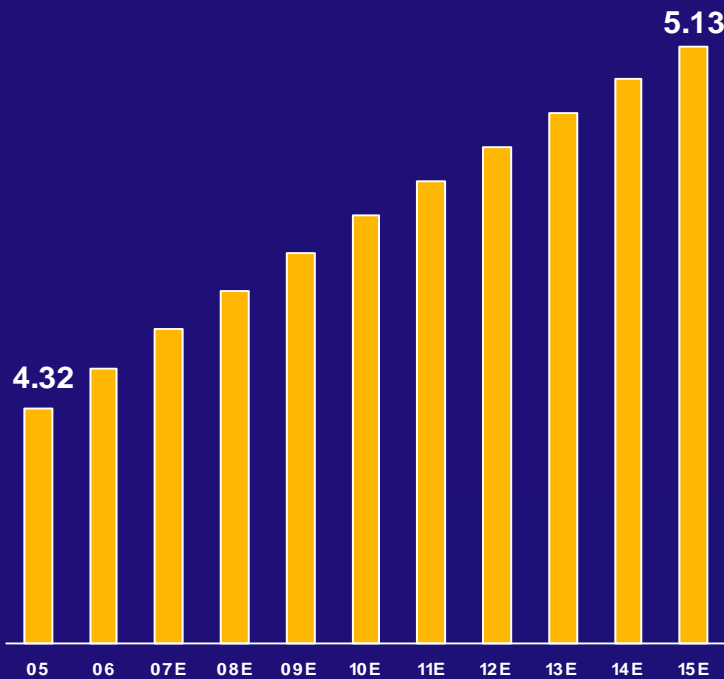
² CAGR calculated from 1995 to 2005



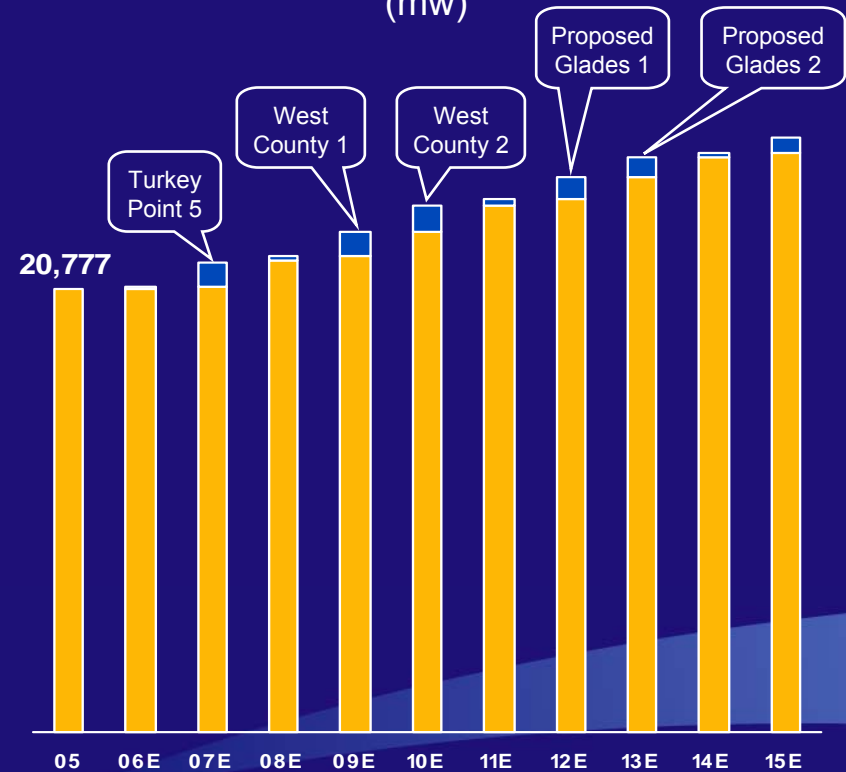
➤ Managing Extraordinary Growth at FPL

Approximately 690 mw's of new generation required per year to meet customer growth

Average Customer Accounts (mm)



Total Generation Capability (mw)



FPL

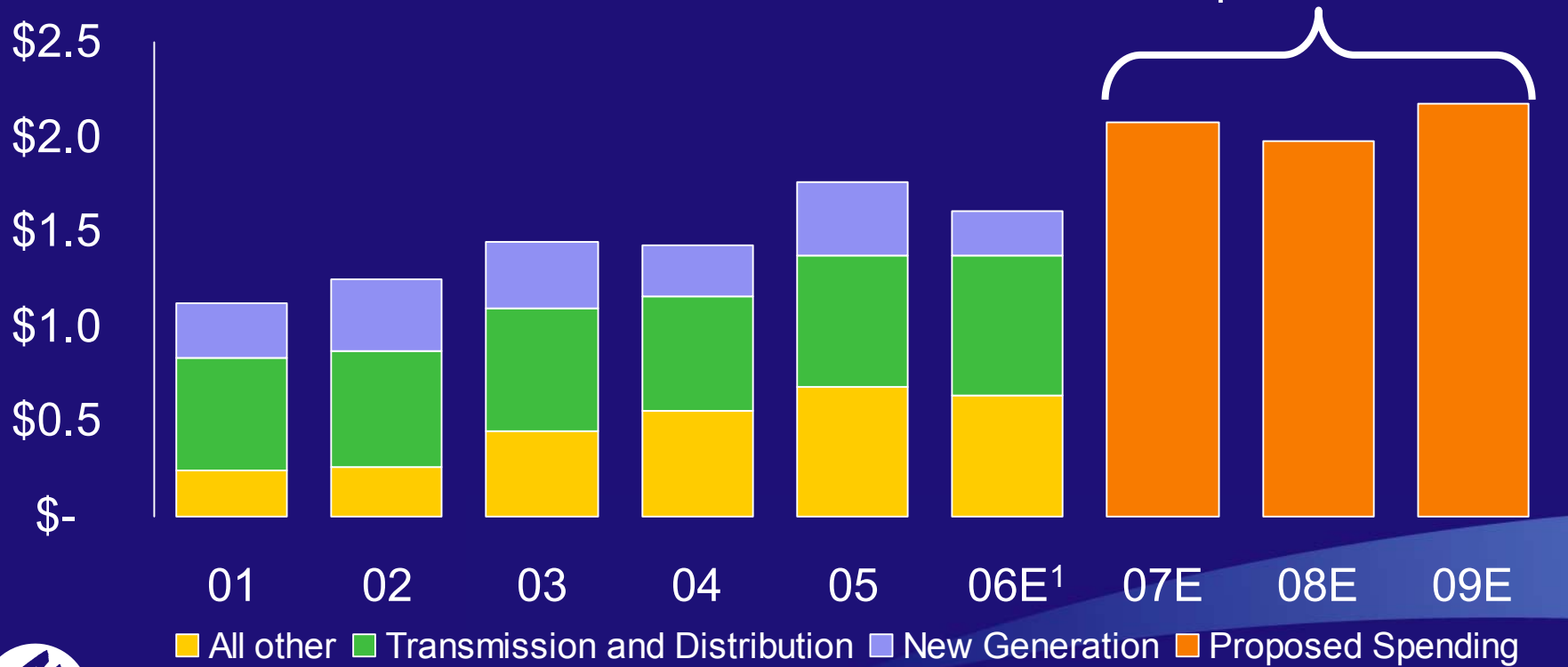
Source: FPL Ten Year Power Plant Site Plan, 2006 - 2015

➤ Proposed New Plant Additions

Plant Name	In Service		Exp. Cost	
	Date	MW	(\$ millions)	\$ / KW
Turkey Point 5	2007	1,144	\$580	\$507
Unsited CT	2008	160	\$84	\$522
West County 1	2009	1,219	\$689	\$565
West County 2	2010	1,219	\$633	\$519
Unsited CTs, 2 units	2011	320	\$180	\$562
Glades 1	2012	980	\$2,002	\$2,042
Glades 2	2013	980	\$1,472	\$1,502
Unsited CT	2014	160	\$110	\$689
Unsited CT	2015	160	\$114	\$710
Unsited CC	2015	553	\$674	\$1,218
TOTALS		6,895	\$6,538	\$948

➤ Investing Capital to Support Growing Energy Demand

Capital Expenditures
(billions)

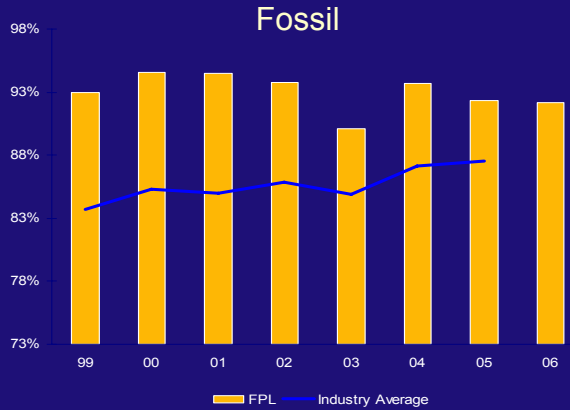


¹ Projections as of September 30, 2006

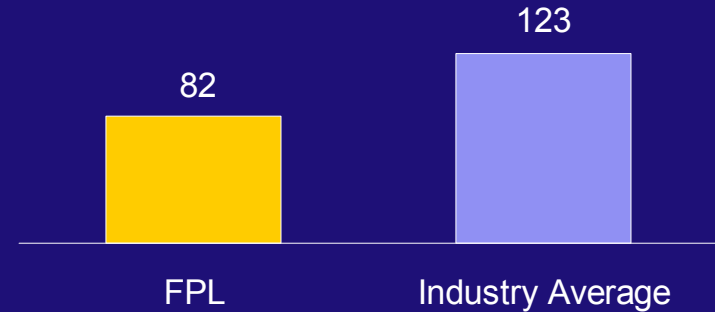
➤ Maintaining Operational Excellence

FPL achieves operational excellence by continuously improving the performance of its power plants

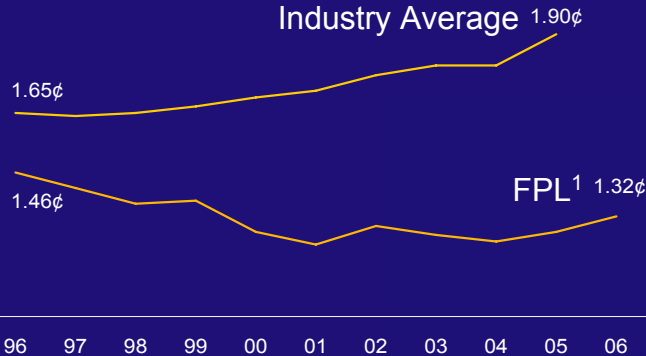
Plant Availability
Equivalent Availability Factor



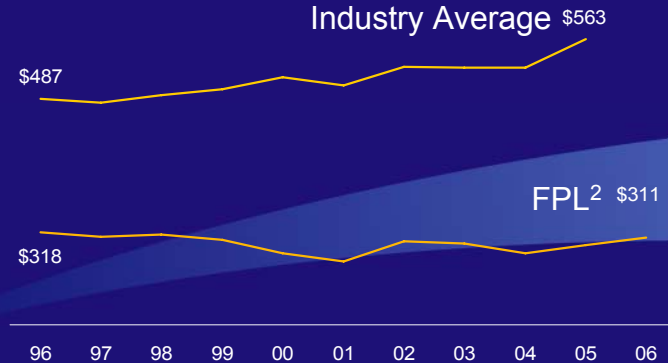
Service Reliability - 2006
Outage Time per Customer (minutes)



O&M Reductions
(cents per Retail kwh)
Industry Average 1.90¢



Superior Cost Management
(O&M \$ per customer)
Industry Average \$563



FPL

¹ Excludes Storm Recovery Costs: \$155MM 2005 and \$151MM 2006 and Storm Disallowance: \$52MM 2006

➤ Storm Costs

Another reason for a strong balance sheet

- FPL incurred approximately \$900 million in restoration costs associated with 2004 hurricanes - Charley, Frances & Jeanne.
- Additionally, in 2005 FPL incurred approximately \$900 million in restoration costs associated with 2005 hurricanes - Dennis, Katrina, Rita & Wilma.
- FPL will incur additional expenditures as part of the Storm Secure initiative. In 2006, FPL instituted it's Storm Secure initiative to further harden the system against future storm activity.
- FPL's strong balance sheet and liquidity position have enabled us to respond quickly to restore customers following a storm and to carry these costs until a long-term solution can be implemented.

➤ Fuel Cost Recovery

A strong balance sheet tempers fuel volatility

- Fuel price volatility creates additional liquidity and financing requirements for FPL.
- In 2005, FPL's fuel cost was estimated at \$3.9 billion.
- During 2005, increases in fuel prices caused actual fuel expense to rise to \$5.0 billion, causing a year end under-recovery in excess of \$1.0 billion.
- FPL funded this under-recovery and worked closely with the FPSC on a two year recovery mechanism to reduce the rate impact to customers.
- This flexibility was possible due to FPL's strong balance sheet and constructive dialogue with the FPSC.

➤ FPL Current Credit Ratings

Rating Agency	S&P	Moody's	Fitch
Issuer	A	A1	A
Secured	A	Aa3	AA-
Short-Term	A-1	P-1	F-1
Outlook	Stable	Stable	Stable

➤ Ratings Industry Comments

- Standards & Poor's

“the growing need in certain regions of the country for significant resources additions is quickly returning the regulatory arena to center stage. In assessing the regulatory environment in which a utility operates, Standard & Poor's analysis is guided by certain principles, most prominently consistency and predictability , as well and efficiency and timeliness.” – U.S Utility Regulation Returns to Center State, April 14, 2005

“Rising costs leading to the potential for strained regulatory and political environments make it that much more important to secure preconstruction approval for long-lead time, large ticket projects. ... How quickly the company begins to recover these building costs is a key determinant of credit quality. Interim recovery through mechanisms in rate base, such as construction work in process (CWIP), helps soften deterioration in credit measures during the trough period, a supportive development for maintaining the firm's credit quality during construction” – Top Ten Credit Issues Facing U.S. Utilities, January 29, 2007

Continued next page

➤ Ratings Industry Comments - Continued

- Moody's

“Traditionally a constructive regulatory state, investor-owned utilities in Florida for the first time faced a confluence of regulatory pressures over the last several years. Rising fuel costs, increasing operation costs, large capital expenditure programs, and substantial storm restoration cost combined to increase rate pressures for all of the utilities operating in the state. As a results, the utilities have become increasingly dependent on continued constructive regulatory and legislative responses for the recovery of these costs and maintenance of their credit quality.” - Michael Haggarty, VP Senior Credit Officer

- Fitch

“The dependence on price increases to maintain profitability causes utilities to be especially sensitive to regulatory and political risk.Over the next five years, high capital investment also will entail more external financing, greater sensitivity to the capital markets for funding and the possibility of cost-recovery lags.” - Global Power/North America Special Report, U.S. Power and Gas 2007 Outlook, December 15, 2006

➤ Summary

Our Challenge is to meet customer growth while maintaining a high level of customer service at a reasonable cost

- One of the fastest growing regions in the country
- Significant capital expenditures required for the foreseeable future
- Continue to meet expectations for service reliability and low cost
- Risk of storms needs to be mitigated
- Fuel volatility needs to be considered in the capital structure
- A strong balance sheet and constructive regulatory environment are essential to support this profile
- Regulatory clarity and certainty are keys to a viable and financially strong electric system

Cautionary statements and risk factors that may affect future results

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) are hereby providing cautionary statements identifying important factors that could cause FPL Group's or FPL'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 FPL Group and FPL in this presentation, on their respective websites, in response to questions or otherwise. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as will likely result, are expected to, will continue, is anticipated, believe, could, estimated, may, plan, potential, projection, target, outlook) are not statements of historical facts and may be forward-looking. Forward-looking statements involve estimates, assumptions and uncertainties. Accordingly, any such statements are qualified in their entirety by reference to, and are accompanied by, the following important factors (in addition to any assumptions and other factors referred to specifically in connection with such forward-looking statements) that could cause FPL Group's or FPL's actual results to differ materially from those contained in forward-looking statements made by or on behalf of FPL Group and FPL.

Any forward-looking statement speaks only as of the date on which such statement is made, and FPL Group and FPL undertake no obligation to update any forward-looking statement to reflect events or circumstances, including unanticipated events, after the date on which such statement is made. 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.

The following are some important factors that could have a significant impact on FPL Group's and FPL's operations and financial results, and could cause FPL Group's and FPL's actual results or outcomes to differ materially from those discussed in the forward-looking statements:

FPL Group and FPL are subject to complex laws and regulations and to changes in laws and regulations as well as changing governmental policies and regulatory actions, including initiatives regarding deregulation and restructuring of the energy industry and environmental matters. FPL holds franchise agreements with local municipalities and counties, and must renegotiate expiring agreements. These factors may have a negative impact on the business and results of operations of FPL Group and FPL.

- FPL Group and FPL are subject to complex laws and regulations, and to changes in laws or regulations, including the Public Utility Regulatory Policies Act of 1978, as amended, the Public Utility Holding Company Act of 2005, the Federal Power Act, the Atomic Energy Act of 1954, as amended, the Energy Policy Act of 2005 (2005 Energy Act) and certain sections of the Florida statutes relating to public utilities, changing governmental policies and regulatory actions, including those of the Federal Energy Regulatory Commission (FERC), the Florida Public Service Commission (FPSC) and the legislatures and utility commissions of other states in which FPL Group has operations, and the Nuclear Regulatory Commission (NRC), with respect to, among other things, allowed rates of return, industry and rate structure, operation of nuclear power facilities, operation and construction of plant facilities, operation and construction of transmission facilities, acquisition, disposal, depreciation and amortization of assets and facilities, recovery of fuel and purchased power costs, decommissioning costs, return on common equity and equity ratio limits, and present or prospective wholesale and retail competition (including but not limited to retail wheeling and transmission costs). The FPSC has the authority to disallow recovery by FPL of any and all costs that it considers excessive or imprudently incurred. The regulatory process generally restricts FPL's ability to grow earnings and does not provide any assurance as to achievement of earnings levels.

- FPL Group and FPL are subject to extensive federal, state and local environmental statutes as well as the effect of changes in or additions to applicable statutes, rules and regulations relating to air quality, water quality, waste management, wildlife mortality, natural resources and health and safety that could, among other things, restrict or limit the output of certain facilities or the use of certain fuels required for the production of electricity and/or require additional pollution control equipment and otherwise increase costs. There are significant capital, operating and other costs associated with compliance with these environmental statutes, rules and regulations, and those costs could be even more significant in the future.

- FPL Group and FPL operate in a changing market environment influenced by various legislative and regulatory initiatives regarding deregulation, regulation or restructuring of the energy industry, including deregulation or restructuring of the production and sale of electricity. FPL Group and its subsidiaries will need to adapt to these changes and may face increasing competitive pressure.

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

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

- The operation and maintenance of power generation facilities involve many risks, including, but not limited to, start up risks, breakdown or failure of equipment, transmission lines or pipelines, the inability to properly manage or mitigate known equipment defects throughout our generation fleets unless and until such defects are remediated, use of new technology, the dependence on a specific fuel source, including the supply and transportation of fuel, or the impact of unusual or adverse weather conditions (including natural disasters such as hurricanes), as well as the risk of performance below expected or contracted levels of output or efficiency. This could result in lost revenues and/or increased expenses, including, but not limited to, the requirement to purchase power in the market at potentially higher prices to meet contractual obligations. Insurance, warranties or performance guarantees may not cover any or all of the lost revenues or increased expenses, including the cost of replacement power. In addition to these risks, FPL Group's and FPL's nuclear units face certain risks that are unique to the nuclear industry including, but not limited to, the ability to store and/or dispose of spent nuclear fuel, the potential payment of significant retrospective insurance premiums, as well as additional regulatory actions up to and including shutdown of the units stemming from public safety concerns, whether at FPL Group's and FPL's plants, or at the plants of other nuclear operators. Breakdown or failure of an operating facility of FPL Energy may prevent the facility from performing under applicable power sales agreements which, in certain situations, could result in termination of the agreement or incurring a liability for liquidated damages.

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

- FPL Group's and FPL's ability to successfully and timely complete their power generation facilities currently under construction, those projects yet to begin construction or capital improvements to existing facilities within established budgets is contingent upon many variables and subject to substantial risks. Should any such efforts be unsuccessful, FPL Group and FPL could be subject to additional costs, termination payments under committed contracts, and/or the write-off of their investment in the project or improvement.

The use of derivative contracts by FPL Group and FPL in the normal course of business could result in financial losses that negatively impact the results of operations of FPL Group and FPL.

- FPL Group and FPL use derivative instruments, such as swaps, options and forwards to manage their commodity and financial market risks, and to a lesser extent, engage in limited trading activities. FPL Group could recognize financial losses as a result of volatility in the market values of these contracts, or if a counterparty fails to perform. In the absence of actively quoted market prices and pricing information from external sources, the valuation of these derivative instruments involves management's judgment or use of estimates. As a result, changes in the underlying assumptions or use of alternative valuation methods could affect the reported fair value of these contracts. In addition, FPL's use of such instruments could be subject to prudence challenges and if found imprudent, cost recovery could be disallowed by the FPSC.

FPL Group's competitive energy business is subject to risks, many of which are beyond the control of FPL Group, that may reduce the revenues and adversely impact the results of operations and financial condition of FPL Group.



•There are other risks associated with FPL Group's competitive energy business. In addition to risks discussed elsewhere, risk factors specifically affecting FPL Energy's success in competitive wholesale markets include the ability to efficiently develop and operate generating assets, the successful and timely completion of project restructuring activities, maintenance of the qualifying facility status of certain projects, the price and supply of fuel (including transportation), transmission constraints, competition from new sources of generation, excess generation capacity and demand for power. There can be significant volatility in market prices for fuel and electricity, and there are other financial, counterparty and market risks that are beyond the control of FPL Energy. FPL Energy's inability or failure to effectively hedge its assets or positions against changes in commodity prices, interest rates, counterparty credit risk or other risk measures could significantly impair FPL Group's future financial results. In keeping with industry trends, a portion of FPL Energy's power generation facilities operate wholly or partially without long-term power purchase agreements. As a result, power from these facilities is sold on the spot market or on a short-term contractual basis, which may affect the volatility of FPL Group's financial results. In addition, FPL Energy's business depends upon transmission facilities owned and operated by others; if transmission is disrupted or capacity is inadequate or unavailable, FPL Energy's ability to sell and deliver its wholesale power may be limited.

FPL Group's ability to successfully identify, complete and integrate acquisitions is subject to significant risks, including the effect of increased competition for acquisitions resulting from the consolidation of the power industry.

•FPL Group is likely to encounter significant competition for acquisition opportunities that may become available as a result of the consolidation of the power industry, in general, as well as the passage of the 2005 Energy Act. In addition, FPL Group may be unable to identify attractive acquisition opportunities at favorable prices and to successfully and timely complete and integrate them.

Because FPL Group and FPL rely on access to capital markets, the inability to maintain current credit ratings and access capital markets on favorable terms may limit the ability of FPL Group and FPL to grow their businesses and would likely increase interest costs.

•FPL Group and FPL rely on access to capital markets as a significant source of liquidity for capital requirements not satisfied by operating cash flows. The inability of FPL Group, FPL Group Capital Inc and FPL to maintain their current credit ratings could affect their ability to raise capital on favorable terms, particularly during times of uncertainty in the capital markets, which, in turn, could impact FPL Group's and FPL's ability to grow their businesses and would likely increase their interest costs.

Customer growth in FPL's service area affects FPL Group's results of operations.

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

Weather affects FPL Group's and FPL's results of operations.

•FPL Group's and FPL's results of operations are affected by changes in the weather. Weather conditions directly influence the demand for electricity and natural gas and affect the price of energy commodities, and can affect the production of electricity at wind and hydro-powered facilities. FPL Group's and FPL's results of operations can be affected by the impact of severe weather which can be destructive, causing outages and/or property damage, may affect fuel supply, and could require additional costs to be incurred. At FPL, recovery of these costs is subject to FPSC approval.

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

•FPL Group and FPL are subject to costs and other effects of legal and administrative proceedings, settlements, investigations and claims, as well as the effect of new, or changes in, tax laws, rates or policies, rates of inflation, accounting standards, securities laws and corporate governance requirements.