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BOHLKE,W.H. Florida Power & Light Co.
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SUBJECT: Forwards Price Anderson guarantees,consisting of SEC Form 10-K for FY ending 911231 & 920930 & internal cash flow projections for 12 months ending 920930 & projected for 12 months ending 1993.

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TITLE: 50.71(b) Annual Financial Report

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FPL

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

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L-92-347
10 CFR 50.71(b)
10 CFR 140.21

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

Gentlemen:

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 & Light Company (FPL) submits the attached financial information.

FPL 1991 Form 10-K, the most recent annual financial report, is attached as Exhibit 1. The most recent quarterly financial report, Form 10-Q (September 30, 1992), appears as Exhibit 2. Exhibit 3 gives the Company's internal cash flow excluding retained earnings for the twelve months ended September 30, 1992 and for the projected twelve months ending September 30, 1993. 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.

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,

W. H. Bohlke
Vice President
Nuclear Engineering and Licensing

WHB/TCG/vmg

Attachment 040044

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

A004

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 (FEE REQUIRED)

For the fiscal year ended December 31, 1991

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 (NO FEE REQUIRED)

For the transition period from ____________ to ____________

Commission File No. 1-3545

FLORIDA POWER & LIGHT COMPANY

(Exact name of registrant as specified in its charter)

Florida (State or other jurisdiction of incorporation or organization)	59-0247775 (I.R.S. Employer Identification No.)
700 Universe Boulevard Juno Beach, Florida (Address of principal executive office)	33408 (Zip Code)

Registrant's telephone number, including area code: (407) 694-4000

Securities registered pursuant to Section 12(b) of the Act:

None

Securities registered pursuant to Section 12(g) of the Act:

Preferred Stock, $100 Par Value

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 registrant's 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. ☐

Indicate by check mark whether the registrant (1) has 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) has been subject to such filing requirements for the past 90 days.

Yes X No __

Aggregate market value of the voting stock held by non-affiliates of the registrant as of February 28, 1992 was zero.

As of February 28, 1992 there were issued and outstanding 1,000 shares of the registrant's common stock, without par value, all of which were held, beneficially and of record, by FPL Group, Inc.

DOCUMENTS INCORPORATED BY REFERENCE

None

DEFINITIONS

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

Term	Meaning
AFUDC	Allowance for funds used during construction
capacity clause	Capacity Cost Recovery Clause
charter	Restated Articles of Incorporation, as amended
common stock	Common Stock of FPL Group, Inc.
conservation clause	Energy Conservation Cost Recovery Clause
DOE	United States Department of Energy
ESOP	Employee Stock Ownership Plan
FERC	Federal Energy Regulatory Commission
FGT	Florida Gas Transmission Company
FPL	Florida Power & Light Company
FPL Group	FPL Group, 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
JEA	Jacksonville Electric Authority
kv	Kilovolt
kva	Kilovolt-ampere
kwh	Kilowatt-hour
Management's Discussion	Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations
mortgage	FPL's Mortgage and Deed of Trust dated as of January 1, 1944, as supplemented and amended
mw	Megawatt(s)
Note ___	Note ___ to Consolidated Financial Statements
NRC	United States Nuclear Regulatory Commission
oil-backout clause	Oil-Backout Cost Recovery Clause
ROE	Return on equity
SJRPP	St. Johns River Power Park
Southern Companies	Alabama Power Company, Georgia Power Company, Gulf Power Company, Mississippi Power Company and Savannah Electric & Power Company

PART I

Item 1. Business.

General. FPL is a public utility engaged in the business of supplying electric service throughout most of the east and lower west coasts of Florida. This service territory, which is depicted in the shaded area on a map included herein, contains 27,650 square miles with a population of approximately 6.2 million. During 1991, FPL served approximately 3.2 million customers. The Company's electric revenues amounted to approximately $5.2 billion, of which about 55% was derived from residential customers, 37% from commercial customers, and 8% from other sources.

FPL was incorporated in 1925 under the laws of Florida. All of its common stock is owned by FPL Group; substantially all of its preferred stock is held by non-affiliated persons.

Holding Company Act. FPL Group is a public utility holding company as defined in the Holding Company Act, but is exempt from substantially all of the provisions thereof 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.

Regulation. The retail operations of FPL are regulated by the FPSC, which has jurisdiction over retail rates, issuances of securities, planning, siting and construction of facilities, accounting and depreciation practices, and other matters.

FPL is also subject to regulation by the FERC in various respects including the acquisition and disposition of certain facilities, interchange and transmission services, certain wholesale purchases and sales, interstate transmission, and accounting and depreciation practices.

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

FPL is subject to the jurisdiction of the NRC with respect to its nuclear power plants. 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 quality, water quality, land use, power plant and transmission line siting, electric and magnetic emissions from power lines and substations, noise and aesthetics, solid waste, and other environmental matters (for discussion of the Clean Air Act Amendments of 1990, see Management's Discussion - Liquidity and Capital Resources). Compliance with these laws and regulations increases the cost of electric service by requiring, among other things, changes in the design and operation of existing facilities and changes or delays in the location, design, construction, and operation of new facilities. FPL estimates that capital expenditures for improvements needed to comply with environmental laws and regulations will be $12 million to $54 million for each of the years 1992 through 1996. The FPSC historically has permitted recovery of these expenditures through base rates. These amounts are included in FPL's projected capital expenditures set forth herein.

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

The basic costs, other than fuel and other clause-related costs, of providing electric service are recovered through base rates, which are designed to recover the costs of constructing, operating, and maintaining the utility system. These costs include operations and maintenance expenses, depreciation, and taxes, as well as a rate of 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. Base rates are determined in rate cases which occur at irregular intervals at the initiative of FPL, the FPSC, or a substantially affected party.

Fuel costs are recovered through levelized monthly charges established pursuant to the fuel clause. These charges, which are calculated semi-annually, are based on estimated costs of fuel and estimated customer usage for the ensuing

six-month period, plus or minus a true-up adjustment to reflect the variance of actual costs from the fuel adjustment charges for prior periods.

Certain other non-fuel costs and the accelerated recovery of the costs of certain projects that displace oil-fired generation are recovered through the oil-backout clause. Accelerated recovery of these project costs is obtained through accelerated depreciation, which is permitted in an amount equal to two-thirds of the savings resulting from such projects. The remaining one-third of the savings is realized by customers through the fuel clause. Costs associated with implementing energy conservation programs are recovered through rates established pursuant to the conservation clause.

In October 1991, the FPSC established a capacity clause for FPL. This clause provides for the recovery of capacity payments to other utilities and generators. These payments were previously recovered through the fuel clause and oil-backout clause.

The FPSC has the power to disallow recovery of costs which it considers excessive or imprudently incurred. The principal costs as to which such issues arise involve operations and maintenance expenses, the cost of replacing power lost when nuclear units are unavailable, and costs associated with the construction or acquisition of new facilities.

System Capability and Load. FPL's resources for serving load as of December 31, 1991 consist of approximately 16,702 mw of firm electric power from generating facilities and power purchase contracts in place.

On August 12, 1991, FPL reached an all-time energy peak demand of approximately 14,123 mw. At that time, FPL had total installed generating capability of about 13,757 mw, 2,598 mw of firm purchased power, and the capability to reduce peak demand by 347 mw through the implementation of load management, resulting in a reserve margin of 18.3%.

Compound annual growth rates for the five years ending 1996 are projected to be 3.2% for kwh sales, 2.7% for customers, and 1.6% for summer peak load. To meet this growth, FPL plans to add about 1,900 mw of new plant capacity to its system by the summer of 1996 as shown below.

Capacity Additions	1993	1994	1995	Total
		(mw)		
Scherer Unit No. 4 (Acquisition)	266	140	90	496
Lauderdale Units Nos. 4 & 5 (Repowering)	572	-	-	572
Martin Units Nos. 3 & 4 (New Construction)	-	416	416	832
Total	838	556	506	1,900

In addition to the capacity listed above, by 1996 FPL plans to receive an additional 986 mw of purchased power from qualifying facilities and expects to have the ability to reduce peak demand by approximately an additional 600 mw through the implementation of load management. The amount of purchased power available under current long-term contracts with the Southern Companies will decline from 2,215 mw in 1992 to 914 mw by 1996.

FPL has contracted to purchase the following amounts of power from other utilities' coal-fired units. This is in addition to the 250 mw of power FPL obtains from its 20% ownership interest in the SJRPP units and the 150 mw of power from FPL's 17.7% ownership interest in Scherer Unit No. 4. See Note 6 — Contracts.

	Southern Companies	JEA (mw)	Total
Through December 1992	2,215	374	2,589
January 1993 — May 1993	1,850	374	2,224
June 1993 — May 1994	1,407	374	1,781
June 1994 — May 1995	1,006	374	1,380
June 1995 — May 2010	914	374	1,288
June 2010 - April 2020	—	374	374

FPL has various contracts to purchase power from qualifying facilities totaling approximately 996 mw. FPL expects to begin receiving firm power under these contracts on various dates from 1992 through 1996. The contracts have expiration dates ranging from 2002 through 2026. In February 1992, FPL executed a 30 year purchased power contract with an independent power producer. The agreement would allow FPL to receive 832 mw of purchased power by June 1998. The contract is subject to approval by the FPSC and FERC, and therefore no adjustments have been made to capital expenditures.

Capital Expenditures. FPL's capital expenditures, including AFUDC, totaled approximately $1.2 billion in 1991, $964 million in 1990, and $755 million in 1989. Capital expenditures for the 1992-96 period are estimated as follows:

	1992	1993	1994	1995	1996	Total
			(Millions of Dollars)			
Construction:						
Generation	$ 660	$ 450	$ 260	$ 170	$ 520	$ 2,060
Transmission	210	200	340	200	190	1,140
Distribution	410	430	440	460	480	2,220
General and other	190	130	140	130	130	720
Total construction	1,470	1,210	1,180	960	1,320	6,140
Scherer acquisition payments	—	230	121	77	-	428
Total	$ 1,470	$ 1,440	$ 1,301	$ 1,037	$ 1,320	$ 6,568

All of these estimates are subject to continuing review and adjustment and actual capital expenditures may vary from estimates.

Nuclear Operations. FPL owns and operates four nuclear units, two at St. Lucie and two at Turkey Point. The St. Lucie units are considered to be among the best operated plants in the United States. The Turkey Point nuclear units have had a history of problems; however, performance reviews in recent years by the NRC have noted significant improvements in plant performance and safety. FPL's Turkey Point Units Nos. 3 and 4 returned to service in October 1991 from a planned extended outage. During the outage, the plants' emergency power and security systems were upgraded.

Indications of degradation have been found in the pressurized water circulation tubes of the St. Lucie Units Nos. 1 and 2 steam generators. Despite implementation of remedial measures, degradation of the Unit No. 1 steam generators has continued, and FPL has determined that replacement will be needed prior to the unit's license expiration. Current estimates indicate that replacement before the year 2000 will be most economical. The majority of the costs to replace the steam generators for Unit No. 1 will be incurred beyond the five-year period presented above. The degradation of the Unit No. 2 steam generators appears to be primarily a mechanical-wear problem. Analysis indicates that this problem will be self-limiting and should not affect the useful life of the steam generators.

In 1991, FPL incurred capital expenditures of approximately $84 million on its four nuclear units to implement technical changes required by post-design regulatory requirements (retrofit). Based on existing NRC regulations, FPL

anticipates that it will incur approximately $17 million of additional retrofit capital expenditures for the years 1992-96. These amounts are included in FPL's projected capital expenditures set forth above.

Fuel. Fuels for FPL's generating plants are residual and distillate oil, natural gas, coal, and nuclear fuel. The diverse fuel options, along with purchased power, enable FPL to shift between sources of generation to achieve the most economical fuel mix. FPL's oil requirements are obtained under short-term contracts and in the spot market.

FPL obtains most of its natural gas requirements under a take-or-pay transportation contract with FGT, the sole interstate pipeline operator in Florida, and a related supply contract with an affiliate of FGT. Under these contracts, which expire in 2005, the combined price of supply and transportation varies to remain competitive with the delivered cost of residual oil.

FPL leases nuclear fuel for all four of its nuclear units. See Note 8.

Under the Nuclear Waste Policy Act of 1982, the DOE is required to construct permanent storage facilities and will take title to and provide transportation and storage for spent nuclear fuel for a specified fee. Although the DOE estimates that its storage facilities will be completed by the year 2010, there is considerable doubt within the utility industry that this schedule will be met. Currently, FPL is storing spent fuel on site and plans to provide adequate storage capacity for all of its spent nuclear fuel up to and beyond the year 2010, pending removal of the spent fuel by the DOE.

FPL has, through its joint ownership interest with the JEA and Georgia Power Company, long-term coal supply contracts for SJRPP Units Nos. 1 and 2 and Scherer Unit No. 4. The remaining coal requirements will be obtained under additional contracts or in the open market.

Competition. FPL faces competition from alternative means for customers to meet their energy needs. These include natural gas and other energy sources, as well as equipment by which customers may reduce their energy requirements or generate their own electricity. Competition exists particularly with respect to large industrial, commercial, and governmental energy users. Regulatory law and policy limit FPL's flexibility in pricing its services to these customers. To date, loss of customers to such alternatives has not materially reduced FPL's load, revenues, or net income.

Legislative initiatives that could significantly affect the electric utility industry are being considered in Congress. These initiatives are proposed to promote competition in generation by, among other things, facilitating entry into the market. Related proposals to mandate access to utilities' transmission lines by generators and wholesale customers are also being considered.

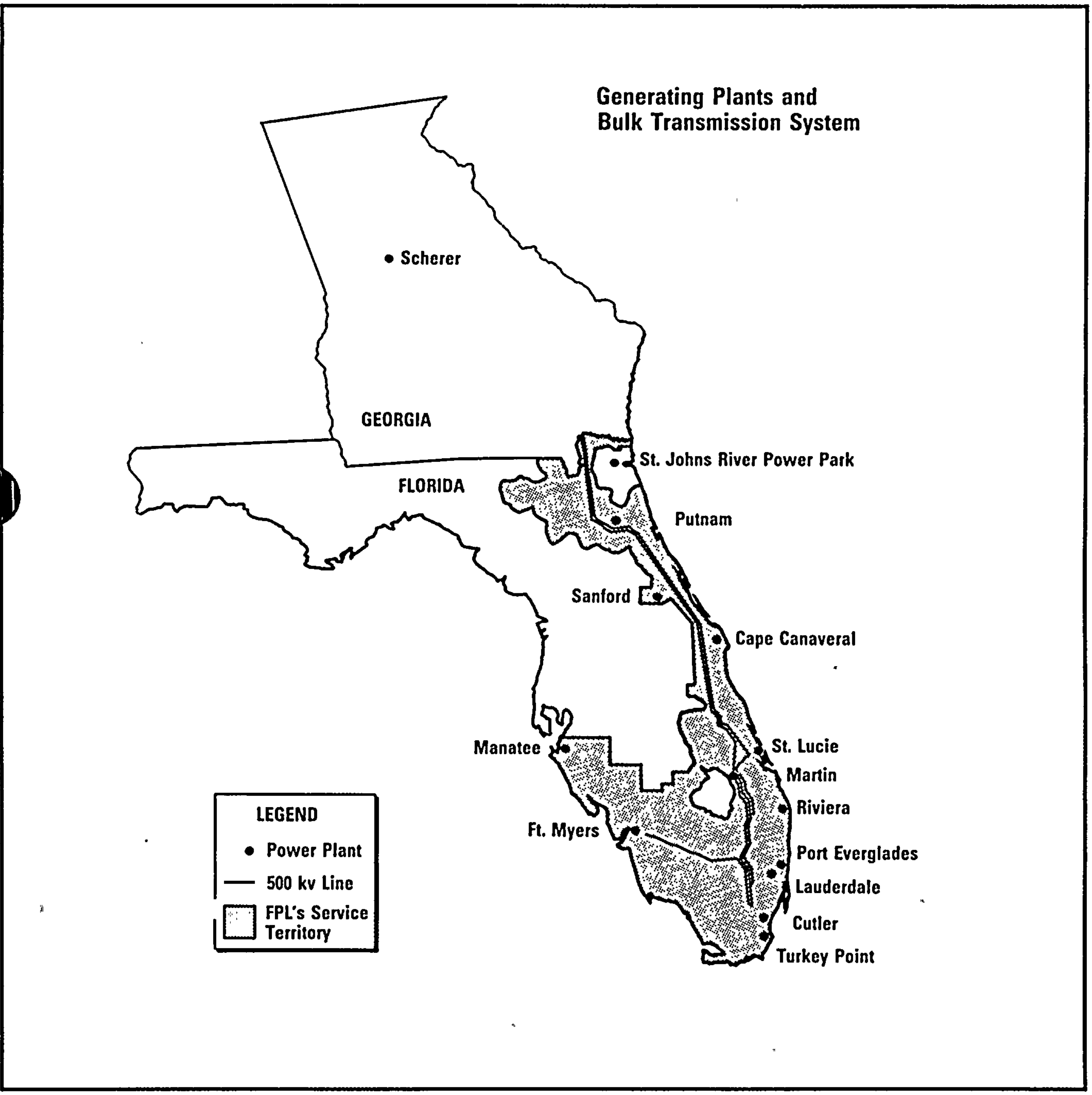
Individual decisions in federal proceedings evidence a trend toward widening access by other parties to utilities' transmission systems. If implemented, transmission access would contribute to increased competition in the generation segment of the industry.

FPL is presently a defendant in three antitrust suits. In each suit, the complaint includes an alleged inability to utilize FPL's transmission facilities to wheel power to facilities, and displace the existing retail electric service from FPL. See Item 3. Legal Proceedings--Antitrust Suits.

Employees. FPL employed approximately 14,500 persons at December 31, 1991. FPL is currently negotiating with members of the International Brotherhood of Electrical Workers (IBEW) for a new collective bargaining agreement. The IBEW represents approximately 37% of FPL's employees. The agreement, which was to expire in October 1991, has been extended for a period of one year.

Item 2. Properties.

General. The following map shows the location of the physical properties of FPL. FPL considers that its properties are well maintained and in good operating condition. The electric generating, transmission, distribution, and general facilities represent approximately 48%, 13%, 34%, and 5%, respectively, of FPL's gross investment in electric utility plant in service.



Generating Facilities. As of December 31, 1991, FPL had the following generating facilities:

Facility	Location	No. of Units	Fuel	Net Warm Weather Capability (mw)
STEAM TURBINES (continuous capability)				
Cape Canaveral	Cocoa	2	Oil/Gas	734
Cutler	Miami	2	Gas	207
Fort Myers	Fort Myers	2	Oil	504
Lauderdale	Dania	2	Oil/Gas	274
Manatee	Parrish	2	Oil	1,566
Martin	Indiantown	2	Oil/Gas	1,566
Port Everglades	Port Everglades	4	Oil/Gas	1,142
Riviera	Riviera Beach	2	Oil/Gas	544
St. Johns River Power Park	Jacksonville	2	Coal	250(1)
St. Lucie	Hutchinson Island	2	Nuclear	1,553(2)
Sanford	Lake Monroe	3	Oil/Gas	861
Scherer	Monroe County, GA	1	Coal	150(3)
Turkey Point	Florida City	2	Oil/Gas	734
		2	Nuclear	1,332
COMBINED CYCLE (continuous capability)				
Putnam	Palatka	2	Oil/Gas	448
COMBUSTION TURBINES (peak capability)				
Fort Myers	Fort Myers	12	Oil	600
Lauderdale	Dania	24	Oil/Gas	852
Port Everglades	Port Everglades	12	Oil/Gas	426
DIESEL UNITS (peak capability)				
Turkey Point	Florida City	5	Oil	14
			Total	13,757

(1) Represents FPL's 20% ownership of SJRPP Units Nos. 1 and 2, located in Jacksonville, Florida. The two 624 mw units are jointly owned by FPL and the JEA.

(2) This rating excludes Orlando Utilities Commission's and Florida Municipal Power Agency's combined share of approximately 15% of St. Lucie Unit No. 2.

(3) Represents FPL's 17.7% ownership of Scherer Unit No. 4, located in Monroe County, Georgia. FPL has contracted to purchase an additional 58.6% undivided ownership interest in Scherer Unit No. 4 in stages through 1995. The 846 mw unit is jointly owned by FPL, the JEA, and Georgia Power Company.

Transmission and Distribution. Electric transmission and distribution lines owned and in service as of ecember 31, 1991 are as follows:

Nominal Voltage	Overhead Lines Pole Miles	Trench and Submarine Cable Miles
500 kv	985*	—
230 kv	2,067	31
138 kv	1,342	45
115 kv	627	—
69 kv	198	17
Less than 69 kv	37,228	16,270
Total	42,447	16,363

*Includes approximately 80 miles owned jointly with the JEA.

FPL owns and operates 426 substations with a total capacity of 94,541,220 kva.

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

m 3. Legal Proceedings.

Antitrust Suits. In October 1988, Union Carbide Corporation (Union Carbide) filed suit against FPL and Florida Power Corporation (Florida Power) in the United States District Court for the Middle District of Florida. In August 1988, Union Carbide requested that Florida Power sell power to a Union Carbide facility located within FPL's service territory, and that FPL transport the power to the plant. FPL replied that it could not accede to the request because it was inconsistent with Florida law and public policy. The suit alleges that through a territorial agreement, FPL and Florida Power have conspired to eliminate competition for the sale of electric power to retail customers, thereby unreasonably restraining trade and commerce in violation of federal antitrust laws as contained in Section 1 of the Sherman Antitrust Act (Sherman Act). The suit seeks to prevent the utilities from continuing such alleged violation of antitrust laws, and to require Florida Power to sell power, and FPL to wheel power, to the Union Carbide plant. The suit also seeks an award of three times Union Carbide's alleged damages in an unspecified amount based on alleged higher prices paid for electricity and product sales lost by Union Carbide. All parties have moved for summary judgment, which is pending.

In February 1989, the FPSC granted FPL's request for a declaratory statement that FPL's denial of Union Carbide's request was proper and that acceding to such a request would involve FPL and Florida Power in the provision of electric service in a manner inconsistent with the laws and public policy of the State of Florida. As a result, the FPSC ordered FPL not to wheel power under such circumstances.

In November 1988, TEC Cogeneration, Inc., its affiliate Thermo Electron Corporation, RRD Corp., and its affiliate Rolls Royce Inc., filed suit in the United States District Court for the Southern District of Florida against FPL and FPL Group on behalf of South Florida Cogeneration Associates (SFCA), a joint venture which since 1986 has operated a cogeneration facility for Metropolitan Dade County within FPL's service territory in Miami, Florida. The it alleges that the defendants have engaged in anti-competitive conduct intended to prevent and defeat competition m cogenerators within FPL's service territory, and from SFCA's Metropolitan Dade County facility in particular. alleges that the defendants' actions constitute monopolization and attempts to monopolize in violation of Section 2 of the Sherman Act; conspiracy in restraint of trade in violation of Section 1 of the Sherman Act; unlawful discrimination in prices, services, or facilities in violation of Section 2 of the Clayton Act; and intentional interference with SFCA's contractual relationship with Metropolitan Dade County in violation of Florida law. The suit seeks an

award under the Sherman and Clayton Acts of three times plaintiffs' damages sustained as a result of defendants' alleged conduct, which plaintiffs allege to be $45 million to $80 million, compensatory and punitive damages under Florida law, and injunctive relief. FPL has moved for summary judgment, which is pending.

In December 1991, the Florida Municipal Power Agency (FMPA) filed a suit against FPL in the Circuit Court of the Ninth Judicial Circuit in Orange County, Florida. FMPA is an organization comprised of municipal electric utilities. FMPA alleges that FPL is in breach of a "contract," consisting of several different documents, by refusing to provide transmission service to FMPA and its members on FMPA's terms. FMPA also alleges that FPL has violated 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 FMPA to invest in and use FPL's transmission system on FMPA's terms. FMPA seeks unspecified money damages, trebled for the antitrust claim, and asks the court to require FPL: to transmit electric power among FMPA and its members on "reasonable terms and conditions"; to permit FMPA to contribute to and use FPL's transmission system on "reasonable terms and conditions"; and to recognize FMPA transmission investments as part of FPL's transmission system such that FMPA can obtain transmission on a basis equivalent to FPL or, alternatively, to provide transmission service equivalent to such FMPA transmission ownership. In January 1992, the suit was removed to the United States District Court for the Middle District of Florida. In February 1992, FMPA amended its complaint to add a claim under the federal antitrust laws alleging violations of the Sherman Act.

Qualifying Facilities Proceedings. FPL has received offers to sell energy and capacity from qualifying facilities in amounts far exceeding FPL's projected needs. Certain qualifying facilities that have not been selected to enter into power purchase contracts with FPL have taken exception to FPL's policies in this regard. Consolidated Minerals, Inc. (CMI), one of the qualifying facilities, filed a complaint with the FPSC. In general, the FPSC complaint challenges FPL's selection process and requests the FPSC to order FPL to enter into a contract for the purchase of firm energy and capacity with the complainant. FPL believes that its selection procedures are in accordance with applicable laws and regulations, and is vigorously defending these actions at the FPSC.

In October 1991, CMI filed a suit in the Circuit Court, Seventh Judicial Circuit, for St. Johns County, Florida, against FPL. The suit alleges that FPL misrepresented its intention to purchase power from CMI's cogeneration project and to negotiate in good faith with CMI for purposes of entering into a power purchase contract. The suit further alleges that FPL's acts prevented CMI from negotiating a power purchase contract causing its cogeneration project to be halted. The suit seeks damages of unspecified amounts for CMI's pre-construction expenditures (alleged to be $25 million at May 25, 1990) and lost profits from its cogeneration project.

FPL believes that it has meritorious defenses to all of the litigation described above and is vigorously defending these suits.

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

None.

PART II

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

All of FPL's common stock is owned by FPL Group. For information regarding dividends paid to FPL Group. See Management's Discussion and Note 3.

Item 6. Selected Financial Data.

	Years Ended December 31, 1991	1990	1989	1988	1987
	(Thousands of Dollars)				
SELECTED FINANCIAL DATA:					
Operating revenues	$ 5,158,766	$ 4,987,690	$ 4,946,291	$ 4,627,278	$ 4,349,722
Net income available to FPL Group	$ 376,261[1]	$ 381,204	$ 393,103	$ 390,102	$ 377,898
Total assets	$ 10,515,808	$ 9,820,551	$ 9,182,012	$ 8,983,136	$ 8,943,386
Long-term debt excluding current maturities	$ 3,186,828	$ 3,109,360	$ 2,962,004	$ 2,756,537	$ 2,785,952
Obligations under Capital Leases excluding current maturities	$ 279,657	$ 74,887	$ 84,609	$ 76,698	$ 78,300
Preferred stock with sinking fund requirements, excluding current maturities	$ 150,150	$ 165,950	$ 164,250	$ 180,050	$ 194,350
SELECTED OPERATING STATISTICS:					
Energy sales (millions of kwh):	67,646	65,662	64,657	59,937	56,879
Energy sales[2]:					
Residential	51.1%	51.0%	50.0%	50.2%	49.8%
Commercial	40.3	40.4	39.7	39.9	39.3
Industrial	6.0	6.2	6.5	6.9	7.0
Other	2.6	2.4	3.8	3.0	3.9
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Approximate 60-minute net peak served (mw):					
Summer season	14,123	13,754	13,425	12,382	12,394
Winter season[3]	11,868	13,988	12,876	12,372	10,779
Number of customers (average for period):					
Residential	2,863,203	2,801,210	2,715,993	2,618,097	2,519,694
Commercial	343,837	337,134	327,279	314,364	299,634
Industrial	15,350	16,659	17,643	17,924	17,826
Other	4,079	3,820	3,531	3,296	3,060
Total	3,226,469	3,158,823	3,064,446	2,953,681	2,840,214
Revenue from energy sales per kwh (cents)	7.64	7.46	7.43	7.76	7.41

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(1) Includes effect of restructuring charge. See Note 7.

(2) Excludes interchange power sales, which are reported as a reduction of purchased power and interchange.

(3) The winter season generally represents November and December of the prior year and January through March of the current year.

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

RESULTS OF OPERATIONS

The operations of FPL consist of the generation, transmission, distribution, and sale of electric energy. In the following discussion, all comparisons are with the corresponding items in the prior year.

In 1991, net income decreased from the prior year primarily due to costs associated with FPL's restructuring, partially offset by higher energy sales. In 1990, net income decreased primarily because of lower average energy consumption per customer and slightly higher operating costs.

Operating Income

Population growth in FPL's service territory and customer usage patterns have been two of the most significant factors affecting FPL's results of operations over the last three years. The average number of customers grew 2.1% in 1991 and 3.1% in 1990. At the same time, usage per customer increased 1.1% in 1991 and decreased 1.5% in 1990. The growth in customers is expected to continue; however, a decline in the rate of growth that began in the latter part of 1991 is expected to extend into 1992. As FPL's customer base grows, revenues and the costs of servicing these customers should increase.

Revenues derived from cost recovery clause rates and franchise fees amounted to 41%, 42%, and 42% of operating revenues in 1991, 1990, and 1989, respectively. Such revenues represent a pass-through of costs and have little impact on net income. These costs include substantially all fuel, purchased power, and interchange expenses, conservation-related expenses, revenue taxes, franchise fees, and through 1989, depreciation of certain transmission lines. Cost recovery clause rates are adjusted every six months to reflect changes in costs.

Revenues from base rates, which averaged 56% of total operating revenues for 1991 and 1990 and 57% for 1989, significantly affect net income. Such revenues are derived primarily from retail operations regulated by the FPSC. Base rates are only changed through a rate proceeding initiated by FPL, a substantially affected party, or the FPSC. FPL's current base rates were established by the FPSC in 1984. Increases in costs, including those associated with customer growth and the related additions to plant and borrowings, could result in FPL earning less than its authorized return on equity and lead to FPL filing for new base rates.

Changes in FPL's non-cost recovery clause operating costs reflect the effects of an increasing customer base, normal changes in prices, and changes in operating activities. In 1991, lower depreciation rates were approved by the FPSC on an interim basis. Hearings to either approve or increase these depreciation rates are scheduled in 1992. Also in 1991, FPL recorded a $56 million after-tax charge for costs associated with a corporate-wide restructuring and, as a result, earned below its authorized return on equity. It is anticipated that the restructuring will result in future savings.

Non-Operating Income and Deductions

FPL has acquired a portion of the Scherer Unit No. 4 plant and initiated construction projects to increase or enhance generating, transmission, and distribution capabilities. This activity contributed in part to an increase in FPL's average outstanding debt balances and corresponding interest expense. Also, this construction activity increased the amount of AFUDC recognized.

Pending Accounting Changes

In 1993, FPL will be required to implement new accounting standards relating to accounting for income taxes and postretirement benefits other than pensions. The standard relating to income taxes is not expected to have a material effect on FPL's results of operations. See Note 5. The accounting standard relating to postretirement benefits requires a change from recognizing expenses when paid to accruing the estimated cost of future health care and other retiree benefits over the period of employment. Under existing plans, this change in accounting could increase annual expenses between $35 million and $41 million. Changes to the benefit plans, which could decrease this expense, are

under consideration. FPL has requested approval from the FPSC to defer the incremental costs of implementing this standard until its next rate proceeding. See Note 4.

LIQUIDITY AND CAPITAL RESOURCES

Capital Requirements and Resources

FPL's primary capital requirements consist of expenditures under its construction program. Total capital expenditures for the period 1992-96 are expected to be $6.6 billion, including $1.5 billion in 1992. During this period of capacity expansion, FPL will continue to target a balanced capital structure. It is anticipated that equity contributions from FPL Group and sales of long-term debt and preferred stock will fund approximately half of the capital expenditures, and operating cash flows will provide the balance. Short-term borrowings, primarily commercial paper, will be used to provide flexibility in the timing and amount of long-term financings.

Bank lines of credit currently available to FPL aggregate $512.5 million.

The Clean Air Act Amendments of 1990, place limits on the level of sulphur dioxide and nitrogen oxide emissions produced by power plants. Specific reductions in the levels of these emissions will be required in two phases. FPL has no units affected by the Phase I requirements and does not expect to incur significant capital expenditures or other costs as a result of the Phase II requirements. The emissions allowances expected to be allocated to FPL appear sufficient to meet projected needs.

Cash Flows

Cash flows under cost recovery clauses increased in 1991 due to lower than expected fuel costs. FPL reduced its fuel clause rates beginning in February 1992 and, as a result, cash flows from such clauses are expected to decline in 1992. In 1991, FPL received approximately $220 million for the sale-leaseback of certain nuclear fuel, see Note 8. Operating cash receipts in 1990 included approximately $100 million for one-time refunds of prior years' income taxes and related interest.

Debt maturities and minimum sinking fund requirements will require cash outflows of approximately $236 million through 1996.

Financial Covenants

FPL's charter limits the amount of unsecured debt and FPL's mortgage limits the amount of secured debt FPL can issue. At December 31, 1991, the charter and mortgage provisions would allow issuance of approximately $1.4 billion of additional unsecured debt and $4.6 billion of additional first mortgage bonds, respectively. The amount of additional first mortgage bonds that are permitted to be issued will increase as the amount of unfunded property additions increases. FPL's charter also prohibits the issuance of preferred stock unless the preferred stock coverage ratio, as prescribed, is at least 1.5; for the twelve months ended December 31, 1991 it was 2.02. FPL's charter and mortgage contain provisions which, under certain conditions, restrict the payment of dividends and other distributions to FPL Group. Given FPL's current financial condition and level of earnings, these restrictions do not currently limit FPL's ability to pay dividends to FPL Group.

Item 8. **Financial Statements and Supplementary Data.**

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

FLORIDA POWER & LIGHT COMPANY:

We have audited the consolidated financial statements of Florida Power & Light Company and subsidiaries, listed in the accompanying index as Item 14(a)1 of this Annual Report (Form 10-K) to the Securities and Exchange Commission for the year ended December 31, 1991. Our audits also comprehended the financial statement schedules of Florida Power & Light Company and subsidiaries, listed in the accompanying index as Item 14(a)2. These financial statements and financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements and financial statement schedules 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 Florida Power & Light Company and its subsidiaries at December 31, 1991 and 1990 and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1991 in conformity with generally accepted accounting principles. Also, in our opinion, such financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly in all material respects the information shown therein.

DELOITTE & TOUCHE
Certified Public Accountants

Miami, Florida
February 14, 1992

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

	Years Ended December 31,		
	1991	1990	1989
	(Thousands of Dollars)		
OPERATING REVENUES	$ 5,158,766	$ 4,987,690	$ 4,946,291
OPERATING EXPENSES:			
Operations:			
Fuel, purchased power, and interchange	1,932,637	1,927,233	1,775,557
Conservation clause expenses	50,635	30,624	22,921
Other	820,592	804,882	809,399
Maintenance	405,017	408,077	385,472
Depreciation and amortization	507,101	491,169	625,465
Income taxes	182,889	181,691	210,346
Restructuring	90,008	—	—
Taxes other than income taxes	483,731	450,237	407,000
Total operating expenses	4,472,610	4,293,913	4,236,160
OPERATING INCOME	686,156	693,777	710,131
OTHER INCOME (DEDUCTIONS):			
Allowance for other funds used during construction	16,814	10,744	6,381
Income taxes	(475)	(896)	5,483
Other — net	8,944	9,368	(7,605)
Other income — net	25,283	19,216	4,259
INCOME BEFORE INTEREST CHARGES	711,439	712,993	714,390
INTEREST CHARGES:			
Interest on first mortgage bonds	275,914	262,169	248,203
Other interest	35,238	40,700	44,544
Allowance for borrowed funds used during construction	(17,230)	(14,680)	(15,242)
Interest charges — net	293,922	288,189	277,505
NET INCOME	417,517	424,804	436,885
PREFERRED STOCK DIVIDEND REQUIREMENTS	41,256	43,600	43,782
NET INCOME AVAILABLE TO FPL GROUP, INC.	$ 376,261	$ 381,204	$ 393,103

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

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
ASSETS

	December 31,	
	1991	1990
	(Thousands of Dollars)	
ELECTRIC UTILITY PLANT:		
At original cost	$ 12,639,077	$ 11,696,048
Less accumulated depreciation	4,651,325	4,245,797
Net	7,987,752	7,450,251
Construction work in progress	597,401	476,279
Nuclear fuel — net	279,740	282,341
Electric utility plant — net	8,864,893	8,208,871
INVESTMENTS:		
Nuclear decommissioning reserve funds	218,066	180,372
Storm and property insurance reserve fund	65,694	62,172
Other	14,739	17,123
Total investments	298,499	259,667
CURRENT ASSETS:		
Cash and temporary investments	88,901	2,737
Accounts receivable:		
Customers, net of allowance for uncollectible accounts of $11,815 and $9,890, respectively	438,027	413,786
Income taxes	17,264	36,514
Employees and miscellaneous	41,407	25,894
Materials and supplies — at average cost	278,608	265,347
Fossil fuel stock — at average cost	82,471	162,600
Prepaid expenses	34,596	32,646
Other	10,302	10,561
Total current assets	991,576	950,085
DEFERRED DEBITS:		
Unamortized debt reacquisition costs	150,601	146,841
Deferred litigation items	115,202	119,371
Deferred pension cost	51,640	45,918
Deferred costs under cost recovery clauses	—	34,125
Other	43,397	55,673
Total deferred debits	360,840	401,928
Total Assets	$ 10,515,808	$ 9,820,55[illegible]

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

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

CAPITALIZATION AND LIABILITIES

	December 31, 1991	December 31, 1990
	(Thousands of Dollars)	
CAPITALIZATION:		
Common shareholder's equity	$ 3,428,739	$ 3,189,653
Preferred stock without sinking fund requirements	346,250	346,250
Preferred stock with sinking fund requirements	150,150	165,950
Long-term debt	3,186,828	3,109,360
Total capitalization	7,111,967	6,811,213
OTHER NONCURRENT LIABILITIES:		
Capital lease obligations	279,657	74,887
Storm and other property insurance reserve	87,354	62,172
Other	21,574	21,217
Total other noncurrent liabilities	388,585	158,276
CURRENT LIABILITIES:		
Current maturities of long-term debt and preferred stock	36,219	11,417
Accounts payable – trade	275,994	234,110
Customers' deposits	199,748	188,373
Income and other taxes	71,196	71,580
Interest	98,358	94,813
Tax collections payable	55,874	50,483
Purchased power and interchange	50,505	61,993
Other	164,928	115,027
Total current liabilities	952,822	827,796
DEFERRED CREDITS:		
Accumulated deferred income taxes	1,405,124	1,425,107
Unamortized investment tax credits	368,337	406,251
Other	288,973	191,908
Total deferred credits	2,062,434	2,023,266
COMMITMENTS AND CONTINGENCIES		
Total Capitalization and Liabilities	$ 10,515,808	$ 9,820,551

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

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CAPITALIZATION

			December 31, 1991	December 31, 1990
			(Thousands of Dollars)	
COMMON SHAREHOLDER'S EQUITY:				
Common stock, no par value, 1,000 shares authorized, issued, and outstanding			$1,373,069	$1,373,069
Additional contributed capital			1,155,156	895,128
Retained earnings			900,514	921,456
Total common shareholder's equity			3,428,739	3,189,653
PREFERRED STOCK – cumulative, $100 Par Value, authorized 18,685,000 shares at December 31, 1991 and December 31, 1990 [1]:				
	December 31, 1991 Shares Outstanding	December 31, 1991 Redemption Price		
Preferred stock without sinking fund requirements:				
4-1/2% Series	100,000	$ 101.00	10,000	10,000
4-1/2% Series A	50,000	101.00	5,000	5,000
4-1/2% Series B	50,000	101.00	5,000	5,000
4-1/2% Series C	62,500	103.00	6,250	6,250
4.32% Series D	50,000	103.50	5,000	5,000
4.35% Series E	50,000	102.00	5,000	5,000
7.28% Series F	600,000	102.93	60,000	60,000
7.40% Series G	400,000	102.53	40,000	40,000
9.25% Series H	500,000	102.00	50,000	50,000
8.70% Series K	750,000	101.15	75,000	75,000
8.84% Series L	500,000	105.42	50,000	50,000
8.50% Series P	350,000	105.67	35,000	35,000
Total preferred stock without sinking fund requirements	3,462,500		346,250	346,250
Preferred stock with sinking fund requirements [2]:				
10.08% Series J [3]	112,500	104.00	11,250	18,750
8.70% Series M [4]	347,000	103.73	34,700	36,500
11.32% Series O [5]	130,000	105.28	13,000	19,500
6.84% Series Q [6]	500,000	106.84	50,000	50,000
8.625% Series R [7]	500,000	108.63	50,000	50,000
Total preferred stock with sinking fund requirements	1,589,500		158,950	174,750
Less current maturities			8,800	8,800
Preferred stock with sinking fund requirements excluding current maturities			150,150	165,950

(1) FPL's charter authorizes the issuance of 10 million shares of preferred stock, no par value and 5 million shares of subordinated preferred stock, no par value, to be known as "preference stock." No shares of preference stock are outstanding. There were no issuances of preferred stock in 1991 or 1989. In 1990, FPL issued 500,000 shares of the 8.625% Series R preferred stock.

(2) Minimum annual sinking fund requirements on preferred stock are approximately $9 million for 1992, $10 million for each of the years 1993 and 1994, $7 million for 1995, and $6 million for 1996. In the event that FPL should be in arrears on its sinking fund obligations, FPL may not pay dividends on common stock.

(3) Entitled to a sinking fund to retire a minimum of 37,500 shares and a maximum of 75,000 shares annually through 1999 at $101.50 per share plus accrued dividends. In accordance with the sinking fund provisions of this series, 75,000 shares were retired in each of the years 1991, 1990, and 1989. For 1992, FPL has called 75,000 shares for redemption on April 1, 1992.

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

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CAPITALIZATION (Concluded)

	December 31,	
	1991	1990
	(Thousands of Dollars)	
LONG-TERM DEBT [8]:		
First Mortgage Bonds [9]:		
Maturing through 1996 – $4\frac{1}{2}\%$ to 6%	$ 180,000	$ 180,000
Maturing 1997 through 2006 – 6.75% to 9.85%	945,000	1,006,289
Maturing 2008 through 2016 – 9% to 11.30%	450,000	550,000
Maturing 2017 through 2021 – $9\frac{1}{8}\%$ to $10\frac{1}{4}\%$	900,000	750,000
Medium Term Notes:		
Maturing 1998 through 2000 – 8.80% to 9.50%	30,000	30,000
Maturing 2006 through 2021 – 8.40% to 9.45%	114,500	50,000
Pollution Control and Industrial Development Series:		
Maturing 2008 through 2023 – 6.10% to $11\frac{3}{8}\%$	520,755	468,770
Installment Purchase and Security Contracts – 5.40% to 6.15% due 2004 through 2007	90,590	91,090
Promissory Notes – 7% to $9\frac{1}{8}\%$ due various dates to 1999	8,993	8,798
Unamortized discount – net	(25,591)	(22,970)
Total long-term debt	3,214,247	3,111,977
Less current maturities	27,419	2,617
Long-term debt excluding current maturities	3,186,828	3,109,360
Total capitalization	$ 7,111,967	$ 6,811,213

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(4) Entitled to a sinking fund to retire a minimum of 18,000 shares and a maximum of 45,000 shares annually through 1999 and a minimum of 46,000 shares and a maximum of 115,000 shares annually from 2000 through 2004 at $100 per share plus accrued dividends. In accordance with the sinking fund provisions of this series, 18,000 shares were retired in each of the years 1991, 1990, and 1989.

(5) Entitled to a sinking fund to retire a minimum of 32,500 shares and a maximum of 65,000 shares annually through 2008 at $100 per share plus accrued dividends. In accordance with the sinking fund provisions of this series, 65,000 shares were retired in 1991, 1990, and 1989. In addition, FPL redeemed and retired 325,000 shares in 1990 at a redemption price of $106.79 per share plus accrued dividends. For 1992, FPL has called 65,000 shares for redemption on April 1, 1992.

(6) Entitled to a sinking fund to retire a minimum of 15,000 shares and a maximum of 30,000 shares annually from 1993 through 2026 at $100 per share plus accrued dividends.

(7) Entitled to a sinking fund to retire a minimum of 25,000 shares and a maximum of 50,000 shares annually from 1996 through 2015 at $100 per share plus accrued dividends.

(8) Annual maturities and sinking fund requirements of long-term debt are approximately $27 million in 1992, $2 million in 1993, $37 million in 1994, $86 million in 1995, and $42 million in 1996.

(9) In January 1992, FPL sold $75 million principal amount of First Mortgage Bonds, $7\frac{7}{8}\%$ Series due January 1, 2007 and $100 million principal amount of First Mortgage Bonds, $8\frac{1}{2}\%$ Series due January 1, 2022. In February 1992, FPL redeemed $50 million principal amount of First Mortgage Bonds, 9.85% Series due November 1, 2005 and $125 million principal amount of First Mortgage Bonds, $9\frac{3}{8}\%$ Series due June 1, 2006.

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

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31,		
	1991	1990	1989
	(Thousands of Dollars)		
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 417,517	$ 424,804	$ 436,885
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	507,101	491,169	625,465
Amortization of nuclear fuel assemblies	7,179	61,483	51,431
Increase (decrease) in deferred income taxes	(19,983)	59,946	(23,711)
Provision for refunds related to the tax savings rule	–	10,257	38,849
Refund of revenues related to the tax savings rule	–	(22,960)	(37,692)
Deferrals under cost recovery clauses [1]	120,772	(10,483)	(117,340)
(Increase) decrease in accounts receivable	(17,629)	53,686	(24,129)
(Increase) decrease in fossil fuel stock	80,129	(106,801)	(5,001)
Increase in accounts payable – trade	35,736	59,717	50,572
Other current items – net	63,014	(44,620)	(41,547)
Other adjustments	(14,256)	44,960	9,539
Net cash provided by operating activities	1,179,580	1,021,158	963,321
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures [2]	(1,186,678)	(960,470)	(755,986)
Nuclear fuel expenditures [2]	(9,869)	(78,269)	(80,507)
Other investing activities	(10,637)	(41,668)	(35,24[illegible]
Net cash used in investing activities	(1,207,184)	(1,080,407)	(871,73[illegible]
CASH FLOWS FROM FINANCING ACTIVITIES:			
Retirement of long-term debt and preferred stock	$ (190,336)	$ (139,276)	$ (179,844)
Issuance of preferred stock	–	50,000	–
Sale of first mortgage bonds and issuance of other long-term debt	265,246	226,073	213,542
Dividends on preferred stock	(41,394)	(43,685)	(43,920)
Dividends to FPL Group, Inc.	(396,994)	(395,565)	(398,075)
Sale of nuclear fuel	235,972	75	47,399
Reimbursement by trustee for construction expenditures	8,174	1,321	4,715
Increase (decrease) in short-term borrowings	(3,000)	(89,300)	92,300
Capital contributions from FPL Group, Inc.	260,000	450,000	115,000
Other financing activities	(23,900)	–	–
Net cash provided (used) in financing activities	113,768	59,643	(148,883)
Net increase (decrease) in cash and temporary investments	86,164	394	(57,300)
Cash and temporary investments at beginning of year	2,737	2,343	59,643
Cash and temporary investments at end of year	$ 88,901	$ 2,737	$ 2,343
Supplemental disclosures of cash flow information:			
Cash paid for interest (net of amount capitalized)	$ 283,483	$ 274,060	$ 271,000
Cash paid for income taxes	$ 196,212	$ 240,370	$ 271,600
Supplemental schedule of non-cash investing and financing activities:			
Additions to capital lease obligations	$ 274,966	$ 14,091	$ 49,405

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

(2) Excluding allowance for other funds used during construction.

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

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 1991, 1990, and 1989

1. Summary of Significant Accounting and Reporting Policies

Basis of Presentation

The consolidated financial statements include the accounts of Florida Power & Light Company (FPL) and its subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation. FPL is a wholly owned subsidiary of FPL Group, Inc. (FPL Group). Certain amounts included in prior years' consolidated financial statements have been reclassified to conform to the current year's presentation.

Regulation

FPL is subject to regulation by the Florida Public Service Commission (FPSC) and the Federal Energy Regulatory Commission (FERC).

Revenues and Rates

Retail and wholesale utility rate schedules are approved by the FPSC and the FERC, respectively. FPL records the estimated amount of base revenues for energy delivered to customers but not billed. Such unbilled revenues are included in accounts receivable–customers and amounted to approximately $96 million and $101 million at December 31, 1991 and 1990, respectively.

Revenues include amounts resulting from cost recovery clauses, which are designed to permit full recovery of certain costs and provide a return on certain assets utilized by these programs, and franchise fees. Such revenues represent a pass-through of costs and include substantially all fuel, purchased power, and interchange expenses, conservation-related expenses, revenue taxes, franchise fees, and through 1989, depreciation of certain transmission lines. 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.

Electric Utility Plant, Depreciation, and Amortization

The cost of additions to units of utility property is added to electric utility plant. The cost of units of 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 property are charged to operating expenses–maintenance.

Depreciation of utility property is provided primarily on a straight-line average remaining life basis. Depreciation studies are performed at least every four years for substantially all utility property. The weighted annual composite depreciation rate was approximately 3.8%, 4.1%, and 4.1% for the years 1991, 1990, and 1989, respectively. These rates exclude decommissioning expense and certain accelerated depreciation under cost recovery clauses. All depreciation methods and rates are approved by the FPSC.

Depreciation expense includes a provision of $38 million for each of the years 1991, 1990, and 1989, for decommissioning costs of nuclear plants. Accumulated depreciation includes a nuclear decommissioning reserve aggregating $331 million and $275 million at December 31, 1991 and 1990, respectively.

The cost of nuclear fuel, including a charge for spent nuclear fuel disposal, is amortized to fuel expense on a unit production method.

Substantially all electric utility plant is subject to the lien of the Mortgage and Deed of Trust, as supplemented, securing FPL's first mortgage bonds.

Allowance for Funds Used During Construction (AFUDC)

FPL recognizes AFUDC as a non-cash item which represents the allowed cost of capital used to finance a portion of its construction work in progress and nuclear fuel in process. AFUDC is capitalized as an additional cost of utility plant and is recorded as an addition to income. The capitalization rate used in computing AFUDC was 8.46% in 1991, 8.36% in 1990, and 8.56% in 1989.

Storm and Property Insurance Reserve Fund

The storm and property insurance reserve 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. In prior years, the storm fund reserve had been reported on an after-tax basis. Beginning in 1991, FPL is reporting the storm fund reserve and tax-related amounts separately. Also in 1991, the FPSC allowed FPL to discontinue its annual accrual and funding of the reserve fund, but required FPL to continue reinvesting earnings, net of taxes, to maintain the value of the fund. Securities held in the fund consist primarily of tax-exempt obligations and are carried at cost, which approximates market value.

Nuclear Decommissioning Reserve Funds

The decommissioning reserve funds are restricted for the payment of the cost of decommissioning FPL's nuclear units. Securities held in the funds consist primarily of tax-exempt obligations and are carried at cost, which approximates market value. Amounts equal to decommissioning expense, which are included in depreciation expense, are deposited in either qualified funds on a pretax basis or in a non-qualified fund on a net of tax basis. Fund earnings, net of taxes, are reinvested in the funds.

The most recent decommissioning studies are based on the assumption that decommissioning of the Turkey Point nuclear units will commence in the year 2005 while decommissioning of the St. Lucie Units Nos. 1 and 2 will commence in 2014 and 2021, respectively. The actual date decommissioning will commence has not been determined. FPL's portion of the cost of decommissioning these units, including dismantlement and reclamation, expressed in 1991 dollars, is currently estimated to aggregate $849 million.

Temporary Investments

FPL classifies, as temporary investments, short-term highly liquid investments which are readily convertible to known amounts of cash.

Retirement of Long-Term Debt

The excess of 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.

Income Taxes

Deferred income taxes are provided on all significant book-tax timing differences. Investment tax credits are used to reduce current federal income taxes and are deferred and amortized to income over the approximate lives of the related property. 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." See Note 5.

2. Short-Term Borrowings

At December 31, 1991, FPL did not have any commercial paper outstanding. Available bank lines of credit aggregated approximately $425 million at December 31, 1991, all of which were based on firm commitments.

3. Additional Contributed Capital and Retained Earnings

The changes in additional contributed capital and retained earnings are shown below:

	Additional Contributed Capital	Retained Earnings
	(Thousands of Dollars)	
Balances, January 1, 1989	$ 330,096	$ 943,656
Contributions from FPL Group	115,000	—
Net income available to FPL Group	—	393,103
Dividends to FPL Group	—	(398,075)
Other changes	95	(345)
Balances, December 31, 1989	445,191	938,339
Contributions from FPL Group	450,000	—
Net income available to FPL Group	—	381,204
Dividends to FPL Group	—	(395,565)
Other changes	(63)	(2,522)
Balances, December 31, 1990	895,128	921,456
Contributions from FPL Group	260,000	—
Net income available to FPL Group	—	376,261
Dividends to FPL Group	—	(396,994)
Other changes	28	(209)
Balances, December 31, 1991	$ 1,155,156	$ 900,514

FPL's charter and mortgage contain provisions that, under certain conditions, restrict the payment of dividends and other distributions to FPL Group. Given FPL's current financial condition and level of earnings, these restrictions do not currently limit FPL's ability to pay dividends to FPL Group. In 1991, 1990, and 1989 FPL paid, as dividends to FPL Group, its net income available to FPL Group on a one-month lag basis.

4. Employee Retirement Benefits

Pension Benefits

Substantially all employees of FPL are covered by a noncontributory defined benefit pension plan. Plan benefits are generally based on employees' years of service and compensation during the last years of employment. Participants are vested after five years of service. Plan assets consist primarily of bonds, common stocks, and short-term investments.

FPL funds the pension cost calculated under the entry age normal level percentage of pay actuarial cost method, provided that this amount satisfies the Employee Retirement Income Security Act minimum funding standards and is not greater than the maximum tax deductible amount for the year. No contributions to the plan were required for 1991, 1990, or 1989.

The components of pension cost for 1991, 1990, and 1989 are as follows:

	Years Ended December 31,		
	1991	1990	1989
	(Millions of Dollars)		
Benefits earned during the year	$ 36.3	$ 33.0	$ 30.4
Interest cost on projected benefit obligation	60.0	55.3	53.1
Actual return on plan assets	(249.8)	40.2	(234.2)
Net amortization and deferred	147.8	(155.1)	138.4
Negative pension cost	(5.7)	(26.6)	(12.3)
Effect of Special Voluntary Retirement Program	–	–	12.9
Regulatory adjustment	5.7	26.6	(.6)
Pension cost recognized in the Consolidated Statements of Income	$ –	$ –	$ –

An adjustment is made to reflect in the results of operations the pension cost calculated under the actuarial cost method currently used for ratemaking purposes. At December 31, 1991 and 1990, the cumulative amounts of these regulatory adjustments included in other deferred credits were $51.6 million and $45.9 million, respectively.

A reconciliation of the funded status of the plan to the amounts recognized in the Consolidated Balance Sheets is presented below:

	December 31,	
	1991	1990
	(Millions of Dollars)	
Fair market value of plan assets	$ 1,487.8	$ 1,278.9
Actuarial present value of benefits for services rendered to date:		
Accumulated benefits based on salaries to date, including vested benefits of $720.8 million and $626.9 million for 1991 and 1990, respectively	730.2	634.8
Additional benefits based on estimated future salary levels	228.5	194.8
Projected benefit obligation	958.7	829.6
Plan assets in excess of projected benefit obligation	529.1	449.3
Prior service cost not recognized in net periodic pension cost	71.7	68.7
Unrecognized net asset at January 1, 1986, being amortized primarily over 19 years–net of accumulated amortization	(300.4)	(323.5)
Unrecognized net gain	(248.8)	(148.6)
Prepaid pension cost included in other deferred debits	$ 51.6	$ 45.9

As of December 31, 1991 and 1990, the weighted-average discount rates used in determining the actuarial present value of the projected benefit obligation were 6.7% and 7.25%, respectively. The assumed rates of increase in future compensation levels at those respective dates were 6.0% and 6.5%. The expected long-term rate of return on plan assets used in determining pension cost for 1991, 1990, and 1989 was 7.0%.

Other Employee Postretirement Benefits

Postretirement Benefits Other than Pensions (PBOP), including health care and life insurance benefits, are provided to retired employees. Substantially all employees may become eligible for those benefits upon reaching retirement age while employed. The benefits provided are similar to those of active employees; however, the health care benefits are designed to supplement Medicare, and the life insurance benefits begin reducing to lower amounts upon retirement. FPL is self-insured for PBOP and currently expenses these costs on a cash basis, which was not significant for the years presented.

Statement of Financial Accounting Standards (SFAS) No. 106, "Employers' Accounting for Postretirement Benefits Other than Pensions," is required to be implemented in 1993 and will require recognition of the costs of providing PBOP during the years an employee provides services. The estimated impact of implementing this Statement in 1993 under the existing benefit plan is approximately $35 million to $41 million in excess of the amounts currently expensed. The transition obligation is estimated to be $237 million to $276 million and will be amortized over 20 years as part of the annual net postretirement benefit cost indicated above. These estimates reflect discount rate assumptions ranging between 7.5% to 8.5%. Changes to the benefit plan that are under consideration could significantly decrease the estimated impact of implementing this Statement. The FPSC is studying the ratemaking implications of SFAS No. 106 and whether utilities should be required to fund these obligations. Also, FPL has requested approval from the FPSC to defer the incremental costs until the next rate proceeding.

5. Income Taxes

The components of income taxes are as follows:

	Years Ended December 31, 1991	1990	1989
	(Thousands of Dollars)		
FEDERAL:			
Charged to operating expenses:			
Current	$ 186,134	$ 105,475	$ 217,140
Deferred – net:			
Depreciation and related items	67,285	66,224	(11,450)
Cost recovery clauses	(39,045)	3,368	37,700
Unbilled revenues	948	(10,003)	(17,249)
Spent nuclear fuel settlement	1	24,721	(754)
Nuclear decommissioning reserve	(12,459)	(12,459)	(12,459)
Restructuring	(7,909)	–	–
Other	(9,907)	(5,885)	(17,053)
Deferred investment tax credits	(634)	980	1,923
Amortization of investment tax credits	(36,270)	(25,080)	(25,019)
Total	148,144	147,341	172,779
Charged to other income:			
Current	(516)	15,923	(4,550)
Deferred – net:			
Deferral of tax settlement interest	3,251	(13,860)	–
Other	(2,960)	(1,819)	(564)
Total federal	147,919	147,585	167,665
STATE:			
Charged to operating expenses:			
Current	33,642	22,060	39,417
Deferred – net:			
Depreciation and related items	12,249	11,286	(1,236)
Cost recovery clauses	(6,684)	577	6,454
Spent nuclear fuel settlement	–	4,219	(129)
Nuclear decommissioning reserve	(1,545)	(1,545)	(1,545)
Restructuring	(1,354)	–	–
Other	(1,563)	(2,247)	(5,394)
Total	34,745	34,350	37,567
Charged to other income:			
Current	585	3,283	(340)
Deferred – net:			
Deferral of tax settlement interest	556	(2,373)	–
Other	(441)	(258)	(29)
Total state	35,445	35,002	37,198
Total income taxes	$ 183,364	$ 182,587	$ 204,863

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

A reconciliation between income tax expense and the expected income tax expense at the applicable statutory rates is as follows:

	Years Ended December 31,		
	1991	1990	1989
	(Thousands of Dollars)		
Computed at statutory federal income tax rate	$ 204,300	$ 206,513	$ 218,194
Increases (reductions) resulting from:			
Allowance for other funds used during construction	(6,700)	(4,975)	(4,340)
State income taxes — net of federal income tax benefit	23,394	23,102	24,550
Amortization of investment tax credits	(37,280)	(25,080)	(25,019)
Other — net	(350)	(16,973)	(8,522)
Total income taxes	$ 183,364	$ 182,587	$ 204,863

SFAS No. 109, "Accounting for Income Taxes," which requires the liability method of income tax recognition, will be effective for the first quarter of 1993. Implementation of the new standard is not expected to have a material impact on the results of operations, since any adjustment to the deferred tax balance would be recorded as a regulatory liability. At December 31, 1991, the amount of that liability is estimated to be $350 million and would be amortized over the remaining life of the related electric utility plant.

6. Commitments and Contingencies

Capital Commitments

FPL has made certain commitments in connection with its projected capital expenditures. These expenditures, for the construction or acquisition of additional facilities and equipment to meet customer demand, are estimated to be $6.6 billion for the years 1992-96.

Insurance Coverage

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 is subject to retrospective assessments of up to $265 million per incident at any nuclear reactor in the United States, payable at a rate not to exceed $40 million per incident per year.

FPL participates in the insurance pools and other arrangements that provide $2.5 billion of limited insurance coverage for property damage, decontamination, and premature decommissioning risks at its nuclear plants. The proceeds from such insurance, however, must first be used for reactor stabilization and site decontamination before they can be used for plant repair. FPL also participates in an insurance program that provides limited coverage for replacement power costs if a plant is out of service because of an accident. In the event of an accident at one of FPL's or another participating insured's nuclear plants, FPL could be assessed up to $59 million in retrospective premiums under the programs in effect at December 31, 1991. This contingent liability is partially offset by FPL's storm and property insurance reserve, which totaled $87 million at that date.

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 effect on FPL's financial condition.

Contracts

FPL has take-or-pay contracts with subsidiaries of The Southern Companies to purchase 2,200 megawatts of power through 1992, and declining amounts thereafter through mid-2010. FPL's required capacity payments under these contracts are estimated to be $380 million in 1992, $275 million in 1993, $200 million in 1994, $155 million in 1995, and $145 million in 1996, with declining amounts thereafter. For 1991, 1990, and 1989, capacity charges were $389 million, $359 million, and $339 million, respectively; energy charges were $311 million, $332 million, and $327 million, respectively. Capacity charges are recovered through the capacity clause; energy charges are recovered through the fuel clause.

Besides its 20% ownership interest in the St. Johns River Power Park (SJRPP), FPL has a take-or-pay obligation to purchase an additional 30% of SJRPP's output. FPL's required capacity payments under this obligation are estimated to be $90 million for 1992 and 1993, $95 million for 1994, and $100 million for 1995 and 1996, with amounts varying thereafter through 2020. For 1991, 1990, and 1989, capacity charges were $82 million, $87 million, and $86 million, respectively; energy charges were $53 million, $54 million, and $46 million, respectively. Capacity charges are recoverable through base rates; energy charges are recovered through the fuel clause.

FPL has take-or-pay contracts for the transportation and supply of natural gas under which it is required to make payments estimated to be $270 million per year for 1992 through 1996.

Rate Matters

At December 31, 1991 and 1990, deferred litigation items represent costs which have been approved by the FPSC for recovery over five years commencing with the effective date of new base rates to be established in the next general rate proceeding.

Litigation

Union Carbide Corporation has sued FPL and Florida Power Corporation alleging that, through a territorial agreement approved by the FPSC, they conspired to eliminate competition in violation of federal antitrust laws. The suit seeks treble damages of an unspecified amount based on alleged higher prices paid for electricity and product sales lost.

A suit brought by the partners in a cogeneration project located in Dade County, Florida, alleges that FPL has engaged in anti-competitive conduct intended to eliminate competition from cogenerators generally, and from their facility in particular, in violation of federal antitrust laws and have wrongfully interfered with the cogeneration project's contractual relationship with Metropolitan Dade County. The suit seeks $45 million to $80 million in damages, trebled under antitrust laws, plus other unspecified compensatory and punitive damages. A motion for summary judgment by FPL is pending.

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 FMPA and its members and for breaching antitrust laws by monopolizing or attempting to monopolize the provision, coordination, and transmission of electric power by refusing to provide transmission service or to permit FMPA to invest in and use FPL's transmission system, on FMPA's proposed terms. FMPA seeks unspecified money damages, trebled for the antitrust claim, and court orders requiring FPL to permit FMPA to invest in and use FPL's transmission system on "reasonable terms and conditions" and on a basis equal to FPL.

Cogenerators and other power producers have offered to sell FPL capacity and energy in amounts far exceeding FPL's projected needs. Consolidated Minerals, Inc. (CMI), a cogenerator that was not selected by FPL, has filed a complaint with the FPSC challenging FPL's selection process and asking the FPSC to order FPL to enter into a contract with CMI for the purchase of firm capacity and energy. CMI has also filed suit against FPL alleging that FPL misrepresented its intention to purchase power from CMI and failed to negotiate in good faith. CMI seeks to recover its lost expenditures (allegedly $25 million at May 1990) and lost profits.

FPL believes that it has meritorious defenses to all of the litigation described above and is vigorously defending these suits.

7. Restructuring Charge

In connection with a company-wide restructuring, FPL recorded a $90 million ($56 million after-tax) restructuring charge in June 1991. The charge includes severance pay for departing employees, as well as relocation and facility modification expenditures that will be required to complete the reorganization.

8. Leases

In April 1991, FPL expanded its nuclear fuel lease program to include all four of its nuclear units. In connection with this expansion, in April 1991, FPL sold to a non-affiliated lessor and leased back approximately $220 million of nuclear fuel held in the reactors of these units, as well as nuclear fuel in various stages of enrichment. The fuel was sold at book value.

Nuclear fuel lease payments, which are based on energy production and are charged to fuel expense, were $81 million, $30 million, and $48 million for the years ended December 31, 1991, 1990, and 1989, respectively. Included in these payments was an interest component of $9 million, $5 million, and $6 million in 1991, 1990, and 1989, respectively. 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 $280 million at December 31, 1991. For ratemaking purposes, the leases encompassed within this expanded lease program are classified as operating leases and for financial reporting purposes they are recorded as capital leases based on the amount due in the event of lease termination. Recording these leases as capital leases had no income statement impact on FPL. Excluding the nuclear fuel leases, the amount of assets and capitalized lease obligations for other capital leases is not material.

At December 31, 1991, minimum annual rental commitments under noncancellable operating leases, primarily for real property and equipment, are approximately $30 million for 1992, $12 million for 1993, $10 million for 1994, $6 million for 1995, $4 million for 1996, and $18 million thereafter. In addition, the minimum annual rental commitment for a noncancellable lease, expected to commence in 1992 and expiring in 2017, of real property under construction, is approximately $4 million.

9. Jointly-Owned Facilities

FPL owns 85.1% of the St. Lucie Nuclear Unit No. 2, 20% of the SJRPP units and coal terminal, and a 17.7% undivided interest in Georgia Power Company's Scherer Unit No. 4. FPL expects to purchase an additional 58.6% undivided ownership interest in Scherer Unit No. 4 in stages through 1995. FPL is responsible for its share of the operating costs, as well as providing its own financing. At December 31, 1991, FPL's investment in St. Lucie Unit No. 2 was $842 million, net of accumulated depreciation of $333 million; the investment in the SJRPP units and coal terminal was $256 million, net of accumulated depreciation of $72 million; the investment in Scherer Unit No. 4 was $115 million, net of accumulated depreciation of $15 million. At December 31, 1991, there was no significant balance of construction work in progress on these facilities.

10. Transactions with Related Parties

FPL provides certain services to and receives services from FPL Group, or other subsidiaries of FPL Group. The full cost of such services is charged to the entity benefitting from the service. In addition, certain common costs of FPL Group are allocated to all subsidiaries, including FPL, based primarily on each subsidiary's equity. Neither current period amounts charged or allocated, nor balances outstanding were material for any year. See Note 1 – Income Taxes.

11. Quarterly Data (Unaudited)

Condensed consolidated quarterly financial information for 1991 and 1990 is as follows:

	December 31	September 30	June 30	March 31
		(Thousands of Dollars)		
1991				
Operating revenues	$ 1,160,067	$ 1,503,706	$ 1,358,372	$ 1,136,621
Operating income	$ 116,102	$ 272,552	$ 147,363[1]	$ 150,139
Net income	$ 49,539	$ 204,600	$ 81,178[1]	$ 82,200
1990				
Operating revenues	$ 1,230,158	$ 1,465,412	$ 1,246,375	$ 1,045,745
Operating income	$ 116,214	$ 271,480	$ 184,521	$ 121,562
Net income	$ 48,204	$ 204,207	$ 118,697	$ 53,696

(1) Includes effect of restructuring charge. See Note 7.

In the opinion of FPL, all adjustments, which consist of normal recurring accruals necessary to present a fair statement of such amounts for such periods, have been made. Results of operations for an interim period may not give a true indication of results for the calendar year.

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

None.

PART III

Item 10. Directors and Executive Officers of the Registrant.

DIRECTORS

James L. Broadhead. Mr. Broadhead, 56, is chairman and chief executive officer of FPL. He is also chairman, president, and chief executive officer of FPL Group. Mr. Broadhead is a director of FPL Group and its subsidiary FPL Group Capital Inc, Barnett Banks, Inc., Delta Air Lines, Inc., and The Pittston Company. He is also a board fellow of Cornell University. He is a former president of the telephone operating group and the communications services group of GTE Corporation, a telecommunications company. Mr. Broadhead has been a director since 1989.

Dennis P. Coyle. Mr. Coyle, 53, is general counsel and secretary of FPL and FPL Group. He was formerly general counsel of FPL, vice president and general counsel of FPL Group, and partner of the law firm Steel Hector & Davis. Mr. Coyle has been a director since 1990.

Stephen E. Frank. Mr. Frank, 50, is president and chief operating officer of FPL. He was formerly executive vice president and chief financial officer of TRW, Inc., a Cleveland-based diversified, high technology, multinational company. Mr. Frank was also vice president and controller of GTE Corporation. He is a director of FPL Group, Arkwright Mutual Insurance Company and of the Southeast Electric Exchange and is a trustee of the University of Miami. Mr. Frank has been a director since 1990.

Jerome H. Goldberg. Mr. Goldberg, 60, is president of FPL's nuclear division. He was formerly executive vice president of FPL and group vice president-nuclear of Houston Lighting & Power Company, an electric utility. Mr. Goldberg has been a director since 1990.

Lawrence J. Kelleher. Mr. Kelleher, 44, is senior vice president, human resources of FPL and vice president, human resources of FPL Group. He was formerly chief human resources officer of FPL, director of corporate development of FPL Group, and director of management services of FPL. Mr. Kelleher has been a director since 1990.

J. Thomas Petillo. Mr. Petillo, 47, is senior vice president, external affairs of FPL. He was formerly group vice president of FPL and vice president of FPL and of FPL Group. Mr. Petillo has been a director since 1991.

C. O. Woody. Mr. Woody, 53, is senior vice president, power generation of FPL. He was formerly executive vice president, group vice president, and vice president of FPL. Mr. Woody has been a director since 1991.

Michael W. Yackira. Mr. Yackira, 40, is senior vice president, market and regulatory services of FPL. He was formerly chief planning officer of FPL, vice president of FPL Group, vice president of GTE Florida, a telecommunications company, and assistant controller of GTE Service Corp., a telecommunications company. Mr. Yackira has been a director since 1990.

Directors are elected annually and serve until their resignation, removal, or until their respective successors are elected. Includes each director's business experience during the past five years.

EXECUTIVE OFFICERS

Name	Age	Position	Effective Date
J. L. Broadhead	56	Chairman of the Board and Chief Executive Officer	January 15, 1990
D. P. Coyle	53	General Counsel and Secretary	July 1, 1991
K. M. Davis	45	Vice President, Accounting, Controller, and Chief Accounting Officer	July 1, 1991
S. E. Frank	50	President and Chief Operating Officer	August 13, 1990
J. H. Goldberg	60	President, Nuclear Division	July 1, 1991
L. J. Kelleher	44	Senior Vice President, Human Resources	July 1, 1991
J. T. Petillo	47	Senior Vice President, External Affairs	July 1, 1991
D. L. Samil	36	Treasurer	July 1, 1991
C. O. Woody	53	Senior Vice President, Power Generation	July 1, 1991
M. W. Yackira	40	Senior Vice President, Market and Regulatory Services	July 1, 1991

Executive officers are elected annually by, and serve at the pleasure of, FPL's Board of Directors.

The business experience of the above named executive officers is as follows:

Mr. Davis was previously comptroller of FPL and a partner in the accounting firm of Deloitte Haskins & Sells.

Ms. Samil was previously assistant treasurer of FPL and FPL Group.

For the business experience of the remaining executive officers, see Item 10. Directors and Executive Officers of the Registrant — Directors.

FPL's directors and executive officers are required to report by specific dates their initial ownership of FPL's Preferred Stock, $100 par value (Preferred Stock). During 1990 and 1991, each of the following directors and/or executive officers of FPL filed one late report relating to their initial ownership of Preferred Stock upon being elected or appointed to their respective position(s): James L. Broadhead, Dennis P. Coyle, K. Michael Davis, Stephen E. Frank, Jerome H. Goldberg, Lawrence J. Kelleher, J. Thomas Petillo, Dilek L. Samil, and Michael W. Yackira. These reports did not relate to any transactions in Preferred Stock as none of these persons held a beneficial ownership interest in Preferred Stock during the period in question.

Item 11. Executive Compensation.

The following table sets forth all compensation paid by FPL for services rendered during 1991 to (i) each of the five most highly compensated executive officers of FPL, in all capacities in which they served, and (ii) all executive officers of FPL, in the aggregate.

Cash Compensation Table

James L. Broadhead Chairman of the Board and Chief Executive Officer	$ 971,808
Stephen E. Frank President and Chief Operating Officer	$ 663,000
Jerome H. Goldberg President, Nuclear Division	$ 567,220
C. O. Woody Senior Vice President, Power Generation	$ 337,928
Dennis P. Coyle General Counsel and Secretary	$ 317,468
All executive officers of FPL in the aggregate (12 persons).	$ 4,111,707

Directors and principal officers of FPL and its affiliates may defer receipt of all or a portion of their compensation. Amounts deferred bear interest at the prime rate or are treated as if invested in FPL Group Common Stock (Common Stock) and are included in the Cash Compensation Table.

FPL maintains an Annual Incentive Plan for officers and key employees of FPL, under which participants may be awarded annual cash bonuses based upon both individual and corporate performance during each year measured against pre-established performance goals. The plan is administered by the Compensation Committee of the FPL Group Board of Directors (the Compensation Committee). Bonus awards paid during 1992 for services rendered in 1991 are reflected in the Cash Compensation Table.

The amount of non-cash compensation paid to any individual named above or to the group of executive officers, other than pursuant to plans, did not exceed $25,000 or $300,000, respectively.

Cash Compensation has not been reduced by the amounts charged to FPL Group and its non-utility subsidiaries. See Note 10.

Director Compensation

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

Compensation Pursuant To Plans

Thrift Plans: FPL and FPL Group maintain substantially similar thrift plans for the benefit of officers and full-time employees (Thrift Plans). Eligible employees may contribute a percentage of their earnings to the Thrift Plan and have their employer match a portion of such contribution. Participant contributions are invested in one or more funds, including an FPL Group Common Stock fund, an income fund, and an equity fund, as directed by each participant. Employer contributions are invested entirely in FPL Group Common Stock.

During 1991, the following amounts were paid as employer contributions for the executive officers listed in the Cash Compensation Table: James L. Broadhead, $8,134; Stephen E. Frank, $8,105; Jerome H. Goldberg, $8,802; C. O. Woody, $8,802; Dennis P. Coyle, $5,442 and all executive officers of FPL as a group, $72,194.

Long-Term Incentive Plan of 1985 (Long-Term Plan): The Long-Term Plan provides for the grant to officers and key employees of FPL Group and its subsidiaries, including FPL, of stock options, stock appreciation rights (SARs), restricted stock, and performance shares, all of which relate to Common Stock, at the discretion of the Compensation Committee.

Stock options ordinarily are granted in tandem with SARs and become exercisable in four equal annual installments beginning one year after grant. The exercise price of an option may be paid in cash or shares of Common Stock or both. Upon exercise of a SAR, the holder may receive cash or shares of Common Stock or both, as determined by the Compensation Committee. The exercise of tandem options cancels any related SAR and vice versa.

Awards of restricted stock are subject to forfeiture if the recipient's employment terminates within a specified period. In 1991, 96,800 shares of restricted stock were awarded to Mr. Broadhead to fund his Supplemental Executive Retirement Plan; 5,644 shares of restricted stock were awarded to Mr. Frank. No other shares of restricted stock were awarded.

Awards of performance shares, each of which is the equivalent of one share of FPL Group Common Stock, are paid in shares of Common Stock or cash, or, a combination thereof at the end of three and four year periods based on the achievement of performance measures for such period, as determined by the Compensation Committee. Performance shares do not entitle participants to dividend, voting, or other rights as a shareholder unless and until the award is earned and paid in the form of Common Stock.

Upon a change in control of FPL Group, all stock options are immediately exercisable in full, all SARs are exercisable in full for cash for a period of sixty days, all options as to which no SARs have been granted acquire rights equivalent to SARs, all restrictions on restricted stock terminate and all performance shares become immediately payable in cash.

Retirement Plans: FPL and FPL Group maintain non-contributory defined benefit pension plans (Pension Plans) covering substantially all employees. The compensation covered by the Pension Plans includes basic wages, salaries, and compensation deferred under the Thrift Plans and pre-tax contributions for certain other benefits provided to employees. Benefits are based on each member's years of credited service and average monthly base pay (as such terms are defined in the Pension Plans). The Pension Plans provide that upon certain terminations, transfers of assets, and other circumstances following a change in control of FPL Group, no reversion to the employer of excess plan assets over the present value of accrued benefits is permitted and any such excess will be applied to increase benefits of employees participating in the plans prior to the change in control.

FPL Group maintains a Benefit Restoration Plan which provides certain officers of FPL and FPL Group an amount equal to the difference, if any, between the benefits they would have been entitled to receive under their Pension Plans, as well as under the Thrift Plan, but for certain limitations imposed by the Internal Revenue Code, and the benefits they actually receive from those plans. Total benefits are based on a percentage of employee eligible earnings and length of service. FPL Group also maintains a Supplemental Executive Retirement Plan which provides certain officers of FPL Group (including certain individuals listed in the Cash Compensation Table), with additional retirement benefits equal to the benefits they would have been entitled to receive under the Pension Plans and Thrift Plans, if compensation covered by the Pension Plans and Thrift Plans also included bonuses and certain deferred compensation. A Supplemental Executive Retirement Plan for James L. Broadhead provides for a supplemental retirement benefit equal to the difference between a percentage (ranging from 61% to 65%) of his average annual compensation for the three years preceding his termination of employment and the annual amount of payments to which he is entitled under all pension and retirement plans of FPL Group, FPL, and other former employers, reduced by a restricted stock grant of 96,800 shares of restricted stock as to which the restrictions lapse in part in 1998 and in part in 2001. Jerome H. Goldberg's employment agreement provides for a retirement benefit which, together with the amount received by him pursuant to his former employer's deferred compensation program, equals the total post-retirement benefits he would have received if he had remained employed by such employer until age 65. The terms

of Stephen E. Frank's employment with FPL provides for a benefit, upon retirement at age 62 or more, equal to the difference between a pension benefit for 30 years of credited service and the normal Pension Plan benefit.

The following table shows the estimated annual benefits, computed on a straight life annuity basis, payable under the FPL Pension Plan (supplemented, as required, by the Benefit Restoration and Supplemental Executive Retirement Plans) to officers in various compensation classifications upon retirement in 1991 at age 65 after the indicated years of service.

Estimated Annual Pension Benefits
Based on Participating Years of Service

Eligible Average Annual Compensation	5	10	20	30	40
$ 200,000	$ 29,216	$ 46,152	$ 78,248	$ 97,372	$ 103,134
$ 300,000	45,236	71,072	118,248	147,372	155,634
$ 400,000	61,256	95,992	158,248	197,372	208,134
$ 500,000	77,275	120,911	198,248	247,372	260,634
$ 600,000	93,295	145,831	238,248	297,372	313,134
$ 700,000	109,315	170,751	278,248	347,372	365,634
$ 800,000	125,335	195,671	318,248	397,372	418,134
$ 900,000	141,355	220,591	358,248	447,372	470,634
$ 1,000,000	157,375	245,511	398,248	497,372	523,134
$ 1,100,000	173,395	270,431	438,248	547,372	575,634
$ 1,200,000	189,415	295,351	478,248	597,372	628,134

The covered compensation under the Pension Plan (as supplemented) for the individuals named in the Cash Compensation Table does not differ by more than 10% from their total compensation set forth in that table. The participating years of service through January 1, 1992 for such individuals are: James L. Broadhead, 3 years; Stephen E. Frank, 1 year; Jerome H. Goldberg, 2 years; Dennis P. Coyle, 2 years; and C. O. Woody, 35 years.

Medical and Insurance Plans. Directors and officers of FPL are eligible for supplemental medical coverage and are covered by travel/accident insurance. Directors are provided with $10,000 of accidental death insurance, and officers may participate in a comprehensive personal liability insurance program. During 1991, for the period during which each was an executive officer, amounts paid to or for the executive officers listed in the Cash Compensation Table pursuant to the foregoing plans were: James L. Broadhead, $2,719; Stephen E. Frank, $2,905; Jerome H. Goldberg, $2,556; C. O. Woody, $2,631; Dennis P. Coyle, $1,964, and for all executive officers of FPL as a group, $25,817.

Employment Agreements: FPL Group has entered into employment agreements with certain of its officers (and key employees), including the individuals named in the Cash Compensation Table (other than Mr. Goldberg and Mr. Woody), to become effective in the event of a change in 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, or approval by the shareholders of certain mergers or consolidations or of certain transfers of FPL Group's assets. These agreements are intended to assure FPL Group of the continued services of key executives. The agreements provide that each executive shall be employed by FPL Group 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 executive's employment is terminated (except for death, disability, or cause) or if the executive terminates his or her employment because of a reduction in position, responsibility, salary or for any other good reason, as defined in the agreement, the executive is entitled to severance benefits in the form of monthly installments or a lump sum, at the option of the executive, for the remainder of the employment period or for two years, whichever is longer. Such benefits will be based upon the executive's then base compensation plus a maximum bonus and the maximum amount of employer contributions made to his or her account under the Thrift Plan and the Benefit Restoration Plan (relating to the Thrift Plans). The executive is also entitled to continued participation in all benefit plans (or if barred, payment by the employer), additional supplemental retirement benefits and immediate vesting of incentive stock awards and reimbursement for tax penalties incurred by the executive as a result of his or her severance payments.

Item 12. Security Ownership of Certain Beneficial Owners and Management.

FPL Group owns 100% of FPL's common stock.

The table below sets forth, as of December 31, 1991, the number of shares of common stock beneficially owned by the directors of FPL and all directors and executive officers of FPL as a group.

Name	Shares Beneficially Owned
James L. Broadhead	105,888[1]
Dennis P. Coyle	675[2]
K. Michael Davis	1,409[3]
Stephen E. Frank	6,904[4]
Jerome H. Goldberg	2,086[5]
Lawrence J. Kelleher	10,329[6]
J. Thomas Petillo	7,196[7]
Dilek L. Samil	1,736[8]
C. O. Woody	13,963[9]
Michael W. Yackira	3,101[10]
All directors and executive officers in the aggregate, including those listed above	188,578[11]

(1) Includes 1,134 shares held in the Thrift Plans.
(2) Held in the Thrift Plans.
(3) Includes 871 shares held in the Thrift Plans.
(4) Includes 260 shares held in the Thrift Plans.
(5) Includes 1,082 shares held in the Thrift Plans.
(6) Includes 1,924 shares held in the Thrift Plans and 2,498 shares in FPL's ESOP.
(7) Includes 4,104 shares held in the Thrift Plans and 281 shares in FPL's ESOP. Also includes 549 shares held beneficially by relatives of Mr. Petillo with whom he shares investment power and to which he disclaims any beneficial ownership.
(8) Includes 1,314 shares held in the Thrift Plans and 421 shares held in FPL's ESOP.
(9) Includes 6,936 shares held in the Thrift Plans and 4,227 shares held in FPL's ESOP.
(10) Includes 2,023 shares held in the Thrift Plans.
(11) Less than 1% of the class. Includes 15,369 shares subject to exercisable stock options, 37,291 shares held in the Thrift Plans, and 11,191 shares held in FPL's ESOP.

PART IV

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

Note:

Information required by Schedule X — Supplementary Income Statement Information is shown in the Consolidated Financial Statements or Notes thereto. The following schedules are omitted as not applicable or not required — I, II, III, IV, VII, VIII, XI, XII, XIII and XIV.

Financial statements of FPL's subsidiaries have been omitted as the subsidiaries do not meet the tests of a significant subsidiary.

3. Exhibits including those Incorporated by Reference

Exhibit Number	Description
	Exhibits Filed Herewith
12(a)	Computation of Ratio of Earnings to Fixed Charges.
12(b)	Computation of Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividend Requirements.
24	Consent of Independent Public Accountants.
	Exhibits Incorporated by Reference
3(a)	Bylaws of FPL, as amended February 22, 1988 (filed as Exhibit 3(a) to Annual Report on Form 10-K for the year ended December 31, 1987, File No. 1-3545).
3(b)	Restated Articles of Incorporation of FPL dated March 23, 1987 (filed as Exhibit 4(a), File No. 33-12891).
3(c)	Amendment to FPL's Restated Articles of Incorporation dated September 10, 1987 (filed as Exhibit 4(b) to Form 10-Q for the quarter ended September 30, 1987, File No. 1-3545).
3(d)	Amendment to FPL's Restated Articles of Incorporation dated June 21, 1989 (filed as Exhibit 4(b) to Form 8-K dated July 6, 1989, File No. 1-3545).
3(e)	Amendment to FPL's Restated Articles of Incorporation dated January 29, 1990 (filed as Exhibit 4(b) to Form 8-K dated January 22, 1990, File No. 1-3545).
3(f)	Amendment to FPL's Restated Articles of Incorporation dated November 28, 1990 (filed as Exhibit 4(a) to Form 8-K dated November 28, 1990, File No. 1-3545).
4	Mortgage and Deed of Trust dated as of January 1, 1944, and Seventy-nine Supplements thereto between FPL and Bankers Trust Company and The Florida National Bank of Jacksonville (now First Union National Bank of Florida), Trustees (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 4(c), File No. 2-85633; Exhibit 4(d), File No. 2-87612; Exhibit 4 to Form 8-K dated January 10,

1984, File No. 1-3545; Exhibit 4(c) to Form 10-Q for the quarter ended June 30, 1984, File No. 1-3545; Exhibit 4(c) to Form 10-Q for the quarter ended September 30, 1984, File No. 1-3545; Exhibits 4(d) and 4(e) to Form 10-Q for the quarter ended March 31, 1985, File No. 1-3545; Exhibits 4(c), 4(d) and 4(e) to Form 10-Q for the quarter ended September 30, 1985, File No. 1-3545; Exhibit 4 to Form 8-K dated February 20, 1986, File No. 1-3545; Exhibit 4 to Form 8-K dated April 24, 1986, File No. 1-3545; Exhibit 4 to Form 8-K dated October 2, 1986, File No. 1-3545; Exhibits 4(c) and 4(d) to Form 10-Q for the quarter ended September 30, 1986, File No. 1-3545; Exhibit 4 to Form 8-K dated April 15, 1987, File No. 1-3545; Exhibit 4 to Form 8-K dated August 19, 1987, File No. 1-3545; Exhibit 4 to Form 8-K dated February 16, 1988, File No. 1-3545; Exhibit 4 to Form 8-K dated July 13, 1988, File No. 1-3545; Exhibit 4 to Form 8-K dated October 25, 1988, File No. 1-3545; Exhibit 4(a) to Form 8-K dated July 6, 1989, File No. 1-3545; Exhibit 4(e) to Form 8-K dated August 22, 1989, File No. 1-3545; Exhibits 4(a) and 4(b) to Form 8-K dated June 15, 1990, File No. 1-3545; Exhibit 4 to Form 8-K dated November 1, 1990, File No. 1-3545; File No. 1-3545; Exhibit 4(g) to Form 10-Q for the quarter ended June 30, 1991, File No. 1-3545; Exhibits 4(a), 4(b), 4(c) and 4(d) to Form 8-K dated August 19, 1991, File No. 1-3545; and Exhibit 4 to Form 8-K dated January 13, 1992).

(b) Reports on Form 8-K

A Current Report on Form 8-K dated December 13, 1991 was filed December 23, 1991 relating to one event under Item 5. Other Events.

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES
PROPERTY, PLANT, AND EQUIPMENT

Column A	Column B	Column C	Column D	Column E	Column F
Classification	Balance Beginning of Year	Additions at Cost[1]	Retirements[2]	Other Changes – Add (Deduct)	Balance End of Year
			(Thousands of Dollars)		
For the Year Ended December 31, 1991					
Electric utility plant, at original cost:					
Electric plant:					
Production plant:					
Steam	$ 2,142,443	$ 239,997	$ (32,927)	$ (5,114)	$ 2,344,399
Nuclear	3,075,336	302,241	(21,500)	(311)	3,355,766
Other	300,356	7,422	(2,176)	(1)	305,601
Total production plant	5,518,135	549,660	(56,603)	(5,426)	6,005,766
Transmission plant	1,546,047	63,291	(4,137)	622	1,605,823
Distribution plant	3,898,288	351,414	(25,508)	2,941	4,227,135
General plant	655,587	72,695	(32,695)	(276)	695,311
Intangible plant	18,190	13,467	–	–	31,657
Total electric plant in service	11,636,247	1,050,527	(118,943)	(2,139)	12,565,692
Held for future use	59,801	12,611	–	973	73,385
Total electric plant	11,696,048	1,063,138	(118,943)	(1,166)	12,639,077
Construction work in progress	476,279	121,122	–	–	597,401
Nuclear fuel	488,128	53,497	(108,607)	(153,278)	279,740
Total electric utility plant	$ 12,660,455	$ 1,237,757	$ (227,550)	$ (154,444)	$ 13,516,218
For the Year Ended December 31, 1990					
Electric utility plant, at original cost:					
Electric plant:					
Production plant:					
Steam	$ 2,056,570	$ 100,181	$ (14,305)	$ (3)	$ 2,142,443
Nuclear	3,029,405	68,023	(22,098)	6	3,075,336
Other	296,952	4,447	(1,043)	–	300,356
Total production plant	5,382,927	172,651	(37,446)	3	5,518,135
Transmission plant	1,491,301	63,392	(8,258)	(388)	1,546,047
Distribution plant	3,524,553	405,915	(33,364)	1,184	3,898,288
General plant	561,164	119,003	(24,410)	(170)	655,587
Intangible plant	4,653	13,537	–	–	18,190
Total electric plant in service	10,964,598	774,498	(103,478)	629	11,636,247
Held for future use	48,376	12,009	–	(584)	59,801
Total electric plant	11,012,974	786,507	(103,478)	45	11,696,048
Construction work in progress	299,705	178,321	–	(1,747)	476,279
Nuclear fuel	475,422	66,402	(38,668)	(15,028)	488,128
Total electric utility plant	$ 11,788,101	$ 1,031,230	$ (142,146)	$ (16,730)	$ 12,660,455

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES
PROPERTY, PLANT, AND EQUIPMENT (Concluded)

Column A Classification	Column B Balance Beginning of Year	Column C Additions at Cost(1)	Column D Retirements(2)	Column E Other Changes – Add (Deduct)	Column F Balance End of Year
			(Thousands of Dollars)		
For the Year Ended December 31, 1989					
Electric utility plant, at original cost:					
Electric plant:					
Production plant:					
Steam	$ 1,983,006	$ 93,034	$ (19,513)	$ 43	$ 2,056,570
Nuclear	2,936,895	113,160	(20,923)	273	3,029,405
Other	294,110	4,395	(1,553)	–	296,952
Total production plant	5,214,011	210,589	(41,989)	316	5,382,927
Transmission plant	1,446,264	53,373	(4,543)	(3,793)	1,491,301
Distribution plant	3,201,798	355,447	(32,336)	(356)	3,524,553
General plant	454,755	128,705	(26,240)	3,944	561,164
Intangible plant	3,647	1,006	–	–	4,653
Total electric plant in service	10,320,475	749,120	(105,108)	111	10,964,598
Held for future use	39,688	8,764	–	(76)	48,376
Total electric plant	10,360,163	757,884	(105,108)	35	11,012,974
Construction work in progress	297,925	2,547	–	(767)	299,705
Nuclear fuel	532,143	67,677	(90,717)	(33,681)	475,422
Total electric utility plant	$ 11,190,231	$ 828,108	$ (195,825)	$ (34,413)	$ 11,788,101

(1) Substantially all additions are originally charged to construction work in progress and transferred to electric plant accounts upon completion. Additions at cost give effect to such transfers.

(2) The installed cost of individual units of plant retired is not always available. Plant accounts are credited for such retirements on the basis of estimates when the original cost is not available. Nuclear fuel materials sold are reflected as retirements.

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES
ACCUMULATED DEPRECIATION, DEPLETION, AND AMORTIZATION OF PROPERTY, PLANT, AND EQUIPMENT

Column A	Column B	Column C: Additions Charged to Costs and Expenses		Column D	Column E	Column F
	Balance Beginning of Year	Depreciation	Clearing and Other Accounts[2]	Retirements	Other Changes – Add (Deduct)	Balance End of Year
			(Thousands of Dollars)			
For the Year Ended December 31, 1991						
Accumulated provision for depreciation of electric plant [1][4]:						
Production plant:						
Steam	$ 883,237	$ 103,629	$ -	$ (44,417)	$ 20,136	$ 962,585
Nuclear	1,050,026	178,789	-	(23,602)	(90)	1,205,123[3]
Other	208,739	8,586	-	(2,951)	(9,521)	204,853
Total production plant	2,142,002	291,004	-	(70,970)	10,525	2,372,561
Transmission plant	718,325	29,484	-	(2,821)	(57)	744,931
Distribution plant	1,223,635	144,119	-	(33,108)	422	1,335,068
General plant	157,507	50,189	11,959	(30,776)	20	188,899
Intangible plant	4,328	5,537	-	-	1	9,866
Total electric plant	4,245,797	520,333	11,959	(137,675)	10,911	4,651,325
Accumulated provision for amortization of nuclear fuel assemblies	205,787	-	(168,554)	(37,233)	-	-
Total	$ 4,451,584	$ 520,333	$ (156,595)	$ (174,908)	$ 10,911	$4,651,325
For the Year Ended December 31, 1990						
Accumulated provision for depreciation of electric plant [1][4]:						
Production plant:						
Steam	$ 812,484	$ 93,267	$ 262	$ (22,776)	$ -	$ 883,237
Nuclear	903,781	168,083	-	(21,838)	-	1,050,026[3]
Other	202,840	7,032	-	(1,133)	-	208,739
Total production plant	1,919,105	268,382	262	(45,747)	-	2,142,002
Transmission plant	694,558	32,199	-	(7,292)	(1,140)	718,325
Distribution plant	1,107,843	153,288	-	(38,636)	1,140	1,223,635
General plant	125,725	43,216	9,668	(21,102)	-	157,507
Intangible plant	788	3,540	-	-	-	4,328
Total electric plant	3,848,019	500,625	9,930	(112,777)	-	4,245,797
Accumulated provision for amortization of nuclear fuel assemblies	182,972	-	61,483	(38,668)	-	205,787
Total	$ 4,030,991	$ 500,625	$ 71,413	$ (151,445)	$ -	$4,451,584

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES
ACCUMULATED DEPRECIATION, DEPLETION, AND AMORTIZATION OF PROPERTY, PLANT, AND EQUIPMENT (Concluded)

Column A	Column B	Column C		Column D	Column E	Column F
		Additions Charged to Costs and Expenses				
	Balance Beginning of Year	Depre-ciation	Clearing and Other Accounts[2]	Retire-ments	Other Changes – Add (Deduct)	Balance End of Year
	(Thousands of Dollars)					
For the Year Ended December 31, 1989						
Accumulated provision for depreciation of electric plant [1][4]:						
Production plant:						
Steam	$ 746,746	$ 92,036	$ 262	$ (26,499)	$ (61)	$ 812,484
Nuclear	761,774	163,670	–	(21,973)	310	903,781[3]
Other	184,795	19,189	–	(1,227)	83	202,840
Total production plant	1,693,315	274,895	262	(49,699)	332	1,919,105
Transmission plant	506,969	190,533	–	(1,410)	(1,534)	694,558
Distribution plant	1,006,625	136,511	–	(35,991)	698	1,107,843
General plant	110,667	30,324	8,940	(24,710)	504	125,725
Intangible plant	2,681	(1,893)	–	–	–	788
Total electric plant	3,320,257	630,370	9,202	(111,810)	–	3,848,019
Accumulated provision for amortization of nuclear fuel assemblies	222,258	–	51,431	(90,717)	–	182,972
Total	$ 3,542,515	$ 630,370	$ 60,633	$ (202,527)	$ –	$4,030,991

(1) This reserve is maintained for all depreciable property. The amount in the retirement column is net of removal costs and salvage.

(2) Depreciation of transportation equipment is charged to various accounts based on the use of such equipment. Amortization of nuclear fuel assemblies is charged to fuel, purchased power, and interchange expense.

(3) Includes nuclear decommissioning reserve and related interest of $330.6 million, $274.8 million, and $222.1 million at December 31, 1991, 1990, and 1989, respectively.

(4) Includes fossil decommissioning reserves of $82.9 million, $68.8 million, and $59.2 million at December 31, 1991, 1990, and 1989, respectively.

SCHEDULE IX

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES

SHORT-TERM BORROWINGS

Column A	Column B	Column C	Column D	Column E	Column F
Category of Aggregate Short-Term Borrowings	Balance at End of Period	Weighted Average Interest Rate	Maximum Amount Outstanding During the Period (1)	Average Amount Outstanding During the Period (2)	Weighted Average Interest Rate During the Period (3)
			(Thousands of Dollars)		
For the Year Ended December 31, 1991					
Lines of credit	$ -	$ -	$ 35,000	$ 16,459	5.9%
Commercial paper	$ -	$ -	$ 37,600	$ 13,190	6.2%
For the Year Ended December 31, 1990					
Lines of credit	$ 3,000	7.5%	$ 35,000	$ 5,939	7.6%
Commercial paper	-	-	$ 133,500	$ 52,617	8.2%
For the Year Ended December 31, 1989					
Commercial paper	$ 92,300	9.0%	$ 295,500	$ 110,557	9.4%

(1) Represents the maximum amount outstanding at any month end.

(2) Computed by dividing the sum of the daily ending balances by the number of days in the year.

(3) Computation is based upon the principal amounts weighted by the number of days outstanding.

SCHEDULE X

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES

SUPPLEMENTARY INCOME STATEMENT INFORMATION

Column A	Column B		
	Years Ended December 31,		
	1991	1990	1989
	(Thousands of Dollars)		
Taxes Other Than Income Taxes:			
Federal and state payroll	$ 53,836	$ 49,837	$ 45,200
Real and personal property	125,151	117,726	108,732
State gross receipts	106,545	90,679	69,011
Franchise charges	204,880	192,035	181,834
Miscellaneous	31,470	34,328	37,194
Total taxes other than income taxes	$ 521,882	$ 484,605	$ 441,971
Charged to:			
Operating expenses — other taxes	$ 483,731	$ 450,237	$ 407,000
Utility plant and other accounts	38,151	34,368	34,971
Total	$ 521,882	$ 484,605	$ 441,971

Note: Other information required by Article 5, Schedule X — Supplementary Income Statement Information is shown in the Consolidated Financial Statements or notes thereto, or is not presented as such amounts are less than 1% of total revenues.

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

Date: March 13, 1992

S. E. FRANK
S. E. Frank
(President and Director)

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	Title	Date
JAMES L. BROADHEAD **James L. Broadhead** *(Chairman of the Board)*	Principal Executive Officer and Director	
DILEK L. SAMIL **Dilek L. Samil** *(Treasurer)*	Principal Financial Officer	
K. M. DAVIS **K. M. Davis** *(Vice President, Accounting, Controller, and Chief Accounting Officer)*	Principal Accounting Officer	
DENNIS P. COYLE **Dennis P. Coyle**		March 13, 1992
Jerome H. Goldberg		
LAWRENCE J. KELLEHER **Lawrence J. Kelleher**	Directors	
J. THOMAS PETILLO **J. Thomas Petillo**		
C. O. Woody		
MICHAEL W. YACKIRA **Michael W. Yackira**		

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

	Twelve Months Ended				
	1991	1990	1989	1988	1987
	(Thousands of Dollars)				
Earnings, as defined:					
Net income	$ 417,517	$ 424,804	$ 436,885	$ 435,620	$ 426,193
Income taxes	183,364	182,587	204,863	203,988	266,040
Fixed charges, as below	326,686	312,812	305,509	297,247	299,537
Total earnings, as defined	$ 927,567	$ 920,203	$ 947,257	$ 936,855	$ 991,770
Fixed charges, as defined:					
Interest on first mortgage bonds	$ 275,914	$ 262,169	$ 248,203	$ 252,047	$ 255,136
Interest on other long-term debt	6,027	6,085	6,044	6,214	6,181
Other interest charges	29,211	34,615	38,500	26,867	27,048
Rental interest factor	6,353	5,192	6,604	7,198	6,444
Fixed charges included in nuclear fuel cost	9,181	4,751	6,158	4,921	4,728
Total fixed charges, as defined	$ 326,686	$ 312,812	$ 305,509	$ 297,247	$ 299,537
Ratio of earnings to fixed charges	2.84	2.94	3.10	3.15	3.31

EXHIBIT 12(b)

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES

COMPUTATION OF RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDEND REQUIREMENTS

	Twelve Months Ended				
	1991	1990	1989	1988	1987
	(Thousands of Dollars)				
Earnings, as defined:					
Net income	$ 417,517	$ 424,804	$ 436,885	$ 435,620	$ 426,193
Income taxes	183,364	182,587	204,863	203,988	266,040
Fixed charges, as below	326,686	312,812	305,509	297,247	299,537
Total earnings, as defined	$ 927,567	$ 920,203	$ 947,257	$ 936,855	$ 991,770
Fixed charges, as defined:					
Interest on first mortgage bonds	$ 275,914	$ 262,169	$ 248,203	$ 252,047	$ 255,136
Interest on other long-term debt	6,027	6,085	6,044	6,214	6,181
Other interest charges	29,211	34,615	38,500	26,867	27,048
Rental interest factor	6,353	5,192	6,604	7,198	6,444
Fixed charges included in nuclear fuel cost	9,181	4,751	6,158	4,921	4,728
Total fixed charges, as defined	326,686	312,812	305,509	297,247	299,537
Non-tax deductible preferred stock dividend requirements	41,256	43,600	43,782	45,518	48,295
Ratio of income before income taxes to net income	1.439	1.430	1.469	1.468	1.624
Preferred stock dividend requirements before income taxes	59,367	62,348	64,317	66,820	78,431
Combined fixed charges and preferred stock dividend requirements	$ 386,053	$ 375,160	$ 369,826	$ 364,067	$ 377,968
Ratio of earnings to combined fixed charges and preferred stock dividend requirements	2.40	2.45	2.56	2.57	2.62

EXHIBIT 24

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

We consent to the incorporation by reference in Registration Statement No. 33-30360 on Form S-3, Registration Statement No. 33-38641 on Form S-3, Registration Statement No. 33-40123 on Form S-3, and Registration Statement No. 33-46076 on Form S-3 of Florida Power & Light Company, of our report dated February 14, 1992 appearing in this Annual Report on Form 10-K of Florida Power & Light Company for the year ended December 31, 1991.

DELOITTE & TOUCHE

Miami, Florida
March 13, 1992

FORM 10-Q

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

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

For the quarterly period ended **September 30, 1992**

OR

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

For the transition period from ____________ to ____________

Commission file number 1-3545

FLORIDA POWER & LIGHT COMPANY
(Exact name of registrant as specified in its charter)

Florida	59-0247775
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

700 Universe Boulevard, Juno Beach, Florida 33408
(Address of principal executive offices) (Zip Code)

(407) 694-4000
(Registrant's telephone number, including area code)

____
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has 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 (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No __

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at October 31, 1992
Common Stock, No Par Value	1,000 Shares

PART I – FINANCIAL INFORMATION
FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,		Twelve Months Ended September 30,	
	1992	1991	1992	1991	1992	1991
			(Thousands of Dollars)			
OPERATING REVENUES	$ 1,556,083	$ 1,503,706	$ 3,853,190	$ 3,998,699	$ 5,013,257	$ 5,228,857
OPERATING EXPENSES:						
Fuel, purchased power, and interchange	586,442	562,372	1,370,077	1,516,478	1,786,236	2,016,705
Other operations and maintenance	285,373	285,838	845,627	877,641	1,193,593	1,218,312
Conservation clause expenses	14,528	15,269	38,905	38,186	51,354	47,497
Depreciation and amortization	143,640	135,065	421,293	381,300	547,094	513,382
Income taxes	119,268	99,178	214,964	159,527	238,327	171,994
Taxes other than income taxes	142,164	133,432	372,401	365,504	490,628	484,689
Restructuring	–	–	–	90,008	–	90,008
Total operating expenses	1,291,415	1,231,154	3,263,267	3,428,644	4,307,232	4,542,587
OPERATING INCOME	264,668	272,552	589,923	570,055	706,025	686,270
ALLOWANCE FOR OTHER FUNDS USED DURING CONSTRUCTION	7,803	3,642	20,335	12,491	24,658	15,846
OTHER INCOME – NET	2,421	2,578	7,261	5,839	9,891	7,689
INCOME BEFORE INTEREST CHARGES	274,892	278,772	617,519	588,385	740,574	709,805
INTEREST EXPENSE	80,119	77,713	235,545	233,113	313,584	310,938
ALLOWANCE FOR BORROWED FUNDS USED DURING CONSTRUCTION	(7,198)	(3,541)	(18,712)	(12,706)	(23,235)	(17,315)
NET INCOME	201,971	204,600	400,686	367,978	450,225	416,182
PREFERRED STOCK DIVIDEND REQUIREMENTS	11,059	10,211	32,843	31,045	43,054	41,669
NET INCOME AVAILABLE TO FPL GROUP, INC.	$ 190,912	$ 194,389	$ 367,843	$ 336,933	$ 407,171	$ 374,513

This report should be read in conjunction with the Notes to Condensed Consolidated Financial Statements on Pages 6 through 8 herein and the Notes to Consolidated Financial Statements appearing in Florida Power & Light Company's (FPL) 1991 Annual Report on Form 10-K (Form 10-K).

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
ASSETS

	September 30, 1992 (Unaudited)	December 31, 1991
	(Thousands of Dollars)	
ELECTRIC UTILITY PLANT:		
At original cost	$ 13,061,971	$ 12,639,077
Less accumulated depreciation and amortization	4,977,219	4,651,325
Net	8,084,752	7,987,752
Construction work in progress	913,595	597,401
Nuclear fuel under capital lease	258,993	279,740
Electric utility plant – net	9,257,340	8,864,893
INVESTMENTS	314,306	298,499
CURRENT ASSETS:		
Cash and temporary investments	51,421	88,901
Accounts receivable – net	599,512	496,698
Materials and supplies – at average cost	268,085	278,608
Fossil fuel stock – at average cost	70,294	82,471
Prepaid expenses	51,188	34,596
Other	101,942	10,302
Total current assets	1,142,442	991,576
DEFERRED DEBITS:		
Unamortized debt reacquisition costs	177,607	150,601
Deferred litigation items	111,982	115,202
Deferred pension cost	67,090	51,640
Other	68,140	43,397
Total deferred debits	424,819	360,840
TOTAL ASSETS	$ 11,138,907	$ 10,515,808

This report should be read in conjunction with the Notes to Condensed Consolidated Financial Statements on Pages 6 through 8 herein and the Notes to Consolidated Financial Statements appearing in FPL's 1991 Form 10-K.

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
CAPITALIZATION AND LIABILITIES

	September 30, 1992 (Unaudited)	December 31, 1991
	(Thousands of Dollars)	
CAPITALIZATION:		
Common shareholder's equity	$ 3,638,001	$ 3,428,739
Preferred stock without sinking fund requirements	421,250	346,250
Preferred stock with sinking fund requirements	130,150	150,150
Long-term debt	3,413,485	3,186,828
Total capitalization	7,602,886	7,111,967
OTHER NONCURRENT LIABILITIES	363,473	388,585
CURRENT LIABILITIES:		
Accounts payable	379,476	382,373
Customers' deposits	209,991	199,748
Accrued interest and taxes	353,581	169,554
Other	167,055	201,147
Total current liabilities	1,110,103	952,822
DEFERRED CREDITS:		
Accumulated deferred income taxes	1,465,978	1,405,124
Unamortized investment tax credits	352,892	368,337
Deferred revenues under cost recovery clauses	26,310	91,975
Other	217,265	196,998
Total deferred credits	2,062,445	2,062,434
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$ 11,138,907	$ 10,515,808

This report should be read in conjunction with the Notes to Condensed Consolidated Financial Statements on Pages 6 through 8 herein and the Notes to Consolidated Financial Statements appearing in FPL's 1991 Form 10-K.

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine Months Ended September 30,	
	1992	1991
	(Thousands of Dollars)	
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 783,923	$ 957,340
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures (1)	(838,816)	(846,673)
Other	(5,163)	(25,585)
Net cash used in investing activities	(843,979)	(872,258)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of bonds and other long-term debt	578,851	201,169
Issuance of preferred stock	125,000	–
Retirement of long-term debt	(480,885)	(125,229)
Dividends to FPL Group, Inc.	(324,043)	(294,895)
Capital contributions from FPL Group, Inc.	170,000	–
Sale of nuclear fuel	–	235,476
Other	(46,347)	(35,371)
Net cash provided by (used in) financing activities	22,576	(18,850)
Net increase (decrease) in cash and temporary investments (2)	(37,480)	66,232
Cash and temporary investments at beginning of period	88,901	2,737
Cash and temporary investments at end of period	$ 51,421	$ 68,969
Supplemental disclosures of cash flow information:		
Cash paid for interest (net of amount capitalized)	$ 218,511	$ 218,631
Cash paid for income taxes	$ 103,155	$ 83,150
Supplemental schedule of non-cash investing and financing activities:		
Additions to capital lease obligations	$ 63,526	$ 259,577

(1) Excluding allowance for other funds used during construction.
(2) FPL classifies, as temporary investments, short-term highly liquid investments which are readily convertible to known amounts of cash.

This report should be read in conjunction with the Notes to Condensed Consolidated Financial Statements on Pages 6 through 8 herein and the Notes to Consolidated Financial Statements appearing in FPL's 1991 Form 10-K.

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

The accompanying condensed consolidated financial statements should be read in conjunction with FPL's 1991 Form 10-K and, in the opinion of FPL, contain all adjustments (consisting only of normal recurring accruals) necessary to present fairly the financial position as of September 30, 1992, the results of operations for the three, nine, and twelve months ended September 30, 1992 and 1991, and the cash flows for the nine months ended September 30, 1992 and 1991. The results of operations for an interim period may not give a true indication of results for the year.

1. Capitalization

Capital Contribution

In February, August, and September 1992, FPL received capital contributions of $40 million, $50 million, and $80 million, respectively, from its parent, FPL Group, Inc. (FPL Group).

Preferred Stock

In March 1992, FPL issued 5,000,000 shares of $2.00 No Par Preferred Stock, Series A (Involuntary Liquidation Value $25 Per Share). The proceeds were used, in part, to redeem and retire 500,000 shares of FPL's 9¼% Preferred Stock, Series H.

The 1992 sinking fund requirements for the 10.08% Preferred Stock, Series J, the 8.70% Preferred Stock, Series M, and the 11.32% Preferred Stock, Series O, were met by redeeming and retiring, in April 1992, 75,000 shares, 45,000 shares, and 65,000 shares, respectively. These redemptions included the maximum number of optional shares. There are no additional sinking fund requirements for the remainder of 1992.

In May 1992 and June 1992, FPL purchased 15,000 shares of its 6.84% Preferred Stock, Series Q, in the open market, satisfying the 1993 minimum annual sinking fund requirement for this Series.

Long-Term Debt

In January 1992, FPL sold $75 million principal amount of First Mortgage Bonds, 7⅞% Series due January 1, 2007 and $100 million principal amount of First Mortgage Bonds, 8½% Series due January 1, 2022 and redeemed, in February 1992, $50 million principal amount of First Mortgage Bonds, 9.85% Series due November 1, 2005 and $125 million principal amount of First Mortgage Bonds, 9⅜% Series due June 1, 2006.

From April through August 1992, FPL sold a total of $69.2 million principal amount of First Mortgage Bonds, designated Secured Medium-Term Notes, Series A, at a weighted average interest rate of 8.33% with maturities ranging from 10 years to 30 years.

In May 1992, FPL entered into a loan agreement with St. Lucie County, Florida, to support the issuance, on FPL's behalf, of $12 million aggregate principal amount of 6.70% Solid Waste Disposal Revenue Bonds, Series 1992 due May 1, 2027. FPL pledged an equivalent principal amount of First Mortgage Bonds as collateral security. The proceeds were used to finance a portion of the cost of acquisition, construction, and installation of certain solid waste disposal facilities.

Also in May 1992, FPL entered into separate loan agreements with the City of Jacksonville, Florida, and St. Lucie County, Florida, to support the issuance, on FPL's behalf, of $77.6 million aggregate principal amount of variable rate Pollution Control Revenue Refunding Bonds, Series 1992 due May 1, 2027. The proceeds from these issuances were used to redeem, in May 1992, various Jacksonville Port Authority and St. Lucie County Bonds of an equal aggregate principal amount.

In July 1992, FPL sold $150 million principal amount of First Mortgage Bonds, $8^{1}/_{2}$% Series due July 1, 2022. Proceeds from this issuance were used to repay short-term borrowings and to fund the construction of additional electric facilities.

In August 1992, FPL sold $100 million principal amount of 8% First Mortgage Bonds, designated Secured Medium-Term Notes, Series B, due August 25, 2022. The proceeds from this issuance were used, in part, to redeem $100 million principal amount of First Mortgage Bonds, $10^{1}/_{8}$% Series due August 1, 2017. Also in August 1992, FPL retired $25 million principal amount of matured First Mortgage Bonds, 4.5% Series due August 1, 1992.

2. Commitments and Contingencies

Capital Commitments

FPL has made certain commitments in connection with its projected capital expenditures. These expenditures, for the construction or acquisition of additional facilities and equipment to meet customer demand, are estimated to be $6.6 billion for the years 1992-96.

Nuclear 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, and is subject to retrospective assessments of up to $265 million per incident at any nuclear reactor in the United States, payable at a rate not to exceed $40 million per incident per year.

FPL participates in insurance pools and other arrangements that provide $2.5 billion of limited insurance coverage for property damage, decontamination, and premature decommissioning risks at its nuclear plants. The proceeds from such insurance, however, must first be used for reactor stabilization and site decontamination before they can be used for plant repair. FPL also participates in an insurance program that provides limited coverage for replacement power costs if a plant is out of service because of an accident. In the event of an accident at one of FPL's or another participating insured's nuclear plants, FPL could be assessed up to $59 million in retrospective premiums under the programs in effect at September 30, 1992. This contingent liability is partially offset by a portion of FPL's storm and property insurance reserve, which totaled $71 million at that date.

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 effect on FPL's financial condition.

Contracts

FPL has take-or-pay contracts with subsidiaries of The Southern Company to purchase 2,215 megawatts (mw) of power through 1992, and declining amounts thereafter through mid-2010. FPL's required capacity payments under these contracts are estimated to be $379 million in 1992, $273 million in 1993, $198 million in 1994, $156 million in 1995, and $144 million in 1996, with declining amounts thereafter. Capacity charges for the three, nine, and twelve months ended September 30, 1992 totaled approximately $94 million, $283 million, and $377 million, respectively; energy charges totaled $89 million, $204 million, and $283 million, respectively. Capacity charges for the three, nine, and twelve months ended September 30, 1991 totaled approximately $97 million, $301 million, and $399 million, respectively; energy charges totaled $79 million, $233 million, and $319 million, respectively. Capacity charges are recovered through the capacity cost recovery clause (capacity clause); energy charges are recovered through the fuel and purchased power cost recovery clause (fuel clause).

Besides its 20% ownership interest in the St. Johns River Power Park (SJRPP), FPL has a take-or-pay contract to purchase an additional 30% of SJRPP's capacity output. FPL's required capacity payments under this contract are estimated to be $89 million for 1992, $90 million for 1993, $94 million for 1994, $95 million for 1995 and $96 million for 1996, with amounts varying thereafter through 2022. Capacity charges for the three, nine, and twelve months ended September 30, 1992 totaled approximately $23 million, $66 million, and $88 million, respectively; energy charges totaled $14 million, $36 million, and $49 million, respectively. Capacity charges for the three, nine, and twelve months ended September 30, 1991 totaled approximately $20 million, $60 million, and $84 million, respectively; energy charges totaled $14 million, $40 million, and $51 million, respectively. In October 1992, the Florida Public Service Commission (FPSC) concluded that a portion of the SJRPP capacity charges are currently being recovered through base rates. In addition, the FPSC voted to allow FPL to recover through the capacity clause the incremental difference between the amount included in base rates and the current amount of SJRPP capacity charges beginning in October 1992. Energy charges are recovered through the fuel clause.

FPL has take-or-pay contracts for the transportation and supply of natural gas under which it is required to make payments estimated to be $267 million per year for 1992 and 1993, $268 million for 1994, $295 million for 1995, and $325 million for 1996. Charges under these contracts are recovered through the fuel clause.

Litigation

Union Carbide Corporation has sued FPL and Florida Power Corporation alleging that, through a territorial agreement approved by the FPSC, they conspired to eliminate competition in violation of federal antitrust laws. The suit seeks treble damages of an unspecified amount based on alleged higher prices paid for electricity and product sales lost. All parties have moved for summary judgment.

A suit brought by the partners in a cogeneration project located in Dade County, Florida, alleges that FPL has engaged in anti-competitive conduct intended to eliminate competition from cogenerators generally, and from their facility in particular, in violation of federal antitrust laws and have wrongfully interfered with the cogeneration project's contractual relationship with Metropolitan Dade County. The suit seeks $45 million to $80 million in damages, trebled under antitrust laws, plus other unspecified compensatory and punitive damages. A motion for summary judgment by FPL is pending.

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 FMPA and its members and for breaching antitrust laws by monopolizing or attempting to monopolize the provision, coordination, and transmission of electric power by refusing to provide transmission service or to permit FMPA to invest in and use FPL's transmission system on FMPA's proposed terms. FMPA seeks unspecified money damages, trebled for the antitrust claim, and court orders requiring FPL to permit FMPA to invest in and use FPL's transmission system on "reasonable terms and conditions" and on a basis equal to FPL.

FPL believes that it has meritorious defenses to all of the litigation described above and is vigorously defending these suits. Accordingly, in the opinion of management, the liabilities, if any, arising from this litigation are not anticipated to have a material adverse effect on FPL's financial statements.

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES
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 FPL's 1991 Form 10-K. 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

On August 24, 1992, Hurricane Andrew struck South Florida, resulting in extensive damage to FPL's electric transmission and distribution facilities and partial damage to buildings and equipment at two power plants in southern Dade County. Approximately 1.4 million, or 43%, of FPL's customer accounts were without electrical service immediately after the hurricane passed. As of the end of September 1992, electric service had been restored to substantially all customers capable of receiving power (more than 99% of FPL's customer accounts). FPL is unable to estimate lost revenues attributable to the storm; however, the cost of reconstruction is not expected to have an adverse effect on future earnings. Incurred and projected costs either have been reflected in the results of operations for the quarter, are recoverable from insurance, or can be offset against FPL's storm fund. Hurricane-related expenditures incurred through September 30, 1992 that are in the process of being recovered from insurance carriers are included in Current Assets – Other.

The decrease in earnings for the three months ended September 30, 1992 reflects higher taxes and depreciation expenses, partially offset by higher base revenues. The increase for the nine and twelve months ended September 30, 1992 reflects a $56 million after-tax charge recorded in June 1991 for costs associated with a corporate-wide restructuring. Excluding this charge, earnings for the nine and twelve month periods ended September 30, 1992 decreased slightly from the prior year, primarily due to a decline in base revenues and higher depreciation expenses, partially offset by reduced maintenance expenses.

Revenues from base rates represent 58%, 60%, and 60% of total operating revenues for the three, nine, and twelve months ended September 30, 1992, respectively, compared to 59%, 58%, and 58% for the three, nine, and twelve months ended September 30, 1991. Such revenues are derived primarily from retail operations regulated by the FPSC. Base revenues increased for the three months ended September 30, 1992 primarily due to a 1.8% increase in the average number of customer accounts. Base revenues decreased for the nine and twelve months ended September 30, 1992, reflecting lower customer usage patterns due to mild weather conditions in the current year, as contrasted with unusually warm weather conditions in 1991. During these periods, energy usage per customer decreased 2.7% and 2.6%, respectively, while the average number of customer accounts increased 1.7% for both periods. Substantially all remaining revenues represent a pass-through of costs and have little impact on net income.

Allowance for funds used during construction and certain of FPL's costs recovered through base rates, including depreciation and interest, continue to increase for all periods presented as a result of electric plant added to meet continued customer growth. In November 1992, the FPSC approved FPL's interim depreciation rates as final for 1991 and 1992. FPL was ordered to file a new depreciation study in 1993. Operations and maintenance expenses decreased for the nine and twelve month periods ended September 30, 1992, primarily due to reduced expenses at FPL's generating units, reflecting management's efforts to lower costs. Also, taxes increased in the current quarter reflecting higher real and personal property taxes. As discussed in Note 1, FPL has been refunding existing debt with lower rate instruments. The reduction in interest due to these refundings, however, has been and may continue to be offset in future periods by the increase in debt outstanding issued to fund growth in electric plant.

The new accounting standard relating to postretirement benefits, which is required to be implemented in the first quarter of 1993, requires a change from recognizing expenses when paid to accruing the estimated cost of future health care and other retiree benefits during the period of employment. The total cost of

implementing this accounting standard is expected to be between $15 million and $20 million per year, including the amortization of the estimated $90 million transition obligation.

FINANCIAL CONDITION

During the nine months ended September 30, 1992, FPL continued to make significant investments in electric utility plant to meet increased demand for electricity. For information concerning FPL's capital commitments, see Note 2. For a discussion of changes in FPL's capitalization, see Note 1.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

(1) Reference is made to Item 3. Legal Proceedings — Qualifying Facilities Proceedings in FPL's 1991 Form 10-K, as modified by Item 5(5) of Form 10-Q for the quarterly period ended June 30, 1992.

On September 14, 1992, Consolidated Minerals, Inc. filed in the Circuit Court, Seventh Judicial Circuit, St. Johns County, Florida, a Notice of Voluntary Dismissal Without Prejudice.

ITEM 5. OTHER INFORMATION

(1) Reference is made to Item 1. Business — System Capability and Load in FPL's 1991 Form 10-K.

In October 1992, the FPSC denied approval of FPL's 30-year purchased power contract with an independent power producer. The contract would have provided 832 mw from a pulverized coal facility beginning in 1998. FPL has filed a petition for reconsideration with the FPSC.

(2) Reference is made to Item 1. Business — Competition in FPL's 1991 Form 10-K.

In October 1992, The Energy Policy Act of 1992 (Energy Act) was enacted into law. The Energy Act addresses a wide range of energy issues including amending the Public Utility Holding Company Act of 1935 to make it easier for non-utility generators to compete in the wholesale electric utility business; providing for the simplification of licensing procedures for new nuclear power plants; and creating a number of energy efficiency and conservation proposals. Additionally, under the Energy Act, the Federal Energy Regulatory Commission has been granted additional power to require utilities to provide transmission service to wholesale generators, subject to certain provisions. FPL is unable to predict the ultimate impact the Energy Act will have upon its operations.

(3) Reference is made to Item 1. Business — Employees in FPL's 1991 Form 10-K, as modified by Item 5(3) of Form 10-Q for the quarterly period ended June 30, 1992 and Item 5(2) of Form 8-K dated August 18, 1992.

In October 1992, FPL entered into a collective bargaining agreement with the International Brotherhood of Electrical Workers which will expire October 31, 1994.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

Exhibit Number	Description
*4(a)	Restated Articles of Incorporation of FPL dated March 23, 1992 (filed as Exhibit 4(a) to Form 8-K dated March 19, 1992, File No. 1-3545).
*4(b)	Amendment to FPL's Restated Articles of Incorporation dated March 23, 1992 (filed as Exhibit 4(c) to Form 8-K dated March 19, 1992, File 1-3545).
*4(c)	Amendment to FPL's Restated Articles of Incorporation dated May 11, 1992 (filed as Exhibit 4(c) to Form 10-Q for the quarter ended March 31, 1992, File No. 1-3545).
*4(d)	Mortgage and Deed of Trust dated as of January 1, 1944, and Eighty-two Supplements thereto between FPL and Bankers Trust Company and The Florida National Bank of Jacksonville (now First Union National Bank of Florida) Trustees (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 4(c), File No. 2-85633; Exhibit 4(d), File No. 2-87612; Exhibit 4 to Form 8-K dated January 10, 1984, File No. 1-3545; Exhibit 4(c) to Form 10-Q for the quarter ended June 30, 1984, File No. 1-3545; Exhibit 4(c) to Form 10-Q for the quarter ended September 30, 1984, File No. 1-3545; Exhibits 4(d) and 4(e) to Form 10-Q for the quarter ended March 31, 1985, File No. 1-3545; Exhibits 4(c), 4(d) and 4(e) to Form 10-Q for the quarter ended September 30, 1985, File No. 1-3545; Exhibit 4 to Form 8-K dated February 20, 1986, File No. 1-3545; Exhibit 4 to Form 8-K dated April 24, 1986, File No. 1-3545; Exhibit 4 to Form 8-K dated October 2, 1986, File No. 1-3545; Exhibits 4(c) and 4(d) to Form 10-Q for the quarter ended September 30, 1986, File No. 1-3545; Exhibit 4 to Form 8-K dated April 15, 1987, File No. 1-3545; Exhibit 4 to Form 8-K dated August 19, 1987, File No. 1-3545; Exhibit 4 to Form 8-K dated February 16, 1988, File No. 1-3545; Exhibit 4 to Form 8-K dated July 13, 1988, File No. 1-3545; Exhibit 4 to Form 8-K dated October 25, 1988, File No. 1-3545; Exhibit 4(a) to Form 8-K dated July 6, 1989, File No. 1-3545; Exhibit 4(e) to Form 8-K dated August 22, 1989, File No. 1-3545; Exhibits 4(a) and 4(b) to Form 8-K dated June 15, 1990, File No. 1-3545; Exhibit 4 to Form 8-K dated November 1, 1990, File No. 1-3545; Exhibit 4(g) to Form 10-Q for the quarter ended June 30, 1991, File No. 1-3545; Exhibits 4(a), 4(b), 4(c) and 4(d) to Form 8-K dated August 19, 1991, File No. 1-3545; Exhibit 4 to Form 8-K dated January 13, 1992, File No. 1-3545; Exhibit 4 to Form 8-K dated May 1, 1992, File No. 1-3545; and Exhibits 4(a) and 4(b) to Form 8-K dated June 1, 1992, File No. 1-3545).

12(a) Computation of Ratio of Earnings to Fixed Charges.

12(b) Computation of Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividend Requirements.

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* Incorporated herein by reference

(b) Reports on Form 8-K

(1) A Current Report on Form 8-K dated June 1, 1992 was filed July 17, 1992 filing four exhibits under Item 7 — Financial Statements and Exhibits.

(2) A Current Report on Form 8-K dated August 18, 1992 was filed August 27, 1992 filing two events under Item 5 — Other Events and one exhibit under Item 7 — Financial Statements and Exhibits.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

FLORIDA POWER & LIGHT COMPANY
(Registrant)

Date: November 12, 1992

K. M. DAVIS
K. M. Davis
Vice President, Accounting,
Controller, and Chief Accounting Officer

EXHIBIT 12(a)

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

	Twelve Months Ended					
	September 30,	December 31,				
	1992	1991	1990	1989	1988	1987
	(Thousands of Dollars)					
Earnings, as defined:						
Net income	$ 450,225	$ 417,517	$ 424,804	$ 436,885	$ 435,620	$ 426,193
Income taxes	237,756	183,364	182,587	204,863	203,988	266,040
Fixed charges, as below	333,149	326,686	312,812	305,509	297,247	299,537
Total earnings, as defined	$ 1,021,130	$ 927,567	$ 920,203	$ 947,257	$ 936,855	$ 991,770
Fixed charges, as defined:						
Interest on first mortgage bonds	$ 280,814	$ 275,914	$ 262,169	$ 248,203	$ 252,047	$ 255,136
Interest on other long-term debt	6,624	6,027	6,085	6,044	6,214	6,181
Other interest charges	26,146	29,211	34,615	38,500	26,867	27,048
Rental interest factor	6,353	6,353	5,192	6,604	7,198	6,444
Fixed charges included in nuclear fuel cost	13,212	9,181	4,751	6,158	4,921	4,728
Total fixed charges, as defined	$ 333,149	$ 326,686	$ 312,812	$ 305,509	$ 297,247	$ 299,537
Ratio of earnings to fixed charges	3.07	2.84	2.94	3.10	3.15	3.31

EXHIBIT 12(b)

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES
COMPUTATION OF RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDEND REQUIREMENTS

	Twelve Months Ended					
	September 30,	December 31,				
	1992	1991	1990	1989	1988	1987
	(Thousands of Dollars)					
Earnings, as defined:						
Net income	$ 450,225	$ 417,517	$ 424,804	$ 436,885	$ 435,620	$ 426,193
Income taxes	237,756	183,364	182,587	204,863	203,988	266,040
Fixed charges, as below	333,149	326,686	312,812	305,509	297,247	299,537
Total earnings, as defined	$ 1,021,130	$ 927,567	$ 920,203	$ 947,257	$ 936,855	$ 991,770
Fixed charges, as defined:						
Interest on first mortgage bonds	$ 280,814	$ 275,914	$ 262,169	$ 248,203	$ 252,047	$ 255,136
Interest on other long-term debt	6,624	6,027	6,085	6,044	6,214	6,181
Other interest charges	26,146	29,211	34,615	38,500	26,867	27,048
Rental interest factor	6,353	6,353	5,192	6,604	7,198	6,444
Fixed charges included in nuclear fuel cost	13,212	9,181	4,751	6,158	4,921	4,728
Total fixed charges, as defined	333,149	326,686	312,812	305,509	297,247	299,537
Non-tax deductible preferred stock dividend requirements	43,054	41,256	43,600	43,782	45,518	48,295
Ratio of income before income taxes to net income	1.528	1.439	1.430	1.469	1.468	1.624
Preferred stock dividend requirements before income taxes	65,787	59,367	62,348	64,317	66,820	78,431
Combined fixed charges and preferred stock dividend requirements	$ 398,936	$ 386,053	$ 375,160	$ 369,826	$ 364,067	$ 377,968
Ratio of earnings to combined fixed charges and preferred stock dividend requirements	2.56	2.40	2.45	2.56	2.57	2.62

EXHIBIT 3

FLORIDA POWER & LIGHT COMPANY

Internal Cash Flow Excluding Retained Earnings

	Actual 12 Months Ended September 30, 1992	Projected 12 Months Ended September 30, 1993
	$ Millions	$ Millions
Depreciation and Amortization	$ 547	$ 560
Deferred Income Taxes and Investment Tax Credits	51	39
Internal Cash Fow Excluding Retained Earnings Applied Toward Requirements	$ 598	$ 599
Average Quarterly Cash Flow Excluding Retained Earnings	$ 149	$ 150
Percentage Ownership All 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	$ 40	40

Certified by: Dilek Samil
D. L. Samil
Treasurer

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