FPL
Florida Power & Light Company, P. O. Box 14000, Juno Beach, FL 33408-0420

DEC 17 1999
L-99-280
10 CFR 140.21
10 CFR 50.71(b)

U. S. Nuclear Regulatory Commission
Attn: Document Control Desk
Washington, DC 20555

Re: Turkey Point Units 3 and 4
Docket Nos. 50-250 and 50-251
St. Lucie Units 1 and 2
Docket Nos. 50-335 and 50-389
Price Anderson Guarantees/
Annual Financial Report

In accordance with 10 CFR 140.21, Florida Power and Light Company (FPL) submits the attached financial information.

FPL FORM 10-K, the most recent annual financial report (fiscal year ended December 31, 1998), is attached as Exhibit 1. The most recent quarterly financial report, FORM 10-Q (September 30, 1999), appears as Exhibit 2. Exhibit 3 gives the Company's internal cash flow excluding retained earnings for the 12 months ended September 30, 1999, and for the projected 12 months ending September 30, 2000. The format of Exhibit 3 is based on the NRC's suggested format for a cash flow statement as published in the September 1978 Regulatory Guide 9.4, "SUGGESTED FORMAT FOR CASH FLOW STATEMENTS SUBMITTED AS GUARANTEES OF PAYMENT OF RETROSPECTIVE PREMIUMS."

Exhibit 1 is also submitted to satisfy the annual financial reporting requirement of 10 CFR 50.71(b).

Should there be any questions on this information, please contact us.

Very truly yours,

R. John Gianfrancesco Jr.

R. John Gianfrancesco, Jr.
Manager
Administrative Support and Special Projects

Attachments

M004 1/1

cc: Regional Administrator, Region II, USNRC (w/o)
Senior Resident Inspector, USNRC, Turkey Point Plant (w/o)
Senior Resident Inspector, USNRC, St. Lucie Plant (w/o)

PDR ADOCK 05000335

EXHIBIT 1

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, 1998**

OR

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

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

State or other jurisdiction of incorporation or organization: Florida

	Name of exchange on which registered
Securities registered pursuant to Section 12(b) of the Act:	
FPL Group, Inc.: Common Stock, $.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, 1999 (based on the closing market price on the Composite Tape on January 31, 1999) was $9,878,526,053 (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, 1999.

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 January 31, 1999: 180,334,935 shares

As of January 31, 1999, 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 1999 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
Central Maine	Central Maine Power Company
charter	Restated Articles of Incorporation, as amended, of FPL Group or FPL, as the case may be
conservation clause	Energy conservation cost recovery clause
DOE	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
FGT	Florida Gas Transmission Company
FMPA	Florida Municipal Power Agency
FPL	Florida Power & Light Company
FPL Energy	FPL Energy, Inc.
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
kva	Kilovolt-ampere
kwh	Kilowatt-hour
Management's Discussion	Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations
mortgage	FPL's Mortgage and Deed of Trust dated as of January 1, 1944, as supplemented and amended
mw	Megawatt(s)
NIEHS	National Institute of Environmental Health Sciences
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
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 that could cause actual results to differ materially from those expressed in the forward-looking statements. Accordingly, any such statements are qualified in their entirety by reference to, and are accompanied by, the following important factors that could cause the Company's actual results to differ materially from those contained in forward-looking statements 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 changing governmental policies and regulatory actions, including those of the FERC, the FPSC 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, pricing and transportation of commodities, market demand for energy from plants or facilities, changes in tax rates or policies or in rates of inflation, unanticipated development project delays or changes in project costs, unanticipated changes in operating expenses and capital expenditures, capital market conditions, competition for new energy development opportunities, legal and administrative proceedings (whether civil, such as environmental, or criminal) and settlements, and any unanticipated impact of the year 2000, including delays or changes in costs of year 2000 compliance, or the failure of major suppliers, customers and others with whom the Company does business to resolve their own year 2000 issues on a timely basis.

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

PART I

Item 1. Business

FPL GROUP

FPL Group is a public utility holding company, as defined in the Holding Company Act. It was incorporated in 1984 under the laws of Florida. FPL Group's principal subsidiary, FPL, is engaged in the generation, transmission, distribution and sale of electric energy. Other operations are conducted through FPL Group Capital and its subsidiaries and mainly consist of independent power projects. FPL Group and its subsidiaries employ 10,375 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 7 million. During 1998, FPL served approximately 3.7 million customer accounts. Operating revenues were as follows:

	Years Ended December 31,		
	1998	1997	1996
	(Millions of Dollars)		
Residential	$3,580	$3,394	$3,324
Commercial	2,239	2,222	2,116
Industrial	197	206	203
Other, including the net change in unbilled revenues	350	310	343
	$6,366	$6,132	$5,986

Regulation. The retail operations of FPL provided approximately 99% of FPL's operating revenues for 1998. 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. Capital expenditures required to comply with environmental laws and regulations for 1999 through 2001 are included in FPL's projected capital expenditures set forth in Item 1. Business - FPL Operations - Capital Expenditures and are not material.

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

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

The basic costs of providing electric service, other than fuel and certain other costs, are recovered through base rates, which are designed to recover the costs of constructing, operating and maintaining the utility system. These basic costs include O&M expenses, depreciation and taxes, as well as a return on FPL's investment in assets used and useful in providing electric service (rate base). The rate of return on rate base approximates FPL's weighted cost of capital, which includes its costs for debt and preferred stock and an allowed ROE. FPL's allowed ROE range for 1998 was 11% to 13% with a midpoint of 12%. The FPSC monitors FPL's ROE through a surveillance report that is filed monthly by FPL with the FPSC. The FPSC does not provide assurance that the allowed ROE will be achieved. Base rates are determined in rate proceedings which occur at irregular intervals at the initiative of FPL, the FPSC, 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 December 1998, after negotiations between FPL and the FPSC staff, the FPSC issued a proposed order approving a settlement regarding FPL's allowed ROE, equity ratio and the special amortization program. Under the proposed settlement, beginning in 1999 FPL's allowed ROE range would be 10.2% to 12.2% with a midpoint of 11.2%. FPL agreed to a maximum adjusted equity ratio of 55.83% through 2000. The adjusted equity ratio reflected a discounted amount for off-balance sheet obligations under certain long-term purchase power contracts. See Note 9 - Contracts. The proposed settlement also extended the special amortization program through 2000 and modified the program to include an additional fixed amount of $140 million per year in addition to the variable amount. FPL continues to record a $30 million fixed nuclear amount under a previous FPSC order. In January 1999, several parties challenged the FPSC's proposed order. In mid-February 1999, FPL withdrew from the settlement agreement; the FPSC subsequently approved this withdrawal and concluded the proceeding. FPL is authorized to continue to record special amortization through 1999 in accordance with the extension of the special amortization program approved by the FPSC in 1997.

In January 1999, Public Counsel petitioned the FPSC to conduct a full rate proceeding for FPL and requested that certain revenues be held subject to refund. Other parties have requested participation with Public Counsel. The FPSC is scheduled to address Public Counsel's request in March 1999. FPL is unable to predict the outcome of this matter or any potential effect on its financial statements. See Management's Discussion - Results of Operations and Note 1 - Regulation.

Fuel costs totaled $1.7 billion in 1998 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 1998, $423 million was recovered through the capacity clause. Costs associated with implementing energy conservation programs totaled $99 million in 1998 and are recovered through the conservation clause. Costs of complying with federal, state and local environmental regulations enacted after April 1993 totaled $19 million in 1998 and are recovered through the environmental clause to the extent not included in base rates.

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

Competition. The electric utility industry is facing increasing competitive pressure. FPL currently faces competition from other suppliers of electrical energy to wholesale customers and from alternative energy sources and self-generation for other customer groups, primarily industrial customers. In 1998, operating revenues from wholesale and industrial customers combined represented approximately 4% of FPL's total operating revenues. Various states, other than Florida, have either enacted legislation or are pursuing initiatives designed to deregulate the production and sale of electricity. By allowing customers to choose their electricity supplier, deregulation is expected to result in a shift from cost-based rates to market-based rates for energy production 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.

In the event the basis of regulation for some or all of FPL's business changes from cost-based regulation, existing regulatory assets and liabilities would be written off unless regulators specify an alternative means of recovery or refund. Further, other aspects of the business, such as generation assets and long-term power purchase commitments, would need to be reviewed to assess their recoverability in a changed regulatory environment. See Management's Discussion - Results of Operations and Note 1 - Regulation.

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

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

System Capability and Load. FPL's resources for serving load as of December 31, 1998 consisted of 18,509 mw, of which 16,326 mw are from FPL-owned facilities (see Item 2. Properties - Generating Facilities) and 2,183 mw are obtained through purchased power contracts. See Note 9 - Contracts. The compounded annual growth rate of retail kwh sales and retail customers was 3.4% and 1.8%, respectively, for the three years ended December 31, 1998. It is anticipated that retail kwh sales will grow at a compounded annual rate of 2.1% for the next three years. FPL intends to repower the two Fort Myers units by the end of 2001, repower two of the three Sanford units by the end of 2002, and build three new gas-fired units, one of which will go in service in each of the years 2006, 2007 and 2008. These actions will increase FPL's power generating system by approximately 3,100 mw.

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. Occasionally extremely cold temperatures during the winter months result in unusually high electricity usage for a short period of time. From June 2, 1998 through June 5, 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.

Capital Expenditures. FPL's capital expenditures totaled $617 million in 1998, $551 million in 1997 and $474 million in 1996. Capital expenditures for the 1999-2001 period are expected to be approximately $2.8 billion, including $910 million in 1999. This estimate is subject to continuing review and adjustment, and actual capital expenditures may vary from this estimate. See Management's Discussion - Liquidity and Capital Resources.

Nuclear Operations. FPL owns and operates four nuclear units, two at St. Lucie and two at Turkey Point. The operating licenses for St. Lucie Units Nos. 1 and 2 expire in 2016 and 2023, respectively. The operating licenses for Turkey Point Units Nos. 3 and 4 expire in 2012 and 2013, respectively. In 1998, FPL informed the NRC of its intent to apply for a 20-year license renewal for Turkey Point Units Nos. 3 and 4. FPL expects to file the application with the NRC in approximately 2001. 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. St. Lucie Unit No. 1 will be mothballed beginning in 2016 with decommissioning activities 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.

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

FPL has three contracts in place with FGT that satisfy substantially all of the anticipated needs for natural gas transportation. One of the contracts was executed in November 1998 to extend gas transportation to the Fort Myers plant and is subject to approval by the FERC. The three existing contracts expire in 2010, 2015 and 2021 but can be extended at FPL's option. To the extent desirable, FPL can also purchase interruptible gas transportation service from FGT based on pipeline availability. FPL has a 15-year firm natural gas supply contract at market rates with an affiliate of FGT to provide approximately two-thirds of FPL's anticipated needs for natural gas. The remainder of FPL's gas requirements will be purchased under other contracts and in the spot market.

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

FPL leases nuclear fuel for all four of its nuclear units. 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 1998, FPL has paid approximately $384 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. There are no outstanding appeals relating to this matter. 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 and electric power. The division primarily procures natural gas for FPL's own use in power generation and sells excess electric power. Substantially all of the results of these activities are passed through to customers in the fuel or capacity clauses. The level of trading activity is expected to grow as FPL seeks to manage the risk associated with fluctuating fuel prices and increase value from its own power generation.

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 NIEHS 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 9,845 employees at December 31, 1998. Approximately 35% of the employees are represented by the IBEW under a collective bargaining agreement with FPL expiring on October 31, 2000.

OTHER FPL GROUP OPERATIONS

FPL Group Capital, a wholly-owned subsidiary of FPL Group, holds the capital stock and provides funding for the operating subsidiaries other than FPL. At December 31, 1998, FPL Group Capital and its subsidiaries represented approximately 10% of FPL Group's total assets. The business activities of these companies primarily consist of independent power projects.

FPL Energy. FPL Energy, a wholly-owned subsidiary of FPL Group Capital, was formed in 1998 to aggregate the existing unregulated energy-related operations. FPL Energy's focus is on environmentally-favored generation including natural gas, wind, geothermal, solar and biomass.

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. FPL Energy is actively involved in managing more than 90% of its projects. This active role is expected to continue as opportunities in the unregulated generation market are pursued. As of December 31, 1998, FPL Energy owned or had non-controlling ownership interests in operating independent power projects with a generating capacity of 1,878 mw. These projects are located in eight states and abroad with geographic concentration in California, Virginia and the Northeast.

Deregulation of the electricity 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 low-cost power in competitive markets. However, market-based pricing, competitive sources of supply and the reduced availability of long-term power sales agreements may result in fluctuations in revenues and earnings. Substantially all of the energy produced by FPL Energy's independent power projects is sold through long-term power sales agreements with utilities.

FPL Energy is a party to a contract to purchase all of Central Maine's non-nuclear generation assets for $846 million. The contract is subject to a civil action initiated by FPL Energy. For more information see Item 3 - Legal Proceedings and Note 9.

EXECUTIVE OFFICERS OF THE REGISTRANTS (a)(b)

Name	Age	Position	Effective Date
James L. Broadhead	63	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	60	General Counsel and Secretary of FPL Group	June 1, 1991
		General Counsel and Secretary of FPL	July 1, 1991
K. Michael Davis	52	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	57	President of FPL	January 9, 1995
Lawrence J. Kelleher	51	Vice President, Human Resources of FPL Group	May 13, 1991
		Senior Vice President, Human Resources of FPL	July 1, 1991
Thomas F. Plunkett	59	President, Nuclear Division of FPL	March 1, 1996
Dilek L. Samil	43	Treasurer of FPL Group	May 13, 1991
		Treasurer of FPL	July 1, 1991
C. O. Woody	60	President, Power Generation Division of FPL Group and FPL	January 15, 1998
Michael W. Yackira	47	President of FPL Energy, Inc.	January 15, 1998
Roger Young	55	President of FPL Group..	February 15, 1999

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

(b) The business experience of the executive officers is as follows: Mr. Evanson was formerly vice president, finance and chief financial officer of FPL Group and senior vice president, finance and chief financial officer of FPL; Mr. Plunkett was site vice president at Turkey Point; Mr. Woody was senior vice president, power generation of FPL; and 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. Prior to that, Mr. Yackira was senior vice president, market and regulatory services of FPL. Mr. Young was formerly chief executive officer of Scottish Hydro-Electric plc.

Item 2. Properties

FPL Group and its subsidiaries maintain properties which are adequate for their operations. At December 31, 1998, the electric generating, transmission, distribution and general facilities of FPL represent 46%, 13%, 34% and 7%, respectively, of FPL's gross investment in electric utility plant in service.

Generating Facilities. As of December 31, 1998, FPL Group had the following generating facilities:

Facility	Location	No. of Units	Fuel	Net Warm Weather Peaking Capability (mw)
FPL:				
STEAM TURBINES				
Cape Canaveral	Cocoa, FL	2	Oil/Gas	800
Cutler	Miami, FL	2	Gas	215
Fort Myers	Fort Myers, FL	2	Oil	544
Manatee	Parrish, FL	2	Oil	1,590
Martin	Indiantown, FL	2	Oil/Gas	1,630
Port Everglades	Port Everglades, FL	4	Oil/Gas	1,241
Riviera	Riviera Beach, FL	2	Oil/Gas	580
St. Johns River Power Park	Jacksonville, FL	2	Coal/Petroleum Coke	260(a)
St. Lucie	Hutchinson Island, FL	2	Nuclear	1,553(b)
Sanford	Lake Monroe, FL	3	Oil/Gas	933
Scherer	Monroe County, GA	1	Coal	667(c)
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	875
Putnam	Palatka, FL	2	Gas/Oil	498
COMBUSTION TURBINES				
Fort Myers	Fort Myers, FL	12	Oil	612
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 FPL				16,326
FPL Energy	Various(d)	N/M	(e)	1,878(f)
TOTAL				18,204

(a) Represents FPL's 20% individual ownership interest in SJRPP Units Nos. 1 and 2, which are jointly owned with the JEA.
(b) Excludes Orlando Utilities Commission's and the FMPA's combined share of approximately 15% of St. Lucie Unit No. 2.
(c) Represents FPL's approximately 76% ownership of Scherer Unit No. 4, which is jointly owned with the JEA.
(d) Approximately 697 mw in Virginia, 629 mw in California, 150 mw in New Jersey, 150 mw in Massachusetts, 150 mw in four other states and 102 mw abroad.
(e) Approximately 61% gas, 18% wind, 8% solar, 6% geothermal, 5% coal and 2% other.
(f) Represents FPL Energy's ownership interest and excludes projects under construction.

N/M - Not meaningful

Transmission and Distribution. FPL owns and operates 480 substations with a total capacity of 105,535,440 kva. Electric transmission and distribution lines owned and in service as of December 31, 1998 are as follows:

Nominal Voltage	Overhead Lines Pole Miles	Trench and Submarine Cable Miles
500 kv	1,107(a)	-
230 kv	2,198	31
138 kv	1,426	48
115 kv	671	-
69 kv	166	11
Less than 69 kv	39,510	20,696
Total	45,078	20,786

(a) Includes approximately 80 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 and ceased all attempts to operate the power plants in September 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, plus attorneys' fees. In October 1998, the court dismissed all of the partnerships' antitrust claims against FPL. The partnerships have since moved for summary judgment on FPL's claims against them.

In December 1991, the FMPA, an organization comprised of municipal electric utilities operating in the state, filed a suit against FPL in the Circuit Court of the Ninth Judicial Circuit in Orange County, Florida. The suit was subsequently removed to the U.S. District Court for the Middle District of Florida. The FMPA alleges that FPL is in breach of a "contract," consisting of several different documents, by refusing to provide transmission service to the FMPA and its members on the FMPA's terms. The FMPA also alleges that FPL has violated federal and Florida antitrust laws by monopolizing or attempting to monopolize the provision, coordination and transmission of electric power in FPL's area of operation by refusing to provide transmission service or to permit the FMPA to invest in and use FPL's transmission system on the FMPA's proposed terms. The FMPA seeks $140 million in damages, before trebling for the antitrust claim, and asks the court to require FPL: to transmit electric power among the FMPA and its members on "reasonable terms and conditions"; to permit the FMPA to contribute to and use FPL's transmission system on "reasonable terms and conditions"; and to recognize the FMPA transmission investments as part of FPL's transmission system such that the FMPA can obtain transmission on a basis equivalent to FPL or, alternatively, to provide transmission service equivalent to such FMPA transmission ownership. In 1993, the District Court granted summary judgment in favor of FPL. In 1995, the U.S. Court of Appeals for the Eleventh Circuit vacated the District Court's summary judgment and remanded the matter to the District Court for further proceedings. In 1996, the District Court ordered the FMPA to seek a declaratory ruling from the FERC regarding certain issues in the case. In November 1998, the FERC declined to make the required ruling in the FMPA case. The District Court has yet to act further.

In the event that FPL Group or FPL does not prevail in these suits, there may be a material adverse effect on their financial statements. However, FPL Group and FPL believe that they have meritorious defenses to the litigation to which they are parties 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.

In November 1989, Johnson Enterprises of Jacksonville, Inc. (Johnson Enterprises) filed suit in the U.S. Court for the Middle District of Florida against FPL Group, FPL Group Capital and Telesat Cablevision, Inc. (Telesat), a subsidiary of FPL Group Capital. The suit alleged breach of contract, fraud, violation of racketeering statutes and several other claims. Plaintiff claimed more than $24 million in compensatory damages, treble damages under racketeering statutes, punitive damages and attorneys' fees. In December 1998, the U.S. Court of Appeals for the Eleventh Circuit: affirmed the District Court's judgment in favor of FPL Group and Telesat on nine of twelve counts, including all of the racketeering and fraud claims, and in favor of FPL Group Capital on all counts; reversed the District Court and directed it to enter judgment in favor of FPL Group on Johnson Enterprise's breach of contract and tortious interference claims; and vacated the approximately $6 million damages award against Telesat for breach of contract and directed the District Court to enter judgment for Johnson Enterprises for nominal damages no greater than one dollar. No appeal was filed and all appeal periods have expired.

In November 1998, a subsidiary of FPL Energy filed a civil action with the U.S. District Court for the Southern District of New York requesting a declaratory judgment that Central Maine cannot meet essential terms of the agreement with FPL Energy's subsidiary regarding the purchase of Central Maine's non-nuclear generating assets. FPL Group believes that recent FERC rulings regarding transmission prevent Central Maine from delivering on its contractual obligation that FPL Energy's subsidiary be able to operate the power plants in a manner that is substantially consistent with Central Maine's historical operation of the assets. FPL Group believes the FERC rulings constitute a material adverse effect under the purchase agreement and that FPL Energy's subsidiary should therefore not be bound to complete the transaction. The trial is scheduled for March 1999.

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

None

PART II

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

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

Quarter	1998		1997	
	High	Low	High	Low
First	$65 3/16	$56 1/16	$46 3/4	$43 5/8
Second	$65 5/8	$58 11/16	$48 1/8	$42 5/8
Third	$70	$59 11/16	$51 9/16	$45 1/2
Fourth	$72 9/16	$60 1/2	$60	$49 1/2

Approximate Number of Stockholders. As of the close of business on January 31, 1999, there were 54,655 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	1998	1997
First	$.50	$.48
Second	$.50	$.48
Third	$.50	$.48
Fourth	$.50	$.48

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,				
	1998	1997	1996	1995	1994
SELECTED DATA OF FPL GROUP (Millions of Dollars, except per share amounts):					
Operating revenues	$ 6,661	$ 6,369	$ 6,037	$ 5,592	$ 5,423
Net income	$ 664	$ 618	$ 579	$ 553	$ 519
Earnings per share of common stock(a)	$ 3.85	$ 3.57	$ 3.33	$ 3.16	$ 2.91
Dividends paid per share of common stock	$ 2.00	$ 1.92	$ 1.84	$ 1.76	$ 1.88
Total assets	$12,029	$12,449	$12,219	$12,459	$12,618
Long-term debt, excluding current maturities	$ 2,347	$ 2,949	$ 3,144	$ 3,377	$ 3,864
Obligations of FPL under capital lease, excluding current maturities	$ 146	$ 186	$ 182	$ 179	$ 186
Preferred stock of FPL with sinking fund requirements, excluding current maturities	$ -	-	$ 42	$ 50	$ 94
Energy sales (millions of kwh)(b)	91,041	84,642	80,889	79,756	77,096
SELECTED DATA OF FPL (Millions of Dollars):					
Operating revenues	$ 6,366	$ 6,132	$ 5,986	$ 5,530	$ 5,343
Net income available to FPL Group	$ 616	$ 608	$ 591	$ 568	$ 529
Total assets	$10,748	$11,172	$11,531	$11,751	$11,821
Long-term debt, excluding current maturities	$ 2,191	$ 2,420	$ 2,981	$ 3,094	$ 3,581
Energy sales (millions of kwh)	89,362	82,734	80,889	79,756	77,096
Energy sales:					
Residential	50.9%	50.6%	51.1%	50.8%	50.2%
Commercial	38.8	39.8	38.6	38.5	38.8
Industrial	4.4	4.7	4.7	4.9	5.0
Interchange power sales	3.2	2.1	2.6	1.6	2.5
Other(c)	2.7	2.8	3.0	4.2	3.5
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Approximate 60-minute net peak served (mw)(d):					
Summer season	17,897	16,613	16,064	15,813	15,179
Winter season	16,802	13,047	16,490	18,096	16,563
Average number of customer accounts (thousands):					
Residential	3,266	3,209	3,153	3,097	3,038
Commercial	397	389	381	374	366
Industrial	15	15	15	15	16
Other	2	3	2	3	2
Total	3,680	3,616	3,551	3,489	3,422
Average price per kwh sold (cents)(e)	7.01	7.29	7.29	6.83	6.82

(a) Basic and assuming dilution.
(b) Includes consolidated entities only from the date of consolidation.
(c) Includes the net change in unbilled sales.
(d) The winter season includes November and December of the current year and January through March of the following year.
(e) Includes the net change in unbilled and cost recovery clause revenues.

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

Results of Operations

During 1998, FPL Group, Inc. (FPL Group) achieved net income and earnings per share growth of 7.4% and 7.8%, respectively, compared to 1997 growth rates of 6.7% and 7.2%. The growth reflects better operating results from FPL Energy, Inc.'s (FPL Energy) independent power projects, primarily from its natural gas-fired projects.

Florida Power & Light Company's (FPL) operating revenues and net income represent approximately 96% and 93% of the corresponding amounts of FPL Group. Approximately 20% of the 1998 growth in earnings per share was provided by FPL. FPL's growth was primarily associated with an increase in total kilowatt-hour (kwh) sales and lower interest charges and preferred stock dividends. Offsetting these items were higher depreciation and other operations and maintenance (O&M) expenses.

FPL's operating revenues consist primarily of revenues from base rates, cost recovery clauses and franchise fees. Revenues from FPL's base rates were $3.7 billion, $3.5 billion and $3.4 billion in 1998, 1997 and 1996, respectively. There were no changes in base rates during those years. Revenues from cost recovery clauses and franchise fees represent a pass-through of costs and do not significantly affect net income. Fluctuations in these revenues are primarily driven by changes in energy sales, fuel prices and capacity charges.

FPL's retail customer accounts increased 1.8% for the third consecutive year. In 1998 and 1997, warmer weather contributed to an increase in retail customer usage of 4.8% and 1.2%, respectively. Together these factors and changes in sales to other utilities contributed to an increase in FPL's total energy sales of 8.0%, 2.3% and 1.4% in 1998, 1997 and 1996, respectively.

The Florida Public Service Commission (FPSC) regulates FPL's retail sales, which represent approximately 95% of FPL Group's total operating revenues. FPL reported a retail regulatory return on common equity (ROE) of 12.6%, 12.3% and

12.1% in 1998, 1997 and 1996, respectively. FPL's allowed ROE range for 1996 through 1998 was 11% to 13% with a midpoint of 12%. In December 1998, after negotiations between FPL and the FPSC staff, the FPSC issued a proposed order approving a settlement regarding FPL's allowed ROE, equity ratio and the special amortization program. Under the proposed settlement, beginning in 1999 FPL's allowed ROE range would be 10.2% to 12.2% with a midpoint of 11.2%. FPL agreed to a maximum adjusted equity ratio of 55.83% through 2000. The adjusted equity ratio reflected a discounted amount for off-balance sheet obligations under certain long-term purchase power contracts. See Note 9 - Contracts. The proposed settlement also extended the special amortization program through 2000 and modified the program to include an additional fixed amount of $140 million per year in addition to the variable amount. FPL continues to record a $30 million fixed nuclear amount under a previous FPSC order. In January 1999, several parties challenged the FPSC's proposed order. In mid-February 1999, FPL withdrew from the settlement agreement; the FPSC subsequently approved this withdrawal and concluded the proceeding. FPL is authorized to continue to record special amortization through 1999 in accordance with the extension of the special amortization program approved by the FPSC in 1997.

In January 1999, the State of Florida Office of Public Counsel (Public Counsel) petitioned the FPSC to conduct a full rate proceeding for FPL and requested that certain revenues be held subject to refund. Other parties have requested participation with Public Counsel. The FPSC is scheduled to address Public Counsel's request in March 1999. FPL is unable to predict the outcome of this matter or any potential effect on its financial statements. See Note 1 - Regulation.

FPL Group's 1998 operating revenues reflect the receipt by an independent power project of a settlement relating to a contract dispute. Beginning in 1997, FPL Group's operating revenues, energy sales and fuel, purchased power and interchange expense include the effects of consolidating some independent power projects.

O&M expenses increased in 1998, primarily as a result of additional costs associated with improving the service reliability of FPL's distribution system. Partly offsetting the higher distribution expenses were lower nuclear maintenance costs and conservation clause expenses. Conservation clause expenses are essentially a pass-through and do not affect net income. In 1997, additional costs associated with the conservation clause and higher distribution system maintenance costs were partially offset by a slight decline in nuclear refueling and lower payroll-related costs.

The increases in depreciation and amortization expense are primarily the result of the FPSC-approved special amortization program. Pursuant to the FPSC-approved special amortization program, FPL records as depreciation and amortization expense a fixed amount of $30 million per year for nuclear assets. FPL also records under this program variable amortization based on the actual level of retail base revenues compared to a fixed amount. The variable amounts recorded in 1998, 1997 and 1996 were $348 million, $169 million and $130 million, respectively. These variable amounts include, as depreciation and amortization expense, $161 million, $169 million and $20 million, respectively, for amortization of regulatory assets. The remaining variable amounts were applied against nuclear and fossil production assets. Amortization of debt reacquisition costs, a regulatory asset, was completed in 1998. In addition to amounts recorded under the special amortization program in 1998, 1997 and 1996, FPL amortized $24 million, $22 million and $28 million, respectively, of plant-related regulatory assets deferred since FPL's last rate case in 1984. Amortization of plant-related regulatory assets was completed in 1998. In 1998 and 1997, the FPSC approved higher depreciation rates for certain assets which resulted in additional depreciation of $26 million and $31 million, respectively.

The 1998 increase in FPL Group's interest charges reflects the cost of terminating agreements designed to fix interest rates. This was partially offset by lower interest charges and preferred stock dividends at FPL, which reflect the impact of reducing debt and preferred stock balances. FPL Group has reduced these balances, net of commercial paper increases, over the past three years by $1.0 billion ($1.1 billion for FPL). In 1997, additional debt was assumed as a result of FPL Energy's portfolio restructuring and expansion resulting in higher interest charges at FPL Group.

Improved results in 1998 from independent power partnerships contributed to an increase in the non-operating line other-net of FPL Group. Also reflected in other-net for FPL Group is the December 1998 loss from the sale of Turner Foods Corporation's (Turner) assets. Turner was an agricultural subsidiary of FPL Group Capital Inc (FPL Group Capital) which owned and operated citrus groves in Florida. The loss of Turner's revenues as a result of the sale will not have a significant effect on FPL Group's future operating revenues or net income.

FPL Group's 1998 lower effective income tax rate reflects adjustments relating to prior years' tax matters, including the resolution of an audit issue with the Internal Revenue Service. The effective income tax rates in 1997 and 1996 reflect increased amortization of FPL's deferred investment tax credits due to the special amortization program and adjustments relating to prior years' tax matters.

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 1998, operating revenues from wholesale and industrial customers combined represented approximately 4% of FPL's total operating revenues. Since there is no deregulation proposal currently under consideration in

Florida, FPL is unable to predict what impact would result from a change to a more competitive environment or when such a change might occur. Various states, other than Florida, have either enacted legislation or are pursuing initiatives designed to deregulate the production and sale of electricity. Deregulation related activities are also being pursued on the federal level. See Note 1 - Regulation. Deregulation of the electricity 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 low-cost power in competitive markets. However, market-based pricing, competitive sources of supply and the reduced availability of long-term power sales agreements may result in fluctuations in revenues and earnings. Substantially all of the energy produced by FPL Energy's independent power projects is sold through long-term power sales agreements with utilities.

FPL Group is continuing to work to resolve the potential impact of the year 2000 on the processing of information by its computer systems. A multi-phase plan has been developed consisting of inventorying potential problems, assessing what will be required to address each potential problem, taking the necessary action to fix each problem, testing to see that the action taken did result in year 2000 readiness and implementing the required solution. The inventory and assessment of the information technology infrastructure, computer applications and computerized processes embedded in operating equipment has been completed and approximately 80% of the necessary modifications have been tested and implemented. FPL Group's efforts to assess the year 2000 readiness of third parties include surveying important suppliers. Meetings are being conducted with sole source and certain suppliers. Results of our supplier readiness assessment are being considered in the development of our contingency plans to help ensure that critical supplies are not interrupted, that large customers are able to receive power and that transactions with or processed by financial institutions will occur as intended. FPL Group is on schedule with its multi-phase plan and all phases are expected to be completed by mid-1999, except for confirmatory testing at St. Lucie Unit No. 1, which will be completed during a scheduled refueling outage beginning October 1999. The estimated cost of addressing year 2000 issues is not expected to exceed $50 million, of which approximately 40% had been spent through December 31, 1998. Approximately 80% of the total estimate is for the multi-phase plan. The remainder is an estimate for project and inventory contingencies. The majority of these costs represent the redeployment of existing resources and, therefore, are not expected to have a significant effect on O&M expenses.

At this time, FPL Group believes that the most reasonably likely worst case scenarios relating to the year 2000 could include a temporary disruption of service to customers, caused by a potential disruption in fuel supply, water supply and telecommunications, as well as transmission grid disruptions caused by other companies whose electrical systems are interconnected with FPL. FPL Group's year 2000 contingency planning is currently underway to address risk scenarios at the operating level (such as generation, transmission and distribution), as well as at the business level (such as customer service, procurement and accounting). These plans are intended to mitigate both internal risks and potential risks in FPL Group's supply chain. Contingency plans are expected to be completed by mid-1999, allowing the second half of 1999 for communication and training. In addition to preparing internal contingency plans, FPL also participated in the development of the state's electric grid contingency plans and expects to participate in national drills during 1999 that are designed to test various operating risk scenarios.

In June 1998, the Financial Accounting Standards Board (FASB) issued Statement of 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 the standard in 2000.

In January 1999, an FPL Group Capital subsidiary sold 3.5 million common shares of Adelphia Communications Corporation stock resulting in an after-tax gain of approximately $96 million. An agreement was also reached to sell FPL Group Capital's one-third interest in a limited partnership. While the terms have not been finalized, the sale of the limited partnership interest is expected to have a positive effect on FPL Group's results of operations.

Liquidity and Capital Resources

FPL Group's primary capital requirements consist of expenditures to meet increased electricity usage and customer growth of FPL. Capital expenditures of FPL for the 1999-2001 period are expected to be approximately $2.8 billion, including $910 million in 1999. The increase in FPL Group's 1998 capital expenditures reflects the investment in two power plants in the Northeast, while the increase in FPL's 1998 capital expenditures is primarily the result of improving distribution system reliability. FPL Group Capital and its subsidiaries have guaranteed approximately $305 million of purchase power agreement obligations, debt service payments and other payments subject to certain contingencies. FPL Energy is a party to a contract to purchase all of Central Maine Power Company's non-nuclear generation assets for $846 million. The contract is subject to a civil action initiated by FPL Energy. See Note 9 - Commitments and Contingencies.

Debt maturities of FPL Group's subsidiaries will require cash outflows of approximately $671 million ($525 million for FPL) through 2003, including $359 million ($230 million for FPL) in 1999. It is anticipated that cash requirements for FPL's capital expenditures, energy-related investments and debt maturities in 1999 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 common stock, or for investment. Any temporary cash needs will be met by short-term bank borrowings. In January 1999, FPL Group Capital redeemed $125 million of its 7 5/8% debentures. Bank lines of credit currently available to FPL Group and its subsidiaries aggregate $1.9 billion ($900 million for FPL).

During 1998, FPL Group repurchased 1.0 million shares of common stock under the 10 million share repurchase program. As of December 31, 1998, FPL Group may repurchase an additional 8.3 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, 1998 was $259 million. Bank lines of credit of $300 million, included in the $1.9 billion above, are also available if needed to provide cash for storm restoration costs. The FPSC has indicated that it would consider future storm losses in excess of the funded reserve for possible recovery from customers.

In 1996, the FASB issued an exposure draft on accounting for obligations associated with the retirement of long-lived assets. The method proposed by the FASB in the exposure draft would require the present value of estimated future cash flows to decommission FPL's nuclear power plants and dismantle its fossil plants to be recorded as an increase to asset balances and as a liability. Under that proposal, it is anticipated that there will be no effect on cash flows and, because of the regulatory treatment, there will be no significant effect on net income. The matter has been restudied by the FASB and another exposure draft is scheduled to be issued in 1999.

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.

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 $650 million and $640 million at December 31, 1998 and 1997, 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. Market risk associated with all of these securities is estimated as the potential loss in fair value resulting from a hypothetical 10% increase in interest rates and amounts to $17 million and $19 million at December 31, 1998 and 1997, respectively.

The fair value of FPL Group's and FPL's long-term debt is also affected by changes in interest rates. The following presents the sensitivity of the fair value of debt and interest rate swap agreements to a hypothetical 10% decrease in interest rates:

	1998			1997		
	Carrying Value	Fair Value	Hypothetical Increase in Fair Value(a)	Carrying Value	Fair Value	Hypothetical Increase in Fair Value(a)
	(Millions of Dollars)					
Long-term debt of FPL	$2,421	$2,505(b)	$ 54	$2,600	$2,679(b)	$ 92
Long-term debt of FPL Group	$2,706	$2,797(b)	$ 63	$3,147	$3,236(b)	$103
Interest rate swap agreements of FPL Group .	$ -	$ -(c)	$ -	$ -	$ 31(c)	$ 6

(a) Calculated based on the change in discounted cash flow.
(b) Based on quoted market prices for these or similar issues.
(c) Based on the estimated cost to terminate the agreements. The agreements were terminated in 1998.

While a decrease in interest rates would increase the fair value of debt, it is unlikely that events that would result in a realized loss will occur.

Equity price risk - Included in the special use funds of FPL are marketable equity securities carried at their market value of approximately $556 million and $367 million at December 31, 1998 and 1997, respectively. A hypothetical 10% decrease in the prices quoted by stock exchanges would result in a $56 million and $37 million reduction in fair value and corresponding adjustment to the related liability accounts based on current regulatory treatment at December 31, 1998 and 1997, respectively.

Other risks - Under current cost-based regulation, FPL's cost of fuel is recovered through the fuel and purchased power cost recovery clause (fuel clause), with no effect on earnings. FPL's Energy Marketing & Trading Division buys and sells wholesale energy commodities, such as natural gas and electric power. The division primarily procures natural gas for FPL's own use in power generation and sells excess electric power. Substantially all of the results of these activities are passed through to customers in the fuel or capacity cost recovery clauses. The level of trading activity is expected to grow as FPL seeks to manage the risk associated with fluctuating fuel prices and increase value from its own power generation. At December 31, 1998, 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, 1998. 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, 1998 and 1997 and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1998 in conformity with generally accepted accounting principles.

DELOITTE & TOUCHE LLP
Certified Public Accountants

Miami, Florida
February 12, 1999

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

	Years Ended December 31, 1998	1997	1996
OPERATING REVENUES	$6,661	$6,369	$6,037
OPERATING EXPENSES:			
Fuel, purchased power and interchange	2,244	2,255	2,131
Other operations and maintenance	1,284	1,231	1,189
Depreciation and amortization	1,284	1,061	960
Taxes other than income taxes	597	594	586
Total operating expenses	5,409	5,141	4,866
OPERATING INCOME	1,252	1,228	1,171
OTHER INCOME (DEDUCTIONS):			
Interest charges	(322)	(291)	(267)
Preferred stock dividends - FPL	(15)	(19)	(24)
Other - net	28	4	(7)
Total other deductions - net	(309)	(306)	(298)
INCOME BEFORE INCOME TAXES	943	922	873
INCOME TAXES	279	304	294
NET INCOME	$ 664	$ 618	$ 579
Earnings per share of common stock (basic and assuming dilution)	$3.85	$3.57	$3.33
Dividends per share of common stock	$2.00	$1.92	$1.84
Average number of common shares outstanding	173	173	174

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

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

	December 31, 1998	December 31, 1997
PROPERTY, PLANT AND EQUIPMENT:		
Electric utility plant in service and other property	$17,592	$17,430
Nuclear fuel under capital lease - net	146	186
Construction work in progress	214	204
Less accumulated depreciation and amortization	(9,397)	(8,466)
Total property, plant and equipment - net	8,555	9,354
CURRENT ASSETS:		
Cash and cash equivalents	187	54
Customer receivables, net of allowances of $8 and $9	559	501
Materials, supplies and fossil fuel inventory - at average cost	282	302
Deferred clause expenses	82	122
Other	156	122
Total current assets	1,266	1,101
OTHER ASSETS:		
Special use funds of FPL	1,206	1,007
Other investments	391	282
Other	611	705
Total other assets	2,208	1,994
TOTAL ASSETS	$12,029	$12,449
CAPITALIZATION:		
Common shareholders' equity	$ 5,126	$ 4,845
Preferred stock of FPL without sinking fund requirements	226	226
Long-term debt	2,347	2,949
Total capitalization	7,699	8,020
CURRENT LIABILITIES:		
Short-term debt	110	134
Current maturities of long-term debt	359	198
Accounts payable	338	368
Customers' deposits	282	279
Accrued interest and taxes	191	180
Deferred clause revenues	89	61
Other	272	279
Total current liabilities	1,641	1,499
OTHER LIABILITIES AND DEFERRED CREDITS:		
Accumulated deferred income taxes	1,255	1,473
Deferred regulatory credit - income taxes	148	166
Unamortized investment tax credits	205	229
Storm and property insurance reserve	259	252
Other	822	810
Total other liabilities and deferred credits	2,689	2,930
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$12,029	$12,449

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

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

	Years Ended December 31, 1998	1997	1996
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 664	$ 618	$ 579
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	1,284	1,061	960
Decrease in deferred income taxes and related regulatory credit	(237)	(30)	(76)
Increase (decrease) in accrued interest and taxes	11	(79)	39
Other - net	21	27	90
Net cash provided by operating activities	1,743	1,597	1,592
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures of FPL	(617)	(551)	(474)
Independent power investments	(521)	(291)	(52)
Distributions and loan repayments from partnerships and joint ventures	304	53	41
Proceeds from the sale of assets	135	43	69
Other - net	(96)	(51)	(110)
Net cash used in investing activities	(795)	(797)	(526)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Issuance of long-term debt	343	42	-
Retirement of long-term debt and preferred stock	(727)	(717)	(338)
Increase (decrease) in short-term debt	(24)	113	(179)
Repurchase of common stock	(62)	(48)	(82)
Dividends on common stock	(345)	(332)	(320)
Other - net	-	-	3
Net cash used in financing activities	(815)	(942)	(916)
Net increase (decrease) in cash and cash equivalents	133	(142)	150
Cash and cash equivalents at beginning of year	54	196	46
Cash and cash equivalents at end of year	$ 187	$ 54	$ 196
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:			
Cash paid for interest	$ 308	$ 287	$ 248
Cash paid for income taxes	$ 463	$ 434	$ 381
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:			
Additions to capital lease obligations	$ 34	$ 81	$ 86
Debt assumed for property additions	$ -	$ 420	$ 33

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

FPL GROUP, INC.
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
(In Millions)

	Common Stock (a)		Additional Paid-In Capital	Unearned Compensation	Accumulated Other Comprehensive Income	Retained Earnings	Common Shareholders' Equity
	Shares	Aggregate Par Value					
Balances, December 31, 1995	185(b)	$2	$3,420	$(287)	$-	$1,259	
Net income	-	-	-	-	-	579	
Repurchase of common stock ...	(2)	-	(82)	-	-	-	
Dividends on common stock	-	-	-	-	-	(320)	
Earned compensation under ESOP	-	-	8	15	-	-	
Other	-	-	(1)	-	-	-	
Balances, December 31, 1996	183(b)	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	$4,845
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

(a) $.01 par value, authorized - 300,000,000 shares; outstanding 180,712,435 and 181,762,385 at December 31, 1998 and 1997, respectively.
(b) Outstanding and unallocated shares held by the Employee Stock Ownership Plan Trust totaled 8.5 million, 8.9 million and 9.3 million at December 31, 1998, 1997 and 1996, respectively.

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

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

	Years Ended December 31,		
	1998	1997	1996
OPERATING REVENUES	$6,366	$6,132	$5,986
OPERATING EXPENSES:			
Fuel, purchased power and interchange	2,175	2,196	2,131
Other operations and maintenance	1,163	1,132	1,127
Depreciation and amortization	1,249	1,034	955
Income taxes	356	329	329
Taxes other than income taxes	596	592	585
Total operating expenses	5,539	5,283	5,127
OPERATING INCOME	827	849	859
OTHER INCOME (DEDUCTIONS):			
Interest charges	(196)	(227)	(246)
Other - net	-	5	2
Total other deductions - net	(196)	(222)	(244)
NET INCOME	631	627	615
PREFERRED STOCK DIVIDENDS	15	19	24
NET INCOME AVAILABLE TO FPL GROUP, INC.	$ 616	$ 608	$ 591

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

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

	December 31, 1998	December 31, 1997
ELECTRIC UTILITY PLANT:		
Plant in service	$17,159	$16,819
Less accumulated depreciation	(9,317)	(8,355)
Net	7,842	8,464
Nuclear fuel under capital lease - net	146	186
Construction work in progress	159	131
Electric utility plant - net	8,147	8,781
CURRENT ASSETS:		
Cash and cash equivalents	152	3
Customer receivables, net of allowances of $8 and $9	521	471
Materials, supplies and fossil fuel inventory - at average cost	239	242
Deferred clause expenses	82	122
Other	122	104
Total current assets	1,116	942
OTHER ASSETS:		
Special use funds	1,206	1,007
Other	279	442
Total other assets	1,485	1,449
TOTAL ASSETS	$10,748	$11,172
CAPITALIZATION:		
Common shareholder's equity	$ 4,803	$ 4,814
Preferred stock without sinking fund requirements	226	226
Long-term debt	2,191	2,420
Total capitalization	7,220	7,460
CURRENT LIABILITIES:		
Commercial paper	-	40
Current maturities of long-term debt	230	180
Accounts payable	321	344
Customers' deposits	282	279
Accrued interest and taxes	198	180
Deferred clause revenues	89	61
Other	231	228
Total current liabilities	1,351	1,312
OTHER LIABILITIES AND DEFERRED CREDITS:		
Accumulated deferred income taxes	887	1,070
Deferred regulatory credit - income taxes	148	166
Unamortized investment tax credits	205	229
Storm and property insurance reserve	259	252
Other	678	683
Total other liabilities and deferred credits	2,177	2,400
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$10,748	$11,172

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

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

	Years Ended December 31,		
	1998	1997	1996
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 631	$ 627	$ 615
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	1,249	1,034	955
Decrease in deferred income taxes and related regulatory credit	(202)	(98)	(25)
Increase (decrease) in accrued interest and taxes	18	(121)	22
Other - net	22	61	41
Net cash provided by operating activities	1,718	1,503	1,608
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures	(617)	(551)	(474)
Other - net	(80)	(83)	(124)
Net cash used in investing activities	(697)	(634)	(598)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Issuance of long-term debt	197	-	-
Retirement of long-term debt and preferred stock	(389)	(505)	(333)
Increase (decrease) in commercial paper	(40)	40	(179)
Capital contributions from FPL Group, Inc.	-	140	195
Dividends	(640)	(619)	(617)
Other - net	-	-	2
Net cash used in financing activities	(872)	(944)	(932)
Net increase (decrease) in cash and cash equivalents	149	(75)	78
Cash and cash equivalents at beginning of year	3	78	-
Cash and cash equivalents at end of year	$ 152	$ 3	$ 78
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:			
Cash paid for interest	$ 181	$ 216	$ 228
Cash paid for income taxes	$ 510	$ 575	$ 379
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:			
Additions to capital lease obligations	$ 34	$ 81	$ 86

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

FLORIDA POWER & LIGHT COMPANY
CONSOLIDATED STATEMENT OF SHAREHOLDER'S EQUITY
(Millions of Dollars)

	Common Stock (a)	Additional Paid-In Capital	Retained Earnings	Common Share-holder's Equity
Balances, December 31, 1995	$1,373	$2,229	$ 872	
Contributions from FPL Group	-	195	-	
Net income available to FPL Group	-	-	591	
Dividends to FPL Group	-	-	(593)	
Other	-	-	1	
Balances, December 31, 1996	1,373	2,424	871	
Contributions from FPL Group	-	140	-	
Net income available to FPL Group	-	-	608	
Dividends to FPL Group	-	-	(601)	
Other	-	2	(3)	
Balances, December 31, 1997	1,373	2,566	875	$4,814
Net income available to FPL Group	-	-	616	
Dividends to FPL Group	-	-	(626)	
Other	-	-	(1)	
Balances, December 31, 1998	$1,373	$2,566	$ 864	$4,803

(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), a rate-regulated public utility, and FPL Energy, Inc. (FPL Energy). FPL supplies electric service to approximately 3.7 million customers throughout most of the east and lower west coasts of Florida. FPL Energy invests in independent power projects which consist of controlled and consolidated entities and non-controlling ownership interests in joint ventures.

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 non-regulated 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.

Various states, other than Florida, have either enacted legislation or are pursuing initiatives designed to deregulate the production and sale of electricity. By allowing customers to choose their electricity supplier, deregulation is expected to result in a shift from cost-based rates to market-based rates for energy production 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 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, 1998	December 31, 1997
	(Millions of Dollars)	
Assets (included in other assets):		
Unamortized debt reacquisition costs	$ -	$171
Plant-related deferred costs	$ -	$ 24
Nuclear maintenance reserve cumulative effect adjustment	$ -	$ 14
Deferred Department of Energy assessment	$ 44	$ 48
Liabilities:		
Deferred regulatory credit - income taxes	$148	$166
Unamortized investment tax credits	$205	$229
Storm and property insurance reserve	$259	$252

The storm and property insurance reserve is primarily related to transmission and distribution properties. 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 what impact would result from a change to a more competitive environment or when such a change might occur.

FPL's allowed return on equity (ROE) range for 1996 through 1998 was 11% to 13% with a midpoint of 12%. In December 1998, after negotiations between FPL and the FPSC staff, the FPSC issued a proposed order approving a settlement regarding FPL's allowed ROE, equity ratio and the special amortization program. Under the proposed settlement, beginning in 1999 FPL's allowed ROE range would be 10.2% to 12.2% with a midpoint of 11.2%. FPL agreed to a maximum adjusted equity ratio of 55.83% through 2000. The adjusted equity ratio reflected a discounted amount for off-balance sheet obligations under certain long-term purchase power contracts. See Note 9 - Contracts. The proposed settlement also extended the special amortization program through 2000 and modified the program to include an additional fixed amount of $140 million per year in addition to the variable amount. FPL continues to record a $30 million fixed nuclear amount under a previous FPSC order. In January 1999, several parties challenged the FPSC's proposed order. In mid-February 1999, FPL withdrew from the settlement agreement; the FPSC subsequently approved this withdrawal and concluded the proceeding. FPL is authorized to continue to record special amortization through 1999 in accordance with the extension of the special amortization program approved by the FPSC in 1997.

In January 1999, the State of Florida Office of Public Counsel (Public Counsel) petitioned the FPSC to conduct a full rate proceeding for FPL and requested that certain revenues be held subject to refund. Other parties have requested participation with Public Counsel. The FPSC is scheduled to address Public Counsel's request in March 1999. FPL is unable to predict the outcome of this matter or any potential effect on its financial statements.

FPL amortized the plant-related deferred costs as approved by the FPSC and recorded $24 million, $22 million and $28 million, in 1998, 1997 and 1996, respectively. Pursuant to the FPSC-approved special amortization program, FPL recorded as depreciation and amortization expense a fixed amount of $30 million per year for nuclear assets. FPL also records under this program variable amortization based on the actual level of retail base revenues compared to a fixed amount. The variable amounts recorded in 1998, 1997 and 1996 were $348 million, $169 million and $130 million, respectively. These variable amounts include, as depreciation and amortization expense, $161 million, $169 million and $20 million, respectively, for amortization of regulatory assets. The remaining variable amounts were applied against nuclear and fossil production assets.

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 $152 million and $154 million at December 31, 1998 and 1997, 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.

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 is added to electric utility plant. The cost of units of utility property retired, less net salvage, is charged to accumulated depreciation. Maintenance and repairs of property as well as replacements and renewals of items determined to be less than units of utility property are charged to other operations and maintenance (O&M) expenses. At December 31, 1998, the generating, transmission, distribution and general facilities of FPL represented approximately 46%, 13%, 34% 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. The most recent depreciation studies were approved by the FPSC effective for 1998. That approval has since been challenged and hearings have been requested. Fossil fuel plant dismantlement studies were filed in September 1998 and will be effective January 1, 1999. The weighted annual composite depreciation rate for FPL's electric plant in service was approximately 4.4% for 1998, 4.3% for 1997 and 4.1% for 1996, excluding the effects of decommissioning and dismantlement. Further, these rates exclude the special and plant-related deferred cost amortization. See Regulation.

Nuclear Fuel - FPL leases nuclear fuel for all four of its nuclear units. Nuclear fuel lease expense was $83 million, $85 million and $94 million in 1998, 1997 and 1996, respectively. Included in this expense was an interest component of $9 million, $9 million and $10 million in 1998, 1997 and 1996, 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 $146 million at December 31, 1998. 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. Decommissioning expense accruals included in depreciation and amortization expense, were $85 million in each of the years 1998, 1997 and 1996. At December 31, 1998 and 1997, the accumulated provision for nuclear decommissioning totaled $1.205 billion and $998 million, respectively, and is included in accumulated depreciation. 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. St Lucie Unit No. 1 will be mothballed beginning in 2016 with decommissioning activities 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 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. The updated studies, which are pending FPSC approval, indicate there is an estimated reserve deficiency at December 31, 1998, of approximately $535 million. FPL is proposing to maintain the current approved annual decommissioning accrual at $85 million per year and to recover the reserve deficiency through the special amortization program. See Regulation. The annual accrual will be adjusted once the amount of deficiency is approved and recovery through the amortization program has been completed.

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 1998, 1997 and 1996, and is included in depreciation and amortization expense. FPL's portion of the ultimate cost to dismantle its fossil units is $521 million. At December 31, 1998 and 1997, the accumulated provision for fossil dismantlement totaled $185 million and $162 million, respectively, and is included in accumulated depreciation. The dismantlement studies filed in 1998 indicated an estimated reserve deficiency of $38 million which FPL is proposing to recover through the special amortization program. See Regulation.

Restricted trust funds for the payment of future expenditures to decommission FPL's nuclear units are included in special use funds of FPL. At December 31, 1998 and 1997, decommissioning fund assets were $1.046 billion and $850 million, respectively. Securities held in the decommissioning fund are carried at market value with market adjustments resulting in a corresponding adjustment to the accumulated provision for nuclear decommissioning. See Note 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.

In 1996, the Financial Accounting Standards Board (FASB) issued an exposure draft on accounting for obligations associated with the retirement of long-lived assets. The method proposed by the FASB in the exposure draft would require the present value of estimated future cash flows to decommission FPL's nuclear power plants and dismantle its fossil power plants to be recorded as an increase to asset balances and as a liability. Under that proposal, it is anticipated that there will be no effect on cash flows and, because of the regulatory treatment, there will be no significant effect on net income. The matter has been restudied by the FASB and another exposure draft is scheduled to be issued in 1999.

Accrual for Nuclear Maintenance Costs - 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. 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 non-regulated 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. The storm fund, which totaled $160 million and $157 million at December 31, 1998 and 1997, respectively, is included in special use funds of FPL. Securities held in the fund are carried at market value with market adjustments resulting in a corresponding adjustment to the storm and property insurance reserve. See Note 3 - Special Use Funds and Note 9 - Insurance. Fund earnings, net of taxes, are reinvested in the fund. The tax effects of amounts not yet recognized for tax purposes are included in accumulated deferred income taxes.

Other Investments - Included in other investments in FPL Group's consolidated balance sheets is FPL Group's participation in leveraged leases of $154 million at both December 31, 1998 and 1997. Additionally, other investments include non-controlling non-majority owned interests in partnerships and joint ventures, essentially all of which are accounted for under the equity method.

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

Short-Term Debt - The year end weighted-average interest rate on short-term debt at December 31, 1998 was 5.2% for FPL Group.

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. 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 and $20 million in 1997 and 1996, respectively.

Accounting for Derivative Instruments and Hedging Activities - In June 1998, the FASB 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 the standard in 2000.

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, 1998 and a statement of the funded status of both years:

	Pension Benefits		Other Benefits	
	1998	1997	1998	1997
	(Millions of Dollars)			
Change in benefit obligation:				
Obligation at October 1 of prior year	$1,146	$1,262	$ 324	$ 297
Service cost	45	38	5	5
Interest cost	75	76	21	21
Plan amendments	8	(290)	-	-
Actuarial losses - net	34	87	10	11
Curtailments	-	19	-	-
Benefit payments	(135)	(46)	(15)	(10)
Obligation at September 30	1,173	1,146	345	324
Change in plan assets:				
Fair value of plan assets at October 1 of prior year	2,287	1,996	125	107
Actual return on plan assets	184	343	7	28
Participant contributions	-	-	1	2
Benefit payments and expenses	(142)	(52)	(18)	(12)
Fair value of plan assets at September 30	2,329	2,287	115	125
Funded Status:				
Funded status at September 30	1,156	1,141	(230)	(199)
Unrecognized prior service cost	(100)	(117)	-	-
Unrecognized transition (asset) obligation	(140)	(163)	49	53
Unrecognized (gain) loss	(736)	(762)	34	23
Prepaid (accrued) benefit cost at FPL Group	$ 180	$ 99	$(147)	$ (123)
Prepaid (accrued) benefit cost at FPL	$ 173	$ 94	$(145)	$ (122)

The following table provides the components of net periodic benefit cost for the plans for fiscal years 1998, 1997 and 1996:

	Pension Benefits			Other Benefits		
	1998	1997	1996	1998	1997	1996
	(Millions of Dollars)					
Service cost	$ 45	$ 38	$ 38	$ 6	$ 6	$ 5
Interest cost	75	76	90	21	21	18
Expected return on plan assets	(149)	(135)	(126)	(8)	(7)	(6)
Amortization of transition (asset) obligation	(23)	(23)	(23)	3	3	3
Amortization of prior service cost	(8)	1	12	-	-	-
Amortization of losses (gains)	(21)	(26)	(10)	1	-	-
Net periodic (benefit) cost	(81)	(69)	(19)	23	23	20
Effect of special retirement programs	-	18	-	-	-	-
Net periodic (benefit) cost at FPL Group	$ (81)	$ (51)	$ (19)	$ 23	$ 23	$ 20
Net periodic (benefit) cost at FPL	$ (80)	$ (50)	$ (18)	$ 23	$ 23	$ 19

The weighted-average discount rate used in determining the benefit obligations was 6.0% and 6.5% for 1998 and 1997, 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 1999 trend assumptions used to measure the expected cost of benefits covered by the plans are 6.6% and 5.8%, for persons prior to age 65 and over age 65, respectively. The rate is assumed to decrease over the next 4 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 (decrease) in assumed health care cost trend rates would increase (decrease) the service and interest cost components and the accumulated obligation of other benefits by $1 million and $13 million, respectively.

3. Financial Instruments

The carrying amounts of cash equivalents and short-term debt approximate their fair values. Certain investments of FPL Group, included in other investments, are carried at estimated fair value which was $72 million and $51 million at December 31, 1998 and 1997, respectively. The following estimates of the fair value of financial instruments have been made using available market information and other valuation methodologies. However, the use of different market assumptions or methods of valuation could result in different estimated fair values.

	December 31,			
	1998		1997	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
	(Millions of Dollars)			
Long-term debt of FPL (a)	$2,421	$2,505(b)	$2,600	$2,679(b)
Long-term debt of FPL Group (a)	$2,706	$2,797(b)	$3,147	$3,236(b)
Interest rate swap agreements of FPL Group	$ -	$ -	$ -	$ 31(c)

(a) Includes current maturities.
(b) Based on quoted market prices for these or similar issues.
(c) Based on estimated cost to terminate the agreements. The agreements were terminated in 1998.

Special Use Funds - Securities held in the special use funds are carried at estimated fair value. The nuclear decommissioning fund consists of approximately one-half equity securities and one-half municipal, government, corporate and mortgage-backed debt securities with a weighted-average maturity of approximately 10 years. The storm fund primarily consists of municipal debt securities with a weighted-average maturity of approximately 3 years. The cost of securities sold is determined on the specific identification method. The funds had approximate realized gains of $24 million and approximate realized losses of $4 million in 1998, $3 million and $2 million in 1997 and $8 million and $9 million in 1996, respectively. The funds had unrealized gains of approximately $210 million and $126 million at December 31, 1998 and 1997, respectively; the unrealized losses at those dates were approximately $2 million and $1 million. The proceeds from the sale of securities in 1998, 1997 and 1996 were approximately $1.2 billion, $800 million, and $1.1 billion, 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 1998, 1997 and 1996, 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 $19 million in 1998, $19 million in 1997 and $23 million in 1996 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, 1998 was approximately $248 million, representing 8.5 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, 1998 was approximately $526 million.

Long-Term Incentive Plan - Under FPL Group's long-term incentive plan, 9 million shares of common stock are reserved and available for awards to officers and employees of FPL Group and its subsidiaries as of December 31, 1998. Total compensation charged against earnings under the incentive plan was not material in any year. The changes in share awards under the incentive plan are as follows:

	Performance Shares(a)	Restricted Stock	Non-qualified Option Shares(a)
Balances, December 31, 1995	320,336	194,200	11,185
Granted (b)	90,772	23,000	-
Exercised at $30 7/8	-	-	(10,935)
Paid/released	(60,359)	(34,250)	-
Forfeited	(39,222)	(16,650)	(250)
Balances, December 31, 1996	311,527	166,300	-
Granted (b)	212,011	71,000	-
Paid/released	(70,008)	-	-
Forfeited	(10,942)	(17,750)	-
Balances, December 31, 1997	442,588	219,550	-
Granted (b)	178,518	19,500	-
Paid/released	(80,920)	-	-
Forfeited	(29,566)	(22,250)	-
Balances, December 31, 1998	510,620	216,800(c)	-

(a) Performance shares resulted in 128,000, 132,000 and 124,000 assumed incremental shares of common stock outstanding for purposes of computing diluted earnings per share in 1998, 1997 and 1996, respectively. These incremental shares did not change basic earnings per share.
(b) The average grant date fair value of equity instruments issued under the incentive plan was $12 million, $13 million and $5 million in 1998, 1997 and 1996, respectively.
(c) Shares of restricted stock were issued at market value at the date of the grant.

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. The results of utilizing the accounting method recommended in FAS 123 would not have a material effect on FPL Group's results of operations or change earnings per share.

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, $.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, 1998		December 31,	
	Shares Outstanding	Redemption Price	1998	1997
			(Millions of Dollars)	
Cumulative, $100 Par Value, authorized 15,822,500 shares at December 31, 1998 and 1997:				
Without sinking fund requirements:				
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 without sinking fund requirements	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 of preferred stock in 1998, 1997 and 1996. In 1996, FPL redeemed 600,000 shares of its 7.28% Preferred Stock, Series F, $100 Par Value and 400,000 shares of its 7.40% Preferred Stock, Series G, $100 Par Value.
(b) Not redeemable prior to 2003.

6. Long-Term Debt

Long-term debt consists of the following:

	December 31, 1998	December 31, 1997
	(Millions of Dollars)	
FPL		
First mortgage bonds:		
Maturing through 2000 - 5 3/8% to 5 1/2%	$ 355	$ 355
Maturing 2001 through 2015 - 6% to 7 7/8%	641	642
Maturing 2016 through 2026 - 7% to 7 3/4%	741	741
Medium-term notes:		
Maturing 1998 - 5.50% to 6.20%	-	180
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 2021 through 2029 - variable, 3.6% and 3.9% average annual interest rate, respectively	483	484
Unamortized discount - net	(19)	(22)
Total long-term debt of FPL	2,421	2,600
Less current maturities	230	180
Long-term debt of FPL, excluding current maturities	2,191	2,420
FPL Group Capital		
Debentures:		
Maturing 2013 - 7 5/8% (a)	125	125
Senior term loan - Maturing 2007 - variable (b)	-	333
Other long-term debt - 3.4% to 7.645% due various dates to 2018	162	91
Unamortized discount	(2)	(2)
Total long-term debt of FPL Group Capital	285	547
Less current maturities	129	18
Long-term debt of FPL Group Capital, excluding current maturities	156	529
Total long-term debt	$2,347	$2,949

(a) Redeemed in January 1999.
(b) A notional principal amount of $267 million at December 31, 1997 was hedged with interest rate swap agreements to reduce the impact of changes in interest rates on variable rate long-term debt. The swap agreements effectively changed the variable interest rates to an average fixed rate of 9.7%. The agreements were dedesignated as a hedge and terminated in 1998, resulting in a loss recorded as interest expense.

Minimum annual maturities of long-term debt for FPL Group for 1999-2003 are approximately $359 million, $129 million, $4 million, $4 million and $175 million, respectively. The amounts for FPL are $230 million, $125 million and $170 million for 1999, 2000 and 2003, respectively. FPL has no amounts due in 2001 and 2002.

Available lines of credit aggregated approximately $1.9 billion ($900 million for FPL) at December 31, 1998, 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,		
	1998	1997	1996	1998	1997	1996
	(Millions of Dollars)					
Federal:						
Current	$467	$308	$355	$492	$377	$388
Deferred	(215)	(34)	(77)	(169)	(83)	(81)
ITC and other - net	(27)	(22)	(31)	(24)	(22)	(31)
Total federal	225	252	247	299	272	276
State:						
Current	72	52	63	78	60	53
Deferred	(18)	-	(16)	(21)	(3)	-
Total state	54	52	47	57	57	53
Income taxes charged to operations - FPL				356	329	329
Credited to other income (deductions) - FPL				(7)	(8)	(7)
Total income taxes	$279	$304	$294	$349	$321	$322

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

	FPL Group			FPL		
	Years Ended December 31,			Years Ended December 31,		
	1998	1997	1996	1998	1997	1996
Statutory federal income tax rate	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
Increases (reductions) resulting from:						
State income taxes - net of federal income tax benefit	3.7	3.7	3.5	3.7	3.9	3.7
Amortization of ITC	(2.5)	(2.4)	(3.6)	(2.4)	(2.3)	(3.3)
Amortization of deferred regulatory credit - income taxes	(1.8)	(1.8)	(2.0)	(1.7)	(1.8)	(1.9)
Adjustments of prior years' tax matters	(6.3)(a)	(2.7)	(1.3)	0.1	(1.7)	(0.1)
Preferred stock dividends - FPL	0.5	0.7	1.0	-	-	-
Other - net	1.0	0.5	1.0	.9	0.8	0.9
Effective income tax rate	29.6%	33.0%	33.6%	35.6%	33.9%	34.3%

(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		FPL	
	December 31,		December 31,	
	1998	1997	1998	1997
	(Millions of Dollars)			
Deferred tax liabilities:				
Property-related	$1,493	$1,663	$1,493	$1,631
Investment-related	460	436	-	-
Other	255	362	140	185
Total deferred tax liabilities	2,208	2,461	1,633	1,816
Deferred tax assets and valuation allowance:				
Asset writedowns and capital loss carryforward	113	121	-	-
Unamortized ITC and deferred regulatory credit - income taxes	136	153	136	153
Storm and decommissioning reserves	258	246	258	246
Other	473	496	352	347
Valuation allowance	(27)	(28)	-	-
Net deferred tax assets	953	988	746	746
Accumulated deferred income taxes	$1,255	$1,473	$ 887	$1,070

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, 1998, FPL's gross investment in these units was $1.174 billion, $328 million and $571 million, respectively; accumulated depreciation was $663 million, $142 million and $239 million, respectively.

FPL is responsible for its share of the operating costs, as well as providing its own financing. At December 31, 1998, there was no significant balance of construction work in progress on these facilities.

9. Commitments and Contingencies

Commitments - FPL has made commitments in connection with a portion of its projected capital expenditures. Capital expenditures for the construction or acquisition of additional facilities and equipment to meet customer demand are estimated to be approximately $2.8 billion for 1999 through 2001. Included in this three-year forecast are capital expenditures for 1999 of approximately $910 million. FPL Energy is a party to a contract to purchase all of Central Maine Power Company's (Central Maine) non-nuclear generation assets for $846 million. The contract is subject to a civil action initiated by FPL Energy. See Litigation. FPL Group and its subsidiaries, other than FPL, have guaranteed approximately $305 million of purchase 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 $51 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 certain 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 $259 million at December 31, 1998, for T&D property storm damage or assessments under the nuclear insurance program. Recovery from customers of any losses in excess of the storm and property insurance reserve will require the approval of the FPSC. FPL's available lines of credit include $300 million to provide additional liquidity in the event of a T&D property loss.

Contracts - FPL has entered into 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 2022. FPL also has various firm pay-for-performance contracts to purchase approximately 1,000 mw from certain cogenerators and small power producers (qualifying facilities) with expiration dates ranging from 2002 through 2026. The purchased power contracts provide for capacity and energy payments. Energy payments are based on the actual power taken under these contracts. Capacity payments for the pay-for-performance contracts are subject to the qualifying facilities meeting certain contract conditions. Fuel contracts provide for the transportation and supply of natural gas and coal. FPL Energy has long-term contracts for the transportation and storage of natural gas to its Doswell plant which expire in 2007, with a five-year renewal option, and in 2017, respectively.

The required capacity and minimum payments through 2003 under these contracts are estimated to be as follows:

	1999	2000	2001	2002	2003
		(Millions of Dollars)			
FPL:					
Capacity payments:					
JEA and Southern Companies	$210	$210	$210	$210	$200
Qualifying facilities (a)	$360	$370	$380	$400	$410
Minimum payments, at projected prices:					
Natural gas, including transportation	$210	$210	$240	$260	$270
Coal	$ 40	$ 40	$ 30	$ 30	$ 15
FPL Energy:					
Natural gas transportation and storage	$ 15	$ 15	$ 15	$ 15	$ 15

(a) Includes approximately $40 million, $40 million, $40 million, $45 million, and $45 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:

	1998 Charges		1997 Charges		1996 Charges	
	Capacity	Energy/ Fuel	Capacity	Energy/ Fuel	Capacity	Energy/ Fuel
			(Millions of Dollars)			
FPL:						
JEA and Southern Companies	$192(b)	$138(a)	$201(b)	$153(a)	$192(b)	$148(a)
Qualifying facilities	$299(c)	$108(a)	$296(c)	$128(a)	$279(c)	$125(a)
Natural gas, including transportation	$ -	$280(a)	$ -	$413(a)	$ -	$422(a)
Coal	$ -	$ 50(a)	$ -	$ 52(a)	$ -	$ 49(a)
FPL Energy:						
Natural gas transportation and storage	$ -	$ 18	$ -	$ 16	$ -	$ -

(a) Recovered through the fuel clause.
(b) Recovered through base rates and the capacity cost recovery clause (capacity 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, ceased all attempts to operate the power plants 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 January 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, plus attorneys' fees. In October 1998, the court dismissed all of the plant owners' antitrust claims against FPL. The plant owners have since moved for summary judgment on FPL's claims against them.

The Florida Municipal Power Agency (FMPA), an organization comprised of municipal electric utilities, has sued FPL for allegedly breaching a "contract" to provide transmission service to the FMPA and its members and for breaching antitrust laws by monopolizing or attempting to monopolize the provision, coordination and transmission of electric power in refusing to provide transmission service, or to permit the FMPA to invest in and use FPL's transmission system, on the FMPA's proposed terms. The FMPA seeks $140 million in damages, before trebling for the antitrust claim, and court orders requiring FPL to permit the FMPA to invest in and use FPL's transmission system on "reasonable terms and conditions" and on a basis equal to FPL. In 1995, a court of appeals vacated the district court's summary judgment in favor of FPL and remanded the matter to the district court for further proceedings. In 1996, the district court ordered the FMPA to seek a declaratory ruling from the FERC regarding certain issues in the case. In November 1998, the FERC declined to make the requested ruling. The district court has yet to act further.

FPL Group and FPL believe that they have meritorious defenses to the litigation to which they are parties 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.

In November 1998, a subsidiary of FPL Energy filed a civil action with the U.S. District Court for the Southern District of New York requesting a declaratory judgment that Central Maine cannot meet essential terms of the agreement with FPL Energy's subsidiary regarding the purchase of Central Maine's non-nuclear generating assets. FPL Group believes that recent FERC rulings regarding transmission prevent Central Maine from delivering on its contractual obligation that FPL Energy's subsidiary be able to operate the power plants in a manner that is substantially consistent with Central Maine's historical operation of the assets. FPL Group believes the FERC rulings constitute a material adverse effect under the purchase agreement and that FPL Energy's subsidiary should therefore not be bound to complete the transaction. The trial is scheduled for March 1999.

10. Segment Information

Effective December 31, 1998, FPL Group adopted FAS 131, "Disclosures about Segments of an Enterprise and Related Information." FPL Group's only reportable segment is FPL, a regulated utility. Differences between FPL Group and FPL financial statement amounts represent other business activities and other segments that are not reportable. For the years ended December 31, 1998, 1997 and 1996, approximately 98%, 98% and 97%, respectively, of FPL Group's operating revenues were derived from the sale of electricity in the United States. As of December 31, 1998 and 1997, less than 1% of long-lived assets were located in foreign countries.

	1998			1997 (Millions of Dollars)			1996		
	FPL	Other(a)	Total	FPL	Other(a)	Total	FPL	Other(a)	Total
Operating revenues	$ 6,366	$ 295	$ 6,661	$ 6,132	$ 237	$ 6,369	$5,986	$ 51	$6,037
Interest expense	$ 196	$ 126	$ 322	$ 227	$ 64	$ 291	$ 246	$ 21	$ 267
Depreciation and amortization	$ 1,249	$ 35	$ 1,284	$ 1,034	$ 27	$ 1,061	$ 955	$ 5	$ 960
Equity in earnings of equity method investees	$ -	$ 39	$ 39	$ -	$ 14	$ 14	$ -	$ 2	$ 2
Income tax expense	$ 349	$ (70)	$ 279	$ 321	$ (17)	$ 304	$ 322	$(28)	$ 294
Net income	$ 616	$ 48	$ 664	$ 608	$ 10	$ 618	$ 591	$(12)	$ 579
Significant noncash items	$ -	$ -	$ -	$ -	$ 420	$ 420	$ -	$ 33	$ 33
Capital expenditures	$ 617	$ 329	$ 946	$ 551	$ 291	$ 842	$ 474	$ 52	$ 526
Total assets	$10,748	$1,281	$12,029	$11,172	$1,277	$12,449			
Investment in equity method investees	$ -	$ 165	$ 165	$ -	$ 76	$ 76			

(a) Represents other business activities and other segments that are not separately reportable.

11. Subsequent Event

In January 1999, an FPL Group Capital subsidiary sold 3.5 million common shares of Adelphia Communications Corporation (Adelphia) stock, which had been accounted for on the equity method, resulting in an after-tax gain of approximately $96 million. In addition, an agreement was reached with Adelphia to sell FPL Group Capital's one-third interest in a limited partnership. While the terms have not been finalized, the sale of the limited partnership interest is expected to have a positive effect on FPL Group's results of operations.

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

FPL Group Capital's debentures, when outstanding, are guaranteed by FPL Group and included in FPL Group's consolidated balance sheets. Operating revenues of FPL Group Capital for the three years ended December 31, 1998, 1997 and 1996 were $295 million, $237 million and $50 million, respectively. For the same periods, operating expenses were $225 million, $186 million and $65 million, respectively. Net income for 1998, 1997 and 1996 was $68 million, $27 million and $11 million, respectively.

At December 31, 1998, FPL Group Capital had $317 million of current assets, $1.445 billion of noncurrent assets, $310 million of current liabilities and $703 million of noncurrent liabilities. At December 31, 1997, FPL Group Capital had current assets of $156 million, noncurrent assets of $1.447 billion, current liabilities of $252 million and noncurrent liabilities of $999 million.

13. Quarterly Data (Unaudited)

Condensed consolidated quarterly financial information for 1998 and 1997 is as follows:

	March 31 (a)	June 30 (a)	September 30 (a)	December 31 (a)
	(In millions, except per share amounts)			
FPL Group:				
1998				
Operating revenues	$ 1,338	$ 1,692	$ 1,999	$ 1,632
Operating income	$ 218	$ 317	$ 528	$ 189
Net income	$ 108	$ 176	$ 287	$ 93(b)
Earnings per share(c)	$ 0.63	$ 1.02	$ 1.66	$ 0.54(b)
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
1997				
Operating revenues	$ 1,445	$ 1,587	$ 1,859	$ 1,478
Operating income	$ 225	$ 321	$ 464	$ 218
Net income	$ 101	$ 164	$ 262	$ 91
Earnings per share(c)	$ 0.58	$ 0.95	$ 1.52	$ 0.52
Dividends per share	$ 0.48	$ 0.48	$ 0.48	$ 0.48
High-low common stock sales prices	$ 46 3/4 - 43 5/8	$ 48 1/8 - 42 5/8	$51 9/16 - 45 1/2	$ 60 - 49 1/2
FPL:				
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
1997				
Operating revenues	$ 1,399	$ 1,541	$ 1,819	$ 1,373
Operating income	$ 168	$ 220	$ 311	$ 150
Net income	$ 110	$ 164	$ 256	$ 97
Net income available to FPL Group	$ 104	$ 160	$ 251	$ 93

(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 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.

(c) Basic and assuming dilution.

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 1999 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, 63, 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, 60, 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, 57, is the president of FPL. He was formerly senior vice president, finance and chief financial officer of FPL and vice president, finance and chief financial officer of FPL Group. He is a director of Lynch Corporation and Southern Energy Homes, Inc. Mr. Evanson has been a director of FPL since 1992 and a director of FPL Group since 1995.

Lawrence J. Kelleher. Mr. Kelleher, 51, is senior vice president, human resources of FPL and vice president, human resources of FPL Group. Mr. Kelleher has been a director of FPL since 1990.

Thomas F. Plunkett. Mr. Plunkett, 59, is president of FPL's nuclear division. He was formerly site vice president at Turkey Point. Mr. Plunkett has been a director of FPL since 1996.

C. O. Woody. Mr. Woody, 60, is president of the power generation division. He was formerly senior vice president, power generation of FPL. Mr. Woody has been a director of FPL since 1989.

Michael W. Yackira. Mr. Yackira, 47, is the president of FPL Energy, Inc. He was formerly senior vice president, finance and chief financial officer of FPL and vice president, finance and chief financial officer of FPL Group from January 1995 to January 1998. Prior to that, Mr. Yackira was senior vice president, market and regulatory services of FPL. Mr. Yackira has been a director of FPL since 1990.

Roger Young. Mr. Young, 55, became the president and a director of FPL Group and a director of FPL in February 1999. From 1988 until its merger with Southern Electric plc in December 1998, he was chief executive of Scottish Hydro-Electric plc, a utility that generated and marketed electricity throughout Great Britain and operated an electric transmission and distribution system in northern Scotland.

(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, 1998.

SUMMARY COMPENSATION TABLE

		Annual Compensation			Long-Term Compensation		
Name and Principal Position	Year	Salary	Bonus	Other Annual Compen-sation	Re-stricted Stock Awards(a)	Long-Term Incentive Plan Payouts(b)	All Other Compen-sation(c)
James L. Broadhead (a) Chairman of the Board and Chief Executive Officer of FPL and FPL Group	1998	$847,875	$937,125	$ 9,809	-	$ -	$12,009
	1997	846,000	824,850	9,813	-	1,402,140	11,286
	1996	799,800	633,423	10,601	-	920,892	12,727
Paul J. Evanson President of FPL	1998	592,500	546,900	2,785	-	-	13,746
	1997	564,300	423,200	2,646	-	306,741	15,233
	1996	540,000	340,200	2,925	-	197,471	15,868
Dennis P. Coyle General Counsel and Secretary of FPL and FPL Group	1998	357,000	257,040	595	-	-	9,737
	1997	353,628	198,904	3,600	-	310,021	10,653
	1996	334,800	158,193	-	-	203,637	10,742
C.O. Woody President of the Power Generation Division	1998	342,300	205,400	2,785	-	-	12,029
	1997	308,000	135,800	5,663	572,500	279,837	12,959
	1996	295,000	142,500	3,882	-	184,711	13,448
Lawrence J. Kelleher Senior Vice President, Human Resources of FPL and Vice President, Human Resources of FPL Group	1998	267,750	194,119	3,108	-	-	9,724
	1997	258,500	147,768	3,273	538,150	222,173	11,655
	1996	241,800	116,808	3,238	-	145,942	11,659

(a) At December 31, 1998, Mr. Broadhead held 96,800 shares of restricted common stock with a value of $5,965,300. These shares were awarded in 1991 for the purpose of financing Mr. Broadhead's supplemental retirement plan and will offset lump sum benefits that would otherwise be payable to him in cash upon retirement. See Retirement Plans herein. At December 31, 1998, Mr. Woody held 10,000 shares of restricted stock with a value of $616,250, which will vest in 1999; Mr. Kelleher held 10,000 shares of restricted stock with a value of $616,250. 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. As of February 26, 1999, payouts for 1998 were not calculable.

(c) Represents employer matching contributions to employee thrift plans and employer contributions for life insurance as follows:

	Thrift Match	Life Insurance
Mr. Broadhead	$6,783	$5,226
Mr. Evanson	7,600	6,146
Mr. Coyle	6,783	2,954
Mr. Woody	7,600	4,429
Mr. Kelleher........................	6,783	2,941

Long-Term Incentive Plan Awards - In 1998, performance 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 Number of Shares		
Name	Number of Shares	Performance Period Until Payout	Threshold	Target	Maximum
James L. Broadhead	17,166	1/1/98 - 12/31/01	-	17,166	27,466
Paul J. Evanson	6,813	1/1/98 - 12/31/01	-	6,813	10,901
Dennis P. Coyle	3,943	1/1/98 - 12/31/01	-	3,943	6,309
C. O. Woody	3,374	1/1/98 - 12/31/01	-	3,374	5,398
Lawrence J. Kelleher	2,957	1/1/98 - 12/31/01	-	2,957	4,731

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 1998 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 net income and return on equity, the completion of the purchase of the generation assets of Central Maine, the development of out-of-territory residential product supply and customer service capabilities, the development and implementation of energy trading and marketing management policies and procedures and the evaluation of international and domestic acquisitions. The qualitative factors included measures to position FPL Group for greater competition and initiating other actions that significantly strengthen FPL and FPL Group and enhance shareholder value.

			Estimated Future Payouts Under Non-Stock Price-Based Plans Number of Shares		
Name	Number of Shares	Performance Period Until Payout	Threshold	Target	Maximum
James L. Broadhead	11,704	1/1/98 - 12/31/00	-	11,704	18,727
Paul J. Evanson	5,840	1/1/98 - 12/31/00	-	5,840	9,344
Dennis P. Coyle	2,957	1/1/98 - 12/31/00	-	2,957	4,731
C. O. Woody	2,530	1/1/98 - 12/31/00	-	2,530	4,048
Lawrence J. Kelleher	2,218	1/1/98 - 12/31/00	-	2,218	3,549

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.

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 1998 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	$ 58,905	$117,797	$146,702	$155,244	$157,632
400,000	78,905	157,797	196,702	207,744	210,132
500,000	98,905	197,797	246,702	260,244	262,632
600,000	118,905	237,797	296,702	312,744	315,132
700,000	138,905	277,797	346,702	365,244	367,632
800,000	158,905	317,797	396,702	417,744	420,132
900,000	178,905	357,797	446,702	470,244	472,632
1,000,000	198,905	397,797	496,702	522,744	525,132
1,100,000	218,905	437,797	546,702	575,244	577,632
1,200,000	238,905	477,797	596,702	627,744	630,132
1,300,000	258,905	517,797	646,702	680,244	682,632
1,400,000	278,905	557,797	696,702	732,744	735,132
1,500,000	298,905	597,797	746,702	785,244	787,632
1,600,000	318,905	637,797	796,702	837,744	840,132
1,700,000	338,905	677,797	846,702	890,244	892,632
1,800,000	358,905	717,797	896,702	942,744	945,132
1,900,000	378,905	757,797	946,702	995,244	997,632
2,000,000	398,905	797,797	996,702	1,047,744	1,050,132

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 that table. The estimated credited years of service for the executive officers named in the Summary Compensation Table are: Mr. Broadhead, 10 years; Mr. Evanson, 6 years; Mr. Coyle, 9 years; Mr. Woody, 42 years; and Mr. Kelleher, 31 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 as to 77,000 shares in 2000 and as to 19,800 shares in 2001. Upon a change of control of FPL Group (as defined below under Employment Agreements), the restrictions on the restricted stock lapse and the full retirement benefit becomes payable. Upon termination of Mr. Broadhead's employment agreement (also described below) without cause, the restrictions on the restricted stock lapse and he becomes fully vested under the supplemental retirement plan.

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

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

Employment Agreements - FPL Group has an employment agreement with Mr. Broadhead that provides for automatic one-year extensions after 1998 unless either party elects not to extend. The agreement provides for a minimum base salary of $765,900 per year, subject to increases based upon corporate and individual performance and increases in cost-of-living indices, plus annual and long-term incentive compensation opportunities at least equal to those currently in effect. If FPL Group terminates Mr. Broadhead's employment without cause, he is entitled to receive a lump sum payment of two years' compensation. Compensation is measured by the then current base salary plus the average of the preceding two years' annual incentive awards. He would also be entitled to receive all amounts accrued under all performance share grants in progress, prorated for the year of termination and assuming achievement of the targeted award, and to full vesting of his benefits under his supplemental retirement plan.

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

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

Director Compensation - All of the directors of FPL are salaried employees of FPL 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	153,141(b)(c)
Dennis P. Coyle	10,378(b)
Paul J. Evanson	19,722(b)
Lawrence J. Kelleher	21,621(b)(c)
Thomas F. Plunkett	23,001(b)(c)
C. O. Woody	26,821(b)(c)
Michael W. Yackira	25,130(b)(c)
Roger Young	-
All directors and executive officers as a group	296,167(d)

(a) Information is as of January 31, 1999, except for executive officers' holdings under the thrift plans and the Supplemental Executive Retirement Plan, which are as of December 31, 1998. Unless otherwise indicated, each person has sole voting and sole investment power.

(b) Includes 13,159, 3,188, 3,199, 1,697, 359, 1,224 and 1,908 phantom shares for Messrs. Broadhead, Coyle, Evanson, Kelleher, Plunkett, Woody and Yackira, respectively, credited to a Supplemental Matching Contribution Account under the Supplemental Executive Retirement Plan.

(c) Includes 96,800, 10,000, 15,000, 10,000 and 10,000 shares of restricted stock as to which Messrs. Broadhead, Kelleher, Plunkett, Woody and Yackira, respectively, have voting but not investment power.

(d) 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 1998.

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

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-eight 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; and Exhibit 4 to Form 10-Q for the quarter ended June 30, 1998, File No. 1-3545)	x	x
*10(a)	Supplemental Executive Retirement Plan, amended and restated effective January 1, 1994 (filed as Exhibit 10(a) to Form 10-K for the year ended December 31, 1995, File No. 1-8841)	x	
*10(b)	FPL Group Amended and Restated Supplemental Executive Retirement Plan for James L. Broadhead effective January 1, 1990	x	
*10(c)	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(d)	Supplement to the FPL Group Supplemental Executive Retirement Plan as it applies to Thomas F. Plunkett	x	
*10(e)	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(f)	Long-Term Incentive Plan 1994 (filed as Exhibit 4(d) to Form S-8, File No. 33-57673)	x	
*10(g)	Annual Incentive Plan dated as of March 31, 1994 (filed as Exhibit 10(k) to Form 10-Q for the quarter ended March 31, 1994, File No. 1-8841)	x	
*10(h)	FPL Group Deferred Compensation Plan, amended and restated effective January 1, 1995 (filed as Exhibit 10(f) to Form 10-K for the year ended December 31, 1995, File No. 1-8841)	x	
*10(i)	FPL Group Executive Long Term Disability Plan effective January 1, 1995 (filed as Exhibit 10(g) to Form 10-K for the year ended December 31, 1995, File No. 1-8841)	x	
*10(j)	Employment Agreement between FPL Group and James L. Broadhead dated as of December 13, 1993 (filed as Exhibit 10(j) to Form 10-K for the year ended December 31, 1993, File No. 1-8841)	x	
*10(k)	Employment Agreement between FPL Group and James L. Broadhead dated as of December 11, 1995 (filed as Exhibit 10(i) to Form 10-K for the year ended December 31, 1995, File No. 1-8841)	x	
*10(l)	Employment Agreement between FPL Group and Dennis P. Coyle dated as of December 11, 1995 (filed as Exhibit 10(j) to Form 10-K for the year ended December 31, 1995, File No. 1-8841)	x	

		FPL Group	FPL
*10(m)	Employment Agreement between FPL Group and Paul J. Evanson dated as of December 11, 1995 (filed as Exhibit 10(k) to Form 10-K for the year ended December 31, 1995, File No. 1-8841)	x	
*10(n)	Employment Agreement between FPL Group and Lawrence J. Kelleher dated as of December 11, 1995 (filed as Exhibit 10(l) to Form 10-K for the year ended December 31, 1995, File No. 1-8841)	x	
*10(o)	Employment Agreement between FPL Group and Thomas F. Plunkett dated as of September 16, 1996 (filed as Exhibit 10 to Form 10-Q for the quarter ended September 30, 1996)	x	
*10(p)	Employment Agreement between FPL Group and C.O. Woody dated as of December 11, 1995 (filed as Exhibit 10(m) to Form 10-K for the year ended December 31, 1995, File No. 1-8841)	x	
*10(q)	Employment Agreement between FPL Group and Michael W. Yackira as of December 11, 1995 (filed as Exhibit 10(n) to Form 10-K for the year ended December 31, 1995, File No. 1-8841)	x	
*10(r)	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	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

On November 19, 1998 a Current Report on Form 8-K was filed by FPL Group relating to one event under Item 5. Other Events.

On December 2, 1998 a Current Report on Form 8-K was filed by FPL Group and FPL reporting one event under Item 5. Other Events.

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 25, 1999

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 25, 1999:

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

ROGER YOUNG
Roger Young

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 25, 1999

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 25, 1999:

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

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

Directors:

DENNIS P. COYLE
Dennis P. Coyle

LAWRENCE J. KELLEHER
Lawrence J. Kelleher

THOMAS F. PLUNKETT
Thomas F. Plunkett

C. O. WOODY
C. O. Woody

MICHAEL W. YACKIRA
Michael W. Yackira

ROGER YOUNG
Roger Young

EXHIBIT 12

FLORIDA POWER & LIGHT COMPANY
COMPUTATION OF RATIOS

	Years Ended December 31,				
	1998	1997	1996	1995	1994
	(Millions of Dollars)				

RATIO OF EARNINGS TO FIXED CHARGES

	1998	1997	1996	1995	1994
Earnings, as defined:					
Net income	$ 631	$ 627	$ 615	$ 611	$ 568
Income taxes	349	321	322	342	319
Fixed charges, as below	209	240	262	286	310
Total earnings, as defined	$1,189	$1,188	$1,199	$1,239	$1,197
Fixed charges, as defined:					
Interest charges	$ 196	$ 227	$ 246	$ 270	$ 292
Rental interest factor	4	4	5	5	7
Fixed charges included in nuclear fuel cost	9	9	11	11	11
Total fixed charges, as defined	$ 209	$ 240	$ 262	$ 286	$ 310
Ratio of earnings to fixed charges	5.69	4.95	4.58	4.33	3.86

RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

	1998	1997	1996	1995	1994
Earnings, as defined:					
Net income	$ 631	$ 627	$ 615	$ 611	$ 568
Income taxes	349	321	322	342	319
Fixed charges, as below	209	240	262	286	310
Total earnings, as defined	$1,189	$1,188	$1,199	$1,239	$1,197
Fixed charges, as defined:					
Interest charges	$ 196	$ 227	$ 246	$ 270	$ 292
Rental interest factor	4	4	5	5	7
Fixed charges included in nuclear fuel cost	9	9	11	11	11
Total fixed charges, as defined	209	240	262	286	310
Non-tax deductible preferred stock dividends	15	19	24	43	40
Ratio of income before income taxes to net income	1.55	1.51	1.52	1.56	1.56
Preferred stock dividends before income taxes	23	29	36	68	62
Combined fixed charges and preferred stock dividends	$ 232	$ 269	$ 298	$ 354	$ 372
Ratio of earnings to combined fixed charges and preferred stock dividends	5.13	4.42	4.02	3.50	3.22

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 333-30697 on Form S-8; and Registration Statement No. 333-64685 on Form S-3 of FPL Group, Inc., of our report dated February 12, 1999 appearing in this Annual Report on Form 10-K of FPL Group, Inc. for the year ended December 31, 1998.

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. 33-61390 on Form S-3; and Registration Statement No. 333-53053 on Form S-3 of Florida Power & Light Company, of our report dated February 12, 1999 appearing in this Annual Report on Form 10-K of Florida Power & Light Company for the year ended December 31, 1998.

We also consent to the incorporation by reference in Registration Statement No. 33-47813 on Form S-3; Registration Statement No. 33-69786 on Form S-3; and Registration Statement No. 333-64685-01 on Form S-3 of FPL Group Capital Inc, of our report dated February 12, 1999 appearing in this annual report on Form 10-K of FPL Group, Inc., for the year ended December 31, 1998.

DELOITTE & TOUCHE LLP

Miami, Florida
March 2, 1999

EXHIBIT 2

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 **September 30, 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

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 September 30, 1999: 179,141,435 shares.

As of September 30, 1999, 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 which are made in this combined Form 10-Q, in presentations, in response to questions or otherwise. Any statements that express, or involve discussions as to expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as will likely result, are expected to, will continue, is anticipated, estimated, projection, outlook) are not statements of historical facts and may be forward-looking. Forward-looking statements involve estimates, assumptions and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Accordingly, any such statements are qualified in their entirety by reference to, and are accompanied by, the following important factors that could cause the Company's actual results to differ materially from those contained in forward-looking statements 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 changing governmental policies and regulatory actions, including those of the Federal Energy Regulatory Commission (FERC), the Florida Public Service Commission (FPSC) and the Nuclear Regulatory Commission (NRC), with respect to allowed rates of return including but not limited to return on common equity (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, pricing and transportation of commodities, market demand for energy from plants or facilities, changes in tax rates or policies or in rates of inflation, unanticipated 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, legal and administrative proceedings (whether civil, such as environmental, or criminal) and settlements, and any unanticipated impact of the year 2000, including delays or changes in costs of year 2000 readiness, or the failure of major suppliers, customers and others with whom the Company does business to resolve their own year 2000 issues on a timely basis.

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

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1999	1998	1999	1998
OPERATING REVENUES	$1,892	$1,999	$4,918	$5,030
OPERATING EXPENSES:				
Fuel, purchased power and interchange	693	659	1,788	1,652
Other operations and maintenance	309	327	910	945
Depreciation and amortization	245	314	768	911
Impairment loss on Maine assets	-	-	176	-
Taxes other than income taxes	175	171	462	457
Total operating expenses	1,422	1,471	4,104	3,965
OPERATING INCOME	470	528	814	1,065
OTHER INCOME (DEDUCTIONS):				
Interest charges	(58)	(101)	(163)	(228)
Preferred stock dividends - FPL	(4)	(4)	(11)	(11)
Gain on sale of Adelphia Communications Corporation stock	-	-	149	-
Other - net	39	21	79	42
Total other income (deductions) - net	(23)	(84)	54	(197)
INCOME BEFORE INCOME TAXES	447	444	868	868
INCOME TAXES	156	157	291	297
NET INCOME	$ 291	$ 287	$ 577	$ 571
Earnings per share of common stock (basic and assuming dilution)	$ 1.70	$ 1.66	$ 3.36	$ 3.31
Dividends per share of common stock	$ 0.52	$ 0.50	$ 1.56	$ 1.50
Average number of common shares outstanding	171	172	171	173

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, 1998 (1998 Form 10-K) for FPL Group and FPL.

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

	September 30, 1999	December 31, 1998
PROPERTY, PLANT AND EQUIPMENT:		
Electric utility plant in service and other property, including nuclear fuel and construction work in progress	$19,171	$17,952
Less accumulated depreciation and amortization	(10,029)	(9,397)
Total property, plant and equipment - net	9,142	8,555
CURRENT ASSETS:		
Cash and cash equivalents	370	187
Customer receivables, net of allowance of $8 for both periods	658	559
Materials, supplies and fossil fuel inventory - at average cost	308	282
Other	282	238
Total current assets	1,618	1,266
OTHER ASSETS:		
Special use funds of FPL	1,336	1,206
Other investments	578	391
Other	846	611
Total other assets	2,760	2,208
TOTAL ASSETS	$13,520	$12,029
CAPITALIZATION:		
Common stock	$ 2	$ 2
Additional paid-in capital	2,923	3,000
Retained earnings	2,433	2,123
Accumulated other comprehensive income	-	1
Total common shareholders' equity	5,358	5,126
Preferred stock of FPL without sinking fund requirements	226	226
Long-term debt	3,091	2,347
Total capitalization	8,675	7,699
CURRENT LIABILITIES:		
Debt due within one year	519	469
Accounts payable	462	338
Accrued interest, taxes and other	1,276	834
Total current liabilities	2,257	1,641
OTHER LIABILITIES AND DEFERRED CREDITS:		
Accumulated deferred income taxes	1,112	1,255
Unamortized regulatory and investment tax credits	322	353
Other	1,154	1,081
Total other liabilities and deferred credits	2,588	2,689
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$13,520	$12,029

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 1998 Form 10-K for FPL Group and FPL.

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

	Nine Months Ended September 30, 1999	Nine Months Ended September 30, 1998
NET CASH PROVIDED BY OPERATING ACTIVITIES	$1,518	$1,532
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures of FPL	(607)	(474)
Independent power investments	(1,448)	(425)
Distributions and loan repayments from partnerships and joint ventures	99	280
Other - net	61	(58)
Net cash used in investing activities	(1,895)	(677)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of long-term debt	1,216	343
Retirement of long-term debt	(584)	(398)
Increase (decrease) in short-term debt	284	(96)
Repurchase of common stock	(89)	(52)
Dividends on common stock	(267)	(259)
Net cash provided by (used in) financing activities	560	(462)
Net increase in cash and cash equivalents	183	393
Cash and cash equivalents at beginning of period	187	54
Cash and cash equivalents at end of period	$ 370	$ 447
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ 161	$ 217
Cash paid for income taxes	$ 323	$ 238
Supplemental schedule of noncash investing and financing activities:		
Additions to capital lease obligations	$ 56	$ 29

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 1998 Form 10-K for FPL Group and FPL.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1999	1998	1999	1998
OPERATING REVENUES	$1,769	$1,878	$4,638	$4,807
OPERATING EXPENSES:				
Fuel, purchased power and interchange	646	637	1,679	1,614
Other operations and maintenance	258	293	791	846
Depreciation and amortization	234	306	743	891
Income taxes	156	157	306	311
Taxes other than income taxes	172	171	460	456
Total operating expenses	1,466	1,564	3,979	4,118
OPERATING INCOME	303	314	659	689
OTHER INCOME (DEDUCTIONS):				
Interest charges	(39)	(50)	(125)	(149)
Other - net	4	3	8	-
Total other deductions - net	(35)	(47)	(117)	(149)
NET INCOME	268	267	542	540
PREFERRED STOCK DIVIDENDS	4	4	11	11
NET INCOME AVAILABLE TO FPL GROUP	$ 264	$ 263	$ 531	$ 529

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 1998 Form 10-K for FPL Group and FPL.

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

	September 30, 1999	December 31, 1998
ELECTRIC UTILITY PLANT:		
Plant in service, including nuclear fuel and construction work in progress	$17,872	$17,464
Less accumulated depreciation and amortization	(9,928)	(9,317)
Electric utility plant - net	7,944	8,147
CURRENT ASSETS:		
Cash and cash equivalents	283	152
Customer receivables, net of allowance of $8 for both periods	590	521
Materials, supplies and fossil fuel inventory - at average cost	264	239
Other	260	204
Total current assets	1,397	1,116
OTHER ASSETS:		
Special use funds	1,336	1,206
Other	370	279
Total other assets	1,706	1,485
TOTAL ASSETS	$11,047	$10,748
CAPITALIZATION:		
Common shareholder's equity	$ 4,876	$ 4,803
Preferred stock without sinking fund requirements	226	226
Long-term debt	2,079	2,191
Total capitalization	7,181	7,220
CURRENT LIABILITIES:		
Debt due within one year	125	230
Accounts payable	445	321
Accrued interest, taxes and other	1,145	800
Total current liabilities	1,715	1,351
OTHER LIABILITIES AND DEFERRED CREDITS:		
Accumulated deferred income taxes	834	887
Unamortized regulatory and investment tax credits	322	353
Other	995	937
Total other liabilities and deferred credits	2,151	2,177
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$11,047	$10,748

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 1998 Form 10-K for FPL Group and FPL.

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

	Nine Months Ended September 30,	
	1999	1998
NET CASH PROVIDED BY OPERATING ACTIVITIES	$1,494	$1,479
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(607)	(474)
Other - net	(55)	(64)
Net cash used in investing activities	(662)	(538)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of long-term debt	224	197
Retirement of long-term debt	(455)	(389)
Decrease in commercial paper	-	(40)
Dividends	(470)	(475)
Net cash used in financing activities	(701)	(707)
Net increase in cash and cash equivalents	131	234
Cash and cash equivalents at beginning of period	152	3
Cash and cash equivalents at end of period	$ 283	$ 237
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ 126	$ 142
Cash paid for income taxes	$ 268	$ 277
Supplemental schedule of noncash investing and financing activities:		
Additions to capital lease obligations	$ 56	$ 29

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 1998 Form 10-K for FPL Group and FPL.

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

The accompanying condensed consolidated financial statements should be read in conjunction with the combined 1998 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. Summary of Significant Accounting and Reporting Policies

Regulation - In March 1999, the FPSC approved an agreement between FPL, the State of Florida's 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 ROE, capital structure and other matters. As a result of the approval of this agreement, all matters raised in Public Counsel's petition to the FPSC to conduct a full rate proceeding were resolved. The three-year agreement became effective April 15, 1999.

The agreement provides for a $350 million reduction in annual revenue from retail base operations allocated to all customers on a cents-per-kilowatt-hour basis. Additionally, the rate reduction agreement sets forth a revenue sharing mechanism for each of the three years covered by the agreement, whereby revenue from retail base operations in excess of a stated threshold will be shared with retail customers on the basis of two-thirds refunded to retail customers and one-third retained by FPL. Revenue 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 of Dollars)		
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 rate reduction 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. This new depreciation program replaced the previous program whereby $378 million of special amortization was recorded in 1998. For the three and nine months ended September 30, 1999, FPL recorded approximately $21 million and $103 million under these special depreciation/amortization programs compared to approximately $90 million and $238 million for the three and nine months ended September 30, 1998, 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 intended to be the appropriate and exclusive mechanism to address that circumstance. 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 purchase 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 cost recovery clause during the three-year 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 three-year term of the agreement.

Electric Plant, Depreciation and Amortization - In April 1999, the FPSC granted final approval on FPL's most recent depreciation studies, which were effective beginning in 1998.

2. Acquisition of Maine Assets

During the second quarter of 1999, FPL Energy, Inc. 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, Inc. 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, Inc. should not be required to complete the transaction. FPL Energy, Inc. 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 condensed 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, Inc. recording a $176 million pre-tax impairment loss related to the fossil assets. The fossil assets are now reflected at their fair value, which was determined based on a discounted cash flow analysis. The impairment loss reduced FPL Group's year-to-date 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.

3. Capitalization

FPL Group Common Stock - During the three and nine months ended September 30, 1999, FPL Group repurchased 100,000 shares and 1,570,000 shares of common stock, respectively, under its share repurchase program. A total of approximately 3.3 million shares have been repurchased under the share repurchase program that began in April 1997.

Long-Term Debt - In January 1999, FPL Group Capital Inc (FPL Group Capital) redeemed $125 million principal amount of 7 5/8% debentures, maturing in 2013. This redemption resulted in a loss on reacquired debt of approximately $8 million, which is included in other-net in FPL Group's condensed consolidated statements of income for the nine months ended September 30, 1999. In April 1999, FPL sold $225 million principal amount of first mortgage bonds maturing in 2009, with an interest rate of 5 7/8%. The proceeds were used in May 1999 to redeem approximately $216 million principal amount of first mortgage bonds, maturing in 2013, bearing interest at 7 7/8%. In June 1999, FPL Group Capital sold $175 million principal amount of 6 7/8% debentures, maturing in 2004 and $225 million principal amount of 7 3/8% debentures, maturing in 2009. In September 1999, FPL Group Capital sold $600 million principal amount of 7 5/8% debentures, maturing in 2006.

Long-Term Incentive Plan - Performance shares 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 nine months ended September 30, 1999 and 1998. 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 $290 million and $288 million for the three months ended September 30, 1999 and 1998 and $575 million and $572 million for the nine months ended September 30, 1999 and 1998, respectively, includes net income and changes in unrealized gains (losses) on securities and foreign currency translation adjustments. Accumulated other comprehensive income is separately displayed in the condensed consolidated balance sheets of FPL Group.

4. 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 $3.0 billion for 1999 through 2001. Included in this three-year forecast are capital expenditures for 1999 of approximately $900 million, of which $610 million had been spent through September 30, 1999. As of September 30, 1999, FPL Energy, LLC (FPL Energy), formerly FPL Energy, Inc. (see Part II - Item 5), has made commitments in connection with the development of an independent power project totaling $146 million. FPL Group and its subsidiaries, other than FPL, have guaranteed approximately $689 million of purchase 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 $278 million at September 30, 1999, for T&D property storm damage or assessments under the nuclear insurance program. Recovery from customers of any losses in excess of the storm and property insurance reserve will require the approval of the FPSC. FPL's available lines of credit include $300 million to provide additional liquidity in the event of a T&D property loss.

Contracts - FPL has entered into 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 1,000 mw from certain cogenerators and small power producers (qualifying facilities) with expiration dates ranging from 2002 through 2026. The purchased power contracts provide for capacity and energy payments. Energy payments are based on the actual power taken under these contracts. Capacity payments for the pay-for-performance contracts are subject to the qualifying facilities meeting certain contract conditions. Fuel contracts provide for the transportation and supply of natural gas and coal. 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 2003 under these contracts are estimated to be as follows:

	1999	2000	2001	2002	2003
	(Millions of Dollars)				
FPL:					
Capacity payments:					
JEA and Southern Companies	$210	$210	$210	$210	$200
Qualifying facilities (a)	$360	$370	$380	$400	$410
Minimum payments, at projected prices:					
Natural gas, including transportation	$340	$210	$240	$260	$260
Coal	$ 40	$ 40	$ 30	$ 30	$ 15
FPL Energy:					
Natural gas, including transportation and storage	$ 15	$ 17	$ 20	$ 18	$ 16

(a) Includes approximately $38 million, $42 million, $44 million, $47 million and $49 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:

	Three Months Ended September 30,				Nine Months Ended September 30,			
	1999 Charges		1998 Charges		1999 Charges		1998 Charges	
	Capacity	Energy/ Fuel	Capacity	Energy/ Fuel	Capacity	Energy/ Fuel	Capacity	Energy/ Fuel
	(Millions of Dollars)							
FPL:								
JEA and Southern Companies	$46(b)	$ 40(a)	$42(b)	$38(a)	$146(b)	$ 94(a)	$147(b)	$104(a)
Qualifying facilities	$76(c)	$ 35(a)	$75(c)	$31(a)	$227(c)	$ 83(a)	$224(c)	$ 85(a)
Natural gas, including transportation	$ -	$104(a)	$ -	$77(a)	$ -	$290(a)	$ -	$215(a)
Coal	$ -	$ 10(a)	$ -	$12(a)	$ -	$ 32(a)	$ -	$ 37(a)
FPL Energy:								
Natural gas transportation and storage	$ -	$ 4	$ -	$ 5	$ -	$ 12	$ -	$ 14

(a) Recovered through the fuel and purchased power cost recovery clause.
(b) Recovered through base rates and the capacity cost recovery clause (capacity 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, ceased all attempts to operate the power plants 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 January 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, plus attorneys' fees. In October 1998, the court dismissed all of the plant owners' antitrust claims against FPL. In June 1999, the plant owners' motion for summary judgment was denied. FPL believes that it has meritorious defenses to this litigation and is vigorously defending the suit. Accordingly, the liabilities, if any, arising from this proceeding are not anticipated to have a material adverse effect on its financial statements.

Accounting for Derivative Instruments and Hedging Activities - In June 1998, the Financial Accounting Standards Board (FASB) 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. In June 1999, the FASB issued FAS 137, "Accounting for Derivative Instruments and Hedging Activities - Deferral of the Effective Date of FASB Statement No. 133," which delayed the adoption of FAS 133 for one year. As a result of FAS 137, FPL Group and FPL will not be required to adopt FAS 133 until 2001.

5. Segment Information

FPL Group's reportable segments include FPL, a regulated utility, and FPL Energy, an unregulated energy generating subsidiary. FPL Group's segment information is as follows:

	Three Months Ended September 30, 1999				1998			
	FPL	FPL Energy	Corporate & Other	Total	FPL	FPL Energy(a)	Corporate & Other(a)	Total
	(Millions of Dollars)							
Operating revenues	$1,769	$ 103	$ 20	$ 1,892	$ 1,878	$ 107	$ 14	$ 1,999
Net income	$ 264	$ 27	$ -	$ 291	$ 263	$ 18	$ 6	$ 287

	Nine Months Ended September 30, 1999				1998			
	FPL	FPL Energy	Corporate & Other	Total	FPL	FPL Energy(a)	Corporate & Other(a)	Total
	(Millions of Dollars)							
Operating revenues	$ 4,638	$ 238	$ 42	$ 4,918	$ 4,807	$ 172	$ 51	$ 5,030
Net income	$ 531	$ (50)(b)	$ 96(c)	$ 577	$ 529	$ 29	$ 13	$ 571

	September 30, 1999				December 31, 1998			
	FPL	FPL Energy	Corporate & Other	Total	FPL	FPL Energy	Corporate & Other	Total
	(Millions of Dollars)							
Total assets	$11,047	$2,220	$253	$13,520	$10,748	$1,092	$189	$12,029

(a) FPL Energy began imputing interest in the second quarter of 1999 based on an assumed capital structure of 50% debt for operating projects and 100% debt for projects under construction. For comparability, 1998 amounts have been restated.

(b) Includes effect of $104 million after-tax impairment loss. See Note 2 and Management's Discussion and Analysis of Financial Condition and Results of Operations - Results of Operations - FPL Energy.

(c) Includes effect of $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.

6. 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 September 30, 1999	Three Months Ended September 30, 1998	Nine Months Ended September 30, 1999	Nine Months Ended September 30, 1998
	(Millions of Dollars)			
Operating revenues	$123	$122	$280	$223
Operating expenses	$112	$ 65	$432(a)	$160
Net income	$ 33	$ 29	$ 63(a)(b)	$ 58

	September 30, 1999	December 31, 1998
	(Millions of Dollars)	
Current assets	$ 419	$ 317
Noncurrent assets	$2,544	$1,445
Current liabilities	$ 680	$ 310
Noncurrent liabilities	$1,472	$ 703

(a) Includes effect of $104 million after-tax impairment loss. See Note 2 and Management's Discussion and Analysis of Financial Condition and Results of Operations - Results of Operations - FPL Energy.
(b) Includes effect of $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.

7. Subsequent Events

Redemption of Interest in Cable Limited Partnership - In October 1999, an FPL Group Capital subsidiary had its one-third ownership interest in a cable limited partnership redeemed, which had been accounted for on the equity method, resulting in an after-tax gain of approximately $66 million.

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 will reduce FPL's fourth quarter 1999 net income by approximately $42 million.

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 1998 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

While the majority of FPL Group's earnings continue to come from FPL, the growth in quarterly earnings is primarily the result of growth and improved results at FPL Energy. Year-to-date 1999 earnings reflect a $149 million ($96 million after-tax) gain recorded in the first quarter by FPL Group Capital on the sale on an investment in Adelphia common stock and a $176 million ($104 million after-tax) impairment loss recorded in the second quarter by FPL Energy related to the fossil assets purchased from CMP. Excluding these items, FPL Group's year-to-date earnings growth is also primarily the result of FPL Energy's growth and improved results.

FPL - FPL's net income was up slightly for the three and nine months ended September 30, 1999. FPL's revenue from retail base operations for the three and nine months ended September 30, 1999, were $1.0 billion and $2.7 billion, respectively, and $1.1 billion and $2.9 billion for the same periods in 1998. Lower revenues from retail base operations resulted mainly from the rate reduction agreement, which became effective in April 1999, as well as a decline in energy usage per retail customer. Usage per retail customer was down 0.3% and 1.4% for the three and nine months ended September 30, 1999, respectively, mainly as a result of warmer weather in the summer of 1998. The number of customer accounts, however, increased 2.1% and 2.0% for the same periods.

The rate reduction agreement provides for a $350 million reduction in annual revenue from retail base operations allocated to all customers on a cents-per-kilowatt-hour basis. Additionally, the rate reduction agreement sets forth a revenue sharing mechanism for each of the three years covered by the agreement, whereby revenue from retail base operations in excess of a stated threshold will be shared with retail customers 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 for the twelve months ended April 14, 2000, are $3.4 billion and $3.556 billion, respectively. Offsetting the annual revenue reduction will be lower special depreciation. The rate reduction 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. This new depreciation program replaced the previous program whereby $378 million of special amortization was recorded in 1998. See Note 1 - Regulation.

FPL's other operations and maintenance expense decreased for both the three and nine months ended September 30, 1999, primarily reflecting successful cost control efforts as well as the timing of expenditures. Depreciation and amortization expense also decreased for those periods as a result of lower special depreciation. For the three and nine months ended September 30, 1999, FPL recorded approximately $21 million and $103 million of special depreciation/amortization compared to approximately $90 million and $238 million for the three and nine months ended September 30, 1998, respectively. Lower interest expense for the three and nine months ended September 30, 1999 is the result of lower average debt balances and the full amortization in 1998 of deferred costs associated with reacquired debt.

In October 1999, FPL and 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 will reduce FPL's fourth quarter 1999 net income by approximately $42 million. See Note 7 – Settlement of Litigation.

FPL Energy - FPL Energy's net income for the three and nine months ended September 30, 1999 benefited from improved results from its natural gas operations in the eastern United States, as well as the addition of the Maine generating assets and new and repowered wind projects. FPL Energy's net income for the nine months ended September 30, 1999 includes the effect of a $176 million ($104 million after-tax) impairment loss recorded in the second quarter of 1999. Earnings in all periods include the effect of imputed interest expense on an assumed capital structure of 50% debt for operating projects and 100% debt for projects under construction.

Corporate and Other - Net income for the three and nine months ended September 30, 1999 for the corporate and other segment 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.

In October 1999, an FPL Group Capital subsidiary redeemed its one-third ownership interest in a cable limited partnership, which had been accounted for on the equity method, resulting in an after-tax gain of approximately $66 million. See Note 7 - Redemption of Interest in Cable Limited Partnership.

Year 2000 - FPL Group is essentially complete with its plan to address the potential impact of the year 2000 on its technology systems. FPL Group has prepared its year 2000 contingency plans, which are based upon certain hypothetical year 2000 scenarios at the operating level (such as generation, transmission and distribution), as well as at the business level (such as customer service, procurement and accounting). These plans are intended to mitigate both internal risks and potential risks in FPL Group's supply chain. During the remainder of 1999, FPL Group will continue to conduct training and drills, as well as evaluate and update its contingency plans. In addition, FPL Group has retained independent engineering and hardware/software remediation firms to validate and verify mission critical and other important aspects of its year 2000 program. The estimated cost of addressing year 2000 issues is expected to be approximately $40 million, of which approximately 83% had been spent through September 30, 1999. The remainder is a cost estimate for verification, mitigation, training and rollover staffing. FPL Group believes that the most reasonably likely worst case scenarios relating to the year 2000 could include a temporary disruption of service to customers, caused by a potential disruption in fuel supply, water supply and telecommunications, as well as transmission grid disruptions caused by other companies whose electrical systems are interconnected with FPL.

LIQUIDITY AND CAPITAL RESOURCES

See Note 3 - Long-Term Debt for financing activity during the nine months ended September 30, 1999. In addition, approximately $230 million principal amount of FPL's 5 1/2% first mortgage bonds matured in July 1999. During the three and nine months ended September 30, 1999, FPL Group repurchased 100,000 and 1,570,000 shares of common stock, respectively. As of September 30, 1999, available bank lines of credit, which support the commercial paper program, aggregated approximately $2.5 billion ($900 million for FPL).

For information concerning capital commitments see Note 4 - Commitments.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

Reference is made to Item 3. Legal Proceedings in the 1998 Form 10-K for FPL Group and FPL.

In October 1999, FPL and 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 will reduce FPL's fourth quarter 1999 net income by approximately $42 million.

Item 5. Other Information

Reference is made to Item 1. Business - Other FPL Group Operations - FPL Energy in the 1998 Form 10-K for FPL Group and FPL.

Effective September 30, 1999, FPL Energy, Inc. was converted from a corporation to a limited liability company. The new name is FPL Energy, LLC.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

Exhibit Number	Description	FPL Group	FPL
4	Officer's Certificate of FPL Group Capital dated September 7, 1999, creating the 7 5/8% Debentures, Series due September 15, 2006	x	
10(a)	Employment Agreement between FPL Group and James L. Broadhead, amended and restated as of May 10, 1999	x	
10(b)	Employment Agreement between FPL Group and Dennis P. Coyle, amended and restated as of May 10, 1999	x	
10(c)	Employment Agreement between FPL Group and Paul J. Evanson, amended and restated as of May 10, 1999	x	
10(d)	Employment Agreement between FPL Group and Lewis Hay III, dated as of September 13, 1999	x	
10(e)	Employment Agreement between FPL Group and Lawrence J. Kelleher, amended and restated as of May 10, 1999	x	
10(f)	Employment Agreement between FPL Group and Thomas F. Plunkett, amended and restated as of May 10, 1999	x	
10(g)	Employment Agreement between FPL Group and Michael W. Yackira, amended and restated as of May 10, 1999	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 20, 1999 by FPL Group filing exhibits under Item 7. Financial Statements and 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: November 10,1999

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
(Chief Accounting Officer of the Registrants)

EXHIBIT 12(a)

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

	Nine Months Ended September 30, 1999	Years Ended December 31, 1998	1997	1996	1995	1994
		(Millions of Dollars)				
Earnings, as defined:						
Net income	$ 577	$ 664	$ 618	$ 579	$ 553	$ 519
Income taxes	291	279	304	294	329	307
Fixed charges, included in the determination of net income, as below	170	335	304	283	308	337
Distributed income of independent power investments	46	68	47	38	39	28
Less: Equity in earnings of independent power investments	54	39	14	5	6	(3)
Total earnings, as defined	$1,030	$1,307	$1,259	$1,189	$1,223	$1,194
Fixed charges, as defined:						
Interest charges	$ 163	$ 322	$ 291	$ 267	$ 291	$ 319
Rental interest factor	3	4	4	5	6	7
Fixed charges included in nuclear fuel cost	4	9	9	11	11	11
Fixed charges, included in the determination of net income	170	335	304	283	308	337
Capitalized interest	5	2	4	-	-	-
Total fixed charges, as defined	$ 175	$ 337	$ 308	$ 283	$ 308	$ 337
Ratio of earnings to fixed charges	5.89	3.88	4.09	4.20	3.97	3.54

EXHIBIT 12(b)

FLORIDA POWER & LIGHT COMPANY
COMPUTATION OF RATIOS

	Nine Months Ended September 30, 1999 (Millions of Dollars)
RATIO OF EARNINGS TO FIXED CHARGES	
Earnings, as defined:	
Net income	$542
Income taxes	306
Fixed charges, as below	134
Total earnings, as defined	$982
Fixed charges, as defined:	
Interest charges	$125
Rental interest factor	3
Fixed charges included in nuclear fuel cost	6
Total fixed charges, as defined	$134
Ratio of earnings to fixed charges	7.33

RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS	
Earnings, as defined:	
Net income	$542
Income taxes	306
Fixed charges, as below	134
Total earnings, as defined	$982
Fixed charges, as defined:	
Interest charges	$125
Rental interest factor	3
Fixed charges included in nuclear fuel cost	6
Total fixed charges, as defined	134
Non-tax deductible preferred stock dividends	11
Ratio of income before income taxes to net income	1.56
Preferred stock dividends before income taxes	17
Combined fixed charges and preferred stock dividends	$151
Ratio of earnings to combined fixed charges and preferred stock dividends	6.50

EXHIBIT 3

FLORIDA POWER & LIGHT COMPANY

Internal Cash Flow Excluding Retained Earnings

$ Millions	Actual 12 Months Ended September 30, 1999	Projected 12 Months Ended September 30, 2000
Depreciation and Amortization	1,101	939
Deferred Income Taxes and Investment Tax Credits	(179)	(135)
Internal Cash Flow excluding Retained Earnings applied toward Requirements	922	804
Average Quarterly Cash Flow excluding Retained Earnings	231	201
Percentage Ownership of Operating Nuclear Units	Turkey Point No. 3	100 %
	Turkey Point No. 4	100 %
	St. Lucie No. 1	100 %
	St. Lucie No. 2	85.10449 % (1)
Maximum Total Contingent Liability	43	43

(1) FPL sold 6.08951% of St. Lucie No. 2 to the Orlando Utilities Commission in January 1981 and 8.806% to the Florida Municipal Power Agency in May 1983.

Certified by:

Lew Hay
Chief Financial Officer