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See financial Reports

SUBJECT: Forwards util 1992 Form 10-K,most recent annual financial rept,Form 10-Q,most recent quarterly financial rept for period ended 930930 & table reflecting util internal cash flow excluding retained earnings for 12 months ended 930930.

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FPL

DEC 2 0 1993

L-93-317

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

FPL 1992 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, 1993), appears as Exhibit 2. Exhibit 3 gives the Company's internal cash flow excluding retained earnings for the twelve months ended September 30, 1993, and for the projected twelve months ending September 30, 1994. 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/DMB/dmb

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

A004
1/1

EXHIBIT 1

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K

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

For the fiscal year ended **December 31, 1992**

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) 694-4647

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

$2.00 No Par Preferred Stock, Series A

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, 1993 was zero.

As of February 28, 1993 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
EMF	Electric and magnetic fields
Energy Act	Energy Policy Act of 1992
EWG	Exempt Wholesale Generator
FDER	Florida Department of Environmental Regulation
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
qualifying facilities	Non-utility power production facilities meeting the requirements of a Qualifying Facility under the Public Utility Regulatory Policies Act of 1978
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 supplies 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 in Item 2. Properties — General, contains 27,650 square miles with a population of approximately 6.4 million. During 1992, FPL served approximately 3.3 million customer accounts. The Company's operating revenues amounted to approximately $5.1 billion, of which about 53% was derived from residential customers, 35% from commercial customers and 12% from other sources.

FPL was incorporated in 1925 under the laws of Florida. All of its common stock is owned by FPL Group; 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, service territory, issuances of securities, planning, siting and construction of facilities and other matters. FPL is also subject to regulation by the FERC in various respects, including the acquisition and disposition of certain facilities, interchange and transmission services and wholesale purchases and sales.

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 and water quality, land use, power plant and transmission line siting, electric and magnetic fields from power lines and substations, noise and aesthetics, solid waste and other environmental matters. Compliance with these laws and regulations increases the cost of electric service by requiring, among other things, changes in the design and operation of existing facilities and changes or delays in the location, design, construction and operation of new facilities. FPL estimates that capital expenditures for improvements needed to comply with environmental laws and regulations will be $14 million to $51 million annually for the years 1993 through 1997. These amounts are included in FPL's projected capital expenditures set forth in Item 1. Capital Expenditures.

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.

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 of providing electric service, other than fuel and certain other costs, are recovered through base rates, which are designed to recover the costs of constructing, operating and maintaining the utility system. These 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 proceedings 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.

Capacity payments to other utilities and generators for purchased power are recovered primarily through the capacity clause. Costs associated with implementing energy conservation programs are recovered through rates established pursuant

to the conservation clause. 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.

The FPSC has the power to disallow recovery of costs which it considers excessive or imprudently incurred. Such costs may include 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 January 1, 1993 consist of 16,282 mw of firm electric power from generating facilities owned by FPL (see Item 2. Properties) and from purchased power contracts.

On July 9, 1992, FPL reached an all-time energy peak demand of approximately 14,661 mw. At that time, FPL had total installed generating capability of about 13,772 mw, 2,855 mw of firm purchased power and the capability to reduce peak demand by 504 mw through the implementation of load management, resulting in a reserve margin of 17.5%.

Compound annual growth rates for the five years ending 1997 are projected to be 3.0% for kwh sales, 2.7% for customers and 1.7% for summer peak load. To meet this growth, FPL plans to add 1,900 mw of new plant capacity to its system by the summer of 1995 as shown below. No new plant additions are expected for the years 1996 and 1997.

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)	-	832	-	832
Total	838	972	90	1,900

In addition to the capacity listed above, by 1997 FPL plans to increase purchased power from qualifying facilities by 1,031 mw and expects to have the ability to reduce peak demand by 1,008 mw through the implementation of load management.

The total amount of purchased power available under existing long-term contracts with other utilities and qualifying facilities through 1997 is presented in the table below. For additional information, see Note 6.

Period	Southern Companies	JEA	Qualifying Facilities	Total
		(mw)		
January 1993 — May 1993	1,847	374	274	2,495
June 1993 — January 1994	1,408	374	274	2,056
February 1994 — May 1994	1,408	374	535	2,317
June 1994 — May 1995	1,007	374	559	1,940
June 1995 — December 1995	913	374	559	1,846
January 1996 — December 1996	913	374	1,026	2,313
January 1997 — December 1997	913	374	1,031	2,318

Capital Expenditures. FPL's capital expenditures, including AFUDC, totaled approximately $1.3 billion in 1992, $1.2 billion in 1991 and $964 million in 1990. Capital expenditures for the 1993-97 period, excluding amounts related to Hurricane Andrew, which are expected to be recovered from insurance or the storm fund (See Management's Discussion), are estimated as follows:

	1993	1994	1995	1996	1997	Total
			(Millions of Dollars)			
Construction:						
Generation	$ 390	$ 270	$ 180	$ 200	$ 240	$ 1,280
Transmission	170	240	210	210	250	1,080
Distribution	300	340	340	340	320	1,640
General and other	100	110	110	80	70	470
Total construction	960	960	840	830	880	4,470
Scherer acquisition payments	245	128	82	-	-	455
Total	$1,205	$1,088	$ 922	$ 830	$ 880	$4,925

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 nuclear units are periodically removed from service to accommodate normal refueling and maintenance outages, repairs and certain other modifications.

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 they will need to be replaced. FPL has ordered the replacement steam generators for Unit No. 1, which are scheduled to be installed and in-service by the end of 1998. Substantially all of the estimated costs to replace the steam generators are included in the five-year period presented above. The degradation in the Unit No. 2 steam generators appears to be primarily a mechanical-wear problem and should not affect their useful life.

Fuel. FPL's generating plants are fueled by 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 in Florida, and a related take-or-pay natural gas supply contract with an affiliate of FGT. These contracts will expire in 2005. In 1992, FPL entered into an additional take-or-pay transportation contract with FGT and a related take-or-pay natural gas supply contract with another affiliate of FGT. The new contracts will begin on the in-service date of FGT's pipeline expansion, which is scheduled for late 1994, and expire in 2014 and 2009, respectively. These contracts will provide an additional firm supply of natural gas under competitive pricing terms to meet FPL's future gas requirements. See Note 6 — Contracts.

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

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 its removal by the DOE.

Competition. FPL faces increasing competition in the wholesale and industrial energy markets. In recent years, changes in governmental regulation are encouraging the growth of non-regulated energy suppliers and an increased interest in self-generation, which has provided customers with alternative sources to satisfy their electric needs. 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 sales, revenues or net income.

In 1992, the Energy Act was enacted into law. This comprehensive energy bill contains many provisions which impact the structure of the electric utility industry. The Energy Act amends the Holding Company Act and creates a new category of power producers called EWGs, which will be allowed to own and operate plants and sell wholesale power to utilities without being regulated as holding companies or utilities under the Holding Company Act. The Energy Act also permits the FERC to order utilities to transmit power produced by wholesale generators and to require the expansion of transmission capacity to provide such services, provided that the transmission does not impair the continuing reliability of the electric systems affected by the order and is in the public interest. Additionally, the Energy Act contains provisions to streamline licensing procedures for new nuclear power plants and contains a number of energy efficiency and conservation proposals. FPL does not expect the Energy Act to have a significant effect on FPL's operations in the short term. The ultimate impact of the Energy Act cannot be determined at this time, but it will result in increased competition with EWGs for the construction of facilities to supply FPL's future load requirements.

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 in order to displace the existing retail electric service from FPL. See Item 3. Legal Proceedings.

Environmental. In recent years, increasing public, scientific and regulatory attention has been focused on possible adverse health effects of EMF. These fields are created whenever electricity flows through a power line or an appliance. Several epidemiological (i.e., statistical) studies have suggested a linkage between EMF and certain types of cancer, primarily childhood leukemia; other studies have been inconclusive or have shown no such linkage. Neither these epidemiological studies nor clinical studies have produced any conclusive evidence that EMF causes adverse health effects.

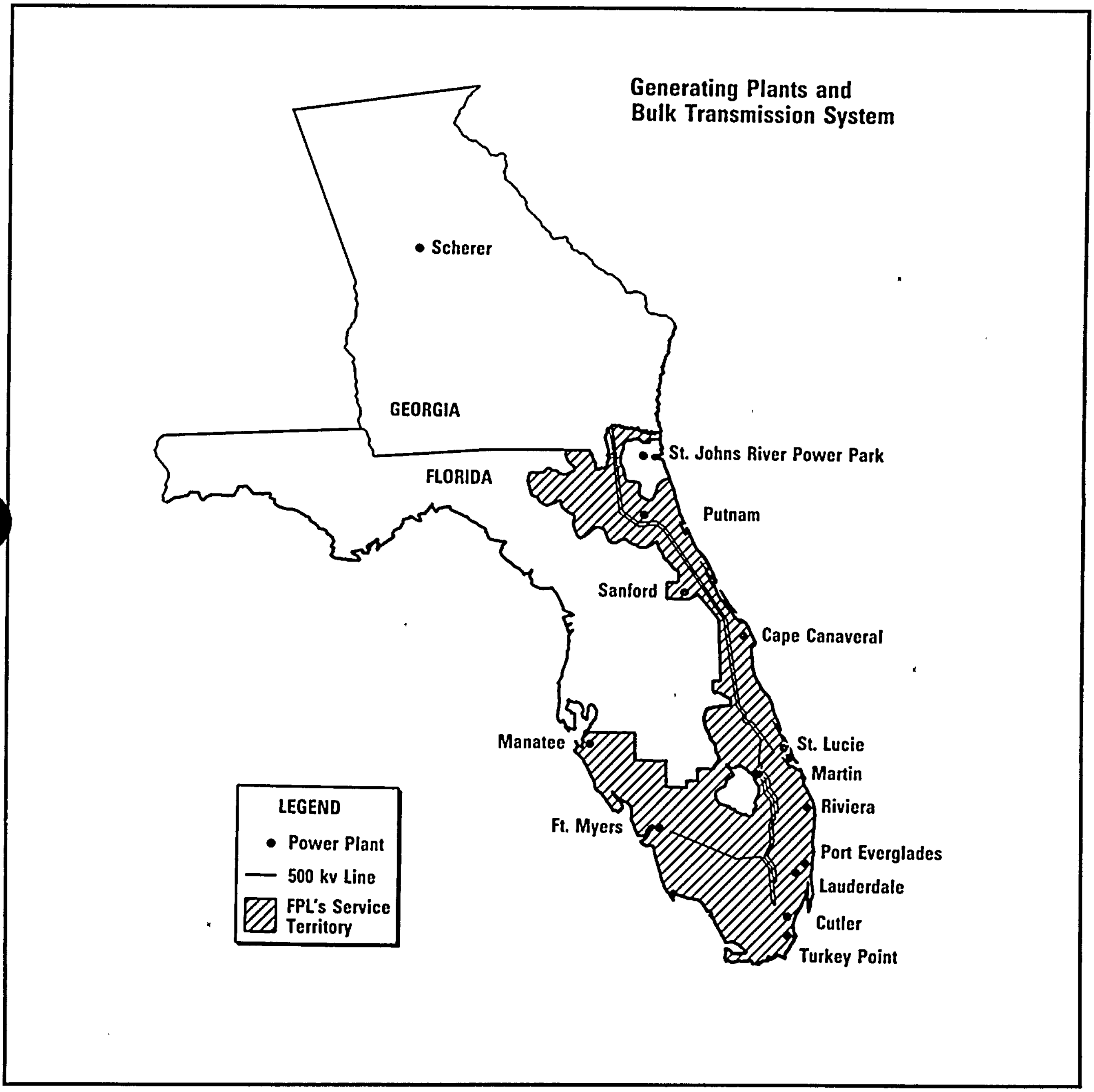
The FDER has promulgated regulations setting standards for EMF levels within and at the edge of the rights of way for transmission lines, and FPL is in compliance with these regulations. The FDER reviewed its EMF standards in 1992 and confirmed the field limits previously established. Future changes in the standards could require additional capital expenditures by FPL for such things as increasing the right of way corridors or relocating or reconfiguring transmission facilities, but at present it is not known whether any such expenditures will be required.

In addition, litigation seeking damages for diminution of property value or personal injury is possible. As of March 1, 1993, no such litigation was pending against FPL.

Employees. FPL had approximately 14,000 employees at December 31, 1992. Approximately 35% of the employees are represented by the International Brotherhood of Electrical Workers whose collective bargaining agreement with FPL expires October 31, 1994.

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 46%, 13%, 34% and 7%, respectively, of FPL's gross investment in electric utility plant in service.



Generating Facilities. As of December 31, 1992, FPL had the following generating facilities:

Facility	Location	No. of Units	Fuel	Net Warm Weather Capability (mw)
STEAM TURBINES (continuous capability)				
Cape Canaveral	Cocoa, FL	2	Oil/Gas	734
Cutler	Miami, FL	2	Gas	207
Fort Myers	Fort Myers, FL	2	Oil	504
Lauderdale	Dania, FL	2	Oil/Gas	274
Manatee	Parrish, FL	2	Oil	1,566
Martin	Indiantown, FL	2	Oil/Gas	1,566
Port Everglades	Port Everglades, FL	4	Oil/Gas	1,142
Riviera	Riviera Beach, FL	2	Oil/Gas	544
St. Johns River Power Park	Jacksonville, FL	2	Coal	250[1]
St. Lucie	Hutchinson Island, FL	2	Nuclear	1,553[2]
Sanford	Lake Monroe, FL	3	Oil/Gas	861
Scherer	Monroe County, GA	1	Coal	150[3]
Turkey Point	Florida City, FL	2	Oil/Gas	734
		2	Nuclear	1,332
COMBINED CYCLE (continuous capability)				
Putnam	Palatka, FL	2	Oil/Gas	478
COMBUSTION TURBINES (peak capability)				
Fort Myers	Fort Myers, FL	12	Oil	600
Lauderdale	Dania, FL	24	Oil/Gas	852
Port Everglades	Port Everglades, FL	12	Oil/Gas	426
DIESEL UNITS (peak capability)				
Turkey Point	Florida City, FL	5	Oil	14
			Total	13,787

(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, including 31.4% (266 mw) in June 1993. The 846 mw unit is jointly owned by FPL, the JEA and Georgia Power Company.

Transmission and Distribution. FPL owns and operates 437 substations with a total capacity of 97,194,620 kva. Electric transmission and distribution lines owned and in service as of December 31, 1992 are as follows:

Nominal Voltage	Overhead Lines Pole Miles	Trench and Submarine Cable Miles
500 kv	985[1]	—
230 kv	2,093	31
138 kv	1,337	45
115 kv	629	—
69 kv	159	17
Less than 69 kv	37,621	16,869
Total	42,824	16,962

[1]Includes approximately 80 miles owned jointly with the JEA.

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.

Item 3. Legal Proceedings

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 suit alleges that the defendants have engaged in anti-competitive conduct intended to prevent and defeat competition from cogenerators within FPL's service territory, and from SFCA's Metropolitan Dade County facility in particular. It 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 $140 million in damages, before trebling 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.

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

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 2.

Item 6. Selected Financial Data

	Years Ended December 31,				
	1992	1991	1990	1989	1988
	(Thousands of Dollars)				
SELECTED FINANCIAL DATA:					
Operating revenues	$ 5,100,463	$ 5,158,766	$ 4,987,690	$ 4,946,291	$ 4,627,278
Net income available to FPL Group	$ 470,899	$ 376,261[1]	$ 381,204	$ 393,103	$ 390,102
Total assets	$11,348,626	$10,515,808	$ 9,820,551	$ 9,182,012	$ 8,983,136
Long-term debt, excluding current maturities	$ 3,404,404	$ 3,186,828	$ 3,109,360	$ 2,962,004	$ 2,756,537
Obligations under capital leases, excluding current maturities	$ 324,198	$ 279,657	$ 74,887	$ 84,609	$ 76,698
Preferred stock with sinking fund requirements, excluding current maturities	$ 130,150	$ 150,150	$ 165,950	$ 164,250	$ 180,050
SELECTED OPERATING STATISTICS:					
Energy sales (millions of kwh):	69,290	68,712	66,763	66,018	61,578
Energy sales:					
Residential	49.3%	50.4%	50.2%	48.9%	48.9%
Commercial	39.0	39.6	39.7	38.9	38.8
Industrial	5.9	5.9	6.1	6.4	6.7
Interchange Power Sales	2.4	1.6	1.6	2.1	2.7
Other	3.4	2.5	2.4	3.7	2.9
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Approximate 60-minute net peak served (mw):					
Summer season	14,661	14,123	13,754	13,425	12,382
Winter season[2]	10,715	11,868	13,988	12,876	12,372
Average number of customer accounts:					
Residential	2,911,812	2,863,203	2,801,210	2,715,993	2,618,097
Commercial	350,271	343,837	337,134	327,279	314,364
Industrial	14,791	15,350	16,659	17,643	17,924
Other	4,376	4,079	3,820	3,531	3,296
Total	3,281,250	3,226,469	3,158,823	3,064,446	2,953,681
Revenue per kwh sold (cents)	7.12	7.52	7.34	7.28	7.56

(1) Includes after-tax effect of restructuring charge. See Note 7.
(2) 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.

Operating Income

During 1992, management continued to focus efforts on controlling both operating expenses and capital expenditures. As a result, other operations and maintenance expenses decreased $73 million, or 6%, from 1991. These efforts helped FPL to overcome lower revenues which resulted from flat energy sales due to milder than normal weather and the effects of Hurricane Andrew. Sales to retail customers, as measured in kilowatt hours, were flat for the first time since the energy crisis of 1974. In 1991, FPL's results of operations included a $56 million after-tax charge for costs associated with a corporate-wide restructuring. Partially offsetting the charge were increased revenues due to population growth in FPL's service territory and increased customer usage.

FPL's customer base continues to increase. The average number of customer accounts grew 1.7% in 1992 and 2.1% in 1991. The customer growth rate is expected to increase with improvements in the economy, but currently is not expected to exceed 2% in 1993. Usage per retail customer decreased 1.6% in 1992 and increased 1.1% in 1991 primarily due to differences in weather conditions during those two periods.

Revenues from base rates, which represented 57%, 56% and 56% of total operating revenues for 1992, 1991 and 1990, respectively, 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. There were no changes in base rates during the three-year period ended 1992. Substantially all remaining revenues represent a pass-through of costs and have little effect on net income. These revenues declined in 1992 due to lower costs. See Note 1.

Changes in FPL's non-cost recovery clause operating costs reflect the effects of an increasing customer base, changes in prices, and changes in operating activities which were more than offset in 1992 by management's cost control efforts. Higher utility plant balances, reflecting facilities added to meet customer growth, have resulted in a corresponding increase in depreciation expense. In February 1993, the FPSC decided that FPL's next depreciation studies should be filed in December 1993 for use in determining depreciation rates beginning in 1994. Increases in non-clause costs in future periods, including those associated with customer growth and the related additions to plant borrowings, could result in FPL earning less than its authorized return on equity and lead to FPL's filing for new base rates.

In August 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. By the end of September 1992, electric service was restored to substantially all customers capable of receiving power (more than 99% of FPL's customer accounts). FPL is unable to quantify the storm's effect on revenues in 1992 or in future periods; however, the cost of reconstruction is not expected to have an adverse effect on future earnings. Incurred and projected restoration costs either have been reflected in the results of operations for 1992, are recoverable from insurance or can be offset against FPL's storm fund. It is expected that insurance costs will increase and available coverage will decline in future years.

The passage of the Energy Act is expected to continue the trend of increased competition in the utility industry. While the ultimate impact of the Energy Act cannot be determined at this time, FPL does not expect the Energy Act to have a significant effect on FPL's operations in the short term. See Item 1. Business — Competition.

Non-Operating Income and Deductions

Construction activity to increase or enhance generating, transmission and distribution capabilities increased the amount of AFUDC recognized in 1992 and 1991. This activity also contributed, in part, to an increase in FPL's average outstanding debt balance and corresponding interest expense. Refundings of existing debt with lower rate debt have reduced financing costs.

Pending Accounting Changes

In the first quarter of 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 during the period of employment. Implementation of this pronouncement is expected to increase annual benefit plan expenses. The estimated effect on 1993 operations is $13 million, net of amounts to be charged to capital projects. See Note 3.

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 1993-97, including AFUDC, are expected to be $4.9 billion, including $1.2 billion in 1993. 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 net cash provided by operations 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 $442.5 million.

Cash Flows

Capital expenditures for 1992 of $1.3 billion were approximately $170 million less than expected, primarily due to management's efforts to control costs and overall economic conditions. FPL funded these expenditures through external financings and cash from operations. Financings for the period were also used to retire approximately $550 million of higher cost debt and preferred stock. In 1991, FPL received approximately $220 million for the sale-leaseback of certain nuclear fuel. See Note 8.

Debt maturities and minimum sinking fund requirements will require cash outflows of approximately $403 million through 1997, including $161 million in 1993.

Financial Covenants

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. 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, 1992, the charter and mortgage provisions would allow issuance of approximately $1.6 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, 1992 it was 2.16.

Item 8. Financial Statements and Supplementary Data

INDEPENDENT AUDITORS' REPORT

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, 1992. 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, 1992 and 1991 and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1992 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 12, 1993

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

	Years Ended December 31,		
	1992	1991	1990
	(Thousands of Dollars)		
OPERATING REVENUES	$ 5,100,463	$ 5,158,766	$ 4,987,690
OPERATING EXPENSES:			
Fuel, purchased power and interchange	1,829,908	1,932,637	1,927,233
Other operations and maintenance	1,203,474	1,276,244	1,243,583
Depreciation and amortization	542,129	507,101	491,169
Income taxes	264,974	182,889	181,691
Restructuring	—	90,008	—
Taxes other than income taxes	495,587	483,731	450,237
Total operating expenses	4,336,072	4,472,610	4,293,913
OPERATING INCOME	764,391	686,156	693,777
OTHER INCOME (DEDUCTIONS):			
Allowance for other funds used during construction	30,567	16,814	10,744
Income taxes	386	(475)	(896)
Other — net	8,041	8,944	9,368
Other income — net	38,994	25,283	19,216
INCOME BEFORE INTEREST CHARGES	803,385	711,439	712,993
INTEREST CHARGES:			
Interest on first mortgage bonds and medium-term notes	281,873	275,914	262,169
Other interest	33,926	35,238	40,700
Allowance for borrowed funds used during construction	(27,214)	(17,230)	(14,680)
Interest charges — net	288,585	293,922	288,189
NET INCOME	514,800	417,517	424,804
PREFERRED STOCK DIVIDEND REQUIREMENTS	43,901	41,256	43,600
NET INCOME AVAILABLE TO FPL GROUP, INC.	$ 470,899	$ 376,261	$ 381,204

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, 1992	December 31, 1991
	(Thousands of Dollars)	
ELECTRIC UTILITY PLANT:		
At original cost	$13,256,988	$12,639,077
Less accumulated depreciation	5,058,241	4,651,325
Net	8,198,747	7,987,752
Construction work in progress	1,158,688	597,401
Nuclear fuel under capital lease	277,803	279,740
Electric utility plant — net	9,635,238	8,864,893
INVESTMENTS:		
Nuclear decommissioning reserve funds	270,506	218,066
Storm and property insurance reserve fund	48,292	65,694
Other	8,152	14,739
Total investments	326,950	298,499
CURRENT ASSETS:		
Cash and cash equivalents	3,002	88,901
Receivables:		
Customers, net of allowance for uncollectible accounts of $14,558 and $11,815, respectively	403,914	438,027
Income taxes	17,264	17,264
Miscellaneous	75,805	41,407
Materials and supplies — at average cost	278,057	278,608
Fossil fuel stock — at average cost	85,063	82,471
Recoverable storm costs	72,500	—
Prepaid expenses	35,992	34,596
Other	9,549	10,302
Total current assets	981,146	991,576
DEFERRED DEBITS AND OTHER ASSETS:		
Unamortized debt reacquisition costs	175,320	150,601
Deferred litigation items	110,859	115,202
Deferred pension cost	19,542	51,640
Other	99,571	43,397
Total deferred debits and other assets	405,292	360,840
Total Assets	$11,348,626	$10,515,808

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, 1992	December 31, 1991
	(Thousands of Dollars)	
CAPITALIZATION:		
Common shareholder's equity	$ 3,778,481	$ 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	3,404,404	3,186,828
Total capitalization	7,734,285	7,111,967
OTHER NONCURRENT LIABILITIES:		
Capital lease obligations	324,198	279,657
Storm and property insurance reserve	72,122	87,354
Other	34,623	21,574
Total other noncurrent liabilities	430,943	388,585
CURRENT LIABILITIES:		
Current maturities of long-term debt and preferred stock	160,546	36,219
Accounts payable — trade	289,976	275,994
Customers' deposits	214,985	199,748
Income and other taxes	89,655	71,196
Interest accrued	109,227	98,358
Tax collections payable	54,261	55,874
Purchased power and interchange	62,860	50,505
Other	157,796	164,928
Total current liabilities	1,139,306	952,822
DEFERRED CREDITS AND OTHER LIABILITIES:		
Accumulated deferred income taxes	1,489,615	1,405,124
Unamortized investment tax credits	345,438	368,337
Other	209,039	288,973
Total deferred credits and other liabilities	2,044,092	2,062,434
COMMITMENTS AND CONTINGENCIES		
Total Capitalization and Liabilities	$11,348,626	$10,515,808

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

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CAPITALIZATION

	Shares Outstanding (December 31, 1992)	Redemption Price (December 31, 1992)	1992 (Thousands of Dollars)	1991 (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 paid-in capital			1,487,467	1,155,156
Retained earnings			917,945	900,514
Total common shareholder's equity			3,778,481	3,428,739
PREFERRED STOCK:[1]				
Preferred stock without sinking fund requirements:				
Cumulative, No Par Value, authorized 10,000,000 shares at December 31, 1992 and December 31, 1991				
$2.00 No Par Value, Series A (Involuntary Liquidation Value $25 Per Share)	5,000,000	$ 27.00	125,000	—
Cumulative, $100 Par Value, authorized 17,842,000 shares at December 31, 1992 and 18,685,000 shares at December 31, 1991				
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	—	—	—	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	105.10	35,000	35,000
Total preferred stock without sinking fund requirements	7,962,500		421,250	346,250
Preferred stock with sinking fund requirements:[2]				
10.08% Series J [3]	37,461	104.00	3,746	11,250
8.70% Series M [4]	302,000	103.31	30,200	34,700
11.32% Series O [5]	65,000	104.53	6,500	13,000
6.84% Series Q [6]	485,000	104.56	48,500	50,000
8.625% Series R [7]	500,000	108.63	50,000	50,000
Total preferred stock with sinking fund requirements	1,389,461		138,946	158,950
Less current maturities			8,796	8,800
Preferred stock with sinking fund requirements, excluding current maturities			130,150	150,150

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, 1992	December 31, 1991
	(Thousands of Dollars)	
LONG-TERM DEBT:[8][9]		
First Mortgage Bonds:[10]		
Maturing through 1997 — 4⅝% to 6¾%	$ 215,000	$ 240,000
Maturing 1998 through 2007 — 7% to 9⅝%	785,000	885,000
Maturing 2008 through 2017 — 7⅞% to 9⅞%	725,000	675,000
Maturing 2018 through 2022 — 8½% to 10¼%	925,000	675,000
Medium Term Notes:		
Maturing 1998 through 2002 — 8% to 9.5%	40,000	30,000
Maturing 2006 through 2012 — 8% to 9.4%	80,000	38,000
Maturing 2017 through 2022 — 8% to 9.45%	193,700	76,500
Pollution Control and Industrial Development Series:		
Maturing 2008 through 2023 — 6.10% to 11⅜%	456,705	520,755
Maturing 2027 — variable, 2.6% and 3.9% composite year-end interest rates	77,625	—
Installment Purchase and Security Contracts — 5.40% to 6.15% due 2004 and 2007	89,030	90,590
Promissory Note — 5% due 1993	1,750	8,993
Unamortized discount — net	(32,656)	(25,591)
Total long-term debt	3,556,154	3,214,247
Less current maturities	151,750	27,419
Long-term debt, excluding current maturities	3,404,404	3,186,828
Total capitalization	$ 7,734,285	$ 7,111,967

[1] FPL's charter authorizes the issuance of 5 million shares of subordinated preferred stock, no par value. No shares of subordinated preferred stock are outstanding. In 1992, FPL issued 5,000,000 shares of $2.00 No Par Value Series A preferred stock. There were no issuances of preferred stock in 1991. 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 1993, $7 million for 1994, $3 million for 1995 and $6 million for each of the years 1996 and 1997. In the event that FPL should be in arrears on its sinking fund obligations, FPL may not pay dividends on common stock.

[3] In February 1993, FPL called the remaining number of shares outstanding for redemption on April 1, 1993 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 1992, 1991 and 1990. Additionally, FPL acquired, in 1992, through an open market purchase, an additional 39 shares.

[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 February 1993, FPL called 45,000 shares for redemption on April 1, 1993 at $100 per share plus accrued dividends. In accordance with the sinking fund provisions of this series, 45,000 shares were retired in 1992 and 18,000 shares were retired in each of the years 1991 and 1990.

[5] In February 1993, FPL called 65,000 shares for redemption on April 1, 1993 at $100 per share plus accrued dividends. In accordance with the sinking fund provisions of this series, 65,000 shares were retired in 1992, 1991 and 1990. In addition, FPL redeemed and retired 325,000 shares in 1990 at a redemption price of $106.79 per share plus accrued dividends.

[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. FPL redeemed and retired 15,000 shares in 1992, satisfying the 1993 minimum annual sinking fund requirement.

[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] Minimum annual maturities and sinking fund requirements of long-term debt are approximately $2 million for 1993, $35 million for 1994, $81 million for 1995, $41 million for 1996 and $63 million for 1997.

[9] Available lines of credit aggregated approximately $512.5 million at December 31, 1992, all of which were based on firm commitments.

[10] In January and February 1993, FPL sold $500 million principal amount of First Mortgage Bonds and $60 million principal amount of First Mortgage Bonds, designated Secured Medium-Term Notes, Series A and B, maturing 1998 through 2023 at interest rates ranging from 6.2% to 7⅞%. In February 1993, FPL redeemed $250 million principal amount of First Mortgage Bonds, maturing 2016 through 2018 at interest rates ranging from 9⅝% to 9⅞%.

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,		
	1992	1991	1990
	(Thousands of Dollars)		
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 514,800	$ 417,517	$ 424,804
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	542,129	507,101	491,169
Amortization of nuclear fuel assemblies	—	7,179	61,483
Increase (decrease) in deferred income taxes	84,491	(19,983)	59,946
Recoverable storm costs	(57,130)	—	—
Deferrals under cost recovery clauses (1)	(102,977)	120,772	(10,483)
(Increase) decrease in accounts receivable	29,315	(17,629)	53,686
(Increase) decrease in fossil fuel stock	(2,593)	80,129	(106,801)
Increase in accounts payable — trade	15,068	35,736	59,717
Other current items — net	(5,977)	63,014	(57,323)
Other	13,723	(14,256)	44,960
Net cash provided by operating activities	1,030,849	1,179,580	1,021,158
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures (2)	(1,269,610)	(1,186,678)	(960,470)
Nuclear fuel expenditures (2)	59	(9,869)	(78,269)
Other	(27,895)	(10,637)	(41,668)
Net cash used in investing activities	(1,297,446)	(1,207,184)	(1,080,407)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Retirement of long-term debt and preferred stock	(487,552)	(190,336)	(139,276)
Issuance of preferred stock	125,000	—	50,000
Issuance of first mortgage bonds and other long-term debt	725,570	265,246	226,073
Dividends on preferred stock	(43,619)	(41,394)	(43,685)
Dividends to FPL Group, Inc.	(451,616)	(396,994)	(395,565)
Sale of nuclear fuel	—	235,972	75
Decrease in notes payable	—	(3,000)	(89,300)
Capital contributions from FPL Group, Inc.	335,000	260,000	450,000
Other	(22,085)	(15,726)	1,321
Net cash provided by financing activities	180,698	113,768	59,643
Net increase (decrease) in cash and cash equivalents	(85,899)	86,164	394
Cash and cash equivalents at beginning of year	88,901	2,737	2,343
Cash and cash equivalents at end of year	$ 3,002	$ 88,901	$ 2,737
Supplemental disclosures of cash flow information:			
Cash paid for interest (net of amount capitalized)	$ 269,492	$ 283,483	$ 274,060
Cash paid for income taxes	$ 197,752	$ 196,212	$ 240,370
Supplemental schedule of non-cash investing and financing activities:			
Additions to capital lease obligations	$ 152,833	$ 274,966	$ 14,091

(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, 1992, 1991 and 1990

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's accounting practices are 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 receivables — customers and amounted to approximately $120 million and $96 million at December 31, 1992 and 1991, 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 and franchise fees. 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 other operations and maintenance expense.

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 3.5%, 3.8% and 4.1% for the years 1992, 1991 and 1990, 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 1992, 1991 and 1990, for decommissioning costs of nuclear plants. Accumulated depreciation includes a nuclear decommissioning reserve aggregating $390 million and $331 million at December 31, 1992 and 1991, respectively.

The cost of nuclear fuel, including a charge for spent nuclear fuel disposal, is amortized to fuel expense on a unit of 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 8.61% in 1992, 8.46% in 1991 and 8.36% in 1990.

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. FPL reports the storm fund reserve and the related tax amounts separately. Securities held in the fund consist primarily of tax-exempt obligations and are carried at cost. In 1992, $21 million of the storm fund reserve was used for storm damage costs associated with Hurricane Andrew.

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. 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 assume that decommissioning of the Turkey Point nuclear units will commence in the year 2005 and the St. Lucie Units Nos. 1 and 2 in 2014 and 2021, respectively. FPL's portion of the cost of decommissioning these units, including dismantlement and reclamation, expressed in 1992 dollars, is currently estimated to aggregate $891 million.

Cash Equivalents

Cash equivalents consist of short-term, highly liquid investments with original maturities of three months or less. The carrying amount of these investments approximates their market value.

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, which is consistent with its treatment in the ratemaking process.

Rate Matters

At December 31, 1992 and 1991, 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.

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. Additional Paid-In Capital and Retained Earnings

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

	Additional Paid-In Capital	Retained Earnings
	(Thousands of Dollars)	
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
Contributions from FPL Group	335,000	—
Net income available to FPL Group	—	470,899
Dividends to FPL Group	—	(451,616)
Costs incurred on the issuance of Series A no par preferred stock	(3,462)	—
Other changes	773	(1,852)
Balances, December 31, 1992	$ 1,487,467	$ 917,945

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 1992, 1991 and 1990 FPL paid, as dividends to FPL Group, its net income available to FPL Group on a one-month lag basis.

3. 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.

The components of pension cost for 1992, 1991 and 1990 are as follows:

	Years Ended December 31,		
	1992	1991	1990
	(Millions of Dollars)		
Benefits earned during the year	$ 39.1	$ 36.3	$ 33.0
Interest cost on projected benefit obligation	62.0	60.0	55.3
Actual return on plan assets	(75.8)	(249.8)	40.2
Net amortization and deferral	(30.5)	147.8	(155.1)
Negative pension cost	(5.2)	(5.7)	(26.6)
Regulatory adjustment	5.2	5.7	26.6
Pension cost recognized in the Consolidated Statements of Income	$ —	$ —	$ —

During 1992, the method used for valuing plan assets in the calculation of pension expense was changed from fair value to a calculated market-related value. The new method was adopted to reduce the volatility in annual pension expense that results from short-term fluctuations in the securities markets. The cumulative effect of the change was to decrease prepaid pension cost and the related regulatory liability by approximately $37 million, with no effect on earnings.

An adjustment has been 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, 1992 and 1991, the cumulative amounts of these regulatory adjustments included in other deferred credits were $19.5 million and $51.6 million, respectively. Beginning in 1993, FPL plans to adopt consistent pension measurements for ratemaking and financial reporting purposes. Accordingly, the regulatory adjustment of $19.5 million will be amortized to income over five years.

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 1992, 1991 or 1990.

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

	December 31,	
	1992	1991
	(Millions of Dollars)	
Fair market value of plan assets	$ 1,531.1	$ 1,487.8
Actuarial present value of benefits for services rendered to date:		
Accumulated benefits based on salaries to date, including vested benefits of $863.4 million and $720.8 million for 1992 and 1991, respectively	875.7	730.2
Additional benefits based on estimated future salary levels	233.8	228.5
Projected benefit obligation	1,109.5	958.7
Plan assets in excess of projected benefit obligation	421.6	529.1
Prior service cost not recognized in net periodic pension cost	78.7	71.7
Unrecognized net asset at January 1, 1986, being amortized primarily over 19 years—net of accumulated amortization	(277.3)	(300.4)
Unrecognized net gain	(203.5)[1]	(248.8)
Prepaid pension cost	$ 19.5	$ 51.6

(1) Includes $37.3 million effect of changing to a calculated market-related method of valuing plan assets.

As of December 31, 1992 and 1991, the weighted-average discounted rates used in determining the actuarial present value of the projected benefit obligation were 6.0% and 6.7%, respectively. The assumed rates of increase in future compensation levels at those respective dates was 6.0%. The expected long-term rate of return on plan assets used in determining pension cost was 7.0% for 1992, 1991 and 1990.

Other Postretirement Benefits

In addition to the defined benefit pension plan, FPL has a defined benefit postretirement plan that covers all exempt and non-exempt personnel. The plan provides medical and life insurance benefits to employees based upon their age plus years of service at retirement. The postretirement health care plan is contributory, and contains cost-sharing features such as deductibles and coinsurance. FPL has capped company contributions for postretirement health care at a defined level, which, depending on actual claims experience, may be reached by the year 2000. Life insurance benefits for retirees are reduced and capped at $50,000, and are non-contributory. FPL's policy is to fund postretirement benefits in amounts determined at the discretion of management.

In 1993, FPL will adopt Statement of Financial Accounting Standards (SFAS) No. 106, "Employers' Accounting for Postretirement Benefits Other than Pensions." As of January 1, 1993, the accumulated postretirement benefit obligation is $183 million, plan assets are $103 million, resulting in a transition obligation of $80 million, which will be amortized over 20 years as a component of the annual net periodic postretirement benefit cost. Net periodic postretirement benefit cost for 1993 as calculated pursuant to SFAS No. 106 is estimated to be $13 million, net of $3 million expected to be charged to capital projects. In 1992, benefit payments which were paid out of existing plan assets totaled $12 million.

The weighted-average discount rate used in determining the accumulated postretirement benefit obligation was 8% at January 1, 1993. The expected long-term rate of return on plan assets was 7.75% at January 1, 1993.

The FPSC has issued a proposed rule which would require that SFAS No. 106 be used for ratemaking purposes, including amortization of the transition obligation, but would not require funding of the related obligations.

4. Fair Value of Financial Instruments

The following estimates of the fair value of financial instruments at December 31, 1992 have been made using available market information and other valuation methodologies. However, the use of different market assumptions or methods of valuation could result in different estimated fair values.

	Carrying Amount	Estimated Fair Value[1]
	(Thousands of Dollars)	
Nuclear decommissioning reserve funds	$ 270,506	$ 281,789
Storm and property insurance reserve fund	$ 48,292	$ 50,088
Preferred stock with sinking fund requirements[2]	$ 138,946	$ 144,148
Long-term debt[2]	$ 3,556,154	$ 3,711,632

(1) Based on the quoted market prices for these or similar issues.
(2) Includes current maturities.

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Income Taxes

The components of income taxes are as follows:

	Years Ended December 31,		
	1992	1991	1990
	(Thousands of Dollars)		
Federal:			
Charged to operating expenses:			
Current	$ 171,571	$ 186,134	$ 105,475
Deferred — net:			
Depreciation and related items	37,749	67,285	66,224
Cost recovery clauses	33,334	(39,045)	3,368
Unbilled revenues	(4,475)	948	(10,003)
Spent nuclear fuel settlement	—	1	24,721
Nuclear decommissioning reserve	(1,959)	(12,459)	(12,459)
Other	8,586	(16,806)	(5,885)
Deferred investment tax credits	(2,817)	(634)	980
Amortization of investment tax credits	(20,082)	(37,280)	(25,080)
Total	221,907	148,144	147,341
Charged to other income:			
Current	1,369	(516)	15,923
Deferred — net:			
Deferral of tax settlement interest	3,156	3,251	(13,860)
Other	(5,364)	(2,960)	(1,819)
Total federal	221,068	147,919	147,585
State:			
Charged to operating expenses:			
Current	29,224	33,642	22,060
Deferred — net:			
Depreciation and related items	8,110	12,249	11,286
Cost recovery clauses	5,706	(6,684)	577
Spent nuclear fuel settlement	—	—	4,219
Nuclear decommissioning reserve	(335)	(1,545)	(1,545)
Other	362	(2,917)	(2,247)
Total	43,067	34,745	34,350
Charged to other income:			
Current	832	585	3,283
Deferred — net:			
Deferral of tax settlement interest	540	556	(2,373)
Other	(919)	(441)	(258)
Total state	43,520	35,445	35,002
Total income taxes	$ 264,588	$ 183,364	$ 182,587

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

	Years Ended December 31,		
	1992	1991	1990
	(Thousands of Dollars)		
Computed at statutory federal income tax rate	$ 264,992	$ 204,300	$ 206,513
Increases (reductions) resulting from:			
Allowance for other funds used during construction	(11,801)	(6,700)	(4,975)
State income taxes — net of federal income tax benefit	28,723	23,394	23,102
Amortization of investment tax credits	(20,082)	(37,280)	(25,080)
Other — net	2,756	(350)	(16,973)
Total income taxes	$ 264,588	$ 183,364	$ 182,587

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, because any adjustment to the deferred tax balance would be recorded as a regulatory liability. At December 31, 1992, the amount of that liability is estimated to be $325 million and will be amortized over the remaining life of the related asset.

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 $4.9 billion, including AFUDC, for the years 1993 through 1997.

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, 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 insurance pools and other arrangements that provide $2.59 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 $58 million in retrospective premiums under the programs in effect at December 31, 1992. This contingent liability is partially offset by a portion of FPL's storm and property insurance reserve, which totaled $72 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 1,847 megawatts (mw) of power through May 1993, and declining amounts thereafter through mid-2010. FPL's required capacity payments under these contracts are estimated to be $272 million in 1993, $198 million in 1994, $155 million in 1995 and $144 million for each of the years 1996 and 1997, with declining amounts thereafter. For 1992, 1991 and 1990, capacity charges were $377 million, $389 million and $359 million, respectively; energy charges were $283 million, $311 million and $332 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 obligation are estimated to be $90 million for 1993, $94 million for 1994, $95 million for 1995 and $97 million for each of the years 1996 and 1997, with varying amounts thereafter through 2022. For 1992, 1991 and 1990, capacity charges were $85 million, $82 million and $87 million, respectively; energy charges were $48 million, $53 million and $54 million, respectively. A portion of the SJRPP capacity charges is recovered through base rates. The remainder is recovered through the capacity clause. Energy charges are recovered through the fuel clause.

FPL has various firm pay-for-performance contracts to purchase 1,031 mw of power from certain cogenerators and small power producers (qualifying facilities) with expiration dates ranging from 2002 through 2026. These contracts provide for capacity payments, subject to these qualifying facilities meeting certain contract obligations, and energy payments based on the actual power taken under these contracts. In addition, FPL regularly purchases energy from qualifying facilities on a non-firm or as available basis. FPL's required capacity payments under these obligations are estimated to be $63 million for 1993, $143 million for 1994, $151 million for 1995, $297 million for 1996 and $325 million for 1997. For 1992, 1991 and 1990, capacity charges were $44 million, $5 million and $1 million, respectively; energy charges were $40 million, $36 million and $29 million, respectively. Capacity charges are recovered through the capacity clause; energy charges are recovered through the fuel clause.

FPL has take-or-pay contracts for the supply and transportation of natural gas under which it is required to make payments estimated to be $274 million for 1993, $276 million for 1994, $331 million for 1995 and $456 million for each of the years 1996 and 1997. Total payments made under these contracts were $276 million, $247 million and $150 million for 1992, 1991 and 1990, respectively.

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 $140 million in damages, before trebling 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, the liabilities, if any, arising from this litigation are not anticipated to have a material adverse effect on FPL's financial statements.

7. Restructuring Charge

In 1991, FPL recorded a $90 million ($56 million after-tax) restructuring charge in connection with a company-wide restructuring. The charge included severance pay for departing employees, as well as relocation and facility modification expenditures.

8. Leases

In 1991, FPL expanded its nuclear fuel lease program to include all four of its nuclear units. In connection with this expansion, FPL sold to a non-affiliated lessor and leased back approximately $220 million of nuclear fuel held in reactors of these units, as well as nuclear fuel in various stages of enrichment. The fuel was sold at book value. Nuclear fuel payments, which are based on energy production and are charged to fuel expense, were $120 million, $81 million and $30 million for the years ended December 31, 1992, 1991 and 1990, respectively. Included in these payments was an interest component of $13 million, $9 million and $5 million in 1992, 1991 and 1990, 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 $278 million at December 31, 1992. For ratemaking purposes, the leases encompassed within this lease arrangement are classified as operating leases. For financial reporting purposes, the capital lease obligation is recorded at the amount due in the event of lease termination.

In 1992, FPL entered into a noncancellable capital lease arrangement for an office building whose present value of future minimum lease payments at December 31, 1992 totaled $47 million. Future minimum annual lease payments under this lease arrangement, which expires in 2017, are estimated to be $4 million. Excluding these leases, the amount of assets and capitalized leases obligations for other capital leases is not material.

FPL leases automotive, computer, office and other equipment through rental agreements with various terms and expiration dates. Rental expense totaled $53 million, $50 million and $44 million for 1992, 1991 and 1990, respectively. Minimum annual rental commitments for noncancellable operating leases are $24 million for each of the years 1993 and 1994, $17 million for 1995, $11 million for 1996, $5 million for 1997 and $16 million thereafter.

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 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, 1992, FPL's investment in St. Lucie Unit No. 2 was $812 million, net of accumulated depreciation of $352 million; the investment in the SJRPP units and coal terminal was $237 million, net of accumulated depreciation of $90 million; the investment in Scherer Unit No. 4 was $108 million, net of accumulated depreciation of $19 million. At December 31, 1992, 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.

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Concluded)

11. Quarterly Data (Unaudited)

Condensed consolidated quarterly financial information for 1992 and 1991 is as follows:

	March 31	June 30	September 30	December 31
		(Thousands of Dollars)		
1992				
Operating revenues	$ 1,064,693	$ 1,232,414	$ 1,556,083	$ 1,247,273
Operating income	$ 150,305	$ 174,950	$ 264,668	$ 174,468
Net income	$ 85,683	$ 113,032	$ 201,971	$ 114,114
Net income available to FPL Group	$ 75,305	$ 101,625	$ 190,912	$ 103,057
1991				
Operating revenues	$ 1,136,621	$ 1,358,372	$ 1,503,706	$ 1,160,067
Operating income	$ 150,139	$ 147,363[(1)]	$ 272,552	$ 116,102
Net income	$ 82,200	$ 81,178[(1)]	$ 204,600	$ 49,539
Net income available to FPL Group	$ 71,577	$ 70,967[(1)]	$ 194,389	$ 39,328

[(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.

Net income for the quarter ended December 31, 1992 increased from the prior year primarily due to lower operations and maintenance expenses which reflects management's efforts to reduce costs, among other factors. Additionally, earnings were favorably affected by higher energy sales primarily due to warmer weather conditions in the fourth quarter and higher customer growth.

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[1]

James L. Broadhead. Mr. Broadhead, 57, is chairman and chief executive officer of FPL. He is also chairman, president and chief executive officer of FPL Group and president and chief executive officer of FPL Group Capital Inc. 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, 54, is general counsel and secretary of FPL and FPL Group. He is also secretary of FPL Group Capital Inc. Mr. Coyle 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.

Paul J. Evanson. Mr. Evanson, 51, is senior vice president, finance and chief financial officer of FPL, vice president, finance and chief financial officer of FPL Group and vice president and chief financial officer of FPL Group Capital Inc. He is a director of FPL Group Capital Inc. Mr. Evanson was formerly president and chief operating officer at the Lynch Corporation, a diversified holding company. Mr. Evanson has been a director since 1992.

Stephen E. Frank. Mr. Frank, 51, is president and chief operating officer of FPL. He was formerly executive vice president and chief financial officer of TRW, Inc., a diversified, high technology, multinational company. Mr. Frank was also vice president and controller of GTE Corporation, a telecommunications company. 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, 61, 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, 45, 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, 48, 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, 54, 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 1990.

Michael W. Yackira. Mr. Yackira, 41, 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.

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(1) 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[1]

Name	Age	Position	Effective Date
James L. Broadhead	57	Chairman of the Board and Chief Executive Officer	January 15, 1990
Dennis P. Coyle	54	General Counsel and Secretary	July 1, 1991
K. Michael Davis	46	Vice President, Accounting, Controller and Chief Accounting Officer	July 1, 1991
Paul J. Evanson	51	Senior Vice President, Finance and Chief Financial Officer	December 5, 1992
Stephen E. Frank	51	President and Chief Operating Officer	August 13, 1990
Jerome H. Goldberg	61	President, Nuclear Division	July 1, 1991
Lawrence J. Kelleher	45	Senior Vice President, Human Resources	July 1, 1991
J. Thomas Petillo	48	Senior Vice President, External Affairs	July 1, 1991
Dilek L. Samil	37	Treasurer	July 1, 1991
C. O. Woody	54	Senior Vice President, Power Generation	July 1, 1991
Michael W. Yackira	41	Senior Vice President, Market and Regulatory Services	July 1, 1991

[1] 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.

Item 11. Executive Compensation

The following table sets forth compensation paid during the past three years to FPL's chief executive officer and the other four most highly compensated persons who served as executive officers of FPL at December 31, 1992.

SUMMARY COMPENSATION TABLE

		Annual Compensation			Long-Term Compensation		
Name and Principal Position	Year	Salary	Incentive	Other Compensation	Restricted Stock Awards[1]	Long-Term Incentive Payouts[2]	Other[3]
James L. Broadhead	1992	$643,800	$ 424,483	$ 3,342	—	$647,772	$ 8,576
Chairman of the Board and Chief	1991	$592,059	$ 378,450	$ 3,313	—[4]	$ —	$ 8,175
Executive Officer	1990	$467,875	$ 239,775	$ 2,642	—	$236,246	$ 10,292
Stephen E. Frank	1992	$460,000	$ 245,916	$ 3,064	—	$286,000	$ 9,858
President and Chief Operating Officer	1991	$420,000	$ 243,000	$ 773	$175,670[6]	—	$ 8,105
	1990	$168,182[5]	$ 200,000	$ 9,755	—	—	—
Jerome H. Goldberg	1992	$430,000	$ 175,528	$ 4,241	—	$107,250	$ 9,858
President, Nuclear Division	1991	$395,300	$ 170,000	$ 4,359	—	—	$ 8,802
	1990	$366,000	$ 150,000	$ 2,768	—	$ 40,862	$ 7,801
Dennis P. Coyle	1992	$261,000	$ 99,754	$ 1,899	—	$132,839	$ 8,576
General Counsel and Secretary	1991	$226,118	$ 91,350	$ 445	—	—	$ 5,470
	1990	$202,746	$ 65,966	$ 3,488	—	$ 48,434	$ 5,302
C. O. Woody	1992	$253,000	$ 103,736	$ 1,455	—	$117,939	$ 9,858
Senior Vice President, Power	1991	$237,400	$ 97,000	$ 1,602	—	—	$ 8,802
Generation	1990	$224,000	$ 56,590	$ 1,421	—	$ 40,833	$ 8,307

(1) Dividends at normal rates are paid on restricted common stock.
(2) Payouts were made 70% in shares of common stock, valued at $35.75 per share, and 30% in cash.
(3) Employer matching contributions to employee thrift plans.
(4) At December 31, 1992, James L. Broadhead held 96,800 shares of restricted common stock with a value of $3,509,000. These shares were awarded in 1991 for the purpose of financing Mr. Broadhead's supplemental retirement plan and will offset, dollar-for-dollar, lump sum benefits that would otherwise be payable to him in cash upon retirement.
(5) Employed in August 1990.
(6) At December 31, 1992, Stephen E. Frank held 3,763 shares of restricted common stock with a value of $136,409. A total of 5,644 shares were awarded to Mr. Frank in 1991 pursuant to an undertaking made to him when he was initially employed by FPL and vested or will vest in equal installments on February 15, 1992, 1993 and 1994.

Stock Options

No stock options or stock appreciation rights (SAR's) were granted during 1992, and none is anticipated to be granted in 1993. C. O. Woody is the only executive officer named in the Summary Compensation Table who held any options or SAR's during 1992. He did not exercise any of them during 1992 and at December 31, 1992, held 1,787 exercisable options/SAR's with an in-the-money value of $9,605.

Long-Term Incentive Awards

In 1992, awards of performance shares under FPL's Long-Term Incentive Plan were made to the executive officers named in the Summary Compensation Table as set forth in the following table.

LONG-TERM INCENTIVE PLAN AWARDS

Name	Number of Shares	Performance Period Until Payout	Estimated Future Payouts Under Non-Stock Price Based Plans — Number of Shares: Threshold	Target	Maximum
James L. Broadhead	23,594	1/1/92 - 12/31/95	0	23,594	23,594
Stephen E. Frank	9,333	1/1/92 - 12/31/95	0	9,333	9,333
Jerome H. Goldberg	7,478	1/1/92 - 12/31/95	0	7,478	7,478
Dennis P. Coyle	5,217	1/1/92 - 12/31/95	0	5,217	5,217
C. O. Woody	4,400	1/1/92 - 12/31/95	0	4,400	4,400

The performance share awards shown above are payable at the end of the four-year performance period. The amount of the payout is determined by multiplying the target award by the average level of achievement, expressed as a percentage, of the recipient's annual incentive plan performance indicators for the years encompassed by the award period. The incentive performance measures were financial (weighted 50%), operating (weighted 30%), and major projects (weighted 20%). The financial performance indicators were operations and maintenance costs, capital expenditure levels, book and regulatory return on equity, and net income. The operating performance indicators were customer satisfaction survey results, service reliability as measured by the frequency and duration of service interruptions, system performance as measured by the equivalent availability factors for the fossil and nuclear power plants, unplanned trips of nuclear power plants, the Nuclear Regulatory Commission's systematic assessment of license performance for the nuclear plants and employee safety. The major projects performance indicators were load management installed capability, the adherence to schedules and budgets for the Lauderdale repowering project and the Martin plant construction project, implementation of an integrated resource plan and satisfactory resolution of designated priority issues. These indicators are illustrative of the indicators for any given year. Payouts can range from zero to 100% of the target amount, depending upon performance.

Retirement Plan

FPL maintains a non-contributory defined benefit pension plan. The following table shows the estimated annual benefits, calculated on a straight-line annuity basis, payable upon retirement in 1992 at age 65 after the indicated years of service.

PENSION PLAN TABLE

Eligible Average Annual Compensation	Years of Service: 5	10	20	30	40
$ 200,000	$ 19,658	$ 39,328	$ 78,644	$ 97,972	$104,226
300,000	29,658	59,328	118,644	147,972	156,726
400,000	39,658	79,328	158,644	197,972	209,226
500,000	49,658	99,626	198,644	247,972	261,726
600,000	59,658	120,197	238,644	297,972	314,226
700,000	69,658	140,768	278,644	347,972	366,726
800,000	79,658	161,338	318,644	397,972	419,226
900,000	89,658	181,909	358,644	447,972	471,726
1,000,000	99,658	202,480	398,644	497,972	524,226
1,100,000	109,658	223,050	438,644	547,972	576,726
1,200,000	119,658	243,621	478,644	597,972	629,226
1,300,000	129,658	264,192	518,644	647,972	681,726

The compensation covered by the plans includes annual salaries and annual incentive compensation of officers of FPL, as shown in the Summary Compensation Table, but no other amounts shown in the Table. The formula for calculating pension benefits includes an adjustment for Social Security benefits. The estimated credited years of service for the executive officers named in the Summary Compensation Table are: James L. Broadhead, 4 years; Stephen E. Frank, 2 years; Jerome H. Goldberg, 3 years; Dennis P. Coyle, 3 years; and C. O. Woody, 36 years.

The Supplemental Executive Retirement Plan for James L. Broadhead (referred to in the Summary Compensation Table) provides for a lump-sum retirement benefit equal to the then present value of a joint and survivor annuity providing annual payments to him equal to 61% to 65% of his average annual compensation for the three years prior to his retirement between age 62 (1998) and age 65 (2001) and to his surviving beneficiary of 37.5% of such average annual compensation, reduced by the then present value of the annual amount of payments to which he is entitled under all pension and retirement plans of FPL Group, FPL and former employers. This benefit is further reduced by the then value of 96,800 shares of restricted stock which vest as to 77,000 shares in 1998 and as to 19,800 shares in 2001. Upon a change in control of FPL Group, substantially as defined below under "Employment Agreements," the restrictions on the restricted stock lapse and the full retirement benefit becomes payable. Absent any such change in control, Mr. Broadhead will have no right to such shares of restricted stock, and there will be no payments under the Supplemental Executive Retirement Plan for Mr. Broadhead unless he remains with the Corporation until at least age 62. Jerome H. Goldberg's employment agreement with FPL 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 provide 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 FPL Pension Plan benefit.

Employment Agreements

FPL and FPL Group have entered into employment agreements with certain officers, including the individuals named in the Summary Compensation Table (other than Mr. Goldberg), 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 of Directors, 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 of the continued services of key officers. The agreements provide that each officer shall be employed by FPL Group or one of its subsidiaries in his or her then current position, with compensation and benefits at least equal to the then current base and incentive compensation and benefit levels for an employment period of four, and in certain cases, five years after a change in control occurs.

In the event that the officer's employment is terminated (except for death, disability or cause) or if the officer terminates his or her employment because of a reduction in position, responsibility, salary or for any other good reason, as defined in the agreement, the officer is entitled to severance benefits in the form of monthly installments or a lump sum, at the option of the officer, for the remainder of the employment period or for two years, whichever is longer. Such benefits will be based upon the officer's then base compensation plus a maximum bonus and the maximum amount of employer contributions made to his or her account under employee thrift and supplemental retirement plans. The officer is also entitled to continued participation in all benefit plans (or if barred, payment by the employer), additional supplemental retirement benefits, immediate vesting of incentive stock awards and reimbursement for tax penalties incurred by the officer as a result of his or her severance payments.

Mr. Goldberg's employment agreement with FPL, which expires in 1994, provides for a base salary of at least $350,000 per year, targeted annual incentive compensation equal to 35% of his base salary, and either the retirement benefit described above plus a death benefit to his beneficiary equal to 300% of his base salary, payable over 6 years, or, if he dies before his contract expires, a death benefit to his beneficiary equal to 550% of his base salary, payable over 10 years.

Director Compensation

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

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 January 31, 1993, 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	Number of Shares
James L. Broadhead	120,883[1]
Dennis P. Coyle	4,249[2]
K. Michael Davis	2,727[3]
Paul J. Evanson	1,000
Stephen E. Frank	12,832[4]
Jerome H. Goldberg	4,792[5]
Lawrence J. Kelleher	13,101[6]
J. Thomas Petillo	7,451[7]
Dilek L. Samil	2,000[8]
C. O. Woody	17,071[9]
Michael W. Yackira	5,798[10]
All directors and executive officers in the aggregate, including those listed above	191,904[11]

(1) Includes 1,551 shares held in the Thrift Plans and 96,800 shares of restricted stock as to which Mr. Broadhead has voting but not investment power.
(2) Includes 1,260 shares held in the Thrift Plans.
(3) Includes 1,186 shares held in the Thrift Plans.
(4) Includes 588 shares held in the Thrift Plans.
(5) Includes 1,688 shares held in the Thrift Plans.
(6) Includes 4,934 shares held in the Thrift Plans and 4,229 shares subject to exercisable stock options.
(7) Includes 4,670 shares held in the Thrift Plans and 36 shares held beneficially by a relative of Mr. Petillo with whom he shares investment power and to which he disclaims any beneficial ownership.
(8) Includes 2,000 shares held in the Thrift Plans.
(9) Includes 11,890 shares held in the Thrift Plans and 1,787 shares subject to exercisable stock options.
(10) Includes 2,460 shares held in the Thrift Plans and 500 shares held by a relative of Mr. Yackira with whom he shares investment power and to which he disclaims any beneficial ownership.
(11) Less than 1% of the class. Includes 32,227 shares held in the Thrift Plans and 6,016 shares subject to exercisable stock options.

Item 13. Certain Relationships and Related Transactions

None

PART IV

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

[1] The following schedules are omitted as not applicable or not required — I, II, III, IV, VII, VIII, XI, XII, XIII and XIV.

3. Exhibits including those Incorporated by Reference

Exhibit Number	Description
	Exhibits Filed Herewith
1(a)	Form of Proposal 1 and attached Underwriting Agreement dated February 10, 1993 relating to $100 million principal amount of FPL's First Mortgage Bonds, 6.625% Series due February 1, 2003.
1(b)	Form of Proposal 2 and attached Underwriting Agreement dated February 10, 1993 relating to $150 million principal amount of FPL's First Mortgage Bonds, $7^{3}/_{4}$% Series due February 1, 2023.
1(c)	Distribution Agreement dated February 18, 1993.
1(d)	Underwriting Agreement dated March 9, 1993.
4(a)	Eighty-fifth Supplemental Indenture dated as of February 1, 1993 between FPL and Bankers Trust Company, Trustee.
4(b)	Eighty-sixth Supplemental Indenture dated as of February 1, 1993 between FPL and Bankers Trust Company, Trustee.
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.
18	Letter regarding change in Accounting Principle.
24	Independent Auditors' Consent.
	Exhibits Incorporated by Reference
3(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).
3(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 No. 1-3545).
3(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).
3(d)	Bylaws of FPL, as amended May 11, 1992 (filed as Exhibit 3 to Form 8-K dated May 1, 1992, File No. 1-3545).
4	Mortgage and Deed of Trust dated as of January 1, 1944, and Eighty-four Supplements thereto between FPL and Bankers Trust Company and The Florida National Bank of Jacksonville (now First Union National Bank of Florida), Trustees (as of September 2, 1992, the sole trustee is Bankers Trust Company) (filed as Exhibit B-3, File No. 2-4845; Exhibit 7(a), File No. 2-7126; Exhibit 7(a), File No. 2-7523; Exhibit 7(a), File No. 2-7990; Exhibit 7(a), File No. 2-9217; Exhibit 4(a)-5, File No. 2-10093; Exhibit 4(c), File No. 2-11491; Exhibit 4(b)-1, File No. 2-12900; Exhibit 4(b)-1, File No. 2-13255; Exhibit 4(b)-1, File No. 2-13705; Exhibit 4(b)-1, File No. 2-13925; Exhibit 4(b)-1, File No.

2-15088; Exhibit 4(b)-1, File No. 2-15677; Exhibit 4(b)-1, File No. 2-20501; Exhibit 4(b)-1, File No. 2-22104; Exhibit 2(c), File No. 2-23142; Exhibit 2(c), File No. 2-24195; Exhibit 4(b)-1, File No. 2-25677; Exhibit 2(c), File No. 2-27612; Exhibit 2(c), File No. 2-29001; Exhibit 2(c), File No. 2-30542; Exhibit 2(c), File No. 2-33038; Exhibit 2(c), File No. 2-37679; Exhibit 2(c), File No. 2-39006; Exhibit 2(c), File No. 2-41312; Exhibit 2(c), File No. 2-44234; Exhibit 2(c), File No. 2-46502; Exhibit 2(c), File No. 2-48679; Exhibit 2(c), File No. 2-49726; Exhibit 2(c), File No. 2-50712; Exhibit 2(c), File No. 2-52826; Exhibit 2(c), File No. 2-53272; Exhibit 2(c), File No. 2-54242; Exhibit 2(c), File No. 2-56228; Exhibits 2(c) and 2(d), File No. 2-60413; Exhibits 2(c) and 2(d), File No. 2-65701; Exhibit 2(c), File No. 2-66524; Exhibit 2(c), File No. 2-67239; Exhibit 4(c), File No. 2-69716; Exhibit 4(c), File No. 2-70767; Exhibit 4(b), File No. 2-71542; Exhibit 4(b), File No. 2-73799; Exhibits 4(c), 4(d) and 4(e), File No. 2-75762; Exhibit 4(c), File No. 2-77629; Exhibit 4(c), File No. 2-79557; Exhibit 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; Exhibits 4(a) and 4(a) to Form 8-K dated June 1, 1992, File No. 1-3545; Exhibit 4 to Form 8-K dated December 1, 1992, File No. 1-3545; and Exhibit 4 to Form 8-K dated January 1, 1993, File No. 1-3545).

(b) Reports on Form 8-K

A Current Report on Form 8-K dated November 30, 1992 was filed December 8, 1992 relating to two events under Item 5. — Other Events.

SCHEDULE V

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

Column A Classification	Column B Balance at Beginning of Year	Column C Additions at Cost[1]	Column D Retirements[2]	Column E Other Changes — Add (Deduct)	Column F Balance at End of Year
			(Thousands of Dollars)		
For the Year Ended December 31, 1992					
Electric utility plant, at original cost:					
Electric plant:					
Production plant:					
Steam	$ 2,344,399	$ 83,322	$ (27,136)	$ (434)	$ 2,400,151
Nuclear	3,355,766	52,916	(43,438)	—	3,365,244
Other	305,601	45,741	(12,743)	12	338,611
Total production plant	6,005,766	181,979	(83,317)	(422)	6,104,006
Transmission plant	1,605,823	75,226	(5,899)	(727)	1,674,423
Distribution plant	4,227,135	324,065	(48,640)	1,709	4,504,269
General plant	695,311	186,984	(26,043)	2,280	858,532
Intangible plant	31,657	14,134	—	474	46,265
Total electric plant in service	12,565,692	782,388	(163,899)	3,314	13,187,495
Held for future use	73,385	1,156	—	(5,048)	69,493
Total electric plant	12,639,077	783,544	(163,899)	(1,734)	13,256,988
Construction work in progress	597,401	561,287	—	—	1,158,688
Nuclear fuel	279,740	105,716	—	(107,653)	277,803
Total electric utility plant	$ 13,516,218	$ 1,450,547	$ (163,899)	$ (109,387)	$ 14,693,479
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

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

Column A Classification	Column B Balance at Beginning of Year	Column C Additions at Cost[1]	Column D Retirements[2]	Column E Other Changes — Add (Deduct)	Column F Balance at End of Year
			(Thousands of Dollars)		
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

(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.

SCHEDULE VI

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

Column A	Column B	Column C		Column D	Column E	Column F
		Additions Charged to Costs and Expenses				
Description	Balance at Beginning of Year	Depreciation	Clearing and Other Accounts[2]	Retirements	Other Changes — Add (Deduct)	Balance at End of Year
		(Thousands of Dollars)				
For the Year Ended December 31, 1992						
Accumulated provision for depreciation of electric plant:[1][4]						
Production plant:						
Steam	$ 962,585	$ 107,625	$ 31	$ (41,211)	$ (6,513)	$1,022,517
Nuclear	1,205,123	190,124	—	(44,933)	(5)	1,350,309[3]
Other	204,853	9,287	—	(13,327)	6,350	207,163
Total production plant	2,372,561	307,036	31	(99,471)	(168)	2,579,989
Transmission plant	744,931	31,283	—	(4,880)	(258)	771,076
Distribution plant	1,335,068	161,466	—	(47,248)	(131)	1,449,155
General plant	188,899	49,864	12,790	(12,513)	439	239,479
Intangible plant	9,866	7,620	938	—	118	18,542
Total	$ 4,651,325	$ 557,269	$ 13,759	$ (164,112)	$ —	$5,058,241
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

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				
Description	Balance at Beginning of Year	Depreciation	Clearing and Other Accounts[2]	Retirements	Other Changes — Add (Deduct)	Balance at End of Year
	(Thousands of Dollars)					
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

(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 $389.7 million, $330.6 million and $274.8 million at December 31, 1992, 1991 and 1990, respectively.

(4) Includes fossil decommissioning reserves of $92.4 million, $82.9 million and $68.8 million at December 31, 1992, 1991 and 1990, 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 Year	Weighted Average Interest Rate	Maximum Amount Outstanding During the Year (1)	Average Amount Outstanding During the Year (2)	Weighted Average Interest Rate During the Year (3)
			(Thousands of Dollars)		
For the Year Ended December 31, 1992					
Commercial paper	—	—	$ 112,100	$ 4,317	3.4%
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%

(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[1]

Column A	Column B		
	Years Ended December 31,		
	1992	1991	1990
	(Thousands of Dollars)		
Maintenance expense	$ 358,375	$ 405,017	$ 408,077
Taxes Other Than Income Taxes:			
Federal and state payroll	$ 54,272	$ 53,836	$ 49,837
Real and personal property	139,220	125,151	117,726
State gross receipts	113,725	106,545	90,679
Franchise charges	194,421	204,880	192,035
Miscellaneous	45,787	31,470	34,328
Total	$ 547,425	$ 521,882	$ 484,605
Charged to:			
Operating expenses — other taxes	$ 495,587	$ 483,731	$ 450,237
Utility plant and other accounts	51,838	38,151	34,368
Total	$ 547,425	$ 521,882	$ 484,605

[1] 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 15, 1993

STEPHEN E. FRANK
Stephen E. Frank
(President and Chief Operating Officer 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	
PAUL J. EVANSON **Paul J. Evanson** *(Senior Vice President, Finance and Chief Financial Officer)*	Principal Financial Officer and Director	
K. MICHAEL DAVIS **K. Michael Davis** *(Vice President, Accounting, Controller and Chief Accounting Officer)*	Principal Accounting Officer	
DENNIS P. COYLE **Dennis P. Coyle**		March 15, 1993
JEROME H. GOLDBERG **Jerome H. Goldberg**		
LAWRENCE J. KELLEHER **Lawrence J. Kelleher**	Directors	
J. THOMAS PETILLO **J. Thomas Petillo**		
C. O. WOODY **C. O. Woody**		
MICHAEL W. YACKIRA **Michael W. Yackira**		

EXHIBIT 12(a)

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

	Years Ended December 31,				
	1992	1991	1990	1989	1988
	(Thousands of Dollars)				
Earnings, as defined:					
Net income	$ 514,800	$ 417,517	$ 424,804	$ 436,885	$ 435,620
Income taxes	264,588	183,364	182,587	204,863	203,988
Fixed charges, as below	338,219	326,686	312,812	305,509	297,247
Total earnings, as defined	$1,117,607	$ 927,567	$ 920,203	$ 947,257	$ 936,855
Fixed charges, as defined:					
Interest on first mortgage bonds and medium-term notes	$ 281,873	$ 275,914	$ 262,169	$ 248,203	$ 252,047
Interest on other long-term debt	7,130	6,027	6,085	6,044	6,214
Other interest charges	26,796	29,211	34,615	38,500	26,867
Rental interest factor	9,567	6,353	5,192	6,604	7,198
Fixed charges included in nuclear fuel cost	12,853	9,181	4,751	6,158	4,921
Total fixed charges, as defined	$ 338,219	$ 326,686	$ 312,812	$ 305,509	$ 297,247
Ratio of earnings to fixed charges	3.30	2.84	2.94	3.10	3.15

EXHIBIT 12(b)

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES

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

	Years Ended December 31,				
	1992	1991	1990	1989	1988
	(Thousands of Dollars)				
Earnings, as defined:					
Net income	$ 514,800	$ 417,517	$ 424,804	$ 436,885	$ 435,620
Income taxes	264,588	183,364	182,587	204,863	203,988
Fixed charges, as below	338,219	326,686	312,812	305,509	297,247
Total earnings, as defined	$1,117,607	$ 927,567	$ 920,203	$ 947,257	$ 936,855
Fixed charges, as defined:					
Interest on first mortgage bonds and medium-term notes	$ 281,873	$ 275,914	$ 262,169	$ 248,203	$ 252,047
Interest on other long-term debt	7,130	6,027	6,085	6,044	6,214
Other interest charges	26,796	29,211	34,615	38,500	26,867
Rental interest factor	9,567	6,353	5,192	6,604	7,198
Fixed charges included in nuclear fuel cost	12,853	9,181	4,751	6,158	4,921
Total fixed charges, as defined	338,219	326,686	312,812	305,509	297,247
Non-tax deductible preferred stock dividend requirements	43,901	41,256	43,600	43,782	45,518
Ratio of income before income taxes to net income	1.514	1.439	1.430	1.469	1.468
Preferred stock dividend requirements before income taxes	66,466	59,367	62,348	64,317	66,820
Combined fixed charges and preferred stock dividend requirements	$ 404,685	$ 386,053	$ 375,160	$ 369,826	$ 364,067
Ratio of earnings to combined fixed charges and preferred stock dividend requirements	2.76	2.40	2.45	2.56	2.57

EXHIBIT 18

February 12, 1993

Florida Power & Light Company
700 Universe Boulevard
Juno Beach, Florida 33408-0420

Dear Sirs/Madams:

We have audited the consolidated financial statements of Florida Power & Light Company as of December 31, 1992 and 1991, and for each of the three years in the period ended December 31, 1992, included in your Annual Report on Form 10-K to the Securities and Exchange Commission and have issued our report thereon dated February 12, 1993. Note 3 to such financial statements contains a description of your adoption during the year ended December 31, 1992 of a change in the method of calculating the market-related value of the plan assets of your defined benefit pension plan. In our judgment, such change is to an alternative accounting principle that is preferable under the circumstances.

Yours truly,

DELOITTE & TOUCHE

EXHIBIT 24

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statement No. 33-40123 on Form S-3, Registration Statement No. 33-46076 on Form S-3 and Registration Statement No. 33-57736 on Form S-3 of Florida Power & Light Company, of our report dated February 12, 1993 appearing in this Annual Report on Form 10-K of Florida Power & Light Company for the year ended December 31, 1992.

DELOITTE & TOUCHE

Miami, Florida
March 22, 1993

EXHIBIT 2

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, 1993

OR

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

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) 694-3509
(Registrant's telephone number, including area code)

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.

Common Stock, No Par Value, outstanding at October 31, 1993: 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,	
	1993	1992	1993	1992
	(Thousands of Dollars)			
OPERATING REVENUES	$ 1,586,141	$ 1,556,083	$ 4,011,181	$ 3,853,190
OPERATING EXPENSES:				
Fuel, purchased power and interchange	533,799	586,442	1,384,387	1,370,077
Other operations and maintenance	322,727	299,901	925,377	884,532
Cost reduction program charge	138,000	-	138,000	-
Depreciation and amortization	149,553	143,640	433,118	421,293
Income taxes	81,928	119,268	176,352	214,964
Taxes other than income taxes	149,526	142,164	399,021	372,401
Total operating expenses	1,375,533	1,291,415	3,456,255	3,263,267
OPERATING INCOME	210,608	264,668	554,926	589,923
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	6,724	7,803	28,456	20,335
OTHER INCOME - NET	1,615	2,421	5,384	7,261
INCOME BEFORE INTEREST CHARGES	218,947	274,892	588,766	617,519
INTEREST CHARGES:				
Interest expense	82,149	80,119	251,642	235,545
Allowance for borrowed funds used during construction	(5,949)	(7,198)	(24,210)	(18,712)
Interest charges - net	76,200	72,921	227,432	216,833
NET INCOME	142,747	201,971	361,334	400,686
PREFERRED STOCK DIVIDEND REQUIREMENTS	10,712	11,059	32,631	32,843
NET INCOME AVAILABLE TO FPL GROUP, INC.	$ 132,035	$ 190,912	$ 328,703	$ 367,843

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) 1992 Annual Report on Form 10-K (Form 10-K).

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

	September 30, 1993 (Unaudited)	December 31, 1992
	(Thousands of Dollars)	
ELECTRIC UTILITY PLANT:		
At original cost	$ 14,437,931	$ 13,256,988
Less accumulated depreciation and amortization	5,419,714	5,058,241
Net	9,018,217	8,198,747
Construction work in progress	769,797	1,158,688
Nuclear fuel under capital lease	232,507	277,803
Electric utility plant - net	10,020,521	9,635,238
INVESTMENTS	373,988	326,950
CURRENT ASSETS:		
Cash and cash equivalents	25,480	3,002
Receivables - net	581,335	496,983
Materials and supplies - at average cost	238,058	278,057
Fossil fuel stock - at average cost	60,799	85,063
Prepaid expenses	44,958	35,992
Other	106,888	93,225
Total current assets	1,057,518	992,322
OTHER ASSETS AND DEFERRED DEBITS:		
Unamortized debt reacquisition costs	274,530	175,320
Deferred litigation items	110,859	110,859
Other	152,259	107,937
Total other assets and deferred debits	537,648	394,116
TOTAL ASSETS	$ 11,989,675	$ 11,348,626

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 1992 Form 10-K.

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

	September 30, 1993 (Unaudited)	December 31, 1992
	(Thousands of Dollars)	
CAPITALIZATION:		
Common stock	$ 1,373,069	$ 1,373,069
Retained earnings and other shareholder's equity	2,378,868	2,405,412
Preferred stock without sinking fund requirements	451,250	421,250
Preferred stock with sinking fund requirements	97,000	130,150
Long-term debt	3,450,820	3,404,404
Total capitalization	7,751,007	7,734,285
CURRENT LIABILITIES:		
Current maturities of long-term debt and preferred stock	330,617	160,546
Commercial paper	120,000	-
Accounts payable	340,259	407,097
Customers' deposits	217,502	214,985
Accrued interest and taxes	446,519	198,882
Other	274,869	157,971
Total current liabilities	1,729,766	1,139,481
OTHER LIABILITIES AND DEFERRED CREDITS:		
Accumulated deferred income taxes	1,228,834	1,489,615
Deferred regulatory credit - income taxes	228,484	-
Unamortized investment tax credits	329,134	345,438
Other deferred credits	229,898	208,864
Other liabilities	492,552	430,943
Total other liabilities and deferred credits	2,508,902	2,474,860
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$ 11,989,675	$ 11,348,626

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 1992 Form 10-K.

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

	Nine Months Ended September 30, 1993	Nine Months Ended September 30, 1992
	(Thousands of Dollars)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 361,334	$ 400,686
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	433,118	421,293
Deferrals under cost recovery clauses [1]	68,987	(84,249)
Other	150,801	46,193
Net cash provided by operating activities	1,014,240	783,923
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures [2]	(889,771)	(838,816)
Other	22,104	(5,163)
Net cash used in investing activities	(867,667)	(843,979)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of bonds and other long-term debt	1,904,915	578,851
Issuance of preferred stock	190,000	125,000
Issuance of commercial paper	120,000	-
Retirement of long-term debt and preferred stock	(1,990,563)	(480,885)
Dividends to FPL Group, Inc.	(380,949)	(324,043)
Capital contributions from FPL Group, Inc.	30,000	170,000
Other	2,502	(46,347)
Net cash (used in) provided by financing activities	(124,095)	22,576
Net increase (decrease) in cash and cash equivalents	22,478	(37,480)
Cash and cash equivalents at beginning of period	3,002	88,901
Cash and cash equivalents at end of period	$ 25,480	$ 51,421
Supplemental disclosures of cash flow information:		
Cash paid for interest (net of amount capitalized)	$ 253,580	$ 218,511
Cash paid for income taxes	$ 93,393	$ 103,155
Supplemental schedule of non-cash investing and financing activities:		
Additions to capital lease obligations	$ 34,294	$ 63,526

[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] Capital expenditures exclude allowance for equity funds used during construction.

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 1992 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 1992 Form 10-K and Notes 1 and 2 to FPL's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 1993 regarding postretirement benefits other than pensions and income taxes. In the opinion of FPL, all adjustments (consisting only of normal recurring accruals) necessary to present fairly the financial position as of September 30, 1993, the results of operations for the three and nine months ended September 30, 1993 and 1992 and the cash flows for the nine months ended September 30, 1993 and 1992 have been made. Certain amounts included in the prior year's condensed consolidated financial statements have been reclassified to conform to the current year's presentation. The results of operations for an interim period may not give a true indication of results for the year.

1. Cost Reduction Program

In July 1993, FPL announced that it would begin a comprehensive evaluation of ways to reduce operating costs. As a result of this evaluation, a major cost reduction program was implemented in the third quarter of 1993 resulting in a $138 million charge which reduced net income by approximately $85 million. The charge consisted of costs associated with a workforce reduction of approximately 1,700 positions through early retirement and severance programs.

2. Capitalization

Long-Term Debt

From January through September 1993, FPL sold a total of $1.505 billion principal amount of First Mortgage Bonds, approximately $350 million principal amount of First Mortgage Bonds, designated Secured Medium-Term Notes, Series A and B and approximately $77 million principal amount of Pollution Control Revenue Refunding Bonds and Solid Waste Disposal Revenue Bonds, maturing in 1996 through 2027 at fixed and variable interest rates ranging from 2.85% to 7 7/8%. A substantial portion of the proceeds were used to redeem or retire from February through October 1993 a total of approximately $1.7 billion principal amount of First Mortgage Bonds, including Secured Medium-Term Notes, Series A and B, and Pollution Control Revenue Bonds, maturing in 1994 through 2020 at interest rates ranging from 4.625% to 11%.

Preferred Stock

Through September 30, 1993, FPL issued 750,000 shares of 6.98% Preferred Stock, Series S, $100 Par Value, 500,000 shares of 7.05% Preferred Stock, Series T, $100 Par Value, and 650,000 shares of 6.75% Preferred Stock, Series U, $100 Par Value. The proceeds were used to redeem, in April through October 1993, the remaining 750,000 shares outstanding of 8.70% Preferred Stock, Series K, $100 Par Value, 500,000 shares outstanding of 8.84% Preferred Stock, Series L, $100 Par Value, 350,000 shares outstanding of 8.50% Preferred Stock, Series P, $100 Par Value, and the remaining 257,000 shares outstanding of 8.70% Preferred Stock, Series M, $100 Par Value.

The 1993 sinking fund requirements for the 10.08% Preferred Stock, Series J, $100 Par Value, the 8.70% Preferred Stock, Series M, $100 Par Value, and the 11.32% Preferred Stock, Series O, $100 Par Value, were met by redeeming and retiring 37,461 shares, 45,000 shares and 65,000 shares, respectively, in April 1993. The Series J and Series O redemptions included the remaining number of shares outstanding for these Series and the Series M redemption included the maximum number of optional shares. There are no sinking fund requirements for the remainder of 1993.

Capital Contribution

In February and October 1993, FPL received capital contributions of $30 million and $180 million, respectively, from its parent, FPL Group, Inc. Proceeds from the October 1993 capital contribution were used to redeem $150

million principal amount of First Mortgage Bonds, 9 1/8% Series due August 1, 2021 and $15 million principal amount of 9 1/2% Secured Medium-Term Notes, Series A, due August 15, 2000.

3. Commitments and Contingencies

Capital Commitments

FPL has made commitments in connection with a portion of its projected capital expenditures. Capital expenditures, for the construction or acquisition of additional facilities and equipment to meet customer demand, are estimated to be $4.9 billion, including allowance for funds used during construction (AFUDC), for the years 1993 through 1997.

Insurance

Liability for accidents at nuclear power plants is governed by the Price-Anderson Act, which limits the liability of nuclear reactor owners to the amount of the insurance available from private sources and under an industry retrospective payment plan. In accordance with this Act, FPL maintains $200 million of private liability insurance, which is the maximum obtainable, and participates in a secondary financial protection system under which it is subject to retrospective assessments of up to $302 million per incident at any nuclear utility 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 $2.625 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 $58 million in retrospective premiums, and in the event of a subsequent accident at such nuclear plants during the policy period, the maximum assessment is $72 million under the programs in effect at September 30, 1993. This contingent liability would be partially offset by a portion of FPL's storm and property insurance reserve (storm fund), which totaled $78 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 adverse effect on FPL's financial condition.

In June 1993, FPL replaced its transmission and distribution (T&D) property insurance coverage with a self-insurance program due to the high cost and limited coverage available from third-party insurers. Costs incurred under the self-insurance program will be charged against FPL's storm fund. Recovery of any losses in excess of the storm fund from ratepayers will require the approval of the Florida Public Service Commission (FPSC). FPL's self-insurance program includes a $300 million line of credit to provide additional liquidity in the event of a T&D property loss.

Contracts

FPL has take-or-pay contracts with subsidiaries of The Southern Company (the Southern Companies) to purchase 1,406 megawatts (mw) of power through May 1994, and declining amounts thereafter through mid-2010. FPL's required capacity payments under these contracts are estimated to be $270 million in 1993, $200 million in 1994, $155 million in 1995 and $145 million for each of the years 1996 and 1997, with declining amounts thereafter. Capacity charges for the three and nine months ended September 30, 1993 totaled approximately $58 million and $209 million, respectively; energy charges totaled approximately $40 million and $155 million, respectively. Capacity charges for the three and nine months ended September 30, 1992 totaled approximately $94 million and $283 million, respectively; energy charges totaled approximately $89 million and $204 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 obligation are estimated to be $90 million for 1993, $94 million for 1994, $95 million for 1995 and $97 million for each of the years 1996 and 1997, with amounts varying thereafter through 2022. Capacity charges for the three and nine months ended September 30, 1993 totaled approximately $22 million and $65 million, respectively; energy charges totaled approximately $12 million and $38 million, respectively. Capacity charges for the three and nine months ended September 30, 1992 totaled approximately $23 million and $66 million, respectively; energy charges totaled approximately $14 million and $36 million, respectively. A portion of the SJRPP capacity charges is recovered through base rates. The remainder is recovered through the capacity clause. Energy charges are recovered through the fuel clause.

FPL has various firm pay-for-performance contracts to purchase 1,096 mw of power from certain cogenerators and small power producers (qualifying facilities) with expiration dates ranging from 2002 through 2026. These contracts provide for capacity payments, subject to these qualifying facilities meeting certain contract obligations, and energy payments based on the actual power taken under these contracts. In addition, FPL regularly purchases energy from qualifying facilities on a non-firm or as-available basis. FPL's required capacity payments under the pay-for-performance contracts are estimated to be $65 million for 1993, $140 million for 1994, $150 million for 1995, $310 million for 1996 and $335 million for 1997. Capacity charges for the three and nine months ended September 30, 1993 totaled approximately $15 million and $45 million, respectively; energy charges totaled approximately $10 million and $30 million, respectively. Capacity charges for the three and nine months ended September 30, 1992 totaled approximately $14 million and $30 million, respectively; energy charges totaled approximately $12 million and $28 million, respectively. Capacity charges are recovered through the capacity clause; energy charges are recovered through the fuel clause.

FPL has take-or-pay contracts for the supply and transportation of natural gas under which it is required to make payments estimated to be $285 million for each of the years 1993 and 1994, $390 million for 1995 and $405 million for each of the years 1996 and 1997. Total payments made under these contracts for the three and nine months ended September 30, 1993 were approximately $86 million and $221 million, respectively. Total payments made under these contracts for the three and nine months ended September 30, 1992 were approximately $91 million and $203 million, respectively. 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 $152 million in damages, before trebling 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. Motions for summary judgment by both parties are pending.

FPL believes that it has meritorious defenses to all of the litigation described above and is vigorously defending these suits. Accordingly, 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 1992 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

In the three and nine months ended September 30, 1993, the charge relating to FPL's program to reduce operating costs reduced net income by approximately $85 million. Partially offsetting the effect of the cost reduction program charge were increased energy usage per customer and customer growth. The nine-month period also benefitted from higher AFUDC and recoveries associated with the capacity cost recovery clause established in October 1992, partially offset by higher operations and maintenance expenses.

FPL expects the trend of increased competition in the utility industry to continue. As a result, FPL is continuing its efforts to reduce its operating costs and avoid the necessity of filing for rate increases. Such increases are the traditional response to increases in rate base and operating costs that result from increasing or enhancing generating, transmission and distribution capabilities to meet increased demand and customer growth. In connection with these efforts, in July 1993, FPL announced that it would begin a comprehensive evaluation of ways to reduce operating costs. As a result of this evaluation, a major cost reduction program was implemented in the third quarter of 1993 resulting in a $138 million charge which reduced net income by approximately $85 million. The charge consisted of costs associated with a workforce reduction of approximately 1,700 positions through early retirement and severance programs.

Revenues from base rates represented 60% of total operating revenues for both the three and nine months ended September 30, 1993 compared with 58% and 60% for the corresponding periods ended September 30, 1992. Such revenues are derived primarily from retail operations regulated by the FPSC. Revenues from base rates increased for the three and nine months ended September 30, 1993. During these periods, the average number of customer accounts increased 2.3% and 2.0%, respectively, while energy usage per retail customer increased 2.6% and 1.4%, respectively. Energy sales in the 1992 periods included the effects of Hurricane Andrew. Revenues derived from cost recovery clause rates and franchise fees comprise substantially all of the remaining portion of operating revenues. These revenues represent a pass-through of costs and do not significantly affect net income.

AFUDC continued to increase for the nine month period primarily as a result of costs incurred in the repowering of Lauderdale Units Nos. 4 and 5 and the construction of Martin Units Nos. 3 and 4. However, for the three months ended September 30, 1993, AFUDC decreased, and will continue to decrease in future periods and certain other costs will increase because the Lauderdale units were returned to commercial operation in the second quarter of 1993 and Martin Units Nos. 3 and 4 are scheduled to be placed in service by December 1993 and June 1994, respectively. As discussed in Note 2, FPL has been refunding existing debt and preferred stock with lower interest rate instruments. The reduction in interest due to these refundings, however, has been offset by the increase in average debt outstanding issued to fund growth in electric plant.

In August 1993, The Omnibus Budget Reconciliation Act of 1993 was enacted which, among other things, increased the corporate Federal income tax rate from 34% to 35% effective January 1, 1993. The Act did not have a significant impact on FPL since the effect on the accumulated deferred income tax balance was recorded as an adjustment to the deferred regulatory credit - income taxes.

FINANCIAL CONDITION

During the nine months ended September 30, 1993, FPL continued to make significant investments in electric utility plant to meet increased demand for electricity. FPL has funded these investments with net cash provided by operations, issuances of long-term debt and preferred stock, equity contributions from FPL Group and on a short-term basis, with issuances of commercial paper. For information concerning capital commitments, see Note 3. For a discussion of changes in capitalization, see Note 2.

PART II - OTHER INFORMATION

ITEM 5. OTHER INFORMATION

(1) Reference is made to Item 1. Business - Retail Ratemaking in FPL's 1992 Form 10-K.

In August 1993, the FPSC approved an environmental compliance cost recovery clause through which FPL will begin to recover, in April 1994, new federal, state and local environmental compliance costs. In the past, such costs would have been recoverable through base rates.

(2) Reference is made to Item 1. Business - Regulation in FPL's 1992 Form 10-K.

In October 1993, the Federal Energy Regulatory Commission (FERC) issued an order directing FPL and FMPA, a wholesale power agency representing 26 municipal power systems in Florida, to negotiate over the appropriate price, terms and conditions for network transmission services.

FPL currently provides point-to-point transmission service to FMPA. Network transmission service would permit FMPA to vary the receipt and delivery points for power without the prior agreement of FPL. FPL has stated its willingness to provide network service, but FMPA and FPL have not been able to agree on an appropriate price for the service.

The FERC's decision requires FMPA to provide FPL certain technical data it needs to develop proposed pricing and terms. The parties then have 60 days to negotiate. If negotiations are unsuccessful, FERC will prescribe appropriate rates, terms and conditions.

The order affects wholesale transmission service only, which accounts for less than 1% of FPL's total revenues. Total wholesale revenues account for less than 2% of FPL's total revenues.

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), File No. 33-48254).
*4(b)	Amendment to FPL's Restated Articles of Incorporation dated March 23, 1992 (filed as Exhibit 4(b), File No. 33-48254).
*4(c)	Amendment to FPL's Restated Articles of Incorporation dated May 11, 1992 (filed as Exhibit 4(c), File No. 33-48254).
*4(d)	Amendment to FPL's Restated Articles of Incorporation dated March 12, 1993 (filed as Exhibit 4(c) to Post-Effective Amendment No. 5 to Form S-8, File No. 33-18669).
*4(e)	Amendment to FPL's Restated Articles of Incorporation dated June 16, 1993 (filed as Exhibit 4(d) to Post-Effective Amendment No. 5 to Form S-8, File No. 33-18669).
*4(f)	Amendment to FPL's Restated Articles of Incorporation dated September 15, 1993 (filed as Exhibit 4(g) to Post-Effective Amendment No. 1 to Form S-3, File No. 33-46076).

*4(g) Mortgage and Deed of Trust dated as of January 1, 1944, and Ninety-three Supplements thereto between FPL and Bankers Trust Company and The Florida National Bank of Jacksonville (now First Union National Bank of Florida) Trustees (as of September 2, 1992, the sole trustee is Bankers Trust Company) (filed as Exhibit B-3, File No. 2-4845; Exhibit 7(a), File No. 2-7126; Exhibit 7(a), File No. 2-7523; Exhibit 7(a), File No. 2-7990; Exhibit 7(a), File No. 2-9217; Exhibit 4(a)-5, File No. 2-10093; Exhibit 4(c), File No. 2-11491; Exhibit 4(b)-1, File No. 2-12900; Exhibit 4(b)-1, File No. 2-13255; Exhibit 4(b)-1, File No. 2-13705; Exhibit 4(b)-1, File No. 2-13925; Exhibit 4(b)-1, File No. 2-15088; Exhibit 4(b)-1, File No. 2-15677; Exhibit 4(b)-1, File No. 2-20501; Exhibit 4(b)-1, File No. 2-22104; Exhibit 2(c), File No. 2-23142; Exhibit 2(c), File No. 2-24195; Exhibit 4(b)-1, File No. 2-25677; Exhibit 2(c), File No. 2-27612; Exhibit 2(c), File No. 2-29001; Exhibit 2(c), File No. 2-30542; Exhibit 2(c), File No. 2-33038; Exhibit 2(c), File No. 2-37679; Exhibit 2(c), File No. 2-39006; Exhibit 2(c), File No. 2-41312; Exhibit 2(c), File No. 2-44234; Exhibit 2(c), File No. 2-46502; Exhibit 2(c), File No. 2-48679; Exhibit 2(c), File No. 2-49726; Exhibit 2(c), File No. 2-50712; Exhibit 2(c), File No. 2-52826; Exhibit 2(c), File No. 2-53272; Exhibit 2(c), File No. 2-54242; Exhibit 2(c), File No. 2-56228; Exhibits 2(c) and 2(d), File No. 2-60413; Exhibits 2(c) and 2(d), File No. 2-65701; Exhibit 2(c), File No. 2-66524; Exhibit 2(c), File No. 2-67239; Exhibit 4(c), File No. 2-69716; Exhibit 4(c), File No. 2-70767; Exhibit 4(b), File No. 2-71542; Exhibit 4(b), File No. 2-73799; Exhibits 4(c), 4(d) and 4(e), File No. 2-75762; Exhibit 4(c), File No. 2-77629; Exhibit 4(c), File No. 2-79557; Exhibit 99(a) to Post-Effective Amendment No. 5 to Form S-8, File No. 33-18669; and Exhibit 99(a) to Post-Effective Amendment No. 1 to Form S-3, File No. 33-46076).

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 16, 1993 was filed July 6, 1993 filing two exhibits under Item 7 - Financial Statements and Exhibits.

(2) A Current Report on Form 8-K dated July 6, 1993 was filed July 8, 1993 filing one event under Item 5 - Other Events.

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 8, 1993

PAUL J. EVANSON
Paul J. Evanson
Senior Vice President, Finance
and Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 12(a)

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

	Nine Months Ended September 30, 1993 (Thousands of Dollars)
Earnings, as defined:	
Net income	$ 361,334
Income taxes	174,735
Fixed charges, as below	266,675
Total earnings, as defined	$ 802,744
Fixed charges, as defined:	
Interest expense	$ 251,642
Rental interest factor	7,175
Fixed charges included in nuclear fuel cost	7,858
Total fixed charges, as defined	$ 266,675
Ratio of earnings to fixed charges	3.01

EXHIBIT 12(b)

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

	Nine Months Ended September 30, 1993 (Thousands of Dollars)
Earnings, as defined:	
Net income	$ 361,334
Income taxes	174,735
Fixed charges, as below	266,675
Total earnings, as defined	$ 802,744
Fixed charges, as defined:	
Interest expense	$ 251,642
Rental interest factor	7,175
Fixed charges included in nuclear fuel cost	7,858
Total fixed charges, as defined	266,675
Non-tax deductible preferred stock dividend requirements	32,631
Ratio of income before income taxes to net income	1.48
Preferred stock dividend requirements before income taxes	48,294
Combined fixed charges and preferred stock dividend requirements	$ 314,969
Ratio of earnings to combined fixed charges and preferred stock dividend requirements	2.55

EXHIBIT 3

EXHIBIT 3

FLORIDA POWER & LIGHT COMPANY

Internal Cash Flow Excluding Retained Earnings

$ Millions	Actual 12 Months Ended September 30, 1993	Projected 12 Months Ended September 30, 1994
Depreciation and Amortization	554	655
Deferred Income Taxes and Investment Tax Credits	33	45
Internal Cash Flow excluding Retained Earnings applied toward Requirements	587	700
Average Quarterly Cash Flow excluding Retained Earnings	147	175
Percentage Ownership of Operating Nuclear Units	Turkey Point No. 3	100 %
	Turkey Point No. 4	100 %
	St. Lucie No. 1	100 %
	St. Lucie No. 2	85.10449 % (1)
Maximum Total Contingent Liability	40	40

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

Certified by: Dilek Samil

Dilek Samil
Treasurer

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