

## **EXHIBIT A**

A consolidating statement of income and surplus of the claimant and its subsidiary companies for the last calendar year, together with a consolidating balance sheet of the claimant and its subsidiary companies as of the close of such calendar year.

| <b><u>Company</u></b>                          | <b><u>Pages</u></b> |
|--|---------------------|
| FPL Group, Inc. and Subsidiaries               | 1                   |
| Florida Power & Light Company and Subsidiaries | 2                   |
| FPL Group Capital Inc and Subsidiaries         | 3 - 5               |
| Alandco Inc. and Subsidiaries                  | 6                   |
| HJT & LCR Holdings and Subsidiaries            | 7                   |
| FPL Energy, LLC and Subsidiaries               | 8 - 61              |

| ASSETS  | FPL Group, Inc. | Florida Power & Light Company Consolidated | FPL Group Capital Inc Consolidated | Adjusting & Elim. Entries | FPL Group, Inc. Consolidated |
|---|-----------------|--|------------------------------------|---------------------------|------------------------------|
| PROPERTY, PLANT AND EQUIPMENT                       |                 |  |                                    |                           |                              |
| Elec. utility plant in ser. & other property        | \$0             | \$21,368                                   | \$7,076                            | \$1                       | \$28,445                     |
| Nuclear fuel  | 0               | 380  | 83                                 | 0                         | 463                          |
| Construction work in progress                       | 0               | 741  | 624                                | (1)                       | 1,364                        |
| Less accumulated depr. & amort.                     | 0               | (9,237)                                    | (738)                              | 0                         | (9,975)                      |
| Total prop., plant and eqpt. - net                  | 0               | 13,252                                     | 7,045                              | 0                         | 20,297                       |
| CURRENT ASSETS                                      |                 |  |                                    |                           |                              |
| Cash and cash equivalents                           | 27              | 4  | 98                                 | 0                         | 129                          |
| Customer receivables - net                          | 0               | 636  | 180                                | 0                         | 816                          |
| Other receivables                                   | 16              | 151  | 256                                | (52)                      | 371                          |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 0               | 355  | 104                                | (1)                       | 458                          |
| Deferred clause expenses                            | 0               | 348  | 0                                  | 0                         | 348                          |
| Other   | 0               | 179  | 167                                | 2                         | 348                          |
| Total current assets                                | 43              | 1,673                                      | 805                                | (51)                      | 2,470                        |
| OTHER ASSETS:                                       |                 |  |                                    |                           |                              |
| Special use funds                                   | 0               | 1,974                                      | 274                                | 0                         | 2,248                        |
| Other investments                                   | 7,237           | 9  | 1,025                              | (7,461)                   | 810                          |
| Other   | 91              | 909  | 192                                | (81)                      | 1,110                        |
| Total other assets                                  | 7,328           | 2,892                                      | 1,491                              | (7,542)                   | 4,168                        |
| TOTAL ASSETS  | \$7,371         | \$17,817                                   | \$9,341                            | (\$7,593)                 | \$26,935                     |
| CAPITALIZATION                                      |                 |  |                                    |                           |                              |
| Common shareholders' equity                         | \$6,967         | \$6,004                                    | \$1,214                            | (\$7,218)                 | \$6,967                      |
| Pref. stk. of FPL w/o sinking fund require.         | 0               | 5  | 0                                  | 0                         | 5                            |
| Long-term debt                                      | 0               | 3,074                                      | 5,649                              | 0                         | 8,723                        |
| Total capitalization                                | 6,967           | 9,083                                      | 6,863                              | (7,218)                   | 15,695                       |
| CURRENT LIABILITIES                                 |                 |  |                                    |                           |                              |
| Commercial paper                                    | 0               | 630  | 78                                 | 0                         | 708                          |
| Notes payable                                       | 0               | 0  | 212                                | 0                         | 212                          |
| Current maturities of long-term debt                | 0               | 0  | 367                                | 0                         | 367                          |
| Accounts payable                                    | 0               | 435  | 107                                | 0                         | 542                          |
| Customers' deposits                                 | 0               | 346  | 11                                 | 0                         | 357                          |
| Accrued interest and taxes                          | (8)             | 160  | 67                                 | 7                         | 226                          |
| Deferred clause revenues                            | 0               | 48   | 0                                  | 0                         | 48                           |
| Other   | 70              | 516  | 364                                | (57)                      | 893                          |
| Total current liabilities                           | 62              | 2,135                                      | 1,206                              | (50)                      | 3,353                        |
| OTHER LIABILITIES AND DEFERRED CREDITS              |                 |  |                                    |                           |                              |
| Asset retirement obligations                        | 0               | 1,908                                      | 178                                | 0                         | 2,086                        |
| Accrued asset removal costs                         | 0               | 1,902                                      | 0                                  | 0                         | 1,902                        |
| Accumulated deferred income taxes                   | (5)             | 1,415                                      | 826                                | (81)                      | 2,155                        |
| Storm and property insurance reserve                | 0               | 327  | 0                                  | 0                         | 327                          |
| Other   | 347             | 1,047                                      | 268                                | (244)                     | 1,417                        |
| Total other liab. & def. credits                    | 342             | 6,599                                      | 1,272                              | (325)                     | 7,887                        |
| COMMITMENTS AND CONTINGENCIES                       |                 |  |                                    |                           |                              |
| TOTAL CAPITALIZATION AND LIABILITIES                | \$7,371         | \$17,817                                   | \$9,341                            | (\$7,593)                 | \$26,935                     |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2002  
(\$ Millions)

| INCOME STATEMENT   | FPL Group, Inc. | Florida Power & Light Company Consolidated | FPL Group Capital Inc Consolidated | Adjusting & Elim. Entries | FPL Group, Inc. Consolidated |
|--|-----------------|--|------------------------------------|---------------------------|------------------------------|
| OPERATING REVENUES   | \$0             | \$8,293                                    | \$1,337                            | \$0                       | \$9,630                      |
| OPERATING EXPENSES   |                 |  |                                    |                           |                              |
| Fuel, purchased power & interchange  | 0               | 4,047                                      | 492                                | 0                         | 4,539                        |
| Other operations and maintenance   | 0               | 1,250                                      | 376                                | 0                         | 1,626                        |
| Depreciation & amortization  | 0               | 898  | 207                                | 0                         | 1,105                        |
| Taxes other than income taxes  | 0               | 769  | 60                                 | 0                         | 829                          |
| Total operating expenses   | 0               | 6,964                                      | 1,135                              | 0                         | 8,099                        |
| OPERATING INCOME   | 0               | 1,329                                      | 202                                | 0                         | 1,531                        |
| OTHER INCOME (DEDUCTIONS):   |                 |  |                                    |                           |                              |
| Interest charges   | (28)            | (173)                                      | (204)                              | 26                        | (379)                        |
| Preferred stock dividends - FPL  | 0               | (13)                                       | 0                                  | 0                         | (13)                         |
| Loss on redemption of preferred stock - FPL  | 0               | (9)  | 0                                  | 0                         | (9)                          |
| Equity in earnings of equity method investees  | 902             | 0  | 89                                 | (902)                     | 89                           |
| Other - net  | 1               | 2  | 65                                 | (26)                      | 42                           |
| Total other deductions - net   | 875             | (193)                                      | (50)                               | (902)                     | (270)                        |
| INCOME FROM OPERATIONS BEFORE INCOME TAXES   | 875             | 1,136                                      | 152                                | (902)                     | 1,261                        |
| INCOME TAXES   | (15)            | 403  | (20)                               | 0                         | 368                          |
| INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE IN ACCOUNTING PRINCIPLE                            | 890             | 733  | 172                                | (902)                     | 893                          |
| CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES  |                 |  |                                    |                           |                              |
| FASB Interpretation No.46, "Consol. of Variable Interest Entities," net of income taxes of \$2 | 0               | 0  | (3)                                | 0                         | (3)                          |
| NET INCOME (LOSS)  | 890             | 733  | 169                                | (902)                     | 890                          |
| RET. EARNINGS (DEF.) AT BEG. OF YEAR   | 3,281           | 295  | (671)                              | 376                       | 3,281                        |
| DEDUCT:  |                 |  |                                    |                           |                              |
| Dividends  | 425             | 715  | 0                                  | (715)                     | 425                          |
| Other  | 1               | 0  | 0                                  | 0                         | 1                            |
| RET. EARNINGS (DEF.) AT END OF YEAR  | \$3,745         | \$313                                      | (\$502)                            | \$189                     | \$3,745                      |

|   | Florida<br>Power<br>& Light<br>Company | KPB<br>Financial<br>Corp. | FPL<br>Enersys,<br>Inc. | FPL<br>Fuels,<br>Inc. | Adjusting<br>& Elim.<br>Entries | Florida<br>Power<br>& Light<br>Company<br>Consolidated |
|---|--|---------------------------|-------------------------|-----------------------|---------------------------------|--|
| <b>ASSETS</b>                                       |  |                           |                         |                       |                                 |  |
| <b>PROPERTY, PLANT AND EQUIPMENT</b>                |  |                           |                         |                       |                                 |  |
| Elec. utility plant in ser. & other property        | \$21,368                               | \$0                       | \$0                     | \$0                   | \$0                             | \$21,368   |
| Nuclear fuel  | 0                                      | 0                         | 0                       | 380                   | 0                               | 380  |
| Construction work in progress                       | 741                                    | 0                         | 0                       | 0                     | 0                               | 741  |
| Less accumulated depr. & amort.                     | (8,984)                                | (17)                      | 0                       | (236)                 | 0                               | (9,237)  |
| Total prop., plant and eqpt. - net                  | 13,125                                 | (17)                      | 0                       | 144                   | 0                               | 13,252   |
| <b>CURRENT ASSETS</b>                               |  |                           |                         |                       |                                 |  |
| Cash and cash equivalents                           | 0                                      | 0                         | 0                       | 3                     | 1                               | 4  |
| Customer receivables - net                          | 222                                    | 413                       | 0                       | 0                     | 1                               | 636  |
| Other receivables                                   | 593                                    | 58                        | 0                       | 17                    | (517)                           | 151  |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 355                                    | 0                         | 0                       | 0                     | 0                               | 355  |
| Deferred clause expenses                            | 348                                    | 0                         | 0                       | 0                     | 0                               | 348  |
| Other   | 181                                    | 0                         | 0                       | 0                     | (2)                             | 179  |
| Total current assets                                | 1,699                                  | 471                       | 0                       | 20                    | (517)                           | 1,673  |
| <b>OTHER ASSETS:</b>                                |  |                           |                         |                       |                                 |  |
| Special use funds                                   | 1,382                                  | 592                       | 0                       | 0                     | 0                               | 1,974  |
| Other investments                                   | 578                                    | 6                         | 0                       | 0                     | (575)                           | 9  |
| Other   | 1,731                                  | 0                         | 0                       | 1                     | (823)                           | 909  |
| Total other assets                                  | 3,691                                  | 598                       | 0                       | 1                     | (1,398)                         | 2,892  |
| <b>TOTAL ASSETS</b>                                 | <b>\$18,515</b>                        | <b>\$1,052</b>            | <b>\$0</b>              | <b>\$165</b>          | <b>(\$1,915)</b>                | <b>\$17,817</b>  |
| <b>CAPITALIZATION</b>                               |  |                           |                         |                       |                                 |  |
| Common shareholders' equity                         | \$6,004                                | \$575                     | \$0                     | \$0                   | (\$575)                         | \$6,004  |
| Pref. stk. of FPL w/o sinking fund require.         | 5                                      | 0                         | 0                       | 0                     | 0                               | 5  |
| Long-term debt                                      | 2,939                                  | 0                         | 0                       | 135                   | 0                               | 3,074  |
| Total capitalization                                | 8,948                                  | 575                       | 0                       | 135                   | (575)                           | 9,083  |
| <b>CURRENT LIABILITIES</b>                          |  |                           |                         |                       |                                 |  |
| Commercial paper                                    | 612                                    | 0                         | 0                       | 19                    | (1)                             | 630  |
| Notes payable                                       | 0                                      | 0                         | 0                       | 0                     | 0                               | 0  |
| Current maturities of long-term debt                | 0                                      | 0                         | 0                       | 0                     | 0                               | 0  |
| Accounts payable                                    | 424                                    | 0                         | 0                       | 11                    | 0                               | 435  |
| Customers' deposits                                 | 346                                    | 0                         | 0                       | 0                     | 0                               | 346  |
| Accrued interest and taxes                          | 182                                    | 0                         | 0                       | 0                     | (22)                            | 160  |
| Deferred clause revenues                            | 48                                     | 0                         | 0                       | 0                     | 0                               | 48   |
| Other   | 439                                    | 478                       | 0                       | 0                     | (401)                           | 516  |
| Total current liabilities                           | 2,051                                  | 478                       | 0                       | 30                    | (424)                           | 2,135  |
| <b>OTHER LIABILITIES AND DEFERRED CREDITS</b>       |  |                           |                         |                       |                                 |  |
| Asset retirement obligations                        | 1,908                                  | 0                         | 0                       | 0                     | 0                               | 1,908  |
| Accrued asset removal costs                         | 1,902                                  | 0                         | 0                       | 0                     | 0                               | 1,902  |
| Accumulated deferred income taxes                   | 2,283                                  | 0                         | 0                       | 0                     | (868)                           | 1,415  |
| Storm and property insurance reserve                | 328                                    | (1)                       | 0                       | 0                     | 0                               | 327  |
| Other   | 1,095                                  | 0                         | 0                       | 0                     | (48)                            | 1,047  |
| Total other liab. & def. credits                    | 7,516                                  | (1)                       | 0                       | 0                     | (916)                           | 6,599  |
| <b>COMMITMENTS AND CONTINGENCIES</b>                |  |                           |                         |                       |                                 |  |
| <b>TOTAL CAPITALIZATION AND LIABILITIES</b>         | <b>\$18,515</b>                        | <b>\$1,052</b>            | <b>\$0</b>              | <b>\$165</b>          | <b>(\$1,915)</b>                | <b>\$17,817</b>  |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2002  
(\$ Millions)

|   | Florida<br>Power<br>& Light<br>Company | KPB<br>Financial<br>Corp. | FPL<br>Enersys,<br>Inc. | FPL<br>Fuels,<br>Inc. | Adjusting<br>& Elim.<br>Entries | Florida<br>Power<br>& Light<br>Company<br>Consolidated |
|---|--|---------------------------|-------------------------|-----------------------|---------------------------------|--|
| <b>INCOME STATEMENT</b>   |  |                           |                         |                       |                                 |  |
| <b>OPERATING REVENUES</b>   | <b>\$8,293</b>                         | <b>\$0</b>                | <b>\$0</b>              | <b>\$34</b>           | <b>(\$34)</b>                   | <b>\$8,293</b>   |
| <b>OPERATING EXPENSES</b>   |  |                           |                         |                       |                                 |  |
| Fuel, purchased power & interchange   | 4,048                                  | 0                         | 0                       | 33                    | (34)                            | 4,047  |
| Other operations and maintenance  | 1,250                                  | 0                         | 0                       | 0                     | 0                               | 1,250  |
| Depreciation & amortization   | 898                                    | 0                         | 0                       | 0                     | 0                               | 898  |
| Taxes other than income taxes   | 770                                    | 0                         | 0                       | (1)                   | 0                               | 769  |
| Total operating expenses  | 6,966                                  | 0                         | 0                       | 32                    | (34)                            | 6,964  |
| <b>OPERATING INCOME</b>   | <b>1,327</b>                           | <b>0</b>                  | <b>0</b>                | <b>2</b>              | <b>0</b>                        | <b>1,329</b>   |
| <b>OTHER INCOME (DEDUCTIONS):</b>   |  |                           |                         |                       |                                 |  |
| Interest charges  | (171)                                  | 0                         | 0                       | (2)                   | 0                               | (173)  |
| Preferred stock dividends - FPL   | (13)                                   | 0                         | 0                       | 0                     | 0                               | (13)   |
| Loss on redemption of preferred stock - FPL   | (9)                                    | 0                         | 0                       | 0                     | 0                               | (9)  |
| Equity in earnings of equity method investees   | 22                                     | 0                         | 0                       | 0                     | (22)                            | 0  |
| Other - net   | (21)                                   | 24                        | 0                       | 0                     | (1)                             | 2  |
| Total other deductions - net  | (192)                                  | 24                        | 0                       | (2)                   | (23)                            | (193)  |
| <b>INCOME FROM OPERATIONS BEFORE INCOME TAXES</b>   | <b>1,135</b>                           | <b>24</b>                 | <b>0</b>                | <b>0</b>              | <b>(23)</b>                     | <b>1,136</b>   |
| <b>INCOME TAXES</b>   | <b>402</b>                             | <b>2</b>                  | <b>0</b>                | <b>0</b>              | <b>(1)</b>                      | <b>403</b>   |
| <b>INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE<br/>IN ACCOUNTING PRINCIPLE</b>                    | <b>733</b>                             | <b>22</b>                 | <b>0</b>                | <b>0</b>              | <b>(22)</b>                     | <b>733</b>   |
| <b>CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES</b>  |  |                           |                         |                       |                                 |  |
| FASB Interpretation No.46, "Consol. of Variable<br>Interest Entities," net of income taxes of \$2 | 0                                      | 0                         | 0                       | 0                     | 0                               | 0  |
| <b>NET INCOME (LOSS)</b>  | <b>733</b>                             | <b>22</b>                 | <b>0</b>                | <b>0</b>              | <b>(22)</b>                     | <b>733</b>   |
| <b>RET. EARNINGS (DEF.) AT BEG. OF YEAR</b>   | <b>295</b>                             | <b>60</b>                 | <b>0</b>                | <b>0</b>              | <b>(60)</b>                     | <b>295</b>   |
| <b>DEDUCT:</b>  |  |                           |                         |                       |                                 |  |
| Dividends   | 715                                    | 0                         | 0                       | 0                     | 0                               | 715  |
| Other   | 0                                      | 0                         | 0                       | 0                     | 0                               | 0  |
| <b>RET. EARNINGS (DEF.) AT END OF YEAR</b>  | <b>\$313</b>                           | <b>\$82</b>               | <b>\$0</b>              | <b>\$0</b>            | <b>(\$82)</b>                   | <b>\$313</b>   |

|   | FPL<br>Group<br>Capital<br>Inc | Alandco<br>Inc.<br>Consolidated | FPL<br>Energy,<br>LLC<br>Consolidated | FPL<br>Energy<br>Services,<br>Inc. | FPL<br>FiberNet,<br>LLC | FPL<br>Group<br>Resources,<br>LLC | North<br>American<br>Power<br>Systems | Palms<br>Insurance<br>Company,<br>Ltd. |
|---|--------------------------------|---------------------------------|---------------------------------------|------------------------------------|-------------------------|-----------------------------------|---------------------------------------|--|
| <b>ASSETS</b>                                       |                                |                                 |                                       |                                    |                         |                                   |                                       |  |
| <b>PROPERTY, PLANT AND EQUIPMENT</b>                |                                |                                 |                                       |                                    |                         |                                   |                                       |  |
| Elec. utility plant in ser. & other property        | \$0                            | \$0                             | \$6,793                               | \$1                                | \$283                   | \$0                               | \$0                                   | \$0                                    |
| Nuclear fuel  | 0                              | 0                               | 83                                    | 0                                  | 0                       | 0                                 | 0                                     | 0                                      |
| Construction work in progress                       | 0                              | 0                               | 619                                   | 0                                  | 5                       | 0                                 | 0                                     | 0                                      |
| Less accumulated depr. & amort.                     | 0                              | 0                               | (672)                                 | 0                                  | (67)                    | 0                                 | 0                                     | 0                                      |
| Total prop., plant and eqpt. - net                  | 0                              | 0                               | 6,823                                 | 1                                  | 221                     | 0                                 | 0                                     | 0                                      |
| <b>CURRENT ASSETS</b>                               |                                |                                 |                                       |                                    |                         |                                   |                                       |  |
| Cash and cash equivalents                           | 109                            | 0                               | 74                                    | 0                                  | (1)                     | 0                                 | 0                                     | 9                                      |
| Customer receivables - net                          | 0                              | 0                               | 170                                   | 7                                  | 3                       | 0                                 | 0                                     | 0                                      |
| Other receivables                                   | 28                             | 0                               | 212                                   | 6                                  | 13                      | 1                                 | 0                                     | 2                                      |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 0                              | 0                               | 87                                    | 0                                  | 17                      | 0                                 | 0                                     | 0                                      |
| Deferred clause expenses                            | 0                              | 0                               | 0                                     | 0                                  | 0                       | 0                                 | 0                                     | 0                                      |
| Other   | 5                              | 0                               | 163                                   | 0                                  | 1                       | 0                                 | 0                                     | 1                                      |
| Total current assets                                | 142                            | 0                               | 706                                   | 13                                 | 33                      | 1                                 | 0                                     | 12                                     |
| <b>OTHER ASSETS:</b>                                |                                |                                 |                                       |                                    |                         |                                   |                                       |  |
| Special use funds                                   | 0                              | 0                               | 274                                   | 0                                  | 0                       | 0                                 | 0                                     | 0                                      |
| Other investments                                   | 7,516                          | 0                               | 456                                   | 0                                  | 0                       | 0                                 | 0                                     | 57                                     |
| Other   | 12                             | 1                               | 181                                   | 0                                  | 37                      | 0                                 | 0                                     | 1                                      |
| Total other assets                                  | 7,528                          | 1                               | 911                                   | 0                                  | 37                      | 0                                 | 0                                     | 58                                     |
| <b>TOTAL ASSETS</b>                                 | <b>\$7,670</b>                 | <b>\$1</b>                      | <b>\$8,440</b>                        | <b>\$14</b>                        | <b>\$291</b>            | <b>\$1</b>                        | <b>\$0</b>                            | <b>\$70</b>                            |
| <b>CAPITALIZATION</b>                               |                                |                                 |                                       |                                    |                         |                                   |                                       |  |
| Common shareholders' equity                         | \$1,214                        | \$1                             | \$5,188                               | \$8                                | \$240                   | \$1                               | \$0                                   | \$22                                   |
| Pref. stk. of FPL w/o sinking fund require.         | 0                              | 0                               | 0                                     | 0                                  | 0                       | 0                                 | 0                                     | 0                                      |
| Long-term debt                                      | 3,977                          | 0                               | 1,673                                 | 0                                  | 0                       | 0                                 | 0                                     | 0                                      |
| Total capitalization                                | 5,191                          | 1                               | 6,861                                 | 8                                  | 240                     | 1                                 | 0                                     | 22                                     |
| <b>CURRENT LIABILITIES</b>                          |                                |                                 |                                       |                                    |                         |                                   |                                       |  |
| Commercial paper                                    | 171                            | 0                               | 0                                     | 0                                  | 0                       | 0                                 | 0                                     | 0                                      |
| Notes payable                                       | 200                            | 0                               | 12                                    | 0                                  | 0                       | 0                                 | 0                                     | 0                                      |
| Current maturities of long-term debt                | 275                            | 0                               | 91                                    | 0                                  | 0                       | 0                                 | 0                                     | 0                                      |
| Accounts payable                                    | 4                              | 0                               | 105                                   | 0                                  | 2                       | 0                                 | 0                                     | 0                                      |
| Customers' deposits                                 | 0                              | 0                               | 11                                    | 0                                  | 0                       | 0                                 | 0                                     | 0                                      |
| Accrued interest and taxes                          | 35                             | 0                               | 31                                    | 0                                  | 0                       | 0                                 | 0                                     | 0                                      |
| Deferred clause revenues                            | 0                              | 0                               | 0                                     | 0                                  | 0                       | 0                                 | 0                                     | 0                                      |
| Other   | 4                              | 0                               | 348                                   | 5                                  | 8                       | 0                                 | 0                                     | 7                                      |
| Total current liabilities                           | 689                            | 0                               | 598                                   | 5                                  | 10                      | 0                                 | 0                                     | 7                                      |
| <b>OTHER LIABILITIES AND DEFERRED CREDITS</b>       |                                |                                 |                                       |                                    |                         |                                   |                                       |  |
| Asset retirement obligations                        | 0                              | 0                               | 178                                   | 0                                  | 0                       | 0                                 | 0                                     | 0                                      |
| Accumulated deferred income taxes                   | 48                             | 0                               | 651                                   | 0                                  | 35                      | 0                                 | 0                                     | 0                                      |
| Storm and property insurance reserve                | 0                              | 0                               | 0                                     | 0                                  | 0                       | 0                                 | 0                                     | 0                                      |
| Other   | 1,742                          | 0                               | 152                                   | 1                                  | 6                       | 0                                 | 0                                     | 41                                     |
| Total other liab. & def. credits                    | 1,790                          | 0                               | 981                                   | 1                                  | 41                      | 0                                 | 0                                     | 41                                     |
| <b>COMMITMENTS AND CONTINGENCIES</b>                |                                |                                 |                                       |                                    |                         |                                   |                                       |  |
| <b>TOTAL CAPITALIZATION AND LIABILITIES</b>         | <b>\$7,670</b>                 | <b>\$1</b>                      | <b>\$8,440</b>                        | <b>\$14</b>                        | <b>\$291</b>            | <b>\$1</b>                        | <b>\$0</b>                            | <b>\$70</b>                            |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2002  
(\$ Millions)

|   | FPL<br>Group<br>Capital<br>Inc | Alandco<br>Inc.<br>Consolidated | FPL<br>Energy,<br>LLC<br>Consolidated | FPL<br>Energy<br>Services,<br>Inc. | FPL<br>FiberNet,<br>LLC | FPL<br>Group<br>Resources,<br>LLC | North<br>American<br>Power<br>Systems | Palms<br>Insurance<br>Company,<br>Ltd. |
|---|--------------------------------|---------------------------------|---------------------------------------|------------------------------------|-------------------------|-----------------------------------|---------------------------------------|--|
| <b>INCOME STATEMENT</b>   |                                |                                 |                                       |                                    |                         |                                   |                                       |  |
| <b>OPERATING REVENUES</b>   | <b>\$0</b>                     | <b>\$0</b>                      | <b>\$1,252</b>                        | <b>\$18</b>                        | <b>\$52</b>             | <b>\$0</b>                        | <b>\$0</b>                            | <b>\$18</b>                            |
| <b>OPERATING EXPENSES</b>   |                                |                                 |                                       |                                    |                         |                                   |                                       |  |
| Fuel, purchased power & interchange   | 0                              | 0                               | 480                                   | 13                                 | 0                       | 0                                 | 0                                     | 0                                      |
| Other operations and maintenance  | 2                              | 0                               | 337                                   | 3                                  | 24                      | 2                                 | 0                                     | 10                                     |
| Depreciation & amortization   | 0                              | 0                               | 187                                   | 0                                  | 20                      | 0                                 | 0                                     | 0                                      |
| Taxes other than income taxes   | 0                              | 0                               | 55                                    | 0                                  | 5                       | 0                                 | 0                                     | 0                                      |
| Total operating expenses  | 2                              | 0                               | 1,059                                 | 16                                 | 49                      | 2                                 | 0                                     | 10                                     |
| <b>OPERATING INCOME</b>   | <b>(2)</b>                     | <b>0</b>                        | <b>193</b>                            | <b>2</b>                           | <b>3</b>                | <b>(2)</b>                        | <b>0</b>                              | <b>8</b>                               |
| <b>OTHER INCOME (DEDUCTIONS):</b>   |                                |                                 |                                       |                                    |                         |                                   |                                       |  |
| Interest charges  | (101)                          | 0                               | (124)                                 | 0                                  | (6)                     | 0                                 | 0                                     | 0                                      |
| Preferred stock dividends - FPL   | 0                              | 0                               | 0                                     | 0                                  | 0                       | 0                                 | 0                                     | 0                                      |
| Loss on redemption of preferred stock - FPL   | 0                              | 0                               | 0                                     | 0                                  | 0                       | 0                                 | 0                                     | 0                                      |
| Equity in earnings of equity method investees   | 240                            | 0                               | 89                                    | 0                                  | 0                       | 0                                 | 0                                     | 0                                      |
| Other - net   | (8)                            | 0                               | 35                                    | 0                                  | 0                       | 0                                 | 0                                     | 3                                      |
| Total other deductions - net  | 131                            | 0                               | 0                                     | 0                                  | (6)                     | 0                                 | 0                                     | 3                                      |
| <b>INCOME FROM OPERATIONS BEFORE INCOME TAXES</b>   | <b>129</b>                     | <b>0</b>                        | <b>193</b>                            | <b>2</b>                           | <b>(3)</b>              | <b>(2)</b>                        | <b>0</b>                              | <b>11</b>                              |
| <b>INCOME TAXES</b>   | <b>(40)</b>                    | <b>0</b>                        | <b>(4)</b>                            | <b>1</b>                           | <b>(1)</b>              | <b>(1)</b>                        | <b>0</b>                              | <b>4</b>                               |
| <b>INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE<br/>IN ACCOUNTING PRINCIPLE</b>                    | <b>169</b>                     | <b>0</b>                        | <b>197</b>                            | <b>1</b>                           | <b>(2)</b>              | <b>(1)</b>                        | <b>0</b>                              | <b>7</b>                               |
| <b>CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES</b>  |                                |                                 |                                       |                                    |                         |                                   |                                       |  |
| FASB Interpretation No.46, "Consol. of Variable<br>Interest Entities," net of income taxes of \$2 | 0                              | 0                               | (3)                                   | 0                                  | 0                       | 0                                 | 0                                     | 0                                      |
| <b>NET INCOME (LOSS)</b>  | <b>169</b>                     | <b>0</b>                        | <b>194</b>                            | <b>1</b>                           | <b>(2)</b>              | <b>(1)</b>                        | <b>0</b>                              | <b>7</b>                               |
| <b>RET. EARNINGS (DEF.) AT BEG. OF YEAR</b>   | <b>(671)</b>                   | <b>(6)</b>                      | <b>26</b>                             | <b>(42)</b>                        | <b>(32)</b>             | <b>0</b>                          | <b>0</b>                              | <b>11</b>                              |
| <b>DEDUCT:</b>  |                                |                                 |                                       |                                    |                         |                                   |                                       |  |
| Dividends   | 0                              | 0                               | 0                                     | 0                                  | 0                       | 0                                 | 0                                     | 0                                      |
| Other   | 0                              | 0                               | 0                                     | 0                                  | 0                       | 0                                 | 0                                     | 0                                      |
| <b>RET. EARNINGS (DEF.) AT END OF YEAR</b>  | <b>(\$502)</b>                 | <b>(\$6)</b>                    | <b>\$220</b>                          | <b>(\$41)</b>                      | <b>(\$34)</b>           | <b>(\$1)</b>                      | <b>\$0</b>                            | <b>\$18</b>                            |

| ASSETS  | CAS<br>Investments,<br>Inc. | HJT & LCR<br>Holdings<br>Consolidated | FPL<br>Holdings<br>Inc. | FPL<br>Investments,<br>Inc. | Pipeline<br>Funding,<br>LLC | West<br>Boca<br>Security,<br>Inc. | Turner<br>Foods<br>Corporation | Adjusting<br>& Elim.<br>Entries |
|---|-----------------------------|---------------------------------------|-------------------------|-----------------------------|-----------------------------|-----------------------------------|--------------------------------|---------------------------------|
| <b>PROPERTY, PLANT AND EQUIPMENT</b>                |                             |                                       |                         |                             |                             |                                   |                                |                                 |
| Elec. utility plant in ser. & other property        | \$0                         | \$0                                   | \$0                     | \$0                         | \$0                         | \$0                               | \$0                            | (\$1)                           |
| Nuclear fuel  | 0                           | 0                                     | 0                       | 0                           | 0                           | 0                                 | 0                              | 0                               |
| Construction work in progress                       | 0                           | 0                                     | 0                       | 0                           | 0                           | 0                                 | 0                              | 0                               |
| Less accumulated depr. & amort.                     | 0                           | 0                                     | 0                       | 0                           | 0                           | 0                                 | 0                              | 1                               |
| Total prop., plant and eqpt. - net                  | 0                           | 0                                     | 0                       | 0                           | 0                           | 0                                 | 0                              | 0                               |
| <b>CURRENT ASSETS</b>                               |                             |                                       |                         |                             |                             |                                   |                                |                                 |
| Cash and cash equivalents                           | 0                           | 0                                     | 0                       | 0                           | 0                           | 0                                 | 0                              | (93)                            |
| Customer receivables - net                          | 0                           | 0                                     | 0                       | 0                           | 0                           | 0                                 | 0                              | 0                               |
| Other receivables                                   | 1                           | 7                                     | 0                       | 10                          | (2)                         | 8                                 | 0                              | (30)                            |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 0                           | 0                                     | 0                       | 0                           | 0                           | 0                                 | 0                              | 0                               |
| Deferred clause expenses                            | 0                           | 0                                     | 0                       | 0                           | 0                           | 0                                 | 0                              | 0                               |
| Other   | 0                           | 0                                     | 0                       | 0                           | 0                           | 0                                 | 0                              | (3)                             |
| Total current assets                                | 1                           | 7                                     | 0                       | 10                          | (2)                         | 8                                 | 0                              | (126)                           |
| <b>OTHER ASSETS:</b>                                |                             |                                       |                         |                             |                             |                                   |                                |                                 |
| Special use funds                                   | 0                           | 0                                     | 0                       | 0                           | 0                           | 0                                 | 0                              | 0                               |
| Other investments                                   | 1,247                       | 490                                   | 0                       | 94                          | 47                          | 325                               | 0                              | (9,207)                         |
| Other   | 0                           | 0                                     | 0                       | 0                           | 2                           | 0                                 | 0                              | (42)                            |
| Total other assets                                  | 1,247                       | 490                                   | 0                       | 94                          | 49                          | 325                               | 0                              | (9,249)                         |
| <b>TOTAL ASSETS</b>                                 | <b>\$1,248</b>              | <b>\$497</b>                          | <b>\$0</b>              | <b>\$104</b>                | <b>\$47</b>                 | <b>\$333</b>                      | <b>\$0</b>                     | <b>(\$9,375)</b>                |
| <b>CAPITALIZATION</b>                               |                             |                                       |                         |                             |                             |                                   |                                |                                 |
| Common shareholders' equity                         | \$1,242                     | \$497                                 | \$0                     | (\$1)                       | \$41                        | \$288                             | \$0                            | (\$7,527)                       |
| Pref. stk. of FPL w/o sinking fund require.         | 0                           | 0                                     | 0                       | 0                           | 0                           | 0                                 | 0                              | 0                               |
| Long-term debt                                      | 0                           | 0                                     | 0                       | 0                           | 0                           | 0                                 | 0                              | (1)                             |
| Total capitalization                                | 1,242                       | 497                                   | 0                       | (1)                         | 41                          | 288                               | 0                              | (7,528)                         |
| <b>CURRENT LIABILITIES</b>                          |                             |                                       |                         |                             |                             |                                   |                                |                                 |
| Commercial paper                                    | 0                           | 0                                     | 0                       | 0                           | 0                           | 0                                 | 0                              | (93)                            |
| Notes payable                                       | 0                           | 0                                     | 0                       | 0                           | 0                           | 0                                 | 0                              | 0                               |
| Current maturities of long-term debt                | 0                           | 0                                     | 0                       | 0                           | 0                           | 0                                 | 0                              | 1                               |
| Accounts payable                                    | 0                           | 0                                     | 0                       | 0                           | 0                           | 0                                 | 0                              | (4)                             |
| Customers' deposits                                 | 0                           | 0                                     | 0                       | 0                           | 0                           | 0                                 | 0                              | 0                               |
| Accrued interest and taxes                          | 0                           | 0                                     | 0                       | 13                          | 0                           | 0                                 | 0                              | (12)                            |
| Deferred clause revenues                            | 0                           | 0                                     | 0                       | 0                           | 0                           | 0                                 | 0                              | 0                               |
| Other   | 7                           | 0                                     | 0                       | 0                           | 2                           | 4                                 | 0                              | (21)                            |
| Total current liabilities                           | 7                           | 0                                     | 0                       | 13                          | 2                           | 4                                 | 0                              | (129)                           |
| <b>OTHER LIABILITIES AND DEFERRED CREDITS</b>       |                             |                                       |                         |                             |                             |                                   |                                |                                 |
| Asset retirement obligations                        | 0                           | 0                                     | 0                       | 0                           | 0                           | 0                                 | 0                              | 0                               |
| Accumulated deferred income taxes                   | 0                           | 0                                     | 0                       | 92                          | 0                           | 42                                | 0                              | (42)                            |
| Storm and property insurance reserve                | 0                           | 0                                     | 0                       | 0                           | 0                           | 0                                 | 0                              | 0                               |
| Other   | (1)                         | 0                                     | 0                       | 0                           | 4                           | (1)                               | 0                              | (1,676)                         |
| Total other liab. & def. credits                    | (1)                         | 0                                     | 0                       | 92                          | 4                           | 41                                | 0                              | (1,718)                         |
| <b>COMMITMENTS AND CONTINGENCIES</b>                |                             |                                       |                         |                             |                             |                                   |                                |                                 |
| <b>TOTAL CAPITALIZATION AND LIABILITIES</b>         | <b>\$1,248</b>              | <b>\$497</b>                          | <b>\$0</b>              | <b>\$104</b>                | <b>\$47</b>                 | <b>\$333</b>                      | <b>\$0</b>                     | <b>(\$9,375)</b>                |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2002  
(\$ Millions)

| INCOME STATEMENT  | CAS<br>Investments,<br>Inc. | HJT & LCR<br>Holdings<br>Consolidated | FPL<br>Holdings<br>Inc. | FPL<br>Investments,<br>Inc. | Pipeline<br>Funding,<br>LLC | West<br>Boca<br>Security,<br>Inc. | Turner<br>Foods<br>Corporation | Adjusting<br>& Elim.<br>Entries |
|---|-----------------------------|---------------------------------------|-------------------------|-----------------------------|-----------------------------|-----------------------------------|--------------------------------|---------------------------------|
| <b>OPERATING REVENUES</b>   | \$0                         | \$0                                   | \$0                     | \$0                         | \$0                         | \$0                               | \$0                            | (\$3)                           |
| <b>OPERATING EXPENSES</b>   |                             |                                       |                         |                             |                             |                                   |                                |                                 |
| Fuel, purchased power & interchange   | 0                           | 0                                     | 0                       | 0                           | 0                           | 0                                 | 0                              | (1)                             |
| Other operations and maintenance  | 0                           | 0                                     | 0                       | 0                           | 0                           | 0                                 | 0                              | (2)                             |
| Depreciation & amortization   | 0                           | 0                                     | 0                       | 0                           | 0                           | 0                                 | 0                              | 0                               |
| Taxes other than income taxes   | 0                           | 0                                     | 0                       | 0                           | 0                           | 0                                 | 0                              | 0                               |
| Total operating expenses  | 0                           | 0                                     | 0                       | 0                           | 0                           | 0                                 | 0                              | (3)                             |
| <b>OPERATING INCOME</b>   | 0                           | 0                                     | 0                       | 0                           | 0                           | 0                                 | 0                              | 0                               |
| <b>OTHER INCOME (DEDUCTIONS):</b>   |                             |                                       |                         |                             |                             |                                   |                                |                                 |
| Interest charges  | 0                           | 0                                     | 0                       | 0                           | 0                           | 0                                 | 0                              | 27                              |
| Preferred stock dividends - FPL   | 0                           | 0                                     | 0                       | 0                           | 0                           | 0                                 | 0                              | 0                               |
| Loss on redemption of preferred stock - FPL   | 0                           | 0                                     | 0                       | 0                           | 0                           | 0                                 | 0                              | 0                               |
| Equity in earnings of equity method investees   | 0                           | 0                                     | 0                       | 0                           | 0                           | 0                                 | 0                              | (240)                           |
| Other - net   | 22                          | 28                                    | 0                       | 0                           | 1                           | 11                                | 0                              | (27)                            |
| Total other deductions - net  | 22                          | 28                                    | 0                       | 0                           | 1                           | 11                                | 0                              | (240)                           |
| <b>INCOME FROM OPERATIONS BEFORE INCOME TAXES</b>   | <b>22</b>                   | <b>28</b>                             | <b>0</b>                | <b>0</b>                    | <b>1</b>                    | <b>11</b>                         | <b>0</b>                       | <b>(240)</b>                    |
| <b>INCOME TAXES</b>   | <b>8</b>                    | <b>10</b>                             | <b>0</b>                | <b>0</b>                    | <b>0</b>                    | <b>4</b>                          | <b>0</b>                       | <b>(1)</b>                      |
| <b>INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE<br/>IN ACCOUNTING PRINCIPLE</b>                    | <b>14</b>                   | <b>18</b>                             | <b>0</b>                | <b>0</b>                    | <b>1</b>                    | <b>7</b>                          | <b>0</b>                       | <b>(239)</b>                    |
| <b>CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES</b>  |                             |                                       |                         |                             |                             |                                   |                                |                                 |
| FASB Interpretation No.46, "Consol. of Variable<br>Interest Entities," net of income taxes of \$2 | 0                           | 0                                     | 0                       | 0                           | 0                           | 0                                 | 0                              | 0                               |
| <b>NET INCOME (LOSS)</b>  | <b>14</b>                   | <b>18</b>                             | <b>0</b>                | <b>0</b>                    | <b>1</b>                    | <b>7</b>                          | <b>0</b>                       | <b>(239)</b>                    |
| <b>RET. EARNINGS (DEF.) AT BEG. OF YEAR</b>   | <b>138</b>                  | <b>135</b>                            | <b>0</b>                | <b>(20)</b>                 | <b>0</b>                    | <b>174</b>                        | <b>(8)</b>                     | <b>(376)</b>                    |
| <b>DEDUCT:</b>  |                             |                                       |                         |                             |                             |                                   |                                |                                 |
| Dividends   | 0                           | 0                                     | 0                       | 0                           | 0                           | 0                                 | 0                              | 0                               |
| Other   | 0                           | 0                                     | 0                       | 0                           | 0                           | 0                                 | 0                              | 0                               |
| <b>RET. EARNINGS (DEF.) AT END OF YEAR</b>  | <b>\$152</b>                | <b>\$153</b>                          | <b>\$0</b>              | <b>(\$20)</b>               | <b>\$1</b>                  | <b>\$181</b>                      | <b>(\$8)</b>                   | <b>(\$615)</b>                  |

|   | FPL Group<br>Capital Inc<br>Consolidated |
|---|--|
| <b>ASSETS</b>                                       |  |
| <b>PROPERTY, PLANT AND EQUIPMENT</b>                |  |
| Elec. utility plant in ser. & other property        | \$7,076                                  |
| Nuclear fuel  | 83                                       |
| Construction work in progress                       | 624                                      |
| Less accumulated depr. & amort.                     | (738)                                    |
| Total prop., plant and eqpt. - net                  | 7,045                                    |
| <b>CURRENT ASSETS</b>                               |  |
| Cash and cash equivalents                           | 98                                       |
| Customer receivables - net                          | 180                                      |
| Other receivables                                   | 256                                      |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 104                                      |
| Deferred clause expenses                            | 0  |
| Other   | 167                                      |
| Total current assets                                | 805                                      |
| <b>OTHER ASSETS:</b>                                |  |
| Special use funds                                   | 274                                      |
| Other investments                                   | 1,025                                    |
| Other   | 192                                      |
| Total other assets                                  | 1,491                                    |
| <b>TOTAL ASSETS</b>                                 | <b>\$9,341</b>                           |
| <b>CAPITALIZATION</b>                               |  |
| Common shareholders' equity                         | \$1,214                                  |
| Pref. stk. of FPL w/o sinking fund require.         | 0  |
| Long-term debt                                      | 5,649                                    |
| Total capitalization                                | 6,863                                    |
| <b>CURRENT LIABILITIES</b>                          |  |
| Commercial paper                                    | 78                                       |
| Notes payable                                       | 212                                      |
| Current maturities of long-term debt                | 367                                      |
| Accounts payable                                    | 107                                      |
| Customers' deposits                                 | 11                                       |
| Accrued interest and taxes                          | 67                                       |
| Deferred clause revenues                            | 0  |
| Other   | 364                                      |
| Total current liabilities                           | 1,206                                    |
| <b>OTHER LIABILITIES AND DEFERRED CREDITS</b>       |  |
| Asset retirement obligations                        | 178                                      |
| Accumulated deferred income taxes                   | 826                                      |
| Storm and property insurance reserve                | 0  |
| Other   | 268                                      |
| Total other liab. & def. credits                    | 1,272                                    |
| <b>COMMITMENTS AND CONTINGENCIES</b>                |  |
| <b>TOTAL CAPITALIZATION AND LIABILITIES</b>         | <b>\$9,341</b>                           |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2002  
(\$ Millions)

|   | FPL Group<br>Capital Inc<br>Consolidated |
|---|--|
| <b>INCOME STATEMENT</b>   |  |
| <b>OPERATING REVENUES</b>   | <b>\$1,337</b>                           |
| <b>OPERATING EXPENSES</b>   |  |
| Fuel, purchased power & interchange   | 492                                      |
| Other operations and maintenance  | 376                                      |
| Depreciation & amortization   | 207                                      |
| Taxes other than income taxes   | 60                                       |
| Total operating expenses  | 1,135                                    |
| <b>OPERATING INCOME</b>   | <b>202</b>                               |
| <b>OTHER INCOME (DEDUCTIONS):</b>   |  |
| Interest charges  | (204)                                    |
| Preferred stock dividends - FPL   | 0  |
| Loss on redemption of preferred stock - FPL   | 0  |
| Equity in earnings of equity method investees   | 89                                       |
| Other - net   | 65                                       |
| Total other deductions - net  | (50)                                     |
| <b>INCOME FROM OPERATIONS BEFORE INCOME TAXES</b>   | <b>152</b>                               |
| <b>INCOME TAXES</b>   | <b>(20)</b>                              |
| <b>INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE<br/>IN ACCOUNTING PRINCIPLE</b>                    | <b>172</b>                               |
| <b>CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES</b>  |  |
| FASB Interpretation No.46, "Consol. of Variable<br>Interest Entities," net of income taxes of \$2 | (3)                                      |
| <b>NET INCOME (LOSS)</b>  | <b>169</b>                               |
| <b>RET. EARNINGS (DEF.) AT BEG. OF YEAR</b>   | <b>(671)</b>                             |
| <b>DEDUCT:</b>  |  |
| Dividends   | 0  |
| Other   | 0  |
| <b>RET. EARNINGS (DEF.) AT END OF YEAR</b>  | <b>(\$502)</b>                           |

| ASSETS  | Alandco Inc. | Alandco I, Inc. | Alandco/Cascade, Inc. | Adjusting & Elim. Entries | Alandco Inc. Consolidated |
|---|--------------|-----------------|-----------------------|---------------------------|---------------------------|
| PROPERTY, PLANT AND EQUIPMENT                       |              |                 |                       |                           |                           |
| Elec. utility plant in ser. & other property        | (\$2)        | \$0             | \$2                   | \$0                       | \$0                       |
| Nuclear fuel  | 0            | 0               | 0                     | 0                         | 0                         |
| Construction work in progress                       | 0            | 0               | 0                     | 0                         | 0                         |
| Less accumulated depr. & amort.                     | 0            | 0               | 0                     | 0                         | 0                         |
| Total prop., plant and eqpt. - net                  | (2)          | 0               | 2                     | 0                         | 0                         |
| CURRENT ASSETS                                      |              |                 |                       |                           |                           |
| Cash and cash equivalents                           | 0            | 0               | 0                     | 0                         | 0                         |
| Customer receivables - net                          | 0            | 0               | 0                     | 0                         | 0                         |
| Other receivables                                   | 0            | 0               | 0                     | 0                         | 0                         |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 0            | 0               | 0                     | 0                         | 0                         |
| Deferred clause expenses                            | 0            | 0               | 0                     | 0                         | 0                         |
| Other   | 0            | 0               | 0                     | 0                         | 0                         |
| Total current assets                                | 0            | 0               | 0                     | 0                         | 0                         |
| OTHER ASSETS:                                       |              |                 |                       |                           |                           |
| Special use funds                                   | 0            | 0               | 0                     | 0                         | 0                         |
| Other investments                                   | 3            | 0               | 0                     | (3)                       | 0                         |
| Other   | 0            | 1               | 1                     | (1)                       | 1                         |
| Total other assets                                  | 3            | 1               | 1                     | (4)                       | 1                         |
| TOTAL ASSETS  | \$1          | \$1             | \$3                   | (\$4)                     | \$1                       |
| CAPITALIZATION                                      |              |                 |                       |                           |                           |
| Common shareholders' equity                         | \$1          | \$1             | \$3                   | (\$4)                     | \$1                       |
| Pref. stk. of FPL w/o sinking fund require.         | 0            | 0               | 0                     | 0                         | 0                         |
| Long-term debt                                      | 0            | 0               | 0                     | 0                         | 0                         |
| Total capitalization                                | 1            | 1               | 3                     | (4)                       | 1                         |
| CURRENT LIABILITIES                                 |              |                 |                       |                           |                           |
| Commercial paper                                    | 0            | 0               | 0                     | 0                         | 0                         |
| Notes payable                                       | 0            | 0               | 0                     | 0                         | 0                         |
| Current maturities of long-term debt                | 0            | 0               | 0                     | 0                         | 0                         |
| Accounts payable                                    | 0            | 0               | 0                     | 0                         | 0                         |
| Customers' deposits                                 | 0            | 0               | 0                     | 0                         | 0                         |
| Accrued interest and taxes                          | 0            | 0               | 0                     | 0                         | 0                         |
| Deferred clause revenues                            | 0            | 0               | 0                     | 0                         | 0                         |
| Other   | 0            | 0               | 0                     | 0                         | 0                         |
| Total current liabilities                           | 0            | 0               | 0                     | 0                         | 0                         |
| OTHER LIABILITIES AND DEFERRED CREDITS              |              |                 |                       |                           |                           |
| Asset retirement obligations                        | 0            | 0               | 0                     | 0                         | 0                         |
| Accumulated deferred income taxes                   | 0            | 0               | 0                     | 0                         | 0                         |
| Storm and property insurance reserve                | 0            | 0               | 0                     | 0                         | 0                         |
| Other   | 0            | 0               | 0                     | 0                         | 0                         |
| Total other liab. & def. credits                    | 0            | 0               | 0                     | 0                         | 0                         |
| COMMITMENTS AND CONTINGENCIES                       |              |                 |                       |                           |                           |
| TOTAL CAPITALIZATION AND LIABILITIES                | \$1          | \$1             | \$3                   | (\$4)                     | \$1                       |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2002  
(\$ Millions)

| INCOME STATEMENT   | Alandco Inc. | Alandco I, Inc. | Alandco/Cascade, Inc. | Adjusting & Elim. Entries | Alandco Inc. Consolidated |
|--|--------------|-----------------|-----------------------|---------------------------|---------------------------|
| OPERATING REVENUES   | \$0          | \$0             | \$0                   | \$0                       | \$0                       |
| OPERATING EXPENSES   |              |                 |                       |                           |                           |
| Fuel, purchased power & interchange  | 0            | 0               | 0                     | 0                         | 0                         |
| Other operations and maintenance   | 0            | 0               | 0                     | 0                         | 0                         |
| Depreciation & amortization  | 0            | 0               | 0                     | 0                         | 0                         |
| Taxes other than income taxes  | 0            | 0               | 0                     | 0                         | 0                         |
| Total operating expenses   | 0            | 0               | 0                     | 0                         | 0                         |
| OPERATING INCOME   | 0            | 0               | 0                     | 0                         | 0                         |
| OTHER INCOME (DEDUCTIONS):   |              |                 |                       |                           |                           |
| Interest charges   | 0            | 0               | 0                     | 0                         | 0                         |
| Preferred stock dividends - FPL  | 0            | 0               | 0                     | 0                         | 0                         |
| Loss on redemption of preferred stock - FPL  | 0            | 0               | 0                     | 0                         | 0                         |
| Equity in earnings of equity method investees  | 0            | 0               | 0                     | 0                         | 0                         |
| Other - net  | 0            | 0               | 0                     | 0                         | 0                         |
| Total other deductions - net   | 0            | 0               | 0                     | 0                         | 0                         |
| INCOME FROM OPERATIONS BEFORE INCOME TAXES   | 0            | 0               | 0                     | 0                         | 0                         |
| INCOME TAXES   | 0            | 0               | 0                     | 0                         | 0                         |
| INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE IN ACCOUNTING PRINCIPLE                            | 0            | 0               | 0                     | 0                         | 0                         |
| CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES  |              |                 |                       |                           |                           |
| FASB Interpretation No.46, "Consol. of Variable Interest Entities," net of income taxes of \$2 | 0            | 0               | 0                     | 0                         | 0                         |
| NET INCOME (LOSS)  | 0            | 0               | 0                     | 0                         | 0                         |
| RET. EARNINGS (DEF.) AT BEG. OF YEAR   | (6)          | 3               | (21)                  | 18                        | (6)                       |
| DEDUCT:  |              |                 |                       |                           |                           |
| Dividends  | 0            | 0               | 0                     | 0                         | 0                         |
| Other  | 0            | 0               | 0                     | 0                         | 0                         |
| RET. EARNINGS (DEF.) AT END OF YEAR  | (\$6)        | \$3             | (\$21)                | \$18                      | (\$6)                     |

| ASSETS  | EMB<br>Investments,<br>Inc. | SRM<br>Investments,<br>L.P. | HJT<br>Holdings,<br>Inc. | LCR<br>Holdings,<br>Inc. | Adjusting<br>& Elim.<br>Entries | HJT & LCR<br>Holdings<br>Consolidated |
|---|-----------------------------|-----------------------------|--------------------------|--------------------------|---------------------------------|---------------------------------------|
| PROPERTY, PLANT AND EQUIPMENT                       |                             |                             |                          |                          |                                 |                                       |
| Elec. utility plant in ser. & other property        | \$0                         | \$0                         | \$0                      | \$0                      | \$0                             | \$0                                   |
| Nuclear fuel  | 0                           | 0                           | 0                        | 0                        | 0                               | 0                                     |
| Construction work in progress                       | 0                           | 0                           | 0                        | 0                        | 0                               | 0                                     |
| Less accumulated depr. & amort.                     | 0                           | 0                           | 0                        | 0                        | 0                               | 0                                     |
| Total prop., plant and eqpt. - net                  | 0                           | 0                           | 0                        | 0                        | 0                               | 0                                     |
| CURRENT ASSETS                                      |                             |                             |                          |                          |                                 |                                       |
| Cash and cash equivalents                           | 0                           | 0                           | 0                        | 0                        | 0                               | 0                                     |
| Customer receivables - net                          | 0                           | 0                           | 0                        | 0                        | 0                               | 0                                     |
| Other receivables                                   | 7                           | 0                           | 0                        | 0                        | 0                               | 7                                     |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 0                           | 0                           | 0                        | 0                        | 0                               | 0                                     |
| Deferred clause expenses                            | 0                           | 0                           | 0                        | 0                        | 0                               | 0                                     |
| Other   | 0                           | 0                           | 0                        | 0                        | 0                               | 0                                     |
| Total current assets                                | 7                           | 0                           | 0                        | 0                        | 0                               | 7                                     |
| OTHER ASSETS:                                       |                             |                             |                          |                          |                                 |                                       |
| Special use funds                                   | 0                           | 0                           | 0                        | 0                        | 0                               | 0                                     |
| Other investments                                   | 490                         | 497                         | 0                        | 497                      | (994)                           | 490                                   |
| Other   | (1)                         | 0                           | 0                        | 0                        | 1                               | 0                                     |
| Total other assets                                  | 489                         | 497                         | 0                        | 497                      | (993)                           | 490                                   |
| TOTAL ASSETS  | \$496                       | \$497                       | \$0                      | \$497                    | (\$993)                         | \$497                                 |
| CAPITALIZATION                                      |                             |                             |                          |                          |                                 |                                       |
| Common shareholders' equity                         | \$497                       | \$497                       | \$0                      | \$497                    | (\$994)                         | \$497                                 |
| Pref. stk. of FPL w/o sinking fund require.         | 0                           | 0                           | 0                        | 0                        | 0                               | 0                                     |
| Long-term debt                                      | 0                           | 0                           | 0                        | 0                        | 0                               | 0                                     |
| Total capitalization                                | 497                         | 497                         | 0                        | 497                      | (994)                           | 497                                   |
| CURRENT LIABILITIES                                 |                             |                             |                          |                          |                                 |                                       |
| Commercial paper                                    | 0                           | 0                           | 0                        | 0                        | 0                               | 0                                     |
| Notes payable                                       | 0                           | 0                           | 0                        | 0                        | 0                               | 0                                     |
| Current maturities of long-term debt                | 0                           | 0                           | 0                        | 0                        | 0                               | 0                                     |
| Accounts payable                                    | 0                           | 0                           | 0                        | 0                        | 0                               | 0                                     |
| Customers' deposits                                 | 0                           | 0                           | 0                        | 0                        | 0                               | 0                                     |
| Accrued interest and taxes                          | (1)                         | 0                           | 0                        | 0                        | 1                               | 0                                     |
| Deferred clause revenues                            | 0                           | 0                           | 0                        | 0                        | 0                               | 0                                     |
| Other   | 0                           | 0                           | 0                        | 0                        | 0                               | 0                                     |
| Total current liabilities                           | (1)                         | 0                           | 0                        | 0                        | 1                               | 0                                     |
| OTHER LIABILITIES AND DEFERRED CREDITS              |                             |                             |                          |                          |                                 |                                       |
| Asset retirement obligations                        | 0                           | 0                           | 0                        | 0                        | 0                               | 0                                     |
| Accumulated deferred income taxes                   | 0                           | 0                           | 0                        | 0                        | 0                               | 0                                     |
| Storm and property insurance reserve                | 0                           | 0                           | 0                        | 0                        | 0                               | 0                                     |
| Other   | 0                           | 0                           | 0                        | 0                        | 0                               | 0                                     |
| Total other liab. & def. credits                    | 0                           | 0                           | 0                        | 0                        | 0                               | 0                                     |
| COMMITMENTS AND CONTINGENCIES                       |                             |                             |                          |                          |                                 |                                       |
| TOTAL CAPITALIZATION AND LIABILITIES                | \$496                       | \$497                       | \$0                      | \$497                    | (\$993)                         | \$497                                 |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2002  
(\$ Millions)

| INCOME STATEMENT   | EMB<br>Investments,<br>Inc. | SRM<br>Investments,<br>L.P. | HJT<br>Holdings,<br>Inc. | LCR<br>Holdings,<br>Inc. | Adjusting<br>& Elim.<br>Entries | HJT & LCR<br>Holdings<br>Consolidated |
|--|-----------------------------|-----------------------------|--------------------------|--------------------------|---------------------------------|---------------------------------------|
| OPERATING REVENUES   | \$0                         | \$0                         | \$0                      | \$0                      | \$0                             | \$0                                   |
| OPERATING EXPENSES   |                             |                             |                          |                          |                                 |                                       |
| Fuel, purchased power & interchange  | 0                           | 0                           | 0                        | 0                        | 0                               | 0                                     |
| Other operations and maintenance   | 0                           | 0                           | 0                        | 0                        | 0                               | 0                                     |
| Depreciation & amortization  | 0                           | 0                           | 0                        | 0                        | 0                               | 0                                     |
| Taxes other than income taxes  | 0                           | 0                           | 0                        | 0                        | 0                               | 0                                     |
| Total operating expenses   | 0                           | 0                           | 0                        | 0                        | 0                               | 0                                     |
| OPERATING INCOME   | 0                           | 0                           | 0                        | 0                        | 0                               | 0                                     |
| OTHER INCOME (DEDUCTIONS):   |                             |                             |                          |                          |                                 |                                       |
| Interest charges   | 0                           | 0                           | 0                        | 0                        | 0                               | 0                                     |
| Preferred stock dividends - FPL  | 0                           | 0                           | 0                        | 0                        | 0                               | 0                                     |
| Loss on redemption of preferred stock - FPL  | 0                           | 0                           | 0                        | 0                        | 0                               | 0                                     |
| Equity in earnings of equity method investees  | 0                           | 18                          | 0                        | 18                       | (36)                            | 0                                     |
| Other - net  | 28                          | 0                           | 0                        | 0                        | 0                               | 28                                    |
| Total other deductions - net   | 28                          | 18                          | 0                        | 18                       | (36)                            | 28                                    |
| INCOME FROM OPERATIONS BEFORE INCOME TAXES   | 28                          | 18                          | 0                        | 18                       | (36)                            | 28                                    |
| INCOME TAXES   | 10                          | 0                           | 0                        | 0                        | 0                               | 10                                    |
| INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE<br>IN ACCOUNTING PRINCIPLE   | 18                          | 18                          | 0                        | 18                       | (36)                            | 18                                    |
| CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES<br>FASB Interpretation No.46, "Consol. of Variable<br>Interest Entities," net of income taxes of \$2 | 0                           | 0                           | 0                        | 0                        | 0                               | 0                                     |
| NET INCOME (LOSS)  | 18                          | 18                          | 0                        | 18                       | (36)                            | 18                                    |
| RET. EARNINGS (DEF.) AT BEG. OF YEAR   | 135                         | 135                         | 0                        | 135                      | (270)                           | 135                                   |
| DEDUCT:  |                             |                             |                          |                          |                                 |                                       |
| Dividends  | 0                           | 0                           | 0                        | 0                        | 0                               | 0                                     |
| Other  | 0                           | 0                           | 0                        | 0                        | 0                               | 0                                     |
| RET. EARNINGS (DEF.) AT END OF YEAR  | \$153                       | \$153                       | \$0                      | \$153                    | (\$306)                         | \$153                                 |

|   | FPL<br>Energy,<br>LLC<br>Consolidated | Elims            | FPL<br>Group<br>International,<br>Inc.<br>Consolidated | ESI<br>Energy,<br>LLC<br>Consolidated | FPL<br>Energy,<br>LLC<br>Consolidated |
|---|---------------------------------------|------------------|--|---------------------------------------|---------------------------------------|
| <b>ASSETS</b>                                       |                                       |                  |  |                                       |                                       |
| <b>PROPERTY, PLANT AND EQUIPMENT</b>                |                                       |                  |  |                                       |                                       |
| Elec. utility plant in ser. & other property        | \$6,793                               | (\$25)           | \$0  | \$6,227                               | \$591                                 |
| Nuclear fuel  | 83                                    | 0                | 0  | 83                                    | 0                                     |
| Construction work in progress                       | 619                                   | 1                | 0  | 575                                   | 43                                    |
| Less accumulated depr. & amort.                     | (672)                                 | (1)              | 0  | (605)                                 | (66)                                  |
| Total prop., plant and eqpt. - net                  | 6,823                                 | (25)             | 0  | 6,280                                 | 568                                   |
| <b>CURRENT ASSETS</b>                               |                                       |                  |  |                                       |                                       |
| Cash and cash equivalents                           | 74                                    | 0                | 0  | 74                                    | 0                                     |
| Customer receivables - net                          | 170                                   | (1)              | 0  | 58                                    | 113                                   |
| Other receivables                                   | 212                                   | (452)            | 1  | 540                                   | 123                                   |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 87                                    | 1                | 0  | 81                                    | 5                                     |
| Deferred clause expenses                            | 0                                     | 0                | 0  | 0                                     | 0                                     |
| Other   | 163                                   | 1                | 0  | 100                                   | 62                                    |
| Total current assets                                | 706                                   | (451)            | 1  | 853                                   | 303                                   |
| <b>OTHER ASSETS:</b>                                |                                       |                  |  |                                       |                                       |
| Special use funds                                   | 274                                   | 0                | 0  | 274                                   | 0                                     |
| Other investments                                   | 456                                   | (4,114)          | 0  | 376                                   | 4,194                                 |
| Other   | 181                                   | (72)             | 4  | 136                                   | 113                                   |
| Total other assets                                  | 911                                   | (4,186)          | 4  | 786                                   | 4,307                                 |
| <b>TOTAL ASSETS</b>                                 | <b>\$8,440</b>                        | <b>(\$4,662)</b> | <b>\$5</b>   | <b>\$7,919</b>                        | <b>\$5,178</b>                        |
| <b>CAPITALIZATION</b>                               |                                       |                  |  |                                       |                                       |
| Common shareholders' equity                         | \$5,188                               | (\$3,841)        | (\$3)  | \$4,421                               | \$4,611                               |
| Pref. stk. of FPL w/o sinking fund require.         | 0                                     | 0                | 0  | 0                                     | 0                                     |
| Long-term debt                                      | 1,673                                 | (281)            | 0  | 1,954                                 | 0                                     |
| Total capitalization                                | 6,861                                 | (4,122)          | (3)  | 6,375                                 | 4,611                                 |
| <b>CURRENT LIABILITIES</b>                          |                                       |                  |  |                                       |                                       |
| Commercial paper                                    | 0                                     | 0                | 0  | 0                                     | 0                                     |
| Notes payable                                       | 12                                    | 0                | 0  | 12                                    | 0                                     |
| Current maturities of long-term debt                | 91                                    | 10               | 0  | 81                                    | 0                                     |
| Accounts payable                                    | 105                                   | 0                | 0  | 35                                    | 70                                    |
| Customers' deposits                                 | 11                                    | 1                | 0  | 0                                     | 10                                    |
| Accrued interest and taxes                          | 31                                    | (242)            | 7  | 32                                    | 234                                   |
| Deferred clause revenues                            | 0                                     | 0                | 0  | 0                                     | 0                                     |
| Other   | 348                                   | (211)            | 1  | 335                                   | 223                                   |
| Total current liabilities                           | 598                                   | (442)            | 8  | 495                                   | 537                                   |
| <b>OTHER LIABILITIES AND DEFERRED CREDITS</b>       |                                       |                  |  |                                       |                                       |
| Asset retirement obligations                        | 178                                   | (1)              | 0  | 174                                   | 5                                     |
| Accumulated deferred income taxes                   | 651                                   | (86)             | 0  | 737                                   | 0                                     |
| Storm and property insurance reserve                | 0                                     | 0                | 0  | 0                                     | 0                                     |
| Other   | 152                                   | (11)             | 0  | 138                                   | 25                                    |
| Total other liab. & def. credits                    | 981                                   | (98)             | 0  | 1,049                                 | 30                                    |
| <b>TOTAL CAPITALIZATION AND LIABILITIES</b>         | <b>\$8,440</b>                        | <b>(\$4,662)</b> | <b>\$5</b>   | <b>\$7,919</b>                        | <b>\$5,178</b>                        |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

|  | FPL<br>Energy,<br>LLC<br>Consolidated | Elims        | FPL<br>Group<br>International,<br>Inc.<br>Consolidated | ESI<br>Energy,<br>LLC<br>Consolidated | FPL<br>Energy,<br>LLC<br>Consolidated |
|--|---------------------------------------|--------------|--|---------------------------------------|---------------------------------------|
| <b>INCOME STATEMENT</b>  |                                       |              |  |                                       |                                       |
| <b>OPERATING REVENUES</b>  | <b>\$1,252</b>                        | <b>\$972</b> | <b>\$0</b>   | <b>\$1,095</b>                        | <b>(\$815)</b>                        |
| <b>OPERATING EXPENSES</b>  |                                       |              |  |                                       |                                       |
| Fuel, purchased power & interchange  | 480                                   | 983          | 0  | 413                                   | (916)                                 |
| Other operations and maintenance   | 337                                   | 1            | 1  | 243                                   | 92                                    |
| Depreciation & amortization  | 187                                   | (2)          | 0  | 170                                   | 19                                    |
| Taxes other than income taxes  | 55                                    | (1)          | 0  | 41                                    | 15                                    |
| Total operating expenses   | 1,059                                 | 981          | 1  | 867                                   | (790)                                 |
| <b>OPERATING INCOME</b>  | <b>193</b>                            | <b>(9)</b>   | <b>(1)</b>   | <b>228</b>                            | <b>(25)</b>                           |
| <b>OTHER INCOME (DEDUCTIONS):</b>  |                                       |              |  |                                       |                                       |
| Interest charges   | (124)                                 | 11           | 0  | (73)                                  | (62)                                  |
| Preferred stock dividends - FPL  | 0                                     | 0            | 0  | 0                                     | 0                                     |
| Loss on redemption of preferred stock - FPL  | 0                                     | 0            | 0  | 0                                     | 0                                     |
| Equity in earnings of equity method investees  | 89                                    | 4            | 0  | 84                                    | 1                                     |
| Other - net  | 35                                    | (3)          | 0  | 3                                     | 35                                    |
| Total other deductions - net   | 0                                     | 12           | 0  | 14                                    | (26)                                  |
| <b>INCOME FROM OPERATIONS BEFORE INCOME TAXES</b>  | <b>193</b>                            | <b>3</b>     | <b>(1)</b>   | <b>242</b>                            | <b>(51)</b>                           |
| <b>INCOME TAXES</b>  | <b>(4)</b>                            | <b>2</b>     | <b>0</b>   | <b>18</b>                             | <b>(24)</b>                           |
| <b>INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE<br/>IN ACCOUNTING PRINCIPLE</b>                             | <b>197</b>                            | <b>1</b>     | <b>(1)</b>   | <b>224</b>                            | <b>(27)</b>                           |
| <b>CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES</b>   |                                       |              |  |                                       |                                       |
| FASB Interpretation No. 46, "Consol. of Variable<br>Interest Entities," net of income taxes benefit of \$2 | (3)                                   | 0            | 0  | (3)                                   | 0                                     |
| <b>NET INCOME (LOSS)</b>   | <b>194</b>                            | <b>1</b>     | <b>(1)</b>   | <b>221</b>                            | <b>(27)</b>                           |
| <b>RET. EARNINGS (DEF.) AT BEG. OF YEAR</b>  | <b>26</b>                             | <b>0</b>     | <b>(29)</b>  | <b>548</b>                            | <b>(493)</b>                          |
| <b>DEDUCT:</b>   |                                       |              |  |                                       |                                       |
| Dividends  | 0                                     | 0            | 0  | 0                                     | 0                                     |
| Other  | 0                                     | 0            | 0  | 0                                     | 0                                     |
| <b>RET. EARNINGS (DEF.) AT END OF YEAR</b>   | <b>\$220</b>                          | <b>\$1</b>   | <b>(\$30)</b>  | <b>\$769</b>                          | <b>(\$520)</b>                        |

|   | FPL<br>Group<br>International,<br>Inc.<br>Consolidated | Elims         | FPL<br>Group<br>International,<br>Inc. | Karaha<br>Bodas<br>Investment<br>Corp. |
|---|--|---------------|--|--|
| <b>ASSETS</b>                                       |  |               |  |  |
| <b>PROPERTY, PLANT AND EQUIPMENT</b>                |  |               |  |  |
| Elec. utility plant in ser. & other property        | \$0  | \$0           | \$0                                    | \$0                                    |
| Nuclear fuel  | 0  | 0             | 0                                      | 0                                      |
| Construction work in progress                       | 0  | 0             | 0                                      | 0                                      |
| Less accumulated depr. & amort.                     | 0  | 0             | 0                                      | 0                                      |
| Total prop., plant and eqpt. - net                  | 0  | 0             | 0                                      | 0                                      |
| <b>CURRENT ASSETS</b>                               |  |               |  |  |
| Cash and cash equivalents                           | 0  | 0             | 0                                      | 0                                      |
| Customer receivables - net                          | 0  | 0             | 0                                      | 0                                      |
| Other receivables                                   | 1  | 7             | (6)                                    | 0                                      |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 0  | 0             | 0                                      | 0                                      |
| Deferred clause expenses                            | 0  | 0             | 0                                      | 0                                      |
| Other   | 0  | 0             | 0                                      | 0                                      |
| Total current assets                                | 1  | 7             | (6)                                    | 0                                      |
| <b>OTHER ASSETS:</b>                                |  |               |  |  |
| Special use funds                                   | 0  | 0             | 0                                      | 0                                      |
| Other investments                                   | 0  | (24)          | 24                                     | 0                                      |
| Other   | 4  | 0             | 4                                      | 0                                      |
| Total other assets                                  | 4  | (24)          | 28                                     | 0                                      |
| <b>TOTAL ASSETS</b>                                 | <b>\$5</b>   | <b>(\$17)</b> | <b>\$22</b>                            | <b>\$0</b>                             |
| <b>CAPITALIZATION</b>                               |  |               |  |  |
| Common shareholders' equity                         | (\$3)  | (\$24)        | \$22                                   | (\$1)                                  |
| Pref. stk. of FPL w/o sinking fund require.         | 0  | 0             | 0                                      | 0                                      |
| Long-term debt                                      | 0  | 0             | 0                                      | 0                                      |
| Total capitalization                                | (3)  | (24)          | 22                                     | (1)                                    |
| <b>CURRENT LIABILITIES</b>                          |  |               |  |  |
| Commercial paper                                    | 0  | 0             | 0                                      | 0                                      |
| Note payable  | 0  | 0             | 0                                      | 0                                      |
| Current maturities of long-term debt                | 0  | 0             | 0                                      | 0                                      |
| Accounts payable                                    | 0  | 0             | 0                                      | 0                                      |
| Customers' deposits                                 | 0  | 0             | 0                                      | 0                                      |
| Accrued interest and taxes                          | 7  | 7             | 0                                      | 0                                      |
| Deferred clause revenues                            | 0  | 0             | 0                                      | 0                                      |
| Other   | 1  | 0             | 0                                      | 1                                      |
| Total current liabilities                           | 8  | 7             | 0                                      | 1                                      |
| <b>OTHER LIABILITIES AND DEFERRED CREDITS</b>       |  |               |  |  |
| Asset retirement obligations                        | 0  | 0             | 0                                      | 0                                      |
| Accumulated deferred income taxes                   | 0  | 0             | 0                                      | 0                                      |
| Storm and property insurance reserve                | 0  | 0             | 0                                      | 0                                      |
| Other   | 0  | 0             | 0                                      | 0                                      |
| Total other liab. & def. credits                    | 0  | 0             | 0                                      | 0                                      |
| <b>TOTAL CAPITALIZATION AND LIABILITIES</b>         | <b>\$5</b>   | <b>(\$17)</b> | <b>\$22</b>                            | <b>\$0</b>                             |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

|   | FPL<br>Group<br>International,<br>Inc.<br>Consolidated | Elims      | FPL<br>Group<br>International,<br>Inc. | Karaha<br>Bodas<br>Investment<br>Corp. |
|---|--|------------|--|--|
| <b>INCOME STATEMENT</b>   |  |            |  |  |
| <b>OPERATING REVENUES</b>   | <b>\$0</b>   | <b>\$0</b> | <b>\$0</b>                             | <b>\$0</b>                             |
| <b>OPERATING EXPENSES</b>   |  |            |  |  |
| Fuel, purchased power & interchange   | 0  | 0          | 0                                      | 0                                      |
| Other operations and maintenance  | 1  | 0          | 1                                      | 0                                      |
| Depreciation & amortization   | 0  | 0          | 0                                      | 0                                      |
| Taxes other than income taxes   | 0  | 0          | 0                                      | 0                                      |
| Total operating expenses  | 1  | 0          | 1                                      | 0                                      |
| <b>OPERATING INCOME</b>   | <b>(1)</b>   | <b>0</b>   | <b>(1)</b>                             | <b>0</b>                               |
| <b>OTHER INCOME (DEDUCTIONS):</b>   |  |            |  |  |
| Interest charges  | 0  | 0          | 0                                      | 0                                      |
| Preferred stock dividends - FPL   | 0  | 0          | 0                                      | 0                                      |
| Loss on redemption of preferred stock - FPL   | 0  | 0          | 0                                      | 0                                      |
| Equity in earnings of equity method investees   | 0  | 0          | 0                                      | 0                                      |
| Other - net   | 0  | 0          | 0                                      | 0                                      |
| Total other deductions - net  | 0  | 0          | 0                                      | 0                                      |
| <b>INCOME FROM OPERATIONS BEFORE INCOME TAXES</b>   | <b>(1)</b>   | <b>0</b>   | <b>(1)</b>                             | <b>0</b>                               |
| <b>INCOME TAXES</b>   | <b>0</b>   | <b>0</b>   | <b>0</b>                               | <b>0</b>                               |
| <b>INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE<br/>IN ACCOUNTING PRINCIPLE</b>              | <b>(1)</b>   | <b>0</b>   | <b>(1)</b>                             | <b>0</b>                               |
| <b>CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES</b>                                      |  |            |  |  |
| FASB Interpretation No. 46, "Consol. of Variable<br>Interest Entities," net of income taxes | 0  | 0          | 0                                      | 0                                      |
| <b>NET INCOME (LOSS)</b>  | <b>(1)</b>   | <b>0</b>   | <b>(1)</b>                             | <b>0</b>                               |
| <b>RET. EARNINGS (DEF.) AT BEG. OF YEAR</b>   | <b>(29)</b>  | <b>0</b>   | <b>(17)</b>                            | <b>(12)</b>                            |
| <b>DEDUCT:</b>  |  |            |  |  |
| Dividends   | 0  | 0          | 0                                      | 0                                      |
| Other   | 0  | 0          | 0                                      | 0                                      |
| <b>RET. EARNINGS (DEF.) AT END OF YEAR</b>  | <b>(\$30)</b>  | <b>\$0</b> | <b>(\$18)</b>                          | <b>(\$12)</b>                          |

| ASSETS  | ESI<br>Energy,<br>LLC<br>Consolidated | Elims            | ESI<br>Energy,<br>LLC | FPL<br>Energy<br>California<br>Wind,<br>LLC | CH<br>Ormesa<br>LP,<br>Inc. | CH<br>Ormesa,<br>Inc. | FPL<br>Energy<br>Cabazon<br>Wind,<br>LLC | ESI<br>Geothermal<br>Inc. |
|---|---------------------------------------|------------------|-----------------------|---|-----------------------------|-----------------------|--|---------------------------|
| <b>PROPERTY, PLANT AND EQUIPMENT</b>                |                                       |                  |                       |   |                             |                       |  |                           |
| Elec. utility plant in ser. & other property        | \$6,227                               | (\$3)            | \$0                   | \$0   | \$0                         | \$0                   | \$26                                     | \$0                       |
| Nuclear fuel  | 83                                    | 0                | 0                     | 0   | 0                           | 0                     | 0  | 0                         |
| Construction work in progress                       | 575                                   | (4)              | 0                     | 0   | 0                           | 0                     | 0  | 0                         |
| Less accumulated depr. & amort.                     | (605)                                 | 0                | 0                     | 0   | 0                           | 0                     | 0  | 0                         |
| Total prop., plant and eqpt. - net                  | 6,280                                 | (7)              | 0                     | 0   | 0                           | 0                     | 26                                       | 0                         |
| <b>CURRENT ASSETS</b>                               |                                       |                  |                       |   |                             |                       |  |                           |
| Cash and cash equivalents                           | 74                                    | 30               | 0                     | 0   | 3                           | 0                     | 0  | 0                         |
| Customer receivables - net                          | 58                                    | (1)              | 0                     | 0   | 0                           | 0                     | 0  | 0                         |
| Other receivables                                   | 540                                   | (292)            | 384                   | 0   | 0                           | 0                     | 0  | 0                         |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 81                                    | 0                | 0                     | 0   | 0                           | 0                     | 0  | 0                         |
| Deferred clause expenses                            | 0                                     | 0                | 0                     | 0   | 0                           | 0                     | 0  | 0                         |
| Other   | 100                                   | (30)             | 0                     | 0   | 0                           | 0                     | 0  | 0                         |
| Total current assets                                | 853                                   | (293)            | 384                   | 0   | 3                           | 0                     | 0  | 0                         |
| <b>OTHER ASSETS:</b>                                |                                       |                  |                       |   |                             |                       |  |                           |
| Special use funds                                   | 274                                   | 0                | 0                     | 0   | 0                           | 0                     | 0  | 0                         |
| Other investments                                   | 376                                   | (5,164)          | 3,762                 | (7)   | 0                           | 0                     | 0  | 0                         |
| Other   | 136                                   | (85)             | 82                    | 0   | 0                           | 0                     | 8  | 0                         |
| Total other assets                                  | 786                                   | (5,249)          | 3,844                 | (7)   | 0                           | 0                     | 8  | 0                         |
| <b>TOTAL ASSETS</b>                                 | <b>\$7,919</b>                        | <b>(\$5,549)</b> | <b>\$4,228</b>        | <b>(\$7)</b>                                | <b>\$3</b>                  | <b>\$0</b>            | <b>\$34</b>                              | <b>\$0</b>                |
| <b>CAPITALIZATION</b>                               |                                       |                  |                       |   |                             |                       |  |                           |
| Common shareholders' equity                         | \$4,421                               | (\$4,520)        | \$4,038               | (\$7)                                       | \$3                         | \$0                   | \$34                                     | \$0                       |
| Pref. stk. of FPL w/o sinking fund require.         | 0                                     | 0                | 0                     | 0   | 0                           | 0                     | 0  | 0                         |
| Long-term debt                                      | 1,954                                 | (648)            | 0                     | 0   | 0                           | 0                     | 0  | 0                         |
| Total capitalization                                | 6,375                                 | (5,168)          | 4,038                 | (7)   | 3                           | 0                     | 34                                       | 0                         |
| <b>CURRENT LIABILITIES</b>                          |                                       |                  |                       |   |                             |                       |  |                           |
| Commercial paper                                    | 0                                     | 0                | 0                     | 0   | 0                           | 0                     | 0  | 0                         |
| Note payable  | 12                                    | (4)              | 0                     | 0   | 0                           | 0                     | 0  | 0                         |
| Current maturities of long-term debt                | 81                                    | 4                | 0                     | 0   | 0                           | 0                     | 0  | 0                         |
| Accounts payable                                    | 35                                    | 0                | 0                     | 0   | 0                           | 0                     | 0  | 0                         |
| Customers' deposits                                 | 0                                     | 0                | 0                     | 0   | 0                           | 0                     | 0  | 0                         |
| Accrued interest and taxes                          | 32                                    | 0                | 0                     | 0   | 0                           | 0                     | 0  | 0                         |
| Deferred clause revenues                            | 0                                     | 0                | 0                     | 0   | 0                           | 0                     | 0  | 0                         |
| Other   | 335                                   | (291)            | 4                     | 0   | 0                           | 0                     | 0  | 0                         |
| Total current liabilities                           | 495                                   | (291)            | 4                     | 0   | 0                           | 0                     | 0  | 0                         |
| <b>OTHER LIABILITIES AND DEFERRED CREDITS</b>       |                                       |                  |                       |   |                             |                       |  |                           |
| Asset retirement obligations                        | 174                                   | 0                | 0                     | 0   | 0                           | 0                     | 0  | 0                         |
| Accumulated deferred income taxes                   | 737                                   | (90)             | 186                   | 0   | 0                           | 0                     | 0  | 0                         |
| Storm and property insurance reserve                | 0                                     | 0                | 0                     | 0   | 0                           | 0                     | 0  | 0                         |
| Other   | 138                                   | 0                | 0                     | 0   | 0                           | 0                     | 0  | 0                         |
| Total other liab. & def. credits                    | 1,049                                 | (90)             | 186                   | 0   | 0                           | 0                     | 0  | 0                         |
| <b>COMMITMENTS AND CONTINGENCIES</b>                |                                       |                  |                       |   |                             |                       |  |                           |
| <b>TOTAL CAPITALIZATION AND LIABILITIES</b>         | <b>\$7,919</b>                        | <b>(\$5,549)</b> | <b>\$4,228</b>        | <b>(\$7)</b>                                | <b>\$3</b>                  | <b>\$0</b>            | <b>\$34</b>                              | <b>\$0</b>                |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

| INCOME STATEMENT   | ESI<br>Energy,<br>LLC<br>Consolidated | Elims         | ESI<br>Energy,<br>LLC | FPL<br>Energy<br>California<br>Wind,<br>LLC | CH<br>Ormesa<br>LP,<br>Inc. | CH<br>Ormesa,<br>Inc. | FPL<br>Energy<br>Cabazon<br>Wind,<br>LLC | ESI<br>Geothermal<br>Inc. |
|--|---------------------------------------|---------------|-----------------------|---|-----------------------------|-----------------------|--|---------------------------|
| <b>OPERATING REVENUES</b>  | <b>\$1,095</b>                        | <b>(\$19)</b> | <b>\$0</b>            | <b>\$0</b>                                  | <b>\$0</b>                  | <b>\$0</b>            | <b>\$0</b>                               | <b>\$0</b>                |
| <b>OPERATING EXPENSES</b>  |                                       |               |                       |   |                             |                       |  |                           |
| Fuel, purchased power & interchange  | 413                                   | (12)          | 0                     | 0   | 0                           | 0                     | 0  | 0                         |
| Other operations and maintenance   | 243                                   | (2)           | 0                     | 0   | 0                           | 0                     | 0  | 0                         |
| Depreciation & amortization  | 170                                   | 0             | 0                     | 0   | 0                           | 0                     | 0  | 0                         |
| Taxes other than income taxes  | 41                                    | 0             | 0                     | 0   | 0                           | 0                     | 0  | 0                         |
| Total operating expenses   | 867                                   | (14)          | 0                     | 0   | 0                           | 0                     | 0  | 0                         |
| <b>OPERATING INCOME</b>  | <b>228</b>                            | <b>(5)</b>    | <b>0</b>              | <b>0</b>                                    | <b>0</b>                    | <b>0</b>              | <b>0</b>                                 | <b>0</b>                  |
| <b>OTHER INCOME (DEDUCTIONS):</b>  |                                       |               |                       |   |                             |                       |  |                           |
| Interest charges   | (73)                                  | 46            | 0                     | 0   | 0                           | 0                     | 0  | 0                         |
| Preferred stock dividends - FPL  | 0                                     | 0             | 0                     | 0   | 0                           | 0                     | 0  | 0                         |
| Loss on redemption of preferred stock - FPL  | 0                                     | 0             | 0                     | 0   | 0                           | 0                     | 0  | 0                         |
| Equity in earnings of equity method investees  | 84                                    | 2             | (1)                   | 0   | 0                           | 0                     | 0  | 0                         |
| Other - net  | 3                                     | (52)          | 3                     | 0   | 0                           | (1)                   | 0  | 0                         |
| Total other deductions - net   | 14                                    | (4)           | 2                     | 0   | 0                           | (1)                   | 0  | 0                         |
| <b>INCOME FROM OPERATIONS BEFORE INCOME TAXES</b>  | <b>242</b>                            | <b>(9)</b>    | <b>2</b>              | <b>0</b>                                    | <b>0</b>                    | <b>(1)</b>            | <b>0</b>                                 | <b>0</b>                  |
| <b>INCOME TAXES</b>  | <b>18</b>                             | <b>0</b>      | <b>(28)</b>           | <b>0</b>                                    | <b>0</b>                    | <b>0</b>              | <b>0</b>                                 | <b>0</b>                  |
| <b>INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE<br/>IN ACCOUNTING PRINCIPLE</b>                             | <b>224</b>                            | <b>(9)</b>    | <b>30</b>             | <b>0</b>                                    | <b>0</b>                    | <b>(1)</b>            | <b>0</b>                                 | <b>0</b>                  |
| <b>CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES</b>   |                                       |               |                       |   |                             |                       |  |                           |
| FASB Interpretation No. 46, "Consol. of Variable<br>Interest Entities," net of income taxes benefit of \$2 | (3)                                   | 0             | 0                     | 0   | 0                           | 0                     | 0  | 0                         |
| <b>NET INCOME (LOSS)</b>   | <b>221</b>                            | <b>(9)</b>    | <b>30</b>             | <b>0</b>                                    | <b>0</b>                    | <b>(1)</b>            | <b>0</b>                                 | <b>0</b>                  |
| <b>RET. EARNINGS (DEF.) AT BEG. OF YEAR</b>  | <b>548</b>                            | <b>(13)</b>   | <b>74</b>             | <b>0</b>                                    | <b>(1)</b>                  | <b>6</b>              | <b>0</b>                                 | <b>0</b>                  |
| <b>DEDUCT:</b>   |                                       |               |                       |   |                             |                       |  |                           |
| Dividends  | 0                                     | 0             | 0                     | 0   | 0                           | 0                     | 0  | 0                         |
| Other  | 0                                     | 0             | 0                     | 0   | 0                           | 0                     | 0  | 0                         |
| <b>RET. EARNINGS (DEF.) AT END OF YEAR</b>   | <b>\$769</b>                          | <b>(\$22)</b> | <b>\$104</b>          | <b>\$0</b>                                  | <b>(\$1)</b>                | <b>\$5</b>            | <b>\$0</b>                               | <b>\$0</b>                |

|   | ESI<br>Ebensburg,<br>Inc. | ESI<br>Sierra,<br>Inc. | ESI<br>Kern<br>Front,<br>Inc. | ESI<br>Double<br>"C",<br>Inc. | ESI LP,<br>Inc.<br>(Victory) | ESI<br>Victory,<br>Inc. | ESI<br>Pittsylvania,<br>Inc. | ESI<br>Bay<br>Area<br>GP,<br>Inc. |
|---|---------------------------|------------------------|-------------------------------|-------------------------------|------------------------------|-------------------------|------------------------------|-----------------------------------|
| <b>ASSETS</b>                                       |                           |                        |                               |                               |                              |                         |                              |                                   |
| PROPERTY, PLANT AND EQUIPMENT                       |                           |                        |                               |                               |                              |                         |                              |                                   |
| Elec. utility plant in ser. & other property        | \$0                       | \$0                    | \$0                           | \$0                           | \$0                          | \$0                     | \$0                          | \$0                               |
| Nuclear fuel  | 0                         | 0                      | 0                             | 0                             | 0                            | 0                       | 0                            | 0                                 |
| Construction work in progress                       | 0                         | 0                      | 0                             | 0                             | 0                            | 0                       | 0                            | 0                                 |
| Less accumulated depr. & amort.                     | 0                         | 0                      | 0                             | 0                             | 0                            | 0                       | 0                            | 0                                 |
| Total prop., plant and eqpt. - net                  | 0                         | 0                      | 0                             | 0                             | 0                            | 0                       | 0                            | 0                                 |
| CURRENT ASSETS                                      |                           |                        |                               |                               |                              |                         |                              |                                   |
| Cash and cash equivalents                           | 0                         | 0                      | 0                             | 0                             | 0                            | 0                       | 0                            | 0                                 |
| Customer receivables - net                          | 0                         | 0                      | 0                             | 0                             | 0                            | 0                       | 0                            | 0                                 |
| Other receivables                                   | 0                         | 0                      | 0                             | 0                             | 0                            | 0                       | 0                            | 0                                 |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 0                         | 0                      | 0                             | 0                             | 0                            | 0                       | 0                            | 0                                 |
| Deferred clause expenses                            | 0                         | 0                      | 0                             | 0                             | 0                            | 0                       | 0                            | 0                                 |
| Other   | 0                         | 0                      | 0                             | 0                             | 0                            | 0                       | 0                            | 0                                 |
| Total current assets                                | 0                         | 0                      | 0                             | 0                             | 0                            | 0                       | 0                            | 0                                 |
| OTHER ASSETS:                                       |                           |                        |                               |                               |                              |                         |                              |                                   |
| Special use funds                                   | 0                         | 0                      | 0                             | 0                             | 0                            | 0                       | 0                            | 0                                 |
| Other investments                                   | (2)                       | 0                      | 0                             | 0                             | (12)                         | 2                       | 0                            | 0                                 |
| Other   | 0                         | 1                      | 0                             | 0                             | 0                            | 3                       | 1                            | 0                                 |
| Total other assets                                  | (2)                       | 1                      | 0                             | 0                             | (12)                         | 5                       | 1                            | 0                                 |
| TOTAL ASSETS  | (\$2)                     | \$1                    | \$0                           | \$0                           | (\$12)                       | \$5                     | \$1                          | \$0                               |
| CAPITALIZATION                                      |                           |                        |                               |                               |                              |                         |                              |                                   |
| Common shareholders' equity                         | (\$14)                    | \$1                    | \$0                           | \$0                           | (\$12)                       | \$5                     | \$1                          | \$0                               |
| Pref. stk. of FPL w/o sinking fund require.         | 0                         | 0                      | 0                             | 0                             | 0                            | 0                       | 0                            | 0                                 |
| Long-term debt                                      | 3                         | 0                      | 0                             | 0                             | 0                            | 0                       | 0                            | 0                                 |
| Total capitalization                                | (11)                      | 1                      | 0                             | 0                             | (12)                         | 5                       | 1                            | 0                                 |
| CURRENT LIABILITIES                                 |                           |                        |                               |                               |                              |                         |                              |                                   |
| Commercial paper                                    | 0                         | 0                      | 0                             | 0                             | 0                            | 0                       | 0                            | 0                                 |
| Note payable  | 0                         | 0                      | 0                             | 0                             | 0                            | 0                       | 0                            | 0                                 |
| Current maturities of long-term debt                | 0                         | 0                      | 0                             | 0                             | 0                            | 0                       | 0                            | 0                                 |
| Accounts payable                                    | 0                         | 0                      | 0                             | 0                             | 0                            | 0                       | 0                            | 0                                 |
| Customers' deposits                                 | 0                         | 0                      | 0                             | 0                             | 0                            | 0                       | 0                            | 0                                 |
| Accrued interest and taxes                          | 0                         | 0                      | 0                             | 0                             | 0                            | 0                       | 0                            | 0                                 |
| Deferred clause revenues                            | 0                         | 0                      | 0                             | 0                             | 0                            | 0                       | 0                            | 0                                 |
| Other   | 0                         | 0                      | 0                             | 0                             | 0                            | 0                       | 0                            | 0                                 |
| Total current liabilities                           | 0                         | 0                      | 0                             | 0                             | 0                            | 0                       | 0                            | 0                                 |
| OTHER LIABILITIES AND DEFERRED CREDITS              |                           |                        |                               |                               |                              |                         |                              |                                   |
| Asset retirement obligations                        | 0                         | 0                      | 0                             | 0                             | 0                            | 0                       | 0                            | 0                                 |
| Accumulated deferred income taxes                   | 9                         | 0                      | 0                             | 0                             | 0                            | 0                       | 0                            | 0                                 |
| Storm and property insurance reserve                | 0                         | 0                      | 0                             | 0                             | 0                            | 0                       | 0                            | 0                                 |
| Other   | 0                         | 0                      | 0                             | 0                             | 0                            | 0                       | 0                            | 0                                 |
| Total other liab. & def. credits                    | 9                         | 0                      | 0                             | 0                             | 0                            | 0                       | 0                            | 0                                 |
| COMMITMENTS AND CONTINGENCIES                       |                           |                        |                               |                               |                              |                         |                              |                                   |
| TOTAL CAPITALIZATION AND LIABILITIES                | (\$2)                     | \$1                    | \$0                           | \$0                           | (\$12)                       | \$5                     | \$1                          | \$0                               |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

|  | ESI<br>Ebensburg,<br>Inc. | ESI<br>Sierra,<br>Inc. | ESI<br>Kern<br>Front,<br>Inc. | ESI<br>Double<br>"C",<br>Inc. | ESI LP,<br>Inc.<br>(Victory) | ESI<br>Victory,<br>Inc. | ESI<br>Pittsylvania,<br>Inc. | ESI<br>Bay<br>Area<br>GP,<br>Inc. |
|--|---------------------------|------------------------|-------------------------------|-------------------------------|------------------------------|-------------------------|------------------------------|-----------------------------------|
| <b>INCOME STATEMENT</b>  |                           |                        |                               |                               |                              |                         |                              |                                   |
| OPERATING REVENUES   | \$0                       | \$0                    | \$0                           | \$0                           | \$0                          | \$0                     | \$1                          | \$0                               |
| OPERATING EXPENSES   |                           |                        |                               |                               |                              |                         |                              |                                   |
| Fuel, purchased power & interchange  | 0                         | 0                      | 0                             | 0                             | 0                            | 0                       | 0                            | 0                                 |
| Other operations and maintenance   | 0                         | 0                      | 0                             | 0                             | 0                            | 0                       | 0                            | 0                                 |
| Depreciation & amortization  | 0                         | 0                      | 0                             | 0                             | 0                            | 0                       | 0                            | 0                                 |
| Taxes other than income taxes  | 0                         | 0                      | 0                             | 0                             | 0                            | 0                       | 0                            | 0                                 |
| Total operating expenses   | 0                         | 0                      | 0                             | 0                             | 0                            | 0                       | 0                            | 0                                 |
| OPERATING INCOME   | 0                         | 0                      | 0                             | 0                             | 0                            | 0                       | 1                            | 0                                 |
| OTHER INCOME (DEDUCTIONS):   |                           |                        |                               |                               |                              |                         |                              |                                   |
| Interest charges   | 0                         | 0                      | 0                             | 0                             | 0                            | 0                       | 0                            | 0                                 |
| Preferred stock dividends - FPL  | 0                         | 0                      | 0                             | 0                             | 0                            | 0                       | 0                            | 0                                 |
| Loss on redemption of preferred stock - FPL  | 0                         | 0                      | 0                             | 0                             | 0                            | 0                       | 0                            | 0                                 |
| Equity in earnings of equity method investees  | 0                         | 0                      | 2                             | 2                             | 0                            | 1                       | 0                            | 0                                 |
| Other - net  | 0                         | 0                      | 0                             | 0                             | 0                            | 0                       | 0                            | 0                                 |
| Total other deductions - net   | 0                         | 0                      | 2                             | 2                             | 0                            | 1                       | 0                            | 0                                 |
| INCOME FROM OPERATIONS BEFORE INCOME TAXES   | 0                         | 0                      | 2                             | 2                             | 0                            | 1                       | 1                            | 0                                 |
| INCOME TAXES   | 0                         | 0                      | 1                             | 1                             | 0                            | 0                       | 0                            | 0                                 |
| INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE<br>IN ACCOUNTING PRINCIPLE                                     | 0                         | 0                      | 1                             | 1                             | 0                            | 1                       | 1                            | 0                                 |
| CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES  |                           |                        |                               |                               |                              |                         |                              |                                   |
| FASB Interpretation No. 46, "Consol. of Variable<br>Interest Entities," net of income taxes benefit of \$2 | 0                         | 0                      | 0                             | 0                             | 0                            | 0                       | 0                            | 0                                 |
| NET INCOME (LOSS)  | 0                         | 0                      | 1                             | 1                             | 0                            | 1                       | 1                            | 0                                 |
| RET. EARNINGS (DEF.) AT BEG. OF YEAR   | 3                         | 3                      | 1                             | 0                             | 0                            | 9                       | 3                            | 0                                 |
| DEDUCT:  |                           |                        |                               |                               |                              |                         |                              |                                   |
| Dividends  | 0                         | 0                      | 0                             | 0                             | 0                            | 0                       | 0                            | 0                                 |
| Other  | 0                         | 0                      | 0                             | 0                             | 0                            | 0                       | 0                            | 0                                 |
| RET. EARNINGS (DEF.) AT END OF YEAR  | \$3                       | \$3                    | \$2                           | \$1                           | \$0                          | \$10                    | \$4                          | \$0                               |

|   | ESI<br>Bay<br>Area,<br>Inc. | ESI<br>Multitrade<br>LP, Inc. | MES<br>Financial<br>Corp. | ESI LP,<br>Inc.<br>(Sky River) | ESI<br>Sky<br>River,<br>Inc. | ESI<br>Brady,<br>Inc. | ESI<br>California<br>Holdings,<br>Inc. | ESI<br>Montgomery<br>County<br>GP,<br>Inc. |
|---|-----------------------------|-------------------------------|---------------------------|--------------------------------|------------------------------|-----------------------|--|--|
| <b>ASSETS</b>                                       |                             |                               |                           |                                |                              |                       |  |  |
| <b>PROPERTY, PLANT AND EQUIPMENT</b>                |                             |                               |                           |                                |                              |                       |  |  |
| Elec. utility plant in ser. & other property        | \$0                         | \$0                           | \$0                       | \$0                            | \$0                          | \$0                   | \$0                                    | \$0  |
| Nuclear fuel  | 0                           | 0                             | 0                         | 0                              | 0                            | 0                     | 0                                      | 0  |
| Construction work in progress                       | 0                           | 0                             | 0                         | 0                              | 0                            | 0                     | 0                                      | 0  |
| Less accumulated depr. & amort.                     | 0                           | 0                             | 0                         | 0                              | 0                            | 0                     | 0                                      | 0  |
| Total prop., plant and eqpt. - net                  | 0                           | 0                             | 0                         | 0                              | 0                            | 0                     | 0                                      | 0  |
| <b>CURRENT ASSETS</b>                               |                             |                               |                           |                                |                              |                       |  |  |
| Cash and cash equivalents                           | 0                           | 0                             | 0                         | 0                              | 0                            | 0                     | 0                                      | 0  |
| Customer receivables - net                          | 0                           | 0                             | 0                         | 0                              | 0                            | 0                     | 0                                      | 0  |
| Other receivables                                   | 0                           | 0                             | 5                         | 0                              | 0                            | 0                     | 0                                      | 0  |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 0                           | 0                             | 0                         | 0                              | 0                            | 0                     | 0                                      | 0  |
| Deferred clause expenses                            | 0                           | 0                             | 0                         | 0                              | 0                            | 0                     | 0                                      | 0  |
| Other   | 0                           | 0                             | 0                         | 0                              | 0                            | 0                     | 0                                      | 0  |
| Total current assets                                | 0                           | 0                             | 5                         | 0                              | 0                            | 0                     | 0                                      | 0  |
| <b>OTHER ASSETS:</b>                                |                             |                               |                           |                                |                              |                       |  |  |
| Special use funds                                   | 0                           | 0                             | 0                         | 0                              | 0                            | 0                     | 0                                      | 0  |
| Other investments                                   | 7                           | (3)                           | 0                         | 0                              | 10                           | 0                     | (36)                                   | 0  |
| Other   | 0                           | 0                             | 0                         | 0                              | 0                            | 0                     | 0                                      | 0  |
| Total other assets                                  | 7                           | (3)                           | 0                         | 0                              | 10                           | 0                     | (36)                                   | 0  |
| <b>TOTAL ASSETS</b>                                 | <b>\$7</b>                  | <b>(\$3)</b>                  | <b>\$5</b>                | <b>\$0</b>                     | <b>\$10</b>                  | <b>\$0</b>            | <b>(\$36)</b>                          | <b>\$0</b>                                 |
| <b>CAPITALIZATION</b>                               |                             |                               |                           |                                |                              |                       |  |  |
| Common shareholders' equity                         | \$5                         | (\$6)                         | \$5                       | \$0                            | \$9                          | \$0                   | (\$36)                                 | (\$25)                                     |
| Pref. stk. of FPL w/o sinking fund require.         | 0                           | 0                             | 0                         | 0                              | 0                            | 0                     | 0                                      | 0  |
| Long-term debt                                      | 0                           | 0                             | 0                         | 0                              | 0                            | 0                     | 0                                      | 12   |
| Total capitalization                                | 5                           | (6)                           | 5                         | 0                              | 9                            | 0                     | (36)                                   | (13)                                       |
| <b>CURRENT LIABILITIES</b>                          |                             |                               |                           |                                |                              |                       |  |  |
| Commercial paper                                    | 0                           | 0                             | 0                         | 0                              | 0                            | 0                     | 0                                      | 0  |
| Note payable  | 0                           | 0                             | 0                         | 0                              | 0                            | 0                     | 0                                      | 0  |
| Current maturities of long-term debt                | 0                           | 0                             | 0                         | 0                              | 0                            | 0                     | 0                                      | 0  |
| Accounts payable                                    | 0                           | 0                             | 0                         | 0                              | 0                            | 0                     | 0                                      | 0  |
| Customers' deposits                                 | 0                           | 0                             | 0                         | 0                              | 0                            | 0                     | 0                                      | 0  |
| Accrued interest and taxes                          | 0                           | 0                             | 0                         | 0                              | 0                            | 0                     | 0                                      | 0  |
| Deferred clause revenues                            | 0                           | 0                             | 0                         | 0                              | 0                            | 0                     | 0                                      | 0  |
| Other   | 0                           | 0                             | 0                         | 0                              | 0                            | 0                     | 0                                      | 0  |
| Total current liabilities                           | 0                           | 0                             | 0                         | 0                              | 0                            | 0                     | 0                                      | 0  |
| <b>OTHER LIABILITIES AND DEFERRED CREDITS</b>       |                             |                               |                           |                                |                              |                       |  |  |
| Asset retirement obligations                        | 0                           | 0                             | 0                         | 0                              | 0                            | 0                     | 0                                      | 0  |
| Accumulated deferred income taxes                   | 2                           | 3                             | 0                         | 0                              | 1                            | 0                     | 0                                      | 13   |
| Storm and property insurance reserve                | 0                           | 0                             | 0                         | 0                              | 0                            | 0                     | 0                                      | 0  |
| Other   | 0                           | 0                             | 0                         | 0                              | 0                            | 0                     | 0                                      | 0  |
| Total other liab. & def. credits                    | 2                           | 3                             | 0                         | 0                              | 1                            | 0                     | 0                                      | 13   |
| <b>COMMITMENTS AND CONTINGENCIES</b>                |                             |                               |                           |                                |                              |                       |  |  |
| <b>TOTAL CAPITALIZATION AND LIABILITIES</b>         | <b>\$7</b>                  | <b>(\$3)</b>                  | <b>\$5</b>                | <b>\$0</b>                     | <b>\$10</b>                  | <b>\$0</b>            | <b>(\$36)</b>                          | <b>\$0</b>                                 |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

|  | ESI<br>Bay<br>Area,<br>Inc. | ESI<br>Multitrade<br>LP, Inc. | MES<br>Financial<br>Corp. | ESI LP,<br>Inc.<br>(Sky River) | ESI<br>Sky<br>River,<br>Inc. | ESI<br>Brady,<br>Inc. | ESI<br>California<br>Holdings,<br>Inc. | ESI<br>Montgomery<br>County<br>GP,<br>Inc. |
|--|-----------------------------|-------------------------------|---------------------------|--------------------------------|------------------------------|-----------------------|--|--|
| <b>INCOME STATEMENT</b>  |                             |                               |                           |                                |                              |                       |  |  |
| <b>OPERATING REVENUES</b>  | <b>\$0</b>                  | <b>\$0</b>                    | <b>\$0</b>                | <b>\$0</b>                     | <b>\$0</b>                   | <b>\$0</b>            | <b>\$0</b>                             | <b>\$0</b>                                 |
| <b>OPERATING EXPENSES</b>  |                             |                               |                           |                                |                              |                       |  |  |
| Fuel, purchased power & interchange  | 0                           | 0                             | 0                         | 0                              | 0                            | 0                     | 0                                      | 0  |
| Other operations and maintenance   | 0                           | 0                             | 0                         | 0                              | 0                            | 0                     | 0                                      | 0  |
| Depreciation & amortization  | 0                           | 0                             | 0                         | 0                              | 0                            | 0                     | 0                                      | 0  |
| Taxes other than income taxes  | 0                           | 0                             | 0                         | 0                              | 0                            | 0                     | 0                                      | 0  |
| Total operating expenses   | 0                           | 0                             | 0                         | 0                              | 0                            | 0                     | 0                                      | 0  |
| <b>OPERATING INCOME</b>  | <b>0</b>                    | <b>0</b>                      | <b>0</b>                  | <b>0</b>                       | <b>0</b>                     | <b>0</b>              | <b>0</b>                               | <b>0</b>                                   |
| <b>OTHER INCOME (DEDUCTIONS):</b>  |                             |                               |                           |                                |                              |                       |  |  |
| Interest charges   | 0                           | 0                             | 0                         | 0                              | 0                            | 0                     | 0                                      | (1)  |
| Preferred stock dividends - FPL  | 0                           | 0                             | 0                         | 0                              | 0                            | 0                     | 0                                      | 0  |
| Loss on redemption of preferred stock - FPL  | 0                           | 0                             | 0                         | 0                              | 0                            | 0                     | 0                                      | 0  |
| Equity in earnings of equity method investees  | 3                           | 0                             | 0                         | 0                              | 3                            | 0                     | 0                                      | 0  |
| Other - net  | 0                           | 1                             | 0                         | 0                              | 0                            | 0                     | 0                                      | 0  |
| Total other deductions - net   | 3                           | 1                             | 0                         | 0                              | 3                            | 0                     | 0                                      | (1)  |
| <b>INCOME FROM OPERATIONS BEFORE INCOME TAXES</b>  | <b>3</b>                    | <b>1</b>                      | <b>0</b>                  | <b>0</b>                       | <b>3</b>                     | <b>0</b>              | <b>0</b>                               | <b>(1)</b>                                 |
| <b>INCOME TAXES</b>  | <b>1</b>                    | <b>0</b>                      | <b>0</b>                  | <b>0</b>                       | <b>(1)</b>                   | <b>0</b>              | <b>0</b>                               | <b>0</b>                                   |
| <b>INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE<br/>IN ACCOUNTING PRINCIPLE</b>                             | <b>2</b>                    | <b>1</b>                      | <b>0</b>                  | <b>0</b>                       | <b>4</b>                     | <b>0</b>              | <b>0</b>                               | <b>(1)</b>                                 |
| <b>CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES</b>   |                             |                               |                           |                                |                              |                       |  |  |
| FASB Interpretation No. 46, "Consol. of Variable<br>Interest Entities," net of income taxes benefit of \$2 | 0                           | 0                             | 0                         | 0                              | 0                            | 0                     | 0                                      | 0  |
| <b>NET INCOME (LOSS)</b>   | <b>2</b>                    | <b>1</b>                      | <b>0</b>                  | <b>0</b>                       | <b>4</b>                     | <b>0</b>              | <b>0</b>                               | <b>(1)</b>                                 |
| <b>RET. EARNINGS (DEF.) AT BEG. OF YEAR</b>  | <b>(6)</b>                  | <b>11</b>                     | <b>17</b>                 | <b>0</b>                       | <b>30</b>                    | <b>0</b>              | <b>0</b>                               | <b>(13)</b>                                |
| <b>DEDUCT:</b>   |                             |                               |                           |                                |                              |                       |  |  |
| Dividends  | 0                           | 0                             | 0                         | 0                              | 0                            | 0                     | 0                                      | 0  |
| Other  | 0                           | 0                             | 0                         | 0                              | 0                            | 0                     | 0                                      | 0  |
| <b>RET. EARNINGS (DEF.) AT END OF YEAR</b>   | <b>(\$4)</b>                | <b>\$12</b>                   | <b>\$17</b>               | <b>\$0</b>                     | <b>\$34</b>                  | <b>\$0</b>            | <b>\$0</b>                             | <b>(\$14)</b>                              |

|   | ESI<br>Montgomery<br>County,<br>LLC | ESI<br>Montgomery<br>County<br>LP, Inc. | ESI<br>LP, Inc.<br>(Brady) | ESI<br>Calistoga<br>GP, Inc. | ESI<br>Calistoga<br>LP, Inc. | ESI<br>Silverado<br>Holdings,<br>LLC | FPL<br>Energy<br>Green<br>Power<br>Wind,<br>LLC | FPL<br>Energy<br>North<br>Dakota<br>Wind,<br>LLC |
|---|-------------------------------------|---|----------------------------|------------------------------|------------------------------|--------------------------------------|---|--|
| <b>ASSETS</b>                                       |                                     |   |                            |                              |                              |                                      |   |  |
| <b>PROPERTY, PLANT AND EQUIPMENT</b>                |                                     |   |                            |                              |                              |                                      |   |  |
| Elec. utility plant in ser. & other property        | \$0                                 | \$0                                     | \$0                        | \$0                          | \$0                          | \$0                                  | \$10  | \$65   |
| Nuclear fuel  | 0                                   | 0                                       | 0                          | 0                            | 0                            | 0                                    | 0   | 0  |
| Construction work in progress                       | 0                                   | 0                                       | 0                          | 0                            | 0                            | 0                                    | 0   | 0  |
| Less accumulated depr. & amort.                     | 0                                   | 0                                       | 0                          | 0                            | 0                            | 0                                    | 0   | (1)  |
| Total prop., plant and eqpt. - net                  | 0                                   | 0                                       | 0                          | 0                            | 0                            | 0                                    | 10  | 64   |
| <b>CURRENT ASSETS</b>                               |                                     |   |                            |                              |                              |                                      |   |  |
| Cash and cash equivalents                           | 0                                   | 0                                       | 0                          | 0                            | 0                            | 0                                    | 0   | (1)  |
| Customer receivables - net                          | 0                                   | 0                                       | 0                          | 0                            | 0                            | 0                                    | 0   | 1  |
| Other receivables                                   | 0                                   | 0                                       | 0                          | 0                            | 0                            | 0                                    | 0   | 0  |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 0                                   | 0                                       | 0                          | 0                            | 0                            | 0                                    | 0   | 0  |
| Deferred clause expenses                            | 0                                   | 0                                       | 0                          | 0                            | 0                            | 0                                    | 0   | 0  |
| Other   | 0                                   | 0                                       | 0                          | 0                            | 0                            | 0                                    | 0   | 0  |
| Total current assets                                | 0                                   | 0                                       | 0                          | 0                            | 0                            | 0                                    | 0   | 0  |
| <b>OTHER ASSETS:</b>                                |                                     |   |                            |                              |                              |                                      |   |  |
| Special use funds                                   | 0                                   | 0                                       | 0                          | 0                            | 0                            | 0                                    | 0   | 0  |
| Other investments                                   | (13)                                | 0                                       | 0                          | 0                            | 0                            | 0                                    | 0   | 0  |
| Other   | 0                                   | 0                                       | 0                          | 0                            | 0                            | 0                                    | 0   | 0  |
| Total other assets                                  | (13)                                | 0                                       | 0                          | 0                            | 0                            | 0                                    | 0   | 0  |
| <b>TOTAL ASSETS</b>                                 | <b>(\$13)</b>                       | <b>\$0</b>                              | <b>\$0</b>                 | <b>\$0</b>                   | <b>\$0</b>                   | <b>\$0</b>                           | <b>\$10</b>                                     | <b>\$64</b>                                      |
| <b>CAPITALIZATION</b>                               |                                     |   |                            |                              |                              |                                      |   |  |
| Common shareholders' equity                         | (\$13)                              | (\$15)                                  | \$0                        | \$0                          | \$0                          | \$0                                  | \$10  | \$62   |
| Pref. stk. of FPL w/o sinking fund require.         | 0                                   | 0                                       | 0                          | 0                            | 0                            | 0                                    | 0   | 0  |
| Long-term debt                                      | 0                                   | 0                                       | 0                          | 0                            | 0                            | 0                                    | 0   | 0  |
| Total capitalization                                | (13)                                | (15)                                    | 0                          | 0                            | 0                            | 0                                    | 10  | 62   |
| <b>CURRENT LIABILITIES</b>                          |                                     |   |                            |                              |                              |                                      |   |  |
| Commercial paper                                    | 0                                   | 0                                       | 0                          | 0                            | 0                            | 0                                    | 0   | 0  |
| Note payable  | 0                                   | 0                                       | 0                          | 0                            | 0                            | 0                                    | 0   | 0  |
| Current maturities of long-term debt                | 0                                   | 0                                       | 0                          | 0                            | 0                            | 0                                    | 0   | 0  |
| Accounts payable                                    | 0                                   | 0                                       | 0                          | 0                            | 0                            | 0                                    | 0   | 0  |
| Customers' deposits                                 | 0                                   | 0                                       | 0                          | 0                            | 0                            | 0                                    | 0   | 0  |
| Accrued interest and taxes                          | 0                                   | 0                                       | 0                          | 0                            | 0                            | 0                                    | 0   | 0  |
| Deferred clause revenues                            | 0                                   | 0                                       | 0                          | 0                            | 0                            | 0                                    | 0   | 0  |
| Other   | 0                                   | 0                                       | 0                          | 0                            | 0                            | 0                                    | 0   | 2  |
| Total current liabilities                           | 0                                   | 0                                       | 0                          | 0                            | 0                            | 0                                    | 0   | 2  |
| <b>OTHER LIABILITIES AND DEFERRED CREDITS</b>       |                                     |   |                            |                              |                              |                                      |   |  |
| Asset retirement obligations                        | 0                                   | 0                                       | 0                          | 0                            | 0                            | 0                                    | 0   | 0  |
| Accumulated deferred income taxes                   | 0                                   | 15                                      | 0                          | 0                            | 0                            | 0                                    | 0   | 0  |
| Storm and property insurance reserve                | 0                                   | 0                                       | 0                          | 0                            | 0                            | 0                                    | 0   | 0  |
| Other   | 0                                   | 0                                       | 0                          | 0                            | 0                            | 0                                    | 0   | 0  |
| Total other liab. & def. credits                    | 0                                   | 15                                      | 0                          | 0                            | 0                            | 0                                    | 0   | 0  |
| <b>COMMITMENTS AND CONTINGENCIES</b>                |                                     |   |                            |                              |                              |                                      |   |  |
| <b>TOTAL CAPITALIZATION AND LIABILITIES</b>         | <b>(\$13)</b>                       | <b>\$0</b>                              | <b>\$0</b>                 | <b>\$0</b>                   | <b>\$0</b>                   | <b>\$0</b>                           | <b>\$10</b>                                     | <b>\$64</b>                                      |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

|  | ESI<br>Montgomery<br>County,<br>LLC | ESI<br>Montgomery<br>County<br>LP,<br>Inc. | ESI LP,<br>nc.<br>(Brady) | ESI<br>Calistoga<br>GP,<br>Inc. | ESI<br>Calistoga<br>LP,<br>Inc. | ESI<br>Silverado<br>Holdings,<br>LLC | FPL<br>Energy<br>Green<br>Power<br>Wind,<br>LLC | FPL<br>Energy<br>North<br>Dakota<br>Wind,<br>LLC |
|--|-------------------------------------|--|---------------------------|---------------------------------|---------------------------------|--------------------------------------|---|--|
| <b>INCOME STATEMENT</b>  |                                     |  |                           |                                 |                                 |                                      |   |  |
| <b>OPERATING REVENUES</b>  | \$0                                 | \$0  | \$0                       | \$0                             | \$0                             | \$0                                  | \$0   | \$1  |
| <b>OPERATING EXPENSES</b>  |                                     |  |                           |                                 |                                 |                                      |   |  |
| Fuel, purchased power & interchange  | 0                                   | 0  | 0                         | 0                               | 0                               | 0                                    | 0   | 0  |
| Other operations and maintenance   | 0                                   | 0  | 0                         | 0                               | 0                               | 0                                    | 0   | 0  |
| Depreciation & amortization  | 0                                   | 0  | 0                         | 0                               | 0                               | 0                                    | 0   | 1  |
| Taxes other than income taxes  | 0                                   | 0  | 0                         | 0                               | 0                               | 0                                    | 0   | 0  |
| Total operating expenses   | 0                                   | 0  | 0                         | 0                               | 0                               | 0                                    | 0   | 1  |
| <b>OPERATING INCOME</b>  | <b>0</b>                            | <b>0</b>                                   | <b>0</b>                  | <b>0</b>                        | <b>0</b>                        | <b>0</b>                             | <b>0</b>  | <b>0</b>   |
| <b>OTHER INCOME (DEDUCTIONS):</b>  |                                     |  |                           |                                 |                                 |                                      |   |  |
| Interest charges   | 0                                   | 0  | 0                         | 0                               | 0                               | 0                                    | 0   | 0  |
| Preferred stock dividends - FPL  | 0                                   | 0  | 0                         | 0                               | 0                               | 0                                    | 0   | 0  |
| Loss on redemption of preferred stock - FPL  | 0                                   | 0  | 0                         | 0                               | 0                               | 0                                    | 0   | 0  |
| Equity in earnings of equity method investees  | 0                                   | 0  | 0                         | 0                               | 0                               | 0                                    | 0   | 0  |
| Other - net  | 0                                   | 0  | 0                         | 0                               | 0                               | 0                                    | 0   | 0  |
| Total other deductions - net   | 0                                   | 0  | 0                         | 0                               | 0                               | 0                                    | 0   | 0  |
| <b>INCOME FROM OPERATIONS BEFORE INCOME TAXES</b>  | <b>0</b>                            | <b>0</b>                                   | <b>0</b>                  | <b>0</b>                        | <b>0</b>                        | <b>0</b>                             | <b>0</b>  | <b>0</b>   |
| <b>INCOME TAXES</b>  | <b>0</b>                            | <b>0</b>                                   | <b>0</b>                  | <b>0</b>                        | <b>0</b>                        | <b>0</b>                             | <b>0</b>  | <b>0</b>   |
| <b>INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE<br/>IN ACCOUNTING PRINCIPLE</b>                             | <b>0</b>                            | <b>0</b>                                   | <b>0</b>                  | <b>0</b>                        | <b>0</b>                        | <b>0</b>                             | <b>0</b>  | <b>0</b>   |
| <b>CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES</b>   |                                     |  |                           |                                 |                                 |                                      |   |  |
| FASB Interpretation No. 46, "Consol. of Variable<br>Interest Entities," net of income taxes benefit of \$2 | 0                                   | 0  | 0                         | 0                               | 0                               | 0                                    | 0   | 0  |
| <b>NET INCOME (LOSS)</b>   | <b>0</b>                            | <b>0</b>                                   | <b>0</b>                  | <b>0</b>                        | <b>0</b>                        | <b>0</b>                             | <b>0</b>  | <b>0</b>   |
| <b>RET. EARNINGS (DEF.) AT BEG. OF YEAR</b>  | <b>0</b>                            | <b>(13)</b>                                | <b>0</b>                  | <b>0</b>                        | <b>9</b>                        | <b>0</b>                             | <b>0</b>  | <b>0</b>   |
| <b>DEDUCT:</b>   |                                     |  |                           |                                 |                                 |                                      |   |  |
| Dividends  | 0                                   | 0  | 0                         | 0                               | 0                               | 0                                    | 0   | 0  |
| Other  | 0                                   | 0  | 0                         | 0                               | 0                               | 0                                    | 0   | 0  |
| <b>RET. EARNINGS (DEF.) AT END OF YEAR</b>   | <b>\$0</b>                          | <b>(\$13)</b>                              | <b>\$0</b>                | <b>\$0</b>                      | <b>\$9</b>                      | <b>\$0</b>                           | <b>\$0</b>                                      | <b>\$0</b>                                       |

|   | FPL<br>Energy<br>Vansycle<br>L.L.C. | FPL<br>Energy<br>Wyoming,<br>LLC | Harper<br>Lake<br>Acquisitions,<br>Inc. | Harper<br>Lake<br>Holdings,<br>Inc. | ESI<br>Altamont<br>Acquisitions,<br>Inc. | ESI<br>Ormesa<br>Holdings,<br>Inc. | ESI<br>Northeast<br>Energy<br>GP,<br>Inc. | ESI<br>Northeast<br>Energy<br>LP,<br>Inc. |
|---|-------------------------------------|----------------------------------|---|-------------------------------------|--|------------------------------------|---|---|
| <b>ASSETS</b>                                       |                                     |                                  |   |                                     |  |                                    |   |   |
| <b>PROPERTY, PLANT AND EQUIPMENT</b>                |                                     |                                  |   |                                     |  |                                    |   |   |
| Elec. utility plant in ser. & other property        | \$280                               | \$171                            | \$0                                     | \$0                                 | \$0                                      | \$0                                | \$0                                       | \$0                                       |
| Nuclear fuel  | 0                                   | 0                                | 0                                       | 0                                   | 0  | 0                                  | 0   | 0   |
| Construction work in progress                       | 1                                   | 0                                | 0                                       | 0                                   | 0  | 0                                  | 0   | 0   |
| Less accumulated depr. & amort.                     | (29)                                | 0                                | 0                                       | 0                                   | 0  | 0                                  | 0   | 0   |
| Total prop., plant and eqpt. - net                  | 252                                 | 171                              | 0                                       | 0                                   | 0  | 0                                  | 0   | 0   |
| <b>CURRENT ASSETS</b>                               |                                     |                                  |   |                                     |  |                                    |   |   |
| Cash and cash equivalents                           | 2                                   | 0                                | 0                                       | 0                                   | 0  | 0                                  | 0   | 0   |
| Customer receivables - net                          | 1                                   | 0                                | 0                                       | 0                                   | 0  | 0                                  | 0   | 0   |
| Other receivables                                   | 0                                   | 0                                | 0                                       | 0                                   | 0  | 0                                  | 0   | 0   |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 0                                   | 0                                | 0                                       | 0                                   | 0  | 0                                  | 0   | 0   |
| Deferred clause expenses                            | 0                                   | 0                                | 0                                       | 0                                   | 0  | 0                                  | 0   | 0   |
| Other   | 1                                   | 0                                | 0                                       | 0                                   | 0  | 0                                  | 0   | 0   |
| Total current assets                                | 4                                   | 0                                | 0                                       | 0                                   | 0  | 0                                  | 0   | 0   |
| <b>OTHER ASSETS:</b>                                |                                     |                                  |   |                                     |  |                                    |   |   |
| Special use funds                                   | 0                                   | 0                                | 0                                       | 0                                   | 0  | 0                                  | 0   | 0   |
| Other investments                                   | 0                                   | 0                                | 0                                       | 0                                   | 15                                       | 0                                  | 2   | 30  |
| Other   | 5                                   | 0                                | 0                                       | 0                                   | 0  | 0                                  | 0   | 0   |
| Total other assets                                  | 5                                   | 0                                | 0                                       | 0                                   | 15                                       | 0                                  | 2   | 30  |
| <b>TOTAL ASSETS</b>                                 | <b>\$261</b>                        | <b>\$171</b>                     | <b>\$0</b>                              | <b>\$0</b>                          | <b>\$15</b>                              | <b>\$0</b>                         | <b>\$2</b>                                | <b>\$30</b>                               |
| <b>CAPITALIZATION</b>                               |                                     |                                  |   |                                     |  |                                    |   |   |
| Common shareholders' equity                         | \$128                               | \$143                            | \$0                                     | \$0                                 | \$11                                     | \$0                                | \$1                                       | (\$14)                                    |
| Pref. stk. of FPL w/o sinking fund require.         | 0                                   | 0                                | 0                                       | 0                                   | 0  | 0                                  | 0   | 0   |
| Long-term debt                                      | 122                                 | 0                                | 0                                       | 0                                   | 0  | 0                                  | 0   | 0   |
| Total capitalization                                | 250                                 | 143                              | 0                                       | 0                                   | 11                                       | 0                                  | 1   | (14)                                      |
| <b>CURRENT LIABILITIES</b>                          |                                     |                                  |   |                                     |  |                                    |   |   |
| Commercial paper                                    | 0                                   | 0                                | 0                                       | 0                                   | 0  | 0                                  | 0   | 0   |
| Note payable  | 4                                   | 0                                | 0                                       | 0                                   | 0  | 0                                  | 0   | 6   |
| Current maturities of long-term debt                | 0                                   | 0                                | 0                                       | 0                                   | 0  | 0                                  | 0   | 0   |
| Accounts payable                                    | 0                                   | 1                                | 0                                       | 0                                   | 0  | 0                                  | 0   | 0   |
| Customers' deposits                                 | 0                                   | 0                                | 0                                       | 0                                   | 0  | 0                                  | 0   | 0   |
| Accrued interest and taxes                          | 2                                   | 0                                | 0                                       | 0                                   | 0  | 0                                  | 0   | 0   |
| Deferred clause revenues                            | 0                                   | 0                                | 0                                       | 0                                   | 0  | 0                                  | 0   | 0   |
| Other   | 3                                   | 22                               | 0                                       | 0                                   | 0  | 0                                  | 0   | 0   |
| Total current liabilities                           | 9                                   | 23                               | 0                                       | 0                                   | 0  | 0                                  | 0   | 6   |
| <b>OTHER LIABILITIES AND DEFERRED CREDITS</b>       |                                     |                                  |   |                                     |  |                                    |   |   |
| Asset retirement obligations                        | 2                                   | 0                                | 0                                       | 0                                   | 0  | 0                                  | 0   | 0   |
| Accumulated deferred income taxes                   | 0                                   | 0                                | 0                                       | 0                                   | 4  | 0                                  | 1   | 38  |
| Storm and property insurance reserve                | 0                                   | 0                                | 0                                       | 0                                   | 0  | 0                                  | 0   | 0   |
| Other   | 0                                   | 5                                | 0                                       | 0                                   | 0  | 0                                  | 0   | 0   |
| Total other liab. & def. credits                    | 2                                   | 5                                | 0                                       | 0                                   | 4  | 0                                  | 1   | 38  |
| <b>COMMITMENTS AND CONTINGENCIES</b>                |                                     |                                  |   |                                     |  |                                    |   |   |
| <b>TOTAL CAPITALIZATION AND LIABILITIES</b>         | <b>\$261</b>                        | <b>\$171</b>                     | <b>\$0</b>                              | <b>\$0</b>                          | <b>\$15</b>                              | <b>\$0</b>                         | <b>\$2</b>                                | <b>\$30</b>                               |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

|  | FPL<br>Energy<br>Vansycle<br>L.L.C. | FPL<br>Energy<br>Wyoming,<br>LLC | Harper<br>Lake<br>Acquisitions,<br>Inc. | Harper<br>Lake<br>Holdings,<br>Inc. | ESI<br>Altamont<br>Acquisitions,<br>Inc. | ESI<br>Ormesa<br>Holdings,<br>Inc. | ESI<br>Northeast<br>Energy<br>GP,<br>Inc. | ESI<br>Northeast<br>Energy<br>LP,<br>Inc. |
|--|-------------------------------------|----------------------------------|---|-------------------------------------|--|------------------------------------|---|---|
| <b>INCOME STATEMENT</b>  |                                     |                                  |   |                                     |  |                                    |   |   |
| <b>OPERATING REVENUES</b>  | <b>\$16</b>                         | <b>\$0</b>                       | <b>\$0</b>                              | <b>\$0</b>                          | <b>\$1</b>                               | <b>\$0</b>                         | <b>\$1</b>                                | <b>\$0</b>                                |
| <b>OPERATING EXPENSES</b>  |                                     |                                  |   |                                     |  |                                    |   |   |
| Fuel, purchased power & interchange  | 0                                   | 0                                | 0                                       | 0                                   | 0  | 0                                  | 5   | 0   |
| Other operations and maintenance   | 5                                   | 0                                | 0                                       | 0                                   | 0  | 0                                  | 1   | 0   |
| Depreciation & amortization  | 13                                  | 0                                | 0                                       | 0                                   | 0  | 0                                  | 0   | 0   |
| Taxes other than income taxes  | 2                                   | 0                                | 0                                       | 0                                   | 0  | 0                                  | 0   | 0   |
| Total operating expenses   | 20                                  | 0                                | 0                                       | 0                                   | 0  | 0                                  | 6   | 0   |
| <b>OPERATING INCOME</b>  | <b>(4)</b>                          | <b>0</b>                         | <b>0</b>                                | <b>0</b>                            | <b>1</b>                                 | <b>0</b>                           | <b>(5)</b>                                | <b>0</b>                                  |
| <b>OTHER INCOME (DEDUCTIONS):</b>  |                                     |                                  |   |                                     |  |                                    |   |   |
| Interest charges   | 0                                   | 0                                | 0                                       | 0                                   | 0  | 0                                  | 0   | (5)                                       |
| Preferred stock dividends - FPL  | 0                                   | 0                                | 0                                       | 0                                   | 0  | 0                                  | 0   | 0   |
| Loss on redemption of preferred stock - FPL  | 0                                   | 0                                | 0                                       | 0                                   | 0  | 0                                  | 0   | 0   |
| Equity in earnings of equity method investees  | 0                                   | 0                                | 0                                       | 0                                   | 4  | 0                                  | 1   | 34  |
| Other - net  | 0                                   | 0                                | 0                                       | 0                                   | 0  | 0                                  | 0   | 0   |
| Total other deductions - net   | 0                                   | 0                                | 0                                       | 0                                   | 4  | 0                                  | 1   | 29  |
| <b>INCOME FROM OPERATIONS BEFORE INCOME TAXES</b>  | <b>(4)</b>                          | <b>0</b>                         | <b>0</b>                                | <b>0</b>                            | <b>5</b>                                 | <b>0</b>                           | <b>(4)</b>                                | <b>29</b>                                 |
| <b>INCOME TAXES</b>  | <b>0</b>                            | <b>0</b>                         | <b>0</b>                                | <b>0</b>                            | <b>2</b>                                 | <b>0</b>                           | <b>(2)</b>                                | <b>11</b>                                 |
| <b>INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE<br/>IN ACCOUNTING PRINCIPLE</b>                             | <b>(4)</b>                          | <b>0</b>                         | <b>0</b>                                | <b>0</b>                            | <b>3</b>                                 | <b>0</b>                           | <b>(2)</b>                                | <b>18</b>                                 |
| <b>CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES</b>   |                                     |                                  |   |                                     |  |                                    |   |   |
| FASB Interpretation No. 46, "Consol. of Variable<br>Interest Entities," net of income taxes benefit of \$2 | 0                                   | 0                                | 0                                       | 0                                   | 0  | 0                                  | 0   | 0   |
| <b>NET INCOME (LOSS)</b>   | <b>(4)</b>                          | <b>0</b>                         | <b>0</b>                                | <b>0</b>                            | <b>3</b>                                 | <b>0</b>                           | <b>(2)</b>                                | <b>18</b>                                 |
| <b>RET. EARNINGS (DEF.) AT BEG. OF YEAR</b>  | <b>(6)</b>                          | <b>0</b>                         | <b>0</b>                                | <b>0</b>                            | <b>14</b>                                | <b>0</b>                           | <b>0</b>                                  | <b>48</b>                                 |
| <b>DEDUCT:</b>   |                                     |                                  |   |                                     |  |                                    |   |   |
| Dividends  | 0                                   | 0                                | 0                                       | 0                                   | 0  | 0                                  | 0   | 0   |
| Other  | 0                                   | 0                                | 0                                       | 0                                   | 0  | 0                                  | 0   | 0   |
| <b>RET. EARNINGS (DEF.) AT END OF YEAR</b>   | <b>(\$10)</b>                       | <b>\$0</b>                       | <b>\$0</b>                              | <b>\$0</b>                          | <b>\$17</b>                              | <b>\$0</b>                         | <b>(\$2)</b>                              | <b>\$66</b>                               |

|   | ESI<br>Northeast<br>Energy<br>Acquisition<br>Funding,<br>Inc. | Northern<br>Cross<br>Investments,<br>Inc. | ESI<br>Northeast<br>Energy<br>Funding,<br>Inc. | FPL<br>Energy<br>Sooner<br>Wind,<br>LLC | FPL<br>Energy<br>South<br>Dakota<br>Wind,<br>LLC | Sullivan<br>Street<br>Investments,<br>Inc. | ESI<br>Tehachapi<br>Acquisitions,<br>Inc. | ESI<br>Ormesa<br>Holdings I<br>LLC |
|---|---|---|--|---|--|--|---|------------------------------------|
| <b>ASSETS</b>                                       |   |   |  |   |  |  |   |                                    |
| <b>PROPERTY, PLANT AND EQUIPMENT</b>                |   |   |  |   |  |  |   |                                    |
| Elec. utility plant in ser. & other property        | \$0   | \$0                                       | \$0  | \$55                                    | \$42   | \$0  | \$0                                       | \$0                                |
| Nuclear fuel  | 0   | 0   | 0  | 0                                       | 0  | 0  | 0   | 0                                  |
| Construction work in progress                       | 0   | 0   | 0  | 0                                       | 0  | 0  | 0   | 0                                  |
| Less accumulated depr. & amort.                     | 0   | 0   | 0  | (1)                                     | 0  | 0  | 0   | 0                                  |
| Total prop., plant and eqpt. - net                  | 0   | 0   | 0  | 54                                      | 42   | 0  | 0   | 0                                  |
| <b>CURRENT ASSETS</b>                               |   |   |  |   |  |  |   |                                    |
| Cash and cash equivalents                           | 0   | 0   | 0  | 0                                       | 0  | 0  | 0   | 0                                  |
| Customer receivables - net                          | 0   | 0   | 0  | 0                                       | 0  | 0  | 0   | 0                                  |
| Other receivables                                   | 0   | 3   | 0  | 0                                       | 0  | 0  | 0   | 0                                  |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 0   | 0   | 0  | 0                                       | 0  | 0  | 0   | 0                                  |
| Deferred clause expenses                            | 0   | 0   | 0  | 0                                       | 0  | 0  | 0   | 0                                  |
| Other   | 0   | 0   | 0  | 0                                       | 0  | 0  | 0   | 0                                  |
| Total current assets                                | 0   | 3   | 0  | 0                                       | 0  | 0  | 0   | 0                                  |
| <b>OTHER ASSETS:</b>                                |   |   |  |   |  |  |   |                                    |
| Special use funds                                   | 0   | 0   | 0  | 0                                       | 0  | 0  | 0   | 0                                  |
| Other investments                                   | 0   | 33  | 0  | 0                                       | 0  | 0  | 15  | 0                                  |
| Other   | 0   | 0   | 0  | 0                                       | 0  | 0  | 1   | 0                                  |
| Total other assets                                  | 0   | 33  | 0  | 0                                       | 0  | 0  | 16  | 0                                  |
| <b>TOTAL ASSETS</b>                                 | <b>\$0</b>  | <b>\$36</b>                               | <b>\$0</b>                                     | <b>\$54</b>                             | <b>\$42</b>                                      | <b>\$0</b>                                 | <b>\$16</b>                               | <b>\$0</b>                         |
| <b>CAPITALIZATION</b>                               |   |   |  |   |  |  |   |                                    |
| Common shareholders' equity                         | \$0   | \$36                                      | \$0  | \$51                                    | \$40   | \$0  | \$5                                       | \$0                                |
| Pref. stk. of FPL w/o sinking fund require.         | 0   | 0   | 0  | 0                                       | 0  | 0  | 0   | 0                                  |
| Long-term debt                                      | 0   | 0   | 0  | 0                                       | 0  | 0  | 0   | 0                                  |
| Total capitalization                                | 0   | 36  | 0  | 51                                      | 40   | 0  | 5   | 0                                  |
| <b>CURRENT LIABILITIES</b>                          |   |   |  |   |  |  |   |                                    |
| Commercial paper                                    | 0   | 0   | 0  | 0                                       | 0  | 0  | 0   | 0                                  |
| Note payable  | 0   | 0   | 0  | 0                                       | 0  | 0  | 0   | 0                                  |
| Current maturities of long-term debt                | 0   | 0   | 0  | 0                                       | 0  | 0  | 0   | 0                                  |
| Accounts payable                                    | 0   | 0   | 0  | 0                                       | 0  | 0  | 0   | 0                                  |
| Customers' deposits                                 | 0   | 0   | 0  | 0                                       | 0  | 0  | 0   | 0                                  |
| Accrued interest and taxes                          | 0   | 0   | 0  | 0                                       | 0  | 0  | 0   | 0                                  |
| Deferred clause revenues                            | 0   | 0   | 0  | 0                                       | 0  | 0  | 0   | 0                                  |
| Other   | 0   | 0   | 0  | 3                                       | 2  | 0  | 0   | 0                                  |
| Total current liabilities                           | 0   | 0   | 0  | 3                                       | 2  | 0  | 0   | 0                                  |
| <b>OTHER LIABILITIES AND DEFERRED CREDITS</b>       |   |   |  |   |  |  |   |                                    |
| Asset retirement obligations                        | 0   | 0   | 0  | 0                                       | 0  | 0  | 0   | 0                                  |
| Accumulated deferred income taxes                   | 0   | 0   | 0  | 0                                       | 0  | 0  | 10  | 0                                  |
| Storm and property insurance reserve                | 0   | 0   | 0  | 0                                       | 0  | 0  | 0   | 0                                  |
| Other   | 0   | 0   | 0  | 0                                       | 0  | 0  | 1   | 0                                  |
| Total other liab. & def. credits                    | 0   | 0   | 0  | 0                                       | 0  | 0  | 11  | 0                                  |
| <b>COMMITMENTS AND CONTINGENCIES</b>                |   |   |  |   |  |  |   |                                    |
| <b>TOTAL CAPITALIZATION AND LIABILITIES</b>         | <b>\$0</b>  | <b>\$36</b>                               | <b>\$0</b>                                     | <b>\$54</b>                             | <b>\$42</b>                                      | <b>\$0</b>                                 | <b>\$16</b>                               | <b>\$0</b>                         |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

|  | ESI<br>Northeast<br>Energy<br>Acquisition<br>Funding,<br>Inc. | Northern<br>Cross<br>Investments,<br>Inc. | ESI<br>Northeast<br>Energy<br>Funding,<br>Inc. | FPL<br>Energy<br>Sooner<br>Wind,<br>LLC | FPL<br>Energy<br>South<br>Dakota<br>Wind,<br>LLC | Sullivan<br>Street<br>Investments,<br>Inc. | ESI<br>Tehachapi<br>Acquisitions,<br>Inc. | ESI<br>Ormesa<br>Holdings I<br>LLC |
|--|---|---|--|---|--|--|---|------------------------------------|
| <b>INCOME STATEMENT</b>  |   |   |  |   |  |  |   |                                    |
| <b>OPERATING REVENUES</b>  | <b>\$0</b>  | <b>\$0</b>                                | <b>\$0</b>                                     | <b>\$1</b>                              | <b>\$1</b>                                       | <b>\$0</b>                                 | <b>\$0</b>                                | <b>\$0</b>                         |
| <b>OPERATING EXPENSES</b>  |   |   |  |   |  |  |   |                                    |
| Fuel, purchased power & interchange  | 0   | 0   | 0  | 0                                       | 0  | 0  | 0   | 0                                  |
| Other operations and maintenance   | 0   | 0   | 0  | 0                                       | 0  | 0  | 0   | 0                                  |
| Depreciation & amortization  | 0   | 0   | 0  | 1                                       | 1  | 0  | 0   | 0                                  |
| Taxes other than income taxes  | 0   | 0   | 0  | 0                                       | 0  | 0  | 0   | 0                                  |
| Total operating expenses   | 0   | 0   | 0  | 1                                       | 1  | 0  | 0   | 0                                  |
| <b>OPERATING INCOME</b>  | <b>0</b>  | <b>0</b>                                  | <b>0</b>                                       | <b>0</b>                                | <b>0</b>   | <b>0</b>                                   | <b>0</b>                                  | <b>0</b>                           |
| <b>OTHER INCOME (DEDUCTIONS):</b>  |   |   |  |   |  |  |   |                                    |
| Interest charges   | 0   | 0   | 0  | 0                                       | 0  | 0  | 0   | 0                                  |
| Preferred stock dividends - FPL  | 0   | 0   | 0  | 0                                       | 0  | 0  | 0   | 0                                  |
| Loss on redemption of preferred stock - FPL  | 0   | 0   | 0  | 0                                       | 0  | 0  | 0   | 0                                  |
| Equity in earnings of equity method investees  | 0   | 0   | 0  | 0                                       | 0  | 0  | 1   | 0                                  |
| Other - net  | 0   | 6   | 0  | 0                                       | 0  | 1  | 0   | 0                                  |
| Total other deductions - net   | 0   | 6   | 0  | 0                                       | 0  | 1  | 1   | 0                                  |
| <b>INCOME FROM OPERATIONS BEFORE INCOME TAXES</b>  | <b>0</b>  | <b>6</b>                                  | <b>0</b>                                       | <b>0</b>                                | <b>0</b>   | <b>1</b>                                   | <b>1</b>                                  | <b>0</b>                           |
| <b>INCOME TAXES</b>  | <b>0</b>  | <b>2</b>                                  | <b>0</b>                                       | <b>0</b>                                | <b>0</b>   | <b>0</b>                                   | <b>(1)</b>                                | <b>0</b>                           |
| <b>INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE<br/>IN ACCOUNTING PRINCIPLE</b>                             | <b>0</b>  | <b>4</b>                                  | <b>0</b>                                       | <b>0</b>                                | <b>0</b>   | <b>1</b>                                   | <b>2</b>                                  | <b>0</b>                           |
| <b>CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES</b>   |   |   |  |   |  |  |   |                                    |
| FASB Interpretation No. 46, "Consol. of Variable<br>Interest Entities," net of income taxes benefit of \$2 | 0   | 0   | 0  | 0                                       | 0  | 0  | 0   | 0                                  |
| <b>NET INCOME (LOSS)</b>   | <b>0</b>  | <b>4</b>                                  | <b>0</b>                                       | <b>0</b>                                | <b>0</b>   | <b>1</b>                                   | <b>2</b>                                  | <b>0</b>                           |
| <b>RET. EARNINGS (DEF.) AT BEG. OF YEAR</b>  | <b>0</b>  | <b>17</b>                                 | <b>0</b>                                       | <b>0</b>                                | <b>0</b>   | <b>49</b>                                  | <b>6</b>                                  | <b>0</b>                           |
| <b>DEDUCT:</b>   |   |   |  |   |  |  |   |                                    |
| Dividends  | 0   | 0   | 0  | 0                                       | 0  | 0  | 0   | 0                                  |
| Other  | 0   | 0   | 0  | 0                                       | 0  | 0  | 0   | 0                                  |
| <b>RET. EARNINGS (DEF.) AT END OF YEAR</b>   | <b>\$0</b>  | <b>\$21</b>                               | <b>\$0</b>                                     | <b>\$0</b>                              | <b>\$0</b>                                       | <b>\$50</b>                                | <b>\$8</b>                                | <b>\$0</b>                         |

|   | Harper<br>Lake<br>Management,<br>Inc. | ESI<br>Northeast<br>Fuel<br>Management,<br>Inc. | FPL<br>Energy<br>Geo<br>East<br>Mesa<br>Partners,<br>Inc. | ESI<br>Ormesa<br>Debt<br>Holdings<br>LLC | ESI<br>Cannon<br>Acquisitions<br>LLC | Ridgetop<br>Power<br>Corporation | FPL<br>Energy<br>Pacific<br>Crest<br>Partner,<br>LLC | FPL<br>Energy<br>East<br>Mesa<br>LLC |
|---|---------------------------------------|---|---|--|--------------------------------------|----------------------------------|--|--------------------------------------|
| <b>ASSETS</b>                                       |                                       |   |   |  |                                      |                                  |  |                                      |
| <b>PROPERTY, PLANT AND EQUIPMENT</b>                |                                       |   |   |  |                                      |                                  |  |                                      |
| Elec. utility plant in ser. & other property        | \$0                                   | \$0   | \$0   | \$0                                      | \$0                                  | \$0                              | \$0  | \$0                                  |
| Nuclear fuel  | 0                                     | 0   | 0   | 0  | 0                                    | 0                                | 0  | 0                                    |
| Construction work in progress                       | 0                                     | 0   | 0   | 0  | 0                                    | 0                                | 0  | 0                                    |
| Less accumulated depr. & amort.                     | 0                                     | 0   | 0   | 0  | 0                                    | 0                                | 0  | 0                                    |
| Total prop., plant and eqpt. - net                  | 0                                     | 0   | 0   | 0  | 0                                    | 0                                | 0  | 0                                    |
| <b>CURRENT ASSETS</b>                               |                                       |   |   |  |                                      |                                  |  |                                      |
| Cash and cash equivalents                           | 0                                     | 0   | 0   | 0  | 0                                    | 0                                | 0  | 0                                    |
| Customer receivables - net                          | 0                                     | 0   | 0   | 0  | 0                                    | 0                                | 0  | 0                                    |
| Other receivables                                   | 0                                     | 0   | 0   | 0  | 0                                    | 0                                | 0  | 0                                    |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 0                                     | 0   | 0   | 0  | 0                                    | 0                                | 0  | 0                                    |
| Deferred clause expenses                            | 0                                     | 0   | 0   | 0  | 0                                    | 0                                | 0  | 0                                    |
| Other   | 0                                     | 0   | 0   | 0  | 0                                    | 0                                | 0  | 0                                    |
| Total current assets                                | 0                                     | 0   | 0   | 0  | 0                                    | 0                                | 0  | 0                                    |
| <b>OTHER ASSETS:</b>                                |                                       |   |   |  |                                      |                                  |  |                                      |
| Special use funds                                   | 0                                     | 0   | 0   | 0  | 0                                    | 0                                | 0  | 0                                    |
| Other investments                                   | 0                                     | 0   | 0   | 0  | 6                                    | 11                               | 0  | 0                                    |
| Other   | 0                                     | 0   | 0   | 0  | 0                                    | 0                                | 0  | 0                                    |
| Total other assets                                  | 0                                     | 0   | 0   | 0  | 6                                    | 11                               | 0  | 0                                    |
| <b>TOTAL ASSETS</b>                                 | <b>\$0</b>                            | <b>\$0</b>                                      | <b>\$0</b>  | <b>\$0</b>                               | <b>\$6</b>                           | <b>\$11</b>                      | <b>\$0</b>   | <b>\$0</b>                           |
| <b>CAPITALIZATION</b>                               |                                       |   |   |  |                                      |                                  |  |                                      |
| Common shareholders' equity                         | \$0                                   | \$0   | \$0   | \$0                                      | \$6                                  | \$8                              | (\$6)  | \$0                                  |
| Pref. stk. of FPL w/o sinking fund require.         | 0                                     | 0   | 0   | 0  | 0                                    | 0                                | 0  | 0                                    |
| Long-term debt                                      | 0                                     | 0   | 0   | 0  | 0                                    | 0                                | 0  | 0                                    |
| Total capitalization                                | 0                                     | 0   | 0   | 0  | 6                                    | 8                                | (6)  | 0                                    |
| <b>CURRENT LIABILITIES</b>                          |                                       |   |   |  |                                      |                                  |  |                                      |
| Commercial paper                                    | 0                                     | 0   | 0   | 0  | 0                                    | 0                                | 0  | 0                                    |
| Note payable  | 0                                     | 0   | 0   | 0  | 0                                    | 0                                | 0  | 0                                    |
| Current maturities of long-term debt                | 0                                     | 0   | 0   | 0  | 0                                    | 0                                | 0  | 0                                    |
| Accounts payable                                    | 0                                     | 0   | 0   | 0  | 0                                    | 0                                | 0  | 0                                    |
| Customers' deposits                                 | 0                                     | 0   | 0   | 0  | 0                                    | 0                                | 0  | 0                                    |
| Accrued interest and taxes                          | 0                                     | 0   | 0   | 0  | 0                                    | 0                                | 0  | 0                                    |
| Deferred clause revenues                            | 0                                     | 0   | 0   | 0  | 0                                    | 0                                | 0  | 0                                    |
| Other   | 0                                     | 0   | 0   | 0  | 0                                    | 0                                | 0  | 0                                    |
| Total current liabilities                           | 0                                     | 0   | 0   | 0  | 0                                    | 0                                | 0  | 0                                    |
| <b>OTHER LIABILITIES AND DEFERRED CREDITS</b>       |                                       |   |   |  |                                      |                                  |  |                                      |
| Asset retirement obligations                        | 0                                     | 0   | 0   | 0  | 0                                    | 0                                | 0  | 0                                    |
| Accumulated deferred income taxes                   | 0                                     | 0   | 0   | 0  | 0                                    | 3                                | 6  | 0                                    |
| Storm and property insurance reserve                | 0                                     | 0   | 0   | 0  | 0                                    | 0                                | 0  | 0                                    |
| Other   | 0                                     | 0   | 0   | 0  | 0                                    | 0                                | 0  | 0                                    |
| Total other liab. & def. credits                    | 0                                     | 0   | 0   | 0  | 0                                    | 3                                | 6  | 0                                    |
| <b>COMMITMENTS AND CONTINGENCIES</b>                |                                       |   |   |  |                                      |                                  |  |                                      |
| <b>TOTAL CAPITALIZATION AND LIABILITIES</b>         | <b>\$0</b>                            | <b>\$0</b>                                      | <b>\$0</b>  | <b>\$0</b>                               | <b>\$6</b>                           | <b>\$11</b>                      | <b>\$0</b>   | <b>\$0</b>                           |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

|  | Harper<br>Lake<br>Management,<br>Inc. | ESI<br>Northeast<br>Fuel<br>Management,<br>Inc. | FPL<br>Energy<br>Geo<br>East<br>Mesa<br>Partners,<br>Inc. | ESI<br>Ormesa<br>Debt<br>Holdings<br>LLC | ESI<br>Cannon<br>Acquisitions<br>LLC | Ridgetop<br>Power<br>Corporation | FPL<br>Energy<br>Pacific<br>Crest<br>Partner,<br>LLC | FPL<br>Energy<br>East<br>Mesa<br>LLC |
|--|---------------------------------------|---|---|--|--------------------------------------|----------------------------------|--|--------------------------------------|
| <b>INCOME STATEMENT</b>  |                                       |   |   |  |                                      |                                  |  |                                      |
| <b>OPERATING REVENUES</b>  | <b>\$0</b>                            | <b>\$1</b>                                      | <b>\$0</b>  | <b>\$0</b>                               | <b>\$0</b>                           | <b>\$0</b>                       | <b>\$0</b>   | <b>\$0</b>                           |
| <b>OPERATING EXPENSES</b>  |                                       |   |   |  |                                      |                                  |  |                                      |
| Fuel, purchased power & interchange  | 0                                     | 0   | 0   | 0  | 0                                    | 0                                | 0  | 0                                    |
| Other operations and maintenance   | 0                                     | 0   | 0   | 0  | 0                                    | 0                                | 0  | 0                                    |
| Depreciation & amortization  | 0                                     | 0   | 0   | 0  | 0                                    | 0                                | 0  | 0                                    |
| Taxes other than income taxes  | 0                                     | 0   | 0   | 0  | 0                                    | 0                                | 0  | 0                                    |
| Total operating expenses   | 0                                     | 0   | 0   | 0  | 0                                    | 0                                | 0  | 0                                    |
| <b>OPERATING INCOME</b>  | <b>0</b>                              | <b>1</b>  | <b>0</b>  | <b>0</b>                                 | <b>0</b>                             | <b>0</b>                         | <b>0</b>   | <b>0</b>                             |
| <b>OTHER INCOME (DEDUCTIONS):</b>  |                                       |   |   |  |                                      |                                  |  |                                      |
| Interest charges   | 0                                     | 0   | 0   | 0  | 0                                    | 0                                | 0  | 0                                    |
| Preferred stock dividends - FPL  | 0                                     | 0   | 0   | 0  | 0                                    | 0                                | 0  | 0                                    |
| Loss on redemption of preferred stock - FPL  | 0                                     | 0   | 0   | 0  | 0                                    | 0                                | 0  | 0                                    |
| Equity in earnings of equity method investees  | 0                                     | 0   | 0   | 0  | 0                                    | 1                                | 1  | 0                                    |
| Other - net  | 0                                     | 0   | 0   | 0  | 0                                    | 0                                | 0  | 0                                    |
| Total other deductions - net   | 0                                     | 0   | 0   | 0  | 0                                    | 1                                | 1  | 0                                    |
| <b>INCOME FROM OPERATIONS BEFORE INCOME TAXES</b>  | <b>0</b>                              | <b>1</b>  | <b>0</b>  | <b>0</b>                                 | <b>0</b>                             | <b>1</b>                         | <b>1</b>   | <b>0</b>                             |
| <b>INCOME TAXES</b>  | <b>0</b>                              | <b>0</b>  | <b>0</b>  | <b>0</b>                                 | <b>0</b>                             | <b>0</b>                         | <b>0</b>   | <b>0</b>                             |
| <b>INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE<br/>IN ACCOUNTING PRINCIPLE</b>                             | <b>0</b>                              | <b>1</b>  | <b>0</b>  | <b>0</b>                                 | <b>0</b>                             | <b>1</b>                         | <b>1</b>   | <b>0</b>                             |
| <b>CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES</b>   |                                       |   |   |  |                                      |                                  |  |                                      |
| FASB Interpretation No. 46, "Consol. of Variable<br>Interest Entities," net of income taxes benefit of \$2 | 0                                     | 0   | 0   | 0  | 0                                    | 0                                | 0  | 0                                    |
| <b>NET INCOME (LOSS)</b>   | <b>0</b>                              | <b>1</b>  | <b>0</b>  | <b>0</b>                                 | <b>0</b>                             | <b>1</b>                         | <b>1</b>   | <b>0</b>                             |
| <b>RET. EARNINGS (DEF.) AT BEG. OF YEAR</b>  | <b>0</b>                              | <b>2</b>  | <b>(3)</b>  | <b>0</b>                                 | <b>0</b>                             | <b>1</b>                         | <b>6</b>   | <b>(1)</b>                           |
| <b>DEDUCT:</b>   |                                       |   |   |  |                                      |                                  |  |                                      |
| Dividends  | 0                                     | 0   | 0   | 0  | 0                                    | 0                                | 0  | 0                                    |
| Other  | 0                                     | 0   | 0   | 0  | 0                                    | 0                                | 0  | 0                                    |
| <b>RET. EARNINGS (DEF.) AT END OF YEAR</b>   | <b>\$0</b>                            | <b>\$3</b>                                      | <b>(\$3)</b>  | <b>\$0</b>                               | <b>\$0</b>                           | <b>\$2</b>                       | <b>\$7</b>   | <b>(\$1)</b>                         |

|   | Doswell<br>Funding<br>Corporation | FPL<br>Energy<br>Doswell<br>Holdings,<br>Inc. | UFG<br>Holdings,<br>Inc. | ESI<br>Cherokee<br>County,<br>L.P. | ESI<br>Cherokee<br>GP,<br>Inc. | ESI<br>Cherokee<br>Holdings,<br>Inc. | ESI<br>Cherokee<br>LP,<br>Inc. | ESI<br>Cherokee<br>MGP,<br>Inc. |
|---|-----------------------------------|---|--------------------------|------------------------------------|--------------------------------|--------------------------------------|--------------------------------|---------------------------------|
| <b>ASSETS</b>                                       |                                   |   |                          |                                    |                                |                                      |                                |                                 |
| <b>PROPERTY, PLANT AND EQUIPMENT</b>                |                                   |   |                          |                                    |                                |                                      |                                |                                 |
| Elec. utility plant in ser. & other property        | \$0                               | \$0   | \$0                      | \$0                                | \$0                            | \$0                                  | \$0                            | \$0                             |
| Nuclear fuel  | 0                                 | 0   | 0                        | 0                                  | 0                              | 0                                    | 0                              | 0                               |
| Construction work in progress                       | 0                                 | 0   | 0                        | 0                                  | 0                              | 0                                    | 0                              | 0                               |
| Less accumulated depr. & amort.                     | 0                                 | 0   | 0                        | 0                                  | 0                              | 0                                    | 0                              | 0                               |
| Total prop., plant and eqpt. - net                  | 0                                 | 0   | 0                        | 0                                  | 0                              | 0                                    | 0                              | 0                               |
| <b>CURRENT ASSETS</b>                               |                                   |   |                          |                                    |                                |                                      |                                |                                 |
| Cash and cash equivalents                           | 0                                 | 0   | 0                        | 0                                  | 0                              | 0                                    | 0                              | 0                               |
| Customer receivables - net                          | 0                                 | 0   | 0                        | 0                                  | 0                              | 0                                    | 0                              | (1)                             |
| Other receivables                                   | 0                                 | 0   | 1                        | 0                                  | 0                              | 0                                    | 0                              | 1                               |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 0                                 | 0   | 0                        | 0                                  | 0                              | 0                                    | 0                              | 0                               |
| Deferred clause expenses                            | 0                                 | 0   | 0                        | 0                                  | 0                              | 0                                    | 0                              | 0                               |
| Other   | 0                                 | 0   | 0                        | 0                                  | 0                              | 0                                    | 0                              | 0                               |
| Total current assets                                | 0                                 | 0   | 1                        | 0                                  | 0                              | 0                                    | 0                              | 0                               |
| <b>OTHER ASSETS:</b>                                |                                   |   |                          |                                    |                                |                                      |                                |                                 |
| Special use funds                                   | 0                                 | 0   | 0                        | 0                                  | 0                              | 0                                    | 0                              | 0                               |
| Other investments                                   | 0                                 | 8   | 0                        | 28                                 | 0                              | 4                                    | (3)                            | 1                               |
| Other   | 0                                 | 0   | 0                        | 0                                  | 0                              | 0                                    | 0                              | 0                               |
| Total other assets                                  | 0                                 | 8   | 0                        | 28                                 | 0                              | 4                                    | (3)                            | 1                               |
| <b>TOTAL ASSETS</b>                                 | <b>\$0</b>                        | <b>\$8</b>                                    | <b>\$1</b>               | <b>\$28</b>                        | <b>\$0</b>                     | <b>\$4</b>                           | <b>(\$3)</b>                   | <b>\$1</b>                      |
| <b>CAPITALIZATION</b>                               |                                   |   |                          |                                    |                                |                                      |                                |                                 |
| Common shareholders' equity                         | \$0                               | \$8   | \$0                      | \$28                               | \$0                            | \$4                                  | (\$3)                          | (\$10)                          |
| Pref. stk. of FPL w/o sinking fund require.         | 0                                 | 0   | 0                        | 0                                  | 0                              | 0                                    | 0                              | 0                               |
| Long-term debt                                      | 0                                 | 0   | 0                        | 0                                  | 0                              | 0                                    | 0                              | 0                               |
| Total capitalization                                | 0                                 | 8   | 0                        | 28                                 | 0                              | 4                                    | (3)                            | (10)                            |
| <b>CURRENT LIABILITIES</b>                          |                                   |   |                          |                                    |                                |                                      |                                |                                 |
| Commercial paper                                    | 0                                 | 0   | 0                        | 0                                  | 0                              | 0                                    | 0                              | 0                               |
| Note payable  | 0                                 | 0   | 0                        | 0                                  | 0                              | 0                                    | 0                              | 0                               |
| Current maturities of long-term debt                | 0                                 | 0   | 0                        | 0                                  | 0                              | 0                                    | 0                              | 0                               |
| Accounts payable                                    | 0                                 | 0   | 0                        | 0                                  | 0                              | 0                                    | 0                              | 0                               |
| Customers' deposits                                 | 0                                 | 0   | 0                        | 0                                  | 0                              | 0                                    | 0                              | 0                               |
| Accrued interest and taxes                          | 0                                 | 0   | 0                        | 0                                  | 0                              | 0                                    | 0                              | 0                               |
| Deferred clause revenues                            | 0                                 | 0   | 0                        | 0                                  | 0                              | 0                                    | 0                              | 0                               |
| Other   | 0                                 | 0   | 1                        | 0                                  | 0                              | 0                                    | 0                              | 0                               |
| Total current liabilities                           | 0                                 | 0   | 1                        | 0                                  | 0                              | 0                                    | 0                              | 0                               |
| <b>OTHER LIABILITIES AND DEFERRED CREDITS</b>       |                                   |   |                          |                                    |                                |                                      |                                |                                 |
| Asset retirement obligations                        | 0                                 | 0   | 0                        | 0                                  | 0                              | 0                                    | 0                              | 0                               |
| Accumulated deferred income taxes                   | 0                                 | 0   | 0                        | 0                                  | 0                              | 0                                    | 0                              | 11                              |
| Storm and property insurance reserve                | 0                                 | 0   | 0                        | 0                                  | 0                              | 0                                    | 0                              | 0                               |
| Other   | 0                                 | 0   | 0                        | 0                                  | 0                              | 0                                    | 0                              | 0                               |
| Total other liab. & def. credits                    | 0                                 | 0   | 0                        | 0                                  | 0                              | 0                                    | 0                              | 11                              |
| <b>TOTAL CAPITALIZATION AND LIABILITIES</b>         | <b>\$0</b>                        | <b>\$8</b>                                    | <b>\$1</b>               | <b>\$28</b>                        | <b>\$0</b>                     | <b>\$4</b>                           | <b>(\$3)</b>                   | <b>\$1</b>                      |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

|  | Doswell<br>Funding<br>Corporation | FPL<br>Energy<br>Doswell<br>Holdings,<br>Inc. | UFG<br>Holdings,<br>Inc. | ESI<br>Cherokee<br>County,<br>L.P. | ESI<br>Cherokee<br>GP,<br>Inc. | ESI<br>Cherokee<br>Holdings,<br>Inc. | ESI<br>Cherokee<br>LP,<br>Inc. | ESI<br>Cherokee<br>MGP,<br>Inc. |
|--|-----------------------------------|---|--------------------------|------------------------------------|--------------------------------|--------------------------------------|--------------------------------|---------------------------------|
| <b>INCOME STATEMENT</b>  |                                   |   |                          |                                    |                                |                                      |                                |                                 |
| <b>OPERATING REVENUES</b>  | <b>\$0</b>                        | <b>\$0</b>                                    | <b>\$0</b>               | <b>\$0</b>                         | <b>\$0</b>                     | <b>\$0</b>                           | <b>\$0</b>                     | <b>\$0</b>                      |
| <b>OPERATING EXPENSES</b>  |                                   |   |                          |                                    |                                |                                      |                                |                                 |
| Fuel, purchased power & interchange  | 0                                 | 0   | 0                        | 0                                  | 0                              | 0                                    | 0                              | 0                               |
| Other operations and maintenance   | 0                                 | 0   | 0                        | 0                                  | 0                              | 0                                    | 0                              | 0                               |
| Depreciation & amortization  | 0                                 | 0   | 0                        | 0                                  | 0                              | 0                                    | 0                              | 0                               |
| Taxes other than income taxes  | 0                                 | 0   | 0                        | 0                                  | 0                              | 0                                    | 0                              | 0                               |
| Total operating expenses   | 0                                 | 0   | 0                        | 0                                  | 0                              | 0                                    | 0                              | 0                               |
| <b>OPERATING INCOME</b>  | <b>0</b>                          | <b>0</b>                                      | <b>0</b>                 | <b>0</b>                           | <b>0</b>                       | <b>0</b>                             | <b>0</b>                       | <b>0</b>                        |
| <b>OTHER INCOME (DEDUCTIONS):</b>  |                                   |   |                          |                                    |                                |                                      |                                |                                 |
| Interest charges   | 0                                 | 0   | 0                        | 0                                  | 0                              | 0                                    | 0                              | 0                               |
| Preferred stock dividends - FPL  | 0                                 | 0   | 0                        | 0                                  | 0                              | 0                                    | 0                              | 0                               |
| Loss on redemption of preferred stock - FPL  | 0                                 | 0   | 0                        | 0                                  | 0                              | 0                                    | 0                              | 0                               |
| Equity in earnings of equity method investees  | 0                                 | 0   | 0                        | 24                                 | 0                              | 0                                    | 0                              | 0                               |
| Other - net  | 0                                 | 0   | 0                        | 3                                  | 0                              | 0                                    | 0                              | 0                               |
| Total other deductions - net   | 0                                 | 0   | 0                        | 27                                 | 0                              | 0                                    | 0                              | 0                               |
| <b>INCOME FROM OPERATIONS BEFORE INCOME TAXES</b>  | <b>0</b>                          | <b>0</b>                                      | <b>0</b>                 | <b>27</b>                          | <b>0</b>                       | <b>0</b>                             | <b>0</b>                       | <b>0</b>                        |
| <b>INCOME TAXES</b>  | <b>0</b>                          | <b>0</b>                                      | <b>0</b>                 | <b>0</b>                           | <b>0</b>                       | <b>0</b>                             | <b>0</b>                       | <b>11</b>                       |
| <b>INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE<br/>IN ACCOUNTING PRINCIPLE</b>                             | <b>0</b>                          | <b>0</b>                                      | <b>0</b>                 | <b>27</b>                          | <b>0</b>                       | <b>0</b>                             | <b>0</b>                       | <b>(11)</b>                     |
| <b>CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES</b>   |                                   |   |                          |                                    |                                |                                      |                                |                                 |
| FASB Interpretation No. 46, "Consol. of Variable<br>Interest Entities," net of income taxes benefit of \$2 | 0                                 | 0   | 0                        | 0                                  | 0                              | 0                                    | 0                              | 0                               |
| <b>NET INCOME (LOSS)</b>   | <b>0</b>                          | <b>0</b>                                      | <b>0</b>                 | <b>27</b>                          | <b>0</b>                       | <b>0</b>                             | <b>0</b>                       | <b>(11)</b>                     |
| <b>RET. EARNINGS (DEF.) AT BEG. OF YEAR</b>  | <b>0</b>                          | <b>0</b>                                      | <b>(7)</b>               | <b>3</b>                           | <b>0</b>                       | <b>0</b>                             | <b>0</b>                       | <b>(4)</b>                      |
| <b>DEDUCT:</b>   |                                   |   |                          |                                    |                                |                                      |                                |                                 |
| Dividends  | 0                                 | 0   | 0                        | 0                                  | 0                              | 0                                    | 0                              | 0                               |
| Other  | 0                                 | 0   | 0                        | 0                                  | 0                              | 0                                    | 0                              | 0                               |
| <b>RET. EARNINGS (DEF.) AT END OF YEAR</b>   | <b>\$0</b>                        | <b>\$0</b>                                    | <b>(\$7)</b>             | <b>\$30</b>                        | <b>\$0</b>                     | <b>\$0</b>                           | <b>\$0</b>                     | <b>(\$15)</b>                   |

|   | FPL<br>Energy<br>Mojave<br>Operating<br>Services,<br>LLC | FPL<br>Energy<br>Morwind,<br>LLC | FPL<br>Energy<br>Bastrop<br>GP,<br>Inc. | FPL<br>Energy<br>Bastrop<br>LP,<br>LLC | ESI<br>Ormesa<br>IH<br>Equity<br>LLC | FPL<br>Energy<br>Virginia<br>Funding<br>Corporation | FPL<br>Energy<br>Virginia<br>Holdings,<br>Inc. | FPL<br>Energy<br>Solar<br>Funding<br>Corp. |
|---|--|----------------------------------|---|--|--------------------------------------|---|--|--|
| <b>ASSETS</b>                                       |  |                                  |   |  |                                      |   |  |  |
| <b>PROPERTY, PLANT AND EQUIPMENT</b>                |  |                                  |   |  |                                      |   |  |  |
| Elec. utility plant in ser. & other property        | \$0  | \$0                              | \$0                                     | \$0                                    | \$0                                  | \$0   | \$0  | \$0  |
| Nuclear fuel  | 0  | 0                                | 0                                       | 0                                      | 0                                    | 0   | 0  | 0  |
| Construction work in progress                       | 0  | 0                                | 0                                       | 0                                      | 0                                    | 0   | 0  | 0  |
| Less accumulated depr. & amort.                     | 0  | 0                                | 0                                       | 0                                      | 0                                    | 0   | 0  | 0  |
| Total prop., plant and eqpt. - net                  | 0  | 0                                | 0                                       | 0                                      | 0                                    | 0   | 0  | 0  |
| <b>CURRENT ASSETS</b>                               |  |                                  |   |  |                                      |   |  |  |
| Cash and cash equivalents                           | 0  | 0                                | 0                                       | 0                                      | 0                                    | 0   | 0  | 0  |
| Customer receivables - net                          | 0  | 0                                | 0                                       | 0                                      | 0                                    | 0   | 0  | 0  |
| Other receivables                                   | 0  | 0                                | 0                                       | 0                                      | 0                                    | 37  | 0  | 0  |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 0  | 0                                | 0                                       | 0                                      | 0                                    | 0   | 0  | 0  |
| Deferred clause expenses                            | 0  | 0                                | 0                                       | 0                                      | 0                                    | 0   | 0  | 0  |
| Other   | 0  | 0                                | 0                                       | 0                                      | 0                                    | 0   | 0  | 0  |
| Total current assets                                | 0  | 0                                | 0                                       | 0                                      | 0                                    | 37  | 0  | 0  |
| <b>OTHER ASSETS:</b>                                |  |                                  |   |  |                                      |   |  |  |
| Special use funds                                   | 0  | 0                                | 0                                       | 0                                      | 0                                    | 0   | 0  | 0  |
| Other investments                                   | 0  | 8                                | 1                                       | 121                                    | 0                                    | 309   | 0  | 0  |
| Other   | 0  | 0                                | 0                                       | 0                                      | 0                                    | 3   | 0  | 0  |
| Total other assets                                  | 0  | 8                                | 1                                       | 121                                    | 0                                    | 312   | 0  | 0  |
| <b>TOTAL ASSETS</b>                                 | <b>\$0</b>   | <b>\$8</b>                       | <b>\$1</b>                              | <b>\$121</b>                           | <b>\$0</b>                           | <b>\$349</b>  | <b>\$0</b>                                     | <b>\$0</b>                                 |
| <b>CAPITALIZATION</b>                               |  |                                  |   |  |                                      |   |  |  |
| Common shareholders' equity                         | \$0  | \$6                              | \$0                                     | \$121                                  | \$0                                  | \$0   | \$0  | \$0  |
| Pref. stk. of FPL w/o sinking fund require.         | 0  | 0                                | 0                                       | 0                                      | 0                                    | 0   | 0  | 0  |
| Long-term debt                                      | 0  | 0                                | 0                                       | 0                                      | 0                                    | 309   | 0  | 0  |
| Total capitalization                                | 0  | 6                                | 0                                       | 121                                    | 0                                    | 309   | 0  | 0  |
| <b>CURRENT LIABILITIES</b>                          |  |                                  |   |  |                                      |   |  |  |
| Commercial paper                                    | 0  | 0                                | 0                                       | 0                                      | 0                                    | 0   | 0  | 0  |
| Note payable  | 0  | 0                                | 0                                       | 0                                      | 0                                    | 0   | 0  | 0  |
| Current maturities of long-term debt                | 0  | 0                                | 0                                       | 0                                      | 0                                    | 37  | 0  | 0  |
| Accounts payable                                    | 0  | 0                                | 0                                       | 0                                      | 0                                    | 0   | 0  | 0  |
| Customers' deposits                                 | 0  | 0                                | 0                                       | 0                                      | 0                                    | 0   | 0  | 0  |
| Accrued interest and taxes                          | 0  | 0                                | 0                                       | 0                                      | 0                                    | 0   | 0  | 0  |
| Deferred clause revenues                            | 0  | 0                                | 0                                       | 0                                      | 0                                    | 0   | 0  | 0  |
| Other   | 0  | 0                                | 0                                       | 0                                      | 0                                    | 3   | 0  | 0  |
| Total current liabilities                           | 0  | 0                                | 0                                       | 0                                      | 0                                    | 40  | 0  | 0  |
| <b>OTHER LIABILITIES AND DEFERRED CREDITS</b>       |  |                                  |   |  |                                      |   |  |  |
| Asset retirement obligations                        | 0  | 0                                | 0                                       | 0                                      | 0                                    | 0   | 0  | 0  |
| Accumulated deferred income taxes                   | 0  | 2                                | 1                                       | 0                                      | 0                                    | 0   | 0  | 0  |
| Storm and property insurance reserve                | 0  | 0                                | 0                                       | 0                                      | 0                                    | 0   | 0  | 0  |
| Other   | 0  | 0                                | 0                                       | 0                                      | 0                                    | 0   | 0  | 0  |
| Total other liab. & def. credits                    | 0  | 2                                | 1                                       | 0                                      | 0                                    | 0   | 0  | 0  |
| <b>COMMITMENTS AND CONTINGENCIES</b>                |  |                                  |   |  |                                      |   |  |  |
| <b>TOTAL CAPITALIZATION AND LIABILITIES</b>         | <b>\$0</b>   | <b>\$8</b>                       | <b>\$1</b>                              | <b>\$121</b>                           | <b>\$0</b>                           | <b>\$349</b>  | <b>\$0</b>                                     | <b>\$0</b>                                 |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

|  | FPL<br>Energy<br>Mojave<br>Operating<br>Services,<br>LLC | FPL<br>Energy<br>Morwind,<br>LLC | FPL<br>Energy<br>Bastrop<br>GP,<br>Inc. | FPL<br>Energy<br>Bastrop<br>LP,<br>LLC | ESI<br>Ormesa<br>IH<br>Equity<br>LLC | FPL<br>Energy<br>Virginia<br>Funding<br>Corporation | FPL<br>Energy<br>Virginia<br>Holdings,<br>Inc. | FPL<br>Energy<br>Solar<br>Funding<br>Corp. |
|--|--|----------------------------------|---|--|--------------------------------------|---|--|--|
| <b>INCOME STATEMENT</b>  |  |                                  |   |  |                                      |   |  |  |
| <b>OPERATING REVENUES</b>  | <b>\$2</b>   | <b>\$0</b>                       | <b>\$0</b>                              | <b>\$0</b>                             | <b>\$0</b>                           | <b>\$0</b>  | <b>\$0</b>                                     | <b>\$0</b>                                 |
| <b>OPERATING EXPENSES</b>  |  |                                  |   |  |                                      |   |  |  |
| Fuel, purchased power & interchange  | 0  | 0                                | 0                                       | 0                                      | 0                                    | 0   | 0  | 0  |
| Other operations and maintenance   | 2  | 0                                | 0                                       | 0                                      | 0                                    | 0   | 0  | 0  |
| Depreciation & amortization  | 0  | 0                                | 0                                       | 0                                      | 0                                    | 0   | 0  | 0  |
| Taxes other than income taxes  | 0  | 0                                | 0                                       | 0                                      | 0                                    | 0   | 0  | 0  |
| Total operating expenses   | 2  | 0                                | 0                                       | 0                                      | 0                                    | 0   | 0  | 0  |
| <b>OPERATING INCOME</b>  | <b>0</b>   | <b>0</b>                         | <b>0</b>                                | <b>0</b>                               | <b>0</b>                             | <b>0</b>  | <b>0</b>                                       | <b>0</b>                                   |
| <b>OTHER INCOME (DEDUCTIONS):</b>  |  |                                  |   |  |                                      |   |  |  |
| Interest charges   | 0  | 0                                | 0                                       | 0                                      | 0                                    | (28)  | 0  | 0  |
| Preferred stock dividends - FPL  | 0  | 0                                | 0                                       | 0                                      | 0                                    | 0   | 0  | 0  |
| Loss on redemption of preferred stock - FPL  | 0  | 0                                | 0                                       | 0                                      | 0                                    | 0   | 0  | 0  |
| Equity in earnings of equity method investees  | 0  | 1                                | 0                                       | (8)                                    | 0                                    | 0   | 0  | 0  |
| Other - net  | 0  | 0                                | 1                                       | 0                                      | 0                                    | 28  | 0  | 0  |
| Total other deductions - net   | 0  | 1                                | 1                                       | (8)                                    | 0                                    | 0   | 0  | 0  |
| <b>INCOME FROM OPERATIONS BEFORE INCOME TAXES</b>  | <b>0</b>   | <b>1</b>                         | <b>1</b>                                | <b>(8)</b>                             | <b>0</b>                             | <b>0</b>  | <b>0</b>                                       | <b>0</b>                                   |
| <b>INCOME TAXES</b>  | <b>0</b>   | <b>0</b>                         | <b>(3)</b>                              | <b>0</b>                               | <b>0</b>                             | <b>0</b>  | <b>0</b>                                       | <b>0</b>                                   |
| <b>INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE<br/>IN ACCOUNTING PRINCIPLE</b>                             | <b>0</b>   | <b>1</b>                         | <b>4</b>                                | <b>(8)</b>                             | <b>0</b>                             | <b>0</b>  | <b>0</b>                                       | <b>0</b>                                   |
| <b>CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES</b>   |  |                                  |   |  |                                      |   |  |  |
| FASB Interpretation No. 46, "Consol. of Variable<br>Interest Entities," net of income taxes benefit of \$2 | 0  | 0                                | 0                                       | 0                                      | 0                                    | 0   | 0  | 0  |
| <b>NET INCOME (LOSS)</b>   | <b>0</b>   | <b>1</b>                         | <b>4</b>                                | <b>(8)</b>                             | <b>0</b>                             | <b>0</b>  | <b>0</b>                                       | <b>0</b>                                   |
| <b>RET. EARNINGS (DEF.) AT BEG. OF YEAR</b>  | <b>1</b>   | <b>4</b>                         | <b>(2)</b>                              | <b>(1)</b>                             | <b>0</b>                             | <b>0</b>  | <b>0</b>                                       | <b>0</b>                                   |
| <b>DEDUCT:</b>   |  |                                  |   |  |                                      |   |  |  |
| Dividends  | 0  | 0                                | 0                                       | 0                                      | 0                                    | 0   | 0  | 0  |
| Other  | 0  | 0                                | 0                                       | 0                                      | 0                                    | 0   | 0  | 0  |
| <b>RET. EARNINGS (DEF.) AT END OF YEAR</b>   | <b>\$1</b>   | <b>\$5</b>                       | <b>\$2</b>                              | <b>(\$9)</b>                           | <b>\$0</b>                           | <b>\$0</b>  | <b>\$0</b>                                     | <b>\$0</b>                                 |



|   | Uinta<br>County<br>Wind<br>Farm<br>L.L.C. | American<br>Wind<br>Consolidated | Backbone<br>Consolidated | Blythe<br>Consolidated | Calhoun I<br>Consolidated | Delaware<br>Mountain<br>Consolidated | Doswell<br>Consolidated | Forney<br>Consolidated |
|---|---|----------------------------------|--------------------------|------------------------|---------------------------|--------------------------------------|-------------------------|------------------------|
| <b>ASSETS</b>                                       |   |                                  |                          |                        |                           |                                      |                         |                        |
| <b>PROPERTY, PLANT AND EQUIPMENT</b>                |   |                                  |                          |                        |                           |                                      |                         |                        |
| Elec. utility plant in ser. & other property        | \$0                                       | \$557                            | \$73                     | \$468                  | \$235                     | \$21                                 | \$463                   | \$835                  |
| Nuclear fuel  | 0   | 0                                | 0                        | 0                      | 0                         | 0                                    | 0                       | 0                      |
| Construction work in progress                       | 0   | 0                                | 0                        | 0                      | 0                         | 0                                    | 0                       | 0                      |
| Less accumulated depr. & amort.                     | 0   | (58)                             | (4)                      | 0                      | (6)                       | (2)                                  | (142)                   | (15)                   |
| Total prop., plant and eqpt. - net                  | 0   | 499                              | 69                       | 468                    | 229                       | 19                                   | 321                     | 820                    |
| <b>CURRENT ASSETS</b>                               |   |                                  |                          |                        |                           |                                      |                         |                        |
| Cash and cash equivalents                           | 0   | 0                                | 0                        | 0                      | 1                         | 0                                    | 6                       | 13                     |
| Customer receivables - net                          | 0   | 6                                | 1                        | 0                      | 0                         | 1                                    | 31                      | 0                      |
| Other receivables                                   | 0   | 232                              | 0                        | 3                      | 15                        | 0                                    | 7                       | 34                     |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 0   | 0                                | 0                        | 0                      | 2                         | 0                                    | 7                       | 0                      |
| Deferred clause expenses                            | 0   | 0                                | 0                        | 0                      | 0                         | 0                                    | 0                       | 0                      |
| Other   | 0   | 33                               | 0                        | 3                      | 4                         | 0                                    | 1                       | 1                      |
| Total current assets                                | 0   | 271                              | 1                        | 6                      | 22                        | 1                                    | 52                      | 48                     |
| <b>OTHER ASSETS:</b>                                |   |                                  |                          |                        |                           |                                      |                         |                        |
| Special use funds                                   | 0   | 0                                | 0                        | 0                      | 0                         | 0                                    | 0                       | 0                      |
| Other investments                                   | 0   | 0                                | 0                        | 0                      | 0                         | 0                                    | 0                       | 0                      |
| Other   | 0   | 11                               | 6                        | 0                      | 7                         | 0                                    | 9                       | 2                      |
| Total other assets                                  | 0   | 11                               | 6                        | 0                      | 7                         | 0                                    | 9                       | 2                      |
| <b>TOTAL ASSETS</b>                                 | <b>\$0</b>                                | <b>\$781</b>                     | <b>\$76</b>              | <b>\$474</b>           | <b>\$258</b>              | <b>\$20</b>                          | <b>\$382</b>            | <b>\$870</b>           |
| <b>CAPITALIZATION</b>                               |   |                                  |                          |                        |                           |                                      |                         |                        |
| Common shareholders' equity                         | \$0                                       | \$158                            | \$57                     | \$105                  | \$114                     | \$15                                 | (\$17)                  | \$793                  |
| Pref. stk. of FPL w/o sinking fund require.         | 0   | 0                                | 0                        | 0                      | 0                         | 0                                    | 0                       | 0                      |
| Long-term debt                                      | 0   | 479                              | 0                        | 272                    | 110                       | 0                                    | 309                     | 0                      |
| Total capitalization                                | 0   | 637                              | 57                       | 377                    | 224                       | 15                                   | 292                     | 793                    |
| <b>CURRENT LIABILITIES</b>                          |   |                                  |                          |                        |                           |                                      |                         |                        |
| Commercial paper                                    | 0   | 0                                | 0                        | 0                      | 0                         | 0                                    | 0                       | 0                      |
| Note payable  | 0   | 0                                | 0                        | 0                      | 0                         | 0                                    | 0                       | 0                      |
| Current maturities of long-term debt                | 0   | 26                               | 0                        | 0                      | 0                         | 0                                    | 0                       | 0                      |
| Accounts payable                                    | 0   | 3                                | 0                        | 3                      | 0                         | 0                                    | 14                      | 5                      |
| Customers' deposits                                 | 0   | 0                                | 0                        | 0                      | 0                         | 0                                    | 0                       | 0                      |
| Accrued interest and taxes                          | 0   | 14                               | 0                        | 0                      | 1                         | 1                                    | 0                       | 5                      |
| Deferred clause revenues                            | 0   | 0                                | 0                        | 0                      | 0                         | 0                                    | 0                       | 0                      |
| Other   | 0   | 14                               | 3                        | 45                     | 3                         | 0                                    | 42                      | 52                     |
| Total current liabilities                           | 0   | 57                               | 3                        | 48                     | 4                         | 1                                    | 56                      | 62                     |
| <b>OTHER LIABILITIES AND DEFERRED CREDITS</b>       |   |                                  |                          |                        |                           |                                      |                         |                        |
| Asset retirement obligations                        | 0   | 3                                | 0                        | 1                      | 0                         | 0                                    | 0                       | 0                      |
| Accumulated deferred income taxes                   | 0   | 70                               | 15                       | 44                     | 28                        | 3                                    | 26                      | 5                      |
| Storm and property insurance reserve                | 0   | 0                                | 0                        | 0                      | 0                         | 0                                    | 0                       | 0                      |
| Other   | 0   | 14                               | 1                        | 4                      | 2                         | 1                                    | 8                       | 10                     |
| Total other liab. & def. credits                    | 0   | 87                               | 16                       | 49                     | 30                        | 4                                    | 34                      | 15                     |
| <b>TOTAL CAPITALIZATION AND LIABILITIES</b>         | <b>\$0</b>                                | <b>\$781</b>                     | <b>\$76</b>              | <b>\$474</b>           | <b>\$258</b>              | <b>\$20</b>                          | <b>\$382</b>            | <b>\$870</b>           |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

|  | Uinta<br>County<br>Wind<br>Farm<br>L.L.C. | American<br>Wind<br>Consolidated | Backbone<br>Consolidated | Blythe<br>Consolidated | Calhoun I<br>Consolidated | Delaware<br>Mountain<br>Consolidated | Doswell<br>Consolidated | Forney<br>Consolidated |
|--|---|----------------------------------|--------------------------|------------------------|---------------------------|--------------------------------------|-------------------------|------------------------|
| <b>INCOME STATEMENT</b>  |   |                                  |                          |                        |                           |                                      |                         |                        |
| OPERATING REVENUES   | \$0                                       | \$35                             | \$6                      | (\$3)                  | \$19                      | \$2                                  | \$183                   | \$129                  |
| <b>OPERATING EXPENSES</b>  |   |                                  |                          |                        |                           |                                      |                         |                        |
| Fuel, purchased power & interchange  | 0   | 0                                | 0                        | (7)                    | 1                         | 0                                    | 83                      | 91                     |
| Other operations and maintenance   | 0   | 9                                | 1                        | 2                      | 4                         | 1                                    | 14                      | 19                     |
| Depreciation & amortization  | 0   | 21                               | 4                        | 0                      | 5                         | 1                                    | 14                      | 14                     |
| Taxes other than income taxes  | 0   | 1                                | 0                        | 0                      | 1                         | 1                                    | 1                       | 3                      |
| Total operating expenses   | 0   | 31                               | 5                        | (5)                    | 11                        | 3                                    | 112                     | 127                    |
| OPERATING INCOME   | 0   | 4                                | 1                        | 2                      | 8                         | (1)                                  | 71                      | 2                      |
| <b>OTHER INCOME (DEDUCTIONS):</b>  |   |                                  |                          |                        |                           |                                      |                         |                        |
| Interest charges   | 0   | (14)                             | 0                        | (12)                   | (3)                       | 0                                    | (29)                    | 0                      |
| Preferred stock dividends - FPL  | 0   | 0                                | 0                        | 0                      | 0                         | 0                                    | 0                       | 0                      |
| Loss on redemption of preferred stock - FPL  | 0   | 0                                | 0                        | 0                      | 0                         | 0                                    | 0                       | 0                      |
| Equity in earnings of equity method investees  | 0   | 0                                | 0                        | 0                      | 0                         | 0                                    | 0                       | 0                      |
| Other - net  | 0   | 6                                | 0                        | 0                      | 0                         | 0                                    | 0                       | 0                      |
| Total other deductions - net   | 0   | (8)                              | 0                        | (12)                   | (3)                       | 0                                    | (29)                    | 0                      |
| INCOME FROM OPERATIONS BEFORE INCOME TAXES   | 0   | (4)                              | 1                        | (10)                   | 5                         | (1)                                  | 42                      | 2                      |
| INCOME TAXES   | 0   | (9)                              | (2)                      | (4)                    | 2                         | (1)                                  | 11                      | 1                      |
| INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE<br>IN ACCOUNTING PRINCIPLE                                     | 0   | 5                                | 3                        | (6)                    | 3                         | 0                                    | 31                      | 1                      |
| <b>CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES</b>   |   |                                  |                          |                        |                           |                                      |                         |                        |
| FASB Interpretation No. 46, "Consol. of Variable<br>Interest Entities," net of income taxes benefit of \$2 | 0   | 0                                | 0                        | 0                      | 0                         | 0                                    | 0                       | 0                      |
| NET INCOME (LOSS)  | 0   | 5                                | 3                        | (6)                    | 3                         | 0                                    | 31                      | 1                      |
| RET. EARNINGS (DEF.) AT BEG. OF YEAR   | 0   | 26                               | 0                        | (3)                    | 0                         | 0                                    | 123                     | (2)                    |
| <b>DEDUCT:</b>   |   |                                  |                          |                        |                           |                                      |                         |                        |
| Dividends  | 0   | 0                                | 0                        | 0                      | 0                         | 0                                    | 0                       | 0                      |
| Other  | 0   | 0                                | 0                        | 0                      | 0                         | 0                                    | 0                       | 0                      |
| RET. EARNINGS (DEF.) AT END OF YEAR  | \$0                                       | \$31                             | \$3                      | (\$9)                  | \$3                       | \$0                                  | \$154                   | (\$1)                  |

|   | Gray<br>County<br>Wind<br>Consolidated | Indian<br>Mesa<br>Consolidated | LSP VIII<br>LP<br>Consolidated | LSP IX<br>LP<br>Consolidated | MH50<br>Consolidated | MH700<br>Consolidated | Mojave<br>Consolidated | New<br>Mexico<br>Consolidated |
|---|--|--------------------------------|--------------------------------|------------------------------|----------------------|-----------------------|------------------------|-------------------------------|
| <b>ASSETS</b>                                       |  |                                |                                |                              |                      |                       |                        |                               |
| <b>PROPERTY, PLANT AND EQUIPMENT</b>                |  |                                |                                |                              |                      |                       |                        |                               |
| Elec. utility plant in ser. & other property        | \$103                                  | \$83                           | \$0                            | \$0                          | \$18                 | \$0                   | \$0                    | \$198                         |
| Nuclear fuel  | 0                                      | 0                              | 0                              | 0                            | 0                    | 0                     | 0                      | 0                             |
| Construction work in progress                       | 0                                      | 0                              | 0                              | 0                            | 0                    | 539                   | 0                      | 0                             |
| Less accumulated depr. & amort.                     | (12)                                   | (6)                            | 0                              | 0                            | (5)                  | 0                     | 0                      | (3)                           |
| Total prop., plant and eqpt. - net                  | 91                                     | 77                             | 0                              | 0                            | 13                   | 539                   | 0                      | 195                           |
| <b>CURRENT ASSETS</b>                               |  |                                |                                |                              |                      |                       |                        |                               |
| Cash and cash equivalents                           | 0                                      | 0                              | 0                              | 0                            | 0                    | 0                     | 0                      | 1                             |
| Customer receivables - net                          | 1                                      | 1                              | 0                              | 0                            | 0                    | 0                     | 0                      | 3                             |
| Other receivables                                   | 0                                      | 0                              | 0                              | 0                            | 0                    | 0                     | 0                      | 2                             |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 0                                      | 0                              | 0                              | 0                            | 0                    | 0                     | 0                      | 0                             |
| Deferred clause expenses                            | 0                                      | 0                              | 0                              | 0                            | 0                    | 0                     | 0                      | 0                             |
| Other   | 1                                      | 1                              | 0                              | 0                            | 0                    | 2                     | 0                      | 0                             |
| Total current assets                                | 2                                      | 2                              | 0                              | 0                            | 0                    | 2                     | 0                      | 6                             |
| <b>OTHER ASSETS:</b>                                |  |                                |                                |                              |                      |                       |                        |                               |
| Special use funds                                   | 0                                      | 0                              | 0                              | 0                            | 0                    | 0                     | 0                      | 0                             |
| Other investments                                   | 0                                      | 0                              | 6                              | 10                           | 0                    | 0                     | 8                      | 0                             |
| Other   | 0                                      | 2                              | 0                              | 0                            | 0                    | 24                    | 0                      | 0                             |
| Total other assets                                  | 0                                      | 2                              | 6                              | 10                           | 0                    | 24                    | 8                      | 0                             |
| <b>TOTAL ASSETS</b>                                 | <b>\$93</b>                            | <b>\$81</b>                    | <b>\$6</b>                     | <b>\$10</b>                  | <b>\$13</b>          | <b>\$565</b>          | <b>\$8</b>             | <b>\$201</b>                  |
| <b>CAPITALIZATION</b>                               |  |                                |                                |                              |                      |                       |                        |                               |
| Common shareholders' equity                         | \$69                                   | \$60                           | (\$14)                         | (\$19)                       | \$3                  | \$332                 | \$8                    | (\$76)                        |
| Pref. stk. of FPL w/o sinking fund require.         | 0                                      | 0                              | 0                              | 0                            | 0                    | 0                     | 0                      | 0                             |
| Long-term debt                                      | 0                                      | 0                              | 0                              | 0                            | 9                    | 205                   | 0                      | 0                             |
| Total capitalization                                | 69                                     | 60                             | (14)                           | (19)                         | 12                   | 537                   | 8                      | (76)                          |
| <b>CURRENT LIABILITIES</b>                          |  |                                |                                |                              |                      |                       |                        |                               |
| Commercial paper                                    | 0                                      | 0                              | 0                              | 0                            | 0                    | 0                     | 0                      | 0                             |
| Note payable  | 0                                      | 0                              | 0                              | 0                            | 0                    | 0                     | 0                      | 0                             |
| Current maturities of long-term debt                | 0                                      | 0                              | 0                              | 0                            | 0                    | 0                     | 0                      | 0                             |
| Accounts payable                                    | 0                                      | 0                              | 0                              | 0                            | 0                    | 0                     | 0                      | 1                             |
| Customers' deposits                                 | 0                                      | 0                              | 0                              | 0                            | 0                    | 0                     | 0                      | 0                             |
| Accrued interest and taxes                          | 0                                      | 0                              | 0                              | 0                            | 0                    | 0                     | 0                      | 0                             |
| Deferred clause revenues                            | 0                                      | 0                              | 0                              | 0                            | 0                    | 0                     | 0                      | 0                             |
| Other   | 1                                      | 0                              | 1                              | 2                            | 1                    | 28                    | 0                      | 239                           |
| Total current liabilities                           | 1                                      | 0                              | 1                              | 2                            | 1                    | 28                    | 0                      | 240                           |
| <b>OTHER LIABILITIES AND DEFERRED CREDITS</b>       |  |                                |                                |                              |                      |                       |                        |                               |
| Asset retirement obligations                        | 1                                      | 1                              | 0                              | 0                            | 0                    | 0                     | 0                      | 0                             |
| Accumulated deferred income taxes                   | 22                                     | 15                             | 19                             | 27                           | 0                    | 0                     | 0                      | 37                            |
| Storm and property insurance reserve                | 0                                      | 0                              | 0                              | 0                            | 0                    | 0                     | 0                      | 0                             |
| Other   | 0                                      | 5                              | 0                              | 0                            | 0                    | 0                     | 0                      | 0                             |
| Total other liab. & def. credits                    | 23                                     | 21                             | 19                             | 27                           | 0                    | 0                     | 0                      | 37                            |
| <b>COMMITMENTS AND CONTINGENCIES</b>                |  |                                |                                |                              |                      |                       |                        |                               |
| <b>TOTAL CAPITALIZATION AND LIABILITIES</b>         | <b>\$93</b>                            | <b>\$81</b>                    | <b>\$6</b>                     | <b>\$10</b>                  | <b>\$13</b>          | <b>\$565</b>          | <b>\$8</b>             | <b>\$201</b>                  |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

|  | Gray<br>County<br>Wind<br>Consolidated | Indian<br>Mesa<br>Consolidated | LSP VIII<br>LP<br>Consolidated | LSP IX<br>LP<br>Consolidated | MH50<br>Consolidated | MH700<br>Consolidated | Mojave<br>Consolidated | New<br>Mexico<br>Consolidated |
|--|--|--------------------------------|--------------------------------|------------------------------|----------------------|-----------------------|------------------------|-------------------------------|
| <b>INCOME STATEMENT</b>  |  |                                |                                |                              |                      |                       |                        |                               |
| <b>OPERATING REVENUES</b>  | <b>\$9</b>                             | <b>\$7</b>                     | <b>\$1</b>                     | <b>\$1</b>                   | <b>\$5</b>           | <b>\$0</b>            | <b>\$1</b>             | <b>\$5</b>                    |
| <b>OPERATING EXPENSES</b>  |  |                                |                                |                              |                      |                       |                        |                               |
| Fuel, purchased power & interchange  | 0                                      | 0                              | 0                              | 0                            | 4                    | 0                     | 0                      | 0                             |
| Other operations and maintenance   | 3                                      | 2                              | 0                              | 0                            | 2                    | 1                     | 1                      | 1                             |
| Depreciation & amortization  | 5                                      | 4                              | 0                              | 0                            | 1                    | 0                     | 0                      | 3                             |
| Taxes other than income taxes  | 0                                      | 1                              | 0                              | 0                            | 0                    | 0                     | 0                      | 0                             |
| Total operating expenses   | 8                                      | 7                              | 0                              | 0                            | 7                    | 1                     | 1                      | 4                             |
| <b>OPERATING INCOME</b>  | <b>1</b>                               | <b>0</b>                       | <b>1</b>                       | <b>1</b>                     | <b>(2)</b>           | <b>(1)</b>            | <b>0</b>               | <b>1</b>                      |
| <b>OTHER INCOME (DEDUCTIONS):</b>  |  |                                |                                |                              |                      |                       |                        |                               |
| Interest charges   | 0                                      | 0                              | 0                              | 0                            | (1)                  | (2)                   | 0                      | (7)                           |
| Preferred stock dividends - FPL  | 0                                      | 0                              | 0                              | 0                            | 0                    | 0                     | 0                      | 0                             |
| Loss on redemption of preferred stock - FPL  | 0                                      | 0                              | 0                              | 0                            | 0                    | 0                     | 0                      | 0                             |
| Equity in earnings of equity method investees  | 0                                      | 0                              | 5                              | 5                            | 0                    | 0                     | 3                      | 0                             |
| Other - net  | 0                                      | 0                              | 0                              | 0                            | 0                    | 0                     | 0                      | 0                             |
| Total other deductions - net   | 0                                      | 0                              | 5                              | 5                            | (1)                  | (2)                   | 3                      | (7)                           |
| <b>INCOME FROM OPERATIONS BEFORE INCOME TAXES</b>  | <b>1</b>                               | <b>0</b>                       | <b>6</b>                       | <b>6</b>                     | <b>(3)</b>           | <b>(3)</b>            | <b>3</b>               | <b>(6)</b>                    |
| <b>INCOME TAXES</b>  | <b>(4)</b>                             | <b>(2)</b>                     | <b>1</b>                       | <b>1</b>                     | <b>(1)</b>           | <b>(1)</b>            | <b>0</b>               | <b>(7)</b>                    |
| <b>INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE<br/>IN ACCOUNTING PRINCIPLE</b>                             | <b>5</b>                               | <b>2</b>                       | <b>5</b>                       | <b>5</b>                     | <b>(2)</b>           | <b>(2)</b>            | <b>3</b>               | <b>1</b>                      |
| <b>CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES</b>   |  |                                |                                |                              |                      |                       |                        |                               |
| FASB Interpretation No. 46, "Consol. of Variable<br>Interest Entities," net of income taxes benefit of \$2 | 0                                      | 0                              | 0                              | 0                            | 0                    | 0                     | 0                      | 0                             |
| <b>NET INCOME (LOSS)</b>   | <b>5</b>                               | <b>2</b>                       | <b>5</b>                       | <b>5</b>                     | <b>(2)</b>           | <b>(2)</b>            | <b>3</b>               | <b>1</b>                      |
| <b>RET. EARNINGS (DEF.) AT BEG. OF YEAR</b>  | <b>10</b>                              | <b>0</b>                       | <b>11</b>                      | <b>9</b>                     | <b>(1)</b>           | <b>(1)</b>            | <b>19</b>              | <b>0</b>                      |
| <b>DEDUCT:</b>   |  |                                |                                |                              |                      |                       |                        |                               |
| Dividends  | 0                                      | 0                              | 0                              | 0                            | 0                    | 0                     | 0                      | 0                             |
| Other  | 0                                      | 0                              | 0                              | 0                            | 0                    | 0                     | 0                      | 0                             |
| <b>RET. EARNINGS (DEF.) AT END OF YEAR</b>   | <b>\$15</b>                            | <b>\$2</b>                     | <b>\$16</b>                    | <b>\$14</b>                  | <b>(\$3)</b>         | <b>(\$3)</b>          | <b>\$22</b>            | <b>\$1</b>                    |

| ASSETS  | Oklahoma<br>Wind<br>Consolidated | Ormesa<br>Consolidated | Operating<br>Services<br>Consolidated | Paris<br>Consolidated | Pecos<br>Wind<br>Consolidated | Pennsylvania<br>Wind<br>Consolidated | Posdef<br>Consolidated | Rhode<br>Island<br>Consolidated |
|---|----------------------------------|------------------------|---------------------------------------|-----------------------|-------------------------------|--------------------------------------|------------------------|---------------------------------|
| <b>PROPERTY, PLANT AND EQUIPMENT</b>                |                                  |                        |                                       |                       |                               |                                      |                        |                                 |
| Elec. utility plant in ser. & other property        | \$59                             | \$0                    | \$0                                   | \$452                 | \$150                         | \$73                                 | \$103                  | \$355                           |
| Nuclear fuel  | 0                                | 0                      | 0                                     | 0                     | 0                             | 0                                    | 0                      | 0                               |
| Construction work in progress                       | 0                                | 0                      | 0                                     | 0                     | 0                             | 0                                    | 0                      | 0                               |
| Less accumulated depr. & amort.                     | (1)                              | 0                      | 0                                     | (50)                  | (20)                          | 0                                    | (92)                   | (13)                            |
| Total prop., plant and eqpt. - net                  | 58                               | 0                      | 0                                     | 402                   | 130                           | 73                                   | 11                     | 342                             |
| <b>CURRENT ASSETS</b>                               |                                  |                        |                                       |                       |                               |                                      |                        |                                 |
| Cash and cash equivalents                           | 0                                | 0                      | 0                                     | 3                     | 0                             | 0                                    | 1                      | 13                              |
| Customer receivables - net                          | 0                                | 0                      | 0                                     | 1                     | 1                             | 0                                    | 2                      | 0                               |
| Other receivables                                   | 0                                | 0                      | 4                                     | 24                    | 0                             | 0                                    | 0                      | 14                              |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 0                                | 0                      | 0                                     | 13                    | 0                             | 0                                    | 3                      | 9                               |
| Deferred clause expenses                            | 0                                | 0                      | 0                                     | 0                     | 0                             | 0                                    | 0                      | 0                               |
| Other   | 0                                | 0                      | 0                                     | 1                     | 1                             | 2                                    | 0                      | 9                               |
| Total current assets                                | 0                                | 0                      | 4                                     | 42                    | 2                             | 2                                    | 6                      | 45                              |
| <b>OTHER ASSETS:</b>                                |                                  |                        |                                       |                       |                               |                                      |                        |                                 |
| Special use funds                                   | 0                                | 0                      | 0                                     | 0                     | 0                             | 0                                    | 0                      | 0                               |
| Other investments                                   | 0                                | 0                      | 0                                     | 0                     | 0                             | 0                                    | 0                      | 0                               |
| Other   | 0                                | 0                      | 1                                     | 0                     | 0                             | 4                                    | 3                      | 7                               |
| Total other assets                                  | 0                                | 0                      | 1                                     | 0                     | 0                             | 4                                    | 3                      | 7                               |
| <b>TOTAL ASSETS</b>                                 | <b>\$58</b>                      | <b>\$0</b>             | <b>\$5</b>                            | <b>\$444</b>          | <b>\$132</b>                  | <b>\$79</b>                          | <b>\$20</b>            | <b>\$394</b>                    |
| <b>CAPITALIZATION</b>                               |                                  |                        |                                       |                       |                               |                                      |                        |                                 |
| Common shareholders' equity                         | \$53                             | \$0                    | \$3                                   | \$396                 | \$95                          | \$45                                 | \$3                    | (\$16)                          |
| Pref. stk. of FPL w/o sinking fund require.         | 0                                | 0                      | 0                                     | 0                     | 0                             | 0                                    | 0                      | 0                               |
| Long-term debt                                      | 0                                | 0                      | 0                                     | 0                     | 0                             | 0                                    | 0                      | 346                             |
| Total capitalization                                | 53                               | 0                      | 3                                     | 396                   | 95                            | 45                                   | 3                      | 330                             |
| <b>CURRENT LIABILITIES</b>                          |                                  |                        |                                       |                       |                               |                                      |                        |                                 |
| Commercial paper                                    | 0                                | 0                      | 0                                     | 0                     | 0                             | 0                                    | 0                      | 0                               |
| Note payable  | 0                                | 0                      | 0                                     | 0                     | 0                             | 0                                    | 0                      | 0                               |
| Current maturities of long-term debt                | 0                                | 0                      | 0                                     | 0                     | 0                             | 0                                    | 0                      | 10                              |
| Accounts payable                                    | 0                                | 0                      | 0                                     | 1                     | 0                             | 0                                    | 0                      | 2                               |
| Customers' deposits                                 | 0                                | 0                      | 0                                     | 0                     | 0                             | 0                                    | 0                      | 0                               |
| Accrued interest and taxes                          | 0                                | 0                      | 0                                     | 4                     | 1                             | 0                                    | 1                      | 0                               |
| Deferred clause revenues                            | 0                                | 0                      | 0                                     | 0                     | 0                             | 0                                    | 0                      | 0                               |
| Other   | 5                                | 0                      | 2                                     | 16                    | 0                             | 11                                   | 2                      | 21                              |
| Total current liabilities                           | 5                                | 0                      | 2                                     | 21                    | 1                             | 11                                   | 3                      | 33                              |
| <b>OTHER LIABILITIES AND DEFERRED CREDITS</b>       |                                  |                        |                                       |                       |                               |                                      |                        |                                 |
| Asset retirement obligations                        | 0                                | 0                      | 0                                     | 0                     | 1                             | 0                                    | 0                      | 0                               |
| Accumulated deferred income taxes                   | 0                                | 0                      | 0                                     | 19                    | 35                            | 11                                   | 0                      | 3                               |
| Storm and property insurance reserve                | 0                                | 0                      | 0                                     | 0                     | 0                             | 0                                    | 0                      | 0                               |
| Other   | 0                                | 0                      | 0                                     | 8                     | 0                             | 12                                   | 14                     | 28                              |
| Total other liab. & def. credits                    | 0                                | 0                      | 0                                     | 27                    | 36                            | 23                                   | 14                     | 31                              |
| <b>COMMITMENTS AND CONTINGENCIES</b>                |                                  |                        |                                       |                       |                               |                                      |                        |                                 |
| <b>TOTAL CAPITALIZATION AND LIABILITIES</b>         | <b>\$58</b>                      | <b>\$0</b>             | <b>\$5</b>                            | <b>\$444</b>          | <b>\$132</b>                  | <b>\$79</b>                          | <b>\$20</b>            | <b>\$394</b>                    |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

| INCOME STATEMENT   | Oklahoma<br>Wind<br>Consolidated | Ormesa<br>Consolidated | Operating<br>Services<br>Consolidated | Paris<br>Consolidated | Pecos<br>Wind<br>Consolidated | Pennsylvania<br>Wind<br>Consolidated | Posdef<br>Consolidated | Rhode<br>Island<br>Consolidated |
|--|----------------------------------|------------------------|---------------------------------------|-----------------------|-------------------------------|--------------------------------------|------------------------|---------------------------------|
| <b>OPERATING REVENUES</b>  | <b>\$1</b>                       | <b>\$0</b>             | <b>\$8</b>                            | <b>\$191</b>          | <b>\$7</b>                    | <b>\$4</b>                           | <b>\$31</b>            | <b>\$105</b>                    |
| <b>OPERATING EXPENSES</b>  |                                  |                        |                                       |                       |                               |                                      |                        |                                 |
| Fuel, purchased power & interchange  | 0                                | 0                      | 0                                     | 132                   | 0                             | 0                                    | 9                      | 69                              |
| Other operations and maintenance   | 0                                | 0                      | (2)                                   | 25                    | 2                             | 1                                    | 6                      | 16                              |
| Depreciation & amortization  | 1                                | 0                      | 0                                     | 15                    | 8                             | 1                                    | 1                      | 6                               |
| Taxes other than income taxes  | 0                                | 0                      | 3                                     | 4                     | 2                             | 0                                    | 0                      | 1                               |
| Total operating expenses   | 1                                | 0                      | 1                                     | 176                   | 12                            | 2                                    | 16                     | 92                              |
| <b>OPERATING INCOME</b>  | <b>0</b>                         | <b>0</b>               | <b>7</b>                              | <b>15</b>             | <b>(5)</b>                    | <b>2</b>                             | <b>15</b>              | <b>13</b>                       |
| <b>OTHER INCOME (DEDUCTIONS):</b>  |                                  |                        |                                       |                       |                               |                                      |                        |                                 |
| Interest charges   | 0                                | 0                      | 0                                     | 0                     | 0                             | 0                                    | 0                      | (7)                             |
| Preferred stock dividends - FPL  | 0                                | 0                      | 0                                     | 0                     | 0                             | 0                                    | 0                      | 0                               |
| Loss on redemption of preferred stock - FPL  | 0                                | 0                      | 0                                     | 0                     | 0                             | 0                                    | 0                      | 0                               |
| Equity in earnings of equity method investees  | 0                                | 0                      | 0                                     | 0                     | 0                             | 0                                    | 0                      | 0                               |
| Other - net  | 0                                | 0                      | 0                                     | 0                     | 0                             | 0                                    | 0                      | (10)                            |
| Total other deductions - net   | 0                                | 0                      | 0                                     | 0                     | 0                             | 0                                    | 0                      | (17)                            |
| <b>INCOME FROM OPERATIONS BEFORE INCOME TAXES</b>  | <b>0</b>                         | <b>0</b>               | <b>7</b>                              | <b>15</b>             | <b>(5)</b>                    | <b>2</b>                             | <b>15</b>              | <b>(4)</b>                      |
| <b>INCOME TAXES</b>  | <b>0</b>                         | <b>0</b>               | <b>2</b>                              | <b>2</b>              | <b>(3)</b>                    | <b>0</b>                             | <b>6</b>               | <b>(6)</b>                      |
| <b>INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE<br/>IN ACCOUNTING PRINCIPLE</b>                             | <b>0</b>                         | <b>0</b>               | <b>5</b>                              | <b>13</b>             | <b>(2)</b>                    | <b>2</b>                             | <b>9</b>               | <b>2</b>                        |
| <b>CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES</b>   |                                  |                        |                                       |                       |                               |                                      |                        |                                 |
| FASB Interpretation No. 46, "Consol. of Variable<br>Interest Entities," net of income taxes benefit of \$2 | 0                                | 0                      | 0                                     | 0                     | 0                             | 0                                    | 0                      | 0                               |
| NET INCOME (LOSS)  | 0                                | 0                      | 5                                     | 13                    | (2)                           | 2                                    | 9                      | (1)                             |
| RET. EARNINGS (DEF.) AT BEG. OF YEAR   | 0                                | 0                      | 16                                    | 59                    | 5                             | 0                                    | 4                      | (2)                             |
| <b>DEDUCT:</b>   |                                  |                        |                                       |                       |                               |                                      |                        |                                 |
| Dividends  | 0                                | 0                      | 0                                     | 0                     | 0                             | 0                                    | 0                      | 0                               |
| Other  | 0                                | 0                      | 0                                     | 0                     | 0                             | 0                                    | 0                      | 0                               |
| <b>RET. EARNINGS (DEF.) AT END OF YEAR</b>   | <b>\$0</b>                       | <b>\$0</b>             | <b>\$21</b>                           | <b>\$72</b>           | <b>\$3</b>                    | <b>\$2</b>                           | <b>\$13</b>            | <b>(\$3)</b>                    |

| ASSETS  | Rockaway<br>Consolidated | Seabrook<br>Consolidated | Sky<br>River<br>Consolidated | Upton<br>Wind<br>Consolidated | Vansycle<br>Consolidated | Victory<br>Gardens<br>Consolidated | Waymart<br>Consolidated |
|---|--------------------------|--------------------------|------------------------------|-------------------------------|--------------------------|------------------------------------|-------------------------|
| <b>PROPERTY, PLANT AND EQUIPMENT</b>                |                          |                          |                              |                               |                          |                                    |                         |
| Elec. utility plant in ser. & other property        | \$118                    | \$724                    | \$74                         | \$288                         | \$28                     | \$13                               | \$90                    |
| Nuclear fuel  | 0                        | 83                       | 0                            | 0                             | 0                        | 0                                  | 0                       |
| Construction work in progress                       | 1                        | 35                       | 0                            | 0                             | 0                        | 0                                  | 0                       |
| Less accumulated depr. & amort.                     | (5)                      | (48)                     | (42)                         | (32)                          | (7)                      | (10)                               | (1)                     |
| Total prop., plant and eqpt. - net                  | 114                      | 794                      | 32                           | 256                           | 21                       | 3                                  | 89                      |
| <b>CURRENT ASSETS</b>                               |                          |                          |                              |                               |                          |                                    |                         |
| Cash and cash equivalents                           | 1                        | 0                        | 0                            | 0                             | 0                        | 1                                  | 0                       |
| Customer receivables - net                          | 4                        | 0                        | 0                            | 4                             | 1                        | 0                                  | 1                       |
| Other receivables                                   | 0                        | 59                       | 2                            | 1                             | 0                        | 3                                  | 1                       |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 1                        | 46                       | 0                            | 0                             | 0                        | 0                                  | 0                       |
| Deferred clause expenses                            | 0                        | 0                        | 0                            | 0                             | 0                        | 0                                  | 0                       |
| Other   | 3                        | 48                       | 4                            | 0                             | 0                        | 0                                  | 0                       |
| Total current assets                                | 9                        | 153                      | 6                            | 5                             | 1                        | 4                                  | 2                       |
| <b>OTHER ASSETS:</b>                                |                          |                          |                              |                               |                          |                                    |                         |
| Special use funds                                   | 0                        | 274                      | 0                            | 0                             | 0                        | 0                                  | 0                       |
| Other investments                                   | 0                        | 0                        | 0                            | 0                             | 0                        | 0                                  | 0                       |
| Other   | 3                        | 12                       | 11                           | 6                             | 0                        | 2                                  | (2)                     |
| Total other assets                                  | 3                        | 286                      | 11                           | 6                             | 0                        | 2                                  | (2)                     |
| <b>TOTAL ASSETS</b>                                 | <b>\$126</b>             | <b>\$1,233</b>           | <b>\$49</b>                  | <b>\$267</b>                  | <b>\$22</b>              | <b>\$9</b>                         | <b>\$89</b>             |
| <b>CAPITALIZATION</b>                               |                          |                          |                              |                               |                          |                                    |                         |
| Common shareholders' equity                         | (\$11)                   | \$958                    | \$36                         | \$190                         | \$14                     | \$8                                | \$57                    |
| Pref. stk. of FPL w/o sinking fund require.         | 0                        | 0                        | 0                            | 0                             | 0                        | 0                                  | 0                       |
| Long-term debt                                      | 111                      | 0                        | 0                            | 0                             | 0                        | 0                                  | 0                       |
| Total capitalization                                | 100                      | 958                      | 36                           | 190                           | 14                       | 8                                  | 57                      |
| <b>CURRENT LIABILITIES</b>                          |                          |                          |                              |                               |                          |                                    |                         |
| Commercial paper                                    | 0                        | 0                        | 0                            | 0                             | 0                        | 0                                  | 0                       |
| Note payable  | 0                        | 0                        | 6                            | 0                             | 0                        | 0                                  | 0                       |
| Current maturities of long-term debt                | 4                        | 0                        | 0                            | 0                             | 0                        | 0                                  | 0                       |
| Accounts payable                                    | 1                        | 4                        | 0                            | 0                             | 0                        | 0                                  | 0                       |
| Customers' deposits                                 | 0                        | 0                        | 0                            | 0                             | 0                        | 0                                  | 0                       |
| Accrued interest and taxes                          | 0                        | 0                        | 0                            | 3                             | 0                        | 0                                  | 0                       |
| Deferred clause revenues                            | 0                        | 0                        | 0                            | 0                             | 0                        | 0                                  | 0                       |
| Other   | 5                        | 58                       | 6                            | 2                             | 0                        | 1                                  | 11                      |
| Total current liabilities                           | 10                       | 62                       | 12                           | 5                             | 0                        | 1                                  | 11                      |
| <b>OTHER LIABILITIES AND DEFERRED CREDITS</b>       |                          |                          |                              |                               |                          |                                    |                         |
| Asset retirement obligations                        | 0                        | 163                      | 1                            | 1                             | 0                        | 0                                  | 0                       |
| Accumulated deferred income taxes                   | 16                       | 31                       | 0                            | 71                            | 8                        | 0                                  | 17                      |
| Storm and property insurance reserve                | 0                        | 0                        | 0                            | 0                             | 0                        | 0                                  | 0                       |
| Other   | 0                        | 19                       | 0                            | 0                             | 0                        | 0                                  | 4                       |
| Total other liab. & def. credits                    | 16                       | 213                      | 1                            | 72                            | 8                        | 0                                  | 21                      |
| <b>COMMITMENTS AND CONTINGENCIES</b>                |                          |                          |                              |                               |                          |                                    |                         |
| <b>TOTAL CAPITALIZATION AND LIABILITIES</b>         | <b>\$126</b>             | <b>\$1,233</b>           | <b>\$49</b>                  | <b>\$267</b>                  | <b>\$22</b>              | <b>\$9</b>                         | <b>\$89</b>             |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

| INCOME STATEMENT   | Rockaway<br>Consolidated | Seabrook<br>Consolidated | Sky River<br>Consolidated | Upton<br>Wind<br>Consolidated | Vansycle<br>Consolidated | Victory<br>Gardens<br>Consolidated | Waymart<br>Consolidated |
|--|--------------------------|--------------------------|---------------------------|-------------------------------|--------------------------|------------------------------------|-------------------------|
| <b>OPERATING REVENUES</b>  | <b>\$19</b>              | <b>\$294</b>             | <b>\$3</b>                | <b>\$19</b>                   | <b>\$4</b>               | <b>\$1</b>                         | <b>\$2</b>              |
| <b>OPERATING EXPENSES</b>  |                          |                          |                           |                               |                          |                                    |                         |
| Fuel, purchased power & interchange  | 0                        | 38                       | 0                         | 0                             | 0                        | 0                                  | 0                       |
| Other operations and maintenance   | 3                        | 119                      | 0                         | 5                             | 1                        | 0                                  | 1                       |
| Depreciation & amortization  | 4                        | 28                       | 0                         | 15                            | 2                        | 0                                  | 1                       |
| Taxes other than income taxes  | 0                        | 18                       | 0                         | 3                             | 0                        | 0                                  | 0                       |
| Total operating expenses   | 7                        | 203                      | 0                         | 23                            | 3                        | 0                                  | 2                       |
| <b>OPERATING INCOME</b>  | <b>12</b>                | <b>91</b>                | <b>3</b>                  | <b>(4)</b>                    | <b>1</b>                 | <b>1</b>                           | <b>0</b>                |
| <b>OTHER INCOME (DEDUCTIONS):</b>  |                          |                          |                           |                               |                          |                                    |                         |
| Interest charges   | (3)                      | 0                        | 0                         | 0                             | 0                        | 0                                  | 0                       |
| Preferred stock dividends - FPL  | 0                        | 0                        | 0                         | 0                             | 0                        | 0                                  | 0                       |
| Loss on redemption of preferred stock - FPL  | 0                        | 0                        | 0                         | 0                             | 0                        | 0                                  | 0                       |
| Equity in earnings of equity method investees  | 0                        | 0                        | 0                         | 0                             | 0                        | 0                                  | 0                       |
| Other - net  | 0                        | 10                       | 0                         | 0                             | 0                        | 0                                  | 0                       |
| Total other deductions - net   | (3)                      | 10                       | 0                         | 0                             | 0                        | 0                                  | 0                       |
| <b>INCOME FROM OPERATIONS BEFORE INCOME TAXES</b>  | <b>9</b>                 | <b>101</b>               | <b>3</b>                  | <b>(4)</b>                    | <b>1</b>                 | <b>1</b>                           | <b>0</b>                |
| <b>INCOME TAXES</b>  | <b>4</b>                 | <b>39</b>                | <b>0</b>                  | <b>(3)</b>                    | <b>(1)</b>               | <b>0</b>                           | <b>(1)</b>              |
| <b>INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE<br/>IN ACCOUNTING PRINCIPLE</b>                             | <b>5</b>                 | <b>62</b>                | <b>3</b>                  | <b>(1)</b>                    | <b>2</b>                 | <b>1</b>                           | <b>1</b>                |
| <b>CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES</b>   |                          |                          |                           |                               |                          |                                    |                         |
| FASB Interpretation No. 46, "Consol. of Variable<br>Interest Entities," net of income taxes benefit of \$2 | 0                        | 0                        | 0                         | 0                             | 0                        | 0                                  | 0                       |
| <b>NET INCOME (LOSS)</b>   | <b>5</b>                 | <b>62</b>                | <b>3</b>                  | <b>(1)</b>                    | <b>2</b>                 | <b>1</b>                           | <b>1</b>                |
| <b>RET. EARNINGS (DEF.) AT BEG. OF YEAR</b>  | <b>2</b>                 | <b>15</b>                | <b>0</b>                  | <b>3</b>                      | <b>8</b>                 | <b>0</b>                           | <b>0</b>                |
| <b>DEDUCT:</b>   |                          |                          |                           |                               |                          |                                    |                         |
| Dividends  | 0                        | 0                        | 0                         | 0                             | 0                        | 0                                  | 0                       |
| Other  | 0                        | 0                        | 0                         | 0                             | 0                        | 0                                  | 0                       |
| <b>RET. EARNINGS (DEF.) AT END OF YEAR</b>   | <b>\$7</b>               | <b>\$77</b>              | <b>\$3</b>                | <b>\$2</b>                    | <b>\$10</b>              | <b>\$1</b>                         | <b>\$1</b>              |

|   | American<br>Wind<br>Consolidated | Elims            | FPL<br>Energy<br>Wind<br>Funding<br>Holdings,<br>LLC | FPL<br>Energy<br>Wind<br>Funding,<br>LLC | FPL<br>Energy<br>Wind<br>Financing,<br>LLC | FPL<br>Energy<br>American<br>Wind<br>Holdings,<br>LLC | FPL<br>Energy<br>American<br>Wind,<br>LLC | Hawkeye<br>Power<br>Partners,<br>LLC |
|---|----------------------------------|------------------|--|--|--|---|---|--------------------------------------|
| <b>ASSETS</b>                                       |                                  |                  |  |  |  |   |   |                                      |
| <b>PROPERTY, PLANT AND EQUIPMENT</b>                |                                  |                  |  |  |  |   |   |                                      |
| Elec. utility plant in ser. & other property        | \$557                            | \$0              | \$0  | \$0                                      | \$0  | \$0   | \$0                                       | \$43                                 |
| Nuclear fuel  | 0                                | 0                | 0  | 0  | 0  | 0   | 0   | 0                                    |
| Construction work in progress                       | 0                                | 0                | 0  | 0  | 0  | 0   | 0   | 0                                    |
| Less accumulated depr. & amort.                     | (58)                             | 0                | 0  | 0  | 0  | 0   | 0   | (8)                                  |
| Total prop., plant and eqpt. - net                  | 499                              | 0                | 0  | 0  | 0  | 0   | 0   | 35                                   |
| <b>CURRENT ASSETS</b>                               |                                  |                  |  |  |  |   |   |                                      |
| Cash and cash equivalents                           | 0                                | 0                | 0  | 0  | 0  | 0   | 0   | 0                                    |
| Customer receivables - net                          | 6                                | 0                | 0  | 0  | 0  | 0   | 0   | 1                                    |
| Other receivables                                   | 232                              | 0                | 0  | 32                                       | 0  | 0   | 198                                       | 0                                    |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 0                                | 0                | 0  | 0  | 0  | 0   | 0   | 0                                    |
| Deferred clause expenses                            | 0                                | 0                | 0  | 0  | 0  | 0   | 0   | 0                                    |
| Other   | 33                               | 0                | 0  | 0  | 0  | 0   | 31  | 0                                    |
| Total current assets                                | 271                              | 0                | 0  | 32                                       | 0  | 0   | 229                                       | 1                                    |
| <b>OTHER ASSETS:</b>                                |                                  |                  |  |  |  |   |   |                                      |
| Special use funds                                   | 0                                | 0                | 0  | 0  | 0  | 0   | 0   | 0                                    |
| Other investments                                   | 0                                | (1,731)          | 232  | 322                                      | 322  | 322   | 474                                       | 0                                    |
| Other   | 11                               | 0                | 0  | 3  | 0  | 0   | 8   | 0                                    |
| Total other assets                                  | 11                               | (1,731)          | 232  | 325                                      | 322  | 322   | 482                                       | 0                                    |
| <b>TOTAL ASSETS</b>                                 | <b>\$781</b>                     | <b>(\$1,731)</b> | <b>\$232</b>   | <b>\$357</b>                             | <b>\$322</b>                               | <b>\$322</b>  | <b>\$711</b>                              | <b>\$36</b>                          |
| <b>CAPITALIZATION</b>                               |                                  |                  |  |  |  |   |   |                                      |
| Common shareholders' equity                         | \$158                            | (\$1,731)        | \$232  | \$232                                    | \$322                                      | \$322   | \$318                                     | \$34                                 |
| Pref. stk. of FPL w/o sinking fund require.         | 0                                | 0                | 0  | 0  | 0  | 0   | 0   | 0                                    |
| Long-term debt                                      | 479                              | 0                | 0  | 118                                      | 0  | 0   | 361                                       | 0                                    |
| Total capitalization                                | 637                              | (1,731)          | 232  | 350                                      | 322  | 322   | 679                                       | 34                                   |
| <b>CURRENT LIABILITIES</b>                          |                                  |                  |  |  |  |   |   |                                      |
| Commercial paper                                    | 0                                | 0                | 0  | 0  | 0  | 0   | 0   | 0                                    |
| Note payable  | 0                                | 0                | 0  | 0  | 0  | 0   | 0   | 0                                    |
| Current maturities of long-term debt                | 26                               | 0                | 0  | 7  | 0  | 0   | 19  | 0                                    |
| Accounts payable                                    | 3                                | 0                | 0  | 0  | 0  | 0   | 0   | 0                                    |
| Customers' deposits                                 | 0                                | 0                | 0  | 0  | 0  | 0   | 0   | 0                                    |
| Accrued interest and taxes                          | 14                               | 0                | 0  | 0  | 0  | 0   | 13  | 0                                    |
| Deferred clause revenues                            | 0                                | 0                | 0  | 0  | 0  | 0   | 0   | 0                                    |
| Other   | 14                               | 0                | 0  | 0  | 0  | 0   | 0   | 0                                    |
| Total current liabilities                           | 57                               | 0                | 0  | 7  | 0  | 0   | 32  | 0                                    |
| <b>OTHER LIABILITIES AND DEFERRED CREDITS</b>       |                                  |                  |  |  |  |   |   |                                      |
| Asset retirement obligations                        | 3                                | 0                | 0  | 0  | 0  | 0   | 0   | 1                                    |
| Accumulated deferred income taxes                   | 70                               | 0                | 0  | 0  | 0  | 0   | 0   | 0                                    |
| Storm and property insurance reserve                | 0                                | 0                | 0  | 0  | 0  | 0   | 0   | 0                                    |
| Other   | 14                               | 0                | 0  | 0  | 0  | 0   | 0   | 1                                    |
| Total other liab. & def. credits                    | 87                               | 0                | 0  | 0  | 0  | 0   | 0   | 2                                    |
| <b>COMMITMENTS AND CONTINGENCIES</b>                |                                  |                  |  |  |  |   |   |                                      |
| <b>TOTAL CAPITALIZATION AND LIABILITIES</b>         | <b>\$781</b>                     | <b>(\$1,731)</b> | <b>\$232</b>   | <b>\$357</b>                             | <b>\$322</b>                               | <b>\$322</b>  | <b>\$711</b>                              | <b>\$36</b>                          |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

|   | American<br>Wind<br>Consolidated | Elims         | FPL<br>Energy<br>Wind<br>Funding<br>Holdings,<br>LLC | FPL<br>Energy<br>Wind<br>Funding,<br>LLC | FPL<br>Energy<br>Wind<br>Financing,<br>LLC | FPL<br>Energy<br>American<br>Wind<br>Holdings,<br>LLC | FPL<br>Energy<br>American<br>Wind,<br>LLC | Hawkeye<br>Power<br>Partners,<br>LLC |
|---|----------------------------------|---------------|--|--|--|---|---|--------------------------------------|
| <b>INCOME STATEMENT</b>   |                                  |               |  |  |  |   |   |                                      |
| <b>OPERATING REVENUES</b>   | <b>\$35</b>                      | <b>\$0</b>    | <b>\$0</b>   | <b>\$0</b>                               | <b>\$0</b>                                 | <b>\$0</b>  | <b>\$0</b>                                | <b>\$3</b>                           |
| <b>OPERATING EXPENSES</b>   |                                  |               |  |  |  |   |   |                                      |
| Fuel, purchased power & interchange   | 0                                | 0             | 0  | 0  | 0  | 0   | 0   | 0                                    |
| Other operations and maintenance  | 9                                | 0             | 0  | 0  | 0  | 0   | 0   | 1                                    |
| Depreciation & amortization   | 21                               | 0             | 0  | 0  | 0  | 0   | 0   | 2                                    |
| Taxes other than income taxes   | 1                                | 0             | 0  | 0  | 0  | 0   | 0   | 0                                    |
| Total operating expenses  | 31                               | 0             | 0  | 0  | 0  | 0   | 0   | 3                                    |
| <b>OPERATING INCOME</b>   | <b>4</b>                         | <b>0</b>      | <b>0</b>   | <b>0</b>                                 | <b>0</b>                                   | <b>0</b>  | <b>0</b>                                  | <b>0</b>                             |
| <b>OTHER INCOME (DEDUCTIONS):</b>   |                                  |               |  |  |  |   |   |                                      |
| Interest charges  | (14)                             | 0             | 0  | 0  | 0  | 0   | (13)                                      | 0                                    |
| Preferred stock dividends - FPL   | 0                                | 0             | 0  | 0  | 0  | 0   | 0   | 0                                    |
| Loss on redemption of preferred stock - FPL   | 0                                | 0             | 0  | 0  | 0  | 0   | 0   | 0                                    |
| Equity in earnings of equity method investees   | 0                                | (21)          | 4  | 4  | 4  | 4   | 7   | 0                                    |
| Other - net   | 6                                | 0             | 0  | 0  | 0  | 0   | 6   | 0                                    |
| Total other deductions - net  | (8)                              | (21)          | 4  | 4  | 4  | 4   | 0   | 0                                    |
| <b>INCOME FROM OPERATIONS BEFORE INCOME TAXES</b>   | <b>(4)</b>                       | <b>(21)</b>   | <b>4</b>   | <b>4</b>                                 | <b>4</b>                                   | <b>4</b>  | <b>0</b>                                  | <b>0</b>                             |
| <b>INCOME TAXES</b>   | <b>(9)</b>                       | <b>0</b>      | <b>(2)</b>   | <b>0</b>                                 | <b>0</b>                                   | <b>0</b>  | <b>0</b>                                  | <b>0</b>                             |
| <b>INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE<br/>IN ACCOUNTING PRINCIPLE</b>              | <b>5</b>                         | <b>(21)</b>   | <b>6</b>   | <b>4</b>                                 | <b>4</b>                                   | <b>4</b>  | <b>0</b>                                  | <b>0</b>                             |
| <b>CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES</b>                                      |                                  |               |  |  |  |   |   |                                      |
| FASB Interpretation No. 46, "Consol. of Variable<br>Interest Entities," net of income taxes | 0                                | 0             | 0  | 0  | 0  | 0   | 0   | 0                                    |
| <b>NET INCOME (LOSS)</b>  | <b>5</b>                         | <b>(21)</b>   | <b>6</b>   | <b>4</b>                                 | <b>4</b>                                   | <b>4</b>  | <b>0</b>                                  | <b>0</b>                             |
| <b>RET. EARNINGS (DEF.) AT BEG. OF YEAR</b>   | <b>26</b>                        | <b>11</b>     | <b>0</b>   | <b>0</b>                                 | <b>0</b>                                   | <b>0</b>  | <b>0</b>                                  | <b>6</b>                             |
| <b>DEDUCT:</b>  |                                  |               |  |  |  |   |   |                                      |
| Dividends   | 0                                | 0             | 0  | 0  | 0  | 0   | 0   | 0                                    |
| Other   | 0                                | 0             | 0  | 0  | 0  | 0   | 0   | 0                                    |
| <b>RET. EARNINGS (DEF.) AT END OF YEAR</b>  | <b>\$31</b>                      | <b>(\$10)</b> | <b>\$6</b>   | <b>\$4</b>                               | <b>\$4</b>                                 | <b>\$4</b>  | <b>\$0</b>                                | <b>\$6</b>                           |

|   | Lake<br>Benton<br>Power<br>Partners II,<br>LLC | Badger<br>Windpower,<br>LLC | FPL<br>Energy<br>Hancock<br>County<br>Wind,<br>LLC | High<br>Winds,<br>LLC | OTG,<br>LLC<br>(Amer Wind) | West<br>Texas<br>Consolidated |
|---|--|-----------------------------|--|-----------------------|----------------------------|-------------------------------|
| <b>ASSETS</b>                                       |  |                             |  |                       |                            |                               |
| <b>PROPERTY, PLANT AND EQUIPMENT</b>                |  |                             |  |                       |                            |                               |
| Elec. utility plant in ser. & other property        | \$121  | \$31                        | \$99   | \$186                 | \$0                        | \$77                          |
| Nuclear fuel  | 0  | 0                           | 0  | 0                     | 0                          | 0                             |
| Construction work in progress                       | 0  | 0                           | 0  | 0                     | 0                          | 0                             |
| Less accumulated depr. & amort.                     | (21)   | (4)                         | (4)  | (3)                   | 0                          | (18)                          |
| Total prop., plant and eqpt. - net                  | 100  | 27                          | 95   | 183                   | 0                          | 59                            |
| <b>CURRENT ASSETS</b>                               |  |                             |  |                       |                            |                               |
| Cash and cash equivalents                           | 0  | 0                           | 0  | 0                     | 0                          | 0                             |
| Customer receivables - net                          | 1  | 1                           | 1  | 1                     | 0                          | 1                             |
| Other receivables                                   | 0  | 0                           | 0  | 2                     | 0                          | 0                             |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 0  | 0                           | 0  | 0                     | 0                          | 0                             |
| Deferred clause expenses                            | 0  | 0                           | 0  | 0                     | 0                          | 0                             |
| Other   | 1  | 0                           | 1  | 0                     | 0                          | 0                             |
| Total current assets                                | 2  | 1                           | 2  | 3                     | 0                          | 1                             |
| <b>OTHER ASSETS:</b>                                |  |                             |  |                       |                            |                               |
| Special use funds                                   | 0  | 0                           | 0  | 0                     | 0                          | 0                             |
| Other investments                                   | 0  | 0                           | 0  | 0                     | 0                          | 59                            |
| Other   | 0  | 0                           | 0  | 0                     | 0                          | 0                             |
| Total other assets                                  | 0  | 0                           | 0  | 0                     | 0                          | 59                            |
| <b>TOTAL ASSETS</b>                                 | <b>\$102</b>                                   | <b>\$28</b>                 | <b>\$97</b>  | <b>\$186</b>          | <b>\$0</b>                 | <b>\$119</b>                  |
| <b>CAPITALIZATION</b>                               |  |                             |  |                       |                            |                               |
| Common shareholders' equity                         | \$87   | \$28                        | \$95   | \$171                 | (\$70)                     | \$118                         |
| Pref. stk. of FPL w/o sinking fund require.         | 0  | 0                           | 0  | 0                     | 0                          | 0                             |
| Long-term debt                                      | 0  | 0                           | 0  | 0                     | 0                          | 0                             |
| Total capitalization                                | 87   | 28                          | 95   | 171                   | (70)                       | 118                           |
| <b>CURRENT LIABILITIES</b>                          |  |                             |  |                       |                            |                               |
| Commercial paper                                    | 0  | 0                           | 0  | 0                     | 0                          | 0                             |
| Note payable  | 0  | 0                           | 0  | 0                     | 0                          | 0                             |
| Current maturities of long-term debt                | 0  | 0                           | 0  | 0                     | 0                          | 0                             |
| Accounts payable                                    | 0  | 0                           | 0  | 3                     | 0                          | 0                             |
| Customers' deposits                                 | 0  | 0                           | 0  | 0                     | 0                          | 0                             |
| Accrued interest and taxes                          | 0  | 0                           | 0  | 0                     | 0                          | 1                             |
| Deferred clause revenues                            | 0  | 0                           | 0  | 0                     | 0                          | 0                             |
| Other   | 1  | 0                           | 1  | 12                    | 0                          | 0                             |
| Total current liabilities                           | 1  | 0                           | 1  | 15                    | 0                          | 1                             |
| <b>OTHER LIABILITIES AND DEFERRED CREDITS</b>       |  |                             |  |                       |                            |                               |
| Asset retirement obligations                        | 1  | 0                           | 1  | 0                     | 0                          | 0                             |
| Accumulated deferred income taxes                   | 0  | 0                           | 0  | 0                     | 70                         | 0                             |
| Storm and property insurance reserve                | 0  | 0                           | 0  | 0                     | 0                          | 0                             |
| Other   | 13   | 0                           | 0  | 0                     | 0                          | 0                             |
| Total other liab. & def. credits                    | 14   | 0                           | 1  | 0                     | 70                         | 0                             |
| <b>COMMITMENTS AND CONTINGENCIES</b>                |  |                             |  |                       |                            |                               |
| <b>TOTAL CAPITALIZATION AND LIABILITIES</b>         | <b>\$102</b>                                   | <b>\$28</b>                 | <b>\$97</b>  | <b>\$186</b>          | <b>\$0</b>                 | <b>\$119</b>                  |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

|   | Lake<br>Benton<br>Power<br>Partners II,<br>LLC | Badger<br>Windpower,<br>LLC | FPL<br>Energy<br>Hancock<br>County<br>Wind,<br>LLC | High<br>Winds,<br>LLC | OTG,<br>LLC<br>(Amer Wind) | West<br>Texas<br>Consolidated |
|---|--|-----------------------------|--|-----------------------|----------------------------|-------------------------------|
| <b>INCOME STATEMENT</b>   |  |                             |  |                       |                            |                               |
| <b>OPERATING REVENUES</b>   | <b>\$9</b>                                     | <b>\$5</b>                  | <b>\$7</b>   | <b>\$5</b>            | <b>\$0</b>                 | <b>\$6</b>                    |
| <b>OPERATING EXPENSES</b>   |  |                             |  |                       |                            |                               |
| Fuel, purchased power & interchange   | 0  | 0                           | 0  | 0                     | 0                          | 0                             |
| Other operations and maintenance  | 2  | 1                           | 2  | 1                     | 0                          | 2                             |
| Depreciation & amortization   | 6  | 2                           | 4  | 3                     | 0                          | 4                             |
| Taxes other than income taxes   | 0  | 0                           | 0  | 0                     | 0                          | 1                             |
| Total operating expenses  | 8  | 3                           | 6  | 4                     | 0                          | 7                             |
| <b>OPERATING INCOME</b>   | <b>1</b>                                       | <b>2</b>                    | <b>1</b>   | <b>1</b>              | <b>0</b>                   | <b>(1)</b>                    |
| <b>OTHER INCOME (DEDUCTIONS):</b>   |  |                             |  |                       |                            |                               |
| Interest charges  | 0  | 0                           | 0  | 0                     | 0                          | (1)                           |
| Preferred stock dividends - FPL   | 0  | 0                           | 0  | 0                     | 0                          | 0                             |
| Loss on redemption of preferred stock - FPL   | 0  | 0                           | 0  | 0                     | 0                          | 0                             |
| Equity in earnings of equity method investees   | 0  | 0                           | 0  | 0                     | 0                          | (2)                           |
| Other - net   | 0  | 0                           | 0  | 0                     | 0                          | 0                             |
| Total other deductions - net  | 0  | 0                           | 0  | 0                     | 0                          | (3)                           |
| <b>INCOME FROM OPERATIONS BEFORE INCOME TAXES</b>   | <b>1</b>                                       | <b>2</b>                    | <b>1</b>   | <b>1</b>              | <b>0</b>                   | <b>(4)</b>                    |
| <b>INCOME TAXES</b>   | <b>0</b>                                       | <b>0</b>                    | <b>0</b>   | <b>0</b>              | <b>(7)</b>                 | <b>0</b>                      |
| <b>INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE<br/>IN ACCOUNTING PRINCIPLE</b>              | <b>1</b>                                       | <b>2</b>                    | <b>1</b>   | <b>1</b>              | <b>7</b>                   | <b>(4)</b>                    |
| <b>CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES</b>                                      |  |                             |  |                       |                            |                               |
| FASB Interpretation No. 46, "Consol. of Variable<br>Interest Entities," net of income taxes | 0  | 0                           | 0  | 0                     | 0                          | 0                             |
| <b>NET INCOME (LOSS)</b>  | <b>1</b>                                       | <b>2</b>                    | <b>1</b>   | <b>1</b>              | <b>7</b>                   | <b>(4)</b>                    |
| <b>RET. EARNINGS (DEF.) AT BEG. OF YEAR</b>   | <b>(10)</b>                                    | <b>3</b>                    | <b>0</b>   | <b>0</b>              | <b>22</b>                  | <b>(6)</b>                    |
| <b>DEDUCT:</b>  |  |                             |  |                       |                            |                               |
| Dividends   | 0  | 0                           | 0  | 0                     | 0                          | 0                             |
| Other   | 0  | 0                           | 0  | 0                     | 0                          | 0                             |
| <b>RET. EARNINGS (DEF.) AT END OF YEAR</b>  | <b>(\$9)</b>                                   | <b>\$5</b>                  | <b>\$1</b>   | <b>\$1</b>            | <b>\$29</b>                | <b>(\$10)</b>                 |

|   | West<br>Texas<br>Consolidated | Elims      | ESI<br>West<br>Texas<br>Energy,<br>Inc. | ESI<br>West<br>Texas<br>Energy LP,<br>LLC | West<br>Texas<br>Wind<br>Energy<br>Partners,<br>L.P. |
|---|-------------------------------|------------|---|---|--|
| <b>ASSETS</b>                                       |                               |            |   |   |  |
| <b>PROPERTY, PLANT AND EQUIPMENT</b>                |                               |            |   |   |  |
| Elec. utility plant in ser. & other property        | \$77                          | \$0        | \$0                                     | \$0                                       | \$77   |
| Nuclear fuel  | 0                             | 0          | 0                                       | 0   | 0  |
| Construction work in progress                       | 0                             | 0          | 0                                       | 0   | 0  |
| Less accumulated depr. & amort.                     | (18)                          | 0          | 0                                       | 0   | (18)   |
| Total prop., plant and eqpt. - net                  | 59                            | 0          | 0                                       | 0   | 59   |
| <b>CURRENT ASSETS</b>                               |                               |            |   |   |  |
| Cash and cash equivalents                           | 0                             | 0          | 0                                       | 0   | 0  |
| Customer receivables - net                          | 1                             | 0          | 0                                       | 0   | 1  |
| Other receivables                                   | 0                             | 0          | 0                                       | 0   | 0  |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 0                             | 0          | 0                                       | 0   | 0  |
| Deferred clause expenses                            | 0                             | 0          | 0                                       | 0   | 0  |
| Other   | 0                             | 0          | 0                                       | 0   | 0  |
| Total current assets                                | 1                             | 0          | 0                                       | 0   | 1  |
| <b>OTHER ASSETS:</b>                                |                               |            |   |   |  |
| Special use funds                                   | 0                             | 0          | 0                                       | 0   | 0  |
| Other investments                                   | 59                            | 0          | 1                                       | 58  | 0  |
| Other   | 0                             | 0          | 0                                       | 0   | 0  |
| Total other assets                                  | 59                            | 0          | 1                                       | 58  | 0  |
| <b>TOTAL ASSETS</b>                                 | <b>\$119</b>                  | <b>\$0</b> | <b>\$1</b>                              | <b>\$58</b>                               | <b>\$60</b>  |
| <b>CAPITALIZATION</b>                               |                               |            |   |   |  |
| Common shareholders' equity                         | \$118                         | \$0        | \$1                                     | \$58                                      | \$59   |
| Pref. stk. of FPL w/o sinking fund require.         | 0                             | 0          | 0                                       | 0   | 0  |
| Long-term debt                                      | 0                             | 0          | 0                                       | 0   | 0  |
| Total capitalization                                | 118                           | 0          | 1                                       | 58  | 59   |
| <b>CURRENT LIABILITIES</b>                          |                               |            |   |   |  |
| Commercial paper                                    | 0                             | 0          | 0                                       | 0   | 0  |
| Note payable  | 0                             | 0          | 0                                       | 0   | 0  |
| Current maturities of long-term debt                | 0                             | 0          | 0                                       | 0   | 0  |
| Accounts payable                                    | 0                             | 0          | 0                                       | 0   | 0  |
| Customers' deposits                                 | 0                             | 0          | 0                                       | 0   | 0  |
| Accrued interest and taxes                          | 1                             | 0          | 0                                       | 0   | 1  |
| Deferred clause revenues                            | 0                             | 0          | 0                                       | 0   | 0  |
| Other   | 0                             | 0          | 0                                       | 0   | 0  |
| Total current liabilities                           | 1                             | 0          | 0                                       | 0   | 1  |
| <b>OTHER LIABILITIES AND DEFERRED CREDITS</b>       |                               |            |   |   |  |
| Asset retirement obligations                        | 0                             | 0          | 0                                       | 0   | 0  |
| Accumulated deferred income taxes                   | 0                             | 0          | 0                                       | 0   | 0  |
| Storm and property insurance reserve                | 0                             | 0          | 0                                       | 0   | 0  |
| Other   | 0                             | 0          | 0                                       | 0   | 0  |
| Total other liab. & def. credits                    | 0                             | 0          | 0                                       | 0   | 0  |
| <b>COMMITMENTS AND CONTINGENCIES</b>                |                               |            |   |   |  |
| <b>TOTAL CAPITALIZATION AND LIABILITIES</b>         | <b>\$119</b>                  | <b>\$0</b> | <b>\$1</b>                              | <b>\$58</b>                               | <b>\$60</b>  |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

|   | West<br>Texas<br>Consolidated | Elims      | ESI<br>West<br>Texas<br>Energy,<br>Inc. | ESI<br>West<br>Texas<br>Energy LP,<br>LLC | West<br>Texas<br>Wind<br>Energy<br>Partners,<br>L.P. |
|---|-------------------------------|------------|---|---|--|
| <b>INCOME STATEMENT</b>   |                               |            |   |   |  |
| <b>OPERATING REVENUES</b>   | <b>\$6</b>                    | <b>\$0</b> | <b>\$0</b>                              | <b>\$0</b>                                | <b>\$6</b>   |
| <b>OPERATING EXPENSES</b>   |                               |            |   |   |  |
| Fuel, purchased power & interchange   | 0                             | 0          | 0                                       | 0   | 0  |
| Other operations and maintenance  | 2                             | 0          | 0                                       | 0   | 2  |
| Depreciation & amortization   | 4                             | 0          | 0                                       | 0   | 4  |
| Taxes other than income taxes   | 1                             | 0          | 0                                       | 0   | 1  |
| Total operating expenses  | 7                             | 0          | 0                                       | 0   | 7  |
| <b>OPERATING INCOME</b>   | <b>(1)</b>                    | <b>0</b>   | <b>0</b>                                | <b>0</b>                                  | <b>(1)</b>   |
| <b>OTHER INCOME (DEDUCTIONS):</b>   |                               |            |   |   |  |
| Interest charges  | (1)                           | 0          | 0                                       | 0   | (1)  |
| Preferred stock dividends - FPL   | 0                             | 0          | 0                                       | 0   | 0  |
| Loss on redemption of preferred stock - FPL   | 0                             | 0          | 0                                       | 0   | 0  |
| Equity in earnings of equity method investees   | (2)                           | 0          | 0                                       | (2)                                       | 0  |
| Other - net   | 0                             | 0          | 0                                       | 0   | 0  |
| Total other deductions - net  | (3)                           | 0          | 0                                       | (2)                                       | (1)  |
| <b>INCOME FROM OPERATIONS BEFORE INCOME TAXES</b>   | <b>(4)</b>                    | <b>0</b>   | <b>0</b>                                | <b>(2)</b>                                | <b>(2)</b>   |
| <b>INCOME TAXES</b>   | <b>0</b>                      | <b>0</b>   | <b>0</b>                                | <b>0</b>                                  | <b>0</b>   |
| <b>INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE<br/>IN ACCOUNTING PRINCIPLE</b>              | <b>(4)</b>                    | <b>0</b>   | <b>0</b>                                | <b>(2)</b>                                | <b>(2)</b>   |
| <b>CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES</b>                                      |                               |            |   |   |  |
| FASB Interpretation No. 46, "Consol. of Variable<br>Interest Entities," net of income taxes | 0                             | 0          | 0                                       | 0   | 0  |
| <b>NET INCOME (LOSS)</b>  | <b>(4)</b>                    | <b>0</b>   | <b>0</b>                                | <b>(2)</b>                                | <b>(2)</b>   |
| <b>RET. EARNINGS (DEF.) AT BEG. OF YEAR</b>   | <b>(6)</b>                    | <b>0</b>   | <b>(2)</b>                              | <b>6</b>                                  | <b>(10)</b>  |
| <b>DEDUCT:</b>  |                               |            |   |   |  |
| Dividends   | 0                             | 0          | 0                                       | 0   | 0  |
| Other   | 0                             | 0          | 0                                       | 0   | 0  |
| <b>RET. EARNINGS (DEF.) AT END OF YEAR</b>  | <b>(\$10)</b>                 | <b>\$0</b> | <b>(\$2)</b>                            | <b>\$4</b>                                | <b>(\$12)</b>  |

| ASSETS  | Backbone Consolidated | Elims         | Backbone Windpower Holdings, LLC | Backbone Mountain Windpower LLC |
|---|-----------------------|---------------|----------------------------------|---------------------------------|
| <b>PROPERTY, PLANT AND EQUIPMENT</b>                |                       |               |                                  |                                 |
| Elec. utility plant in ser. & other property        | \$73                  | \$0           | \$0                              | \$73                            |
| Nuclear fuel  | 0                     | 0             | 0                                | 0                               |
| Construction work in progress                       | 0                     | 0             | 0                                | 0                               |
| Less accumulated depr. & amort.                     | (4)                   | 0             | 0                                | (4)                             |
| Total prop., plant and eqpt. - net                  | 69                    | 0             | 0                                | 69                              |
| <b>CURRENT ASSETS</b>                               |                       |               |                                  |                                 |
| Cash and cash equivalents                           | 0                     | 0             | 0                                | 0                               |
| Customer receivables - net                          | 1                     | 0             | 0                                | 1                               |
| Other receivables                                   | 0                     | 0             | 0                                | 0                               |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 0                     | 0             | 0                                | 0                               |
| Deferred clause expenses                            | 0                     | 0             | 0                                | 0                               |
| Other   | 0                     | 0             | 0                                | 0                               |
| Total current assets                                | 1                     | 0             | 0                                | 1                               |
| <b>OTHER ASSETS:</b>                                |                       |               |                                  |                                 |
| Special use funds                                   | 0                     | 0             | 0                                | 0                               |
| Other investments                                   | 0                     | (75)          | 75                               | 0                               |
| Other   | 6                     | 0             | 0                                | 6                               |
| Total other assets                                  | 6                     | (75)          | 75                               | 6                               |
| <b>TOTAL ASSETS</b>                                 | <b>\$76</b>           | <b>(\$75)</b> | <b>\$75</b>                      | <b>\$76</b>                     |
| <b>CAPITALIZATION</b>                               |                       |               |                                  |                                 |
| Common shareholders' equity                         | \$57                  | (\$75)        | \$58                             | \$74                            |
| Pref. stk. of FPL w/o sinking fund require.         | 0                     | 0             | 0                                | 0                               |
| Long-term debt                                      | 0                     | 0             | 0                                | 0                               |
| Total capitalization                                | 57                    | (75)          | 58                               | 74                              |
| <b>CURRENT LIABILITIES</b>                          |                       |               |                                  |                                 |
| Commercial paper                                    | 0                     | 0             | 0                                | 0                               |
| Note payable  | 0                     | 0             | 0                                | 0                               |
| Current maturities of long-term debt                | 0                     | 0             | 0                                | 0                               |
| Accounts payable                                    | 0                     | 0             | 0                                | 0                               |
| Customers' deposits                                 | 0                     | 0             | 0                                | 0                               |
| Accrued interest and taxes                          | 0                     | 0             | 0                                | 0                               |
| Deferred clause revenues                            | 0                     | 0             | 0                                | 0                               |
| Other   | 3                     | 0             | 2                                | 1                               |
| Total current liabilities                           | 3                     | 0             | 2                                | 1                               |
| <b>OTHER LIABILITIES AND DEFERRED CREDITS</b>       |                       |               |                                  |                                 |
| Asset retirement obligations                        | 0                     | 0             | 0                                | 0                               |
| Accumulated deferred income taxes                   | 15                    | 0             | 15                               | 0                               |
| Storm and property insurance reserve                | 0                     | 0             | 0                                | 0                               |
| Other   | 1                     | 0             | 0                                | 1                               |
| Total other liab. & def. credits                    | 16                    | 0             | 15                               | 1                               |
| <b>COMMITMENTS AND CONTINGENCIES</b>                |                       |               |                                  |                                 |
| <b>TOTAL CAPITALIZATION AND LIABILITIES</b>         | <b>\$76</b>           | <b>(\$75)</b> | <b>\$75</b>                      | <b>\$76</b>                     |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

| INCOME STATEMENT   | Backbone Consolidated | Elims        | Backbone Windpower Holdings, LLC | Backbone Mountain Windpower LLC |
|--|-----------------------|--------------|----------------------------------|---------------------------------|
| <b>OPERATING REVENUES</b>  | <b>\$6</b>            | <b>\$0</b>   | <b>\$0</b>                       | <b>\$6</b>                      |
| <b>OPERATING EXPENSES</b>  |                       |              |                                  |                                 |
| Fuel, purchased power & interchange  | 0                     | 0            | 0                                | 0                               |
| Other operations and maintenance   | 1                     | 0            | 0                                | 1                               |
| Depreciation & amortization  | 4                     | 0            | 0                                | 4                               |
| Taxes other than income taxes  | 0                     | 0            | 0                                | 0                               |
| Total operating expenses   | 5                     | 0            | 0                                | 5                               |
| <b>OPERATING INCOME</b>  | <b>1</b>              | <b>0</b>     | <b>0</b>                         | <b>1</b>                        |
| <b>OTHER INCOME (DEDUCTIONS):</b>  |                       |              |                                  |                                 |
| Interest charges   | 0                     | 0            | 0                                | 0                               |
| Preferred stock dividends - FPL  | 0                     | 0            | 0                                | 0                               |
| Loss on redemption of preferred stock - FPL  | 0                     | 0            | 0                                | 0                               |
| Equity in earnings of equity method investees  | 0                     | (1)          | 1                                | 0                               |
| Other - net  | 0                     | 0            | 0                                | 0                               |
| Total other deductions - net   | 0                     | (1)          | 1                                | 0                               |
| <b>INCOME FROM OPERATIONS BEFORE INCOME TAXES</b>  | <b>1</b>              | <b>(1)</b>   | <b>1</b>                         | <b>1</b>                        |
| <b>INCOME TAXES</b>  | <b>(2)</b>            | <b>0</b>     | <b>(2)</b>                       | <b>0</b>                        |
| <b>INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE IN ACCOUNTING PRINCIPLE</b>               | <b>3</b>              | <b>(1)</b>   | <b>3</b>                         | <b>1</b>                        |
| <b>CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES</b>                                   |                       |              |                                  |                                 |
| FASB Interpretation No. 46, "Consol. of Variable Interest Entities," net of income taxes | 0                     | 0            | 0                                | 0                               |
| <b>NET INCOME (LOSS)</b>   | <b>3</b>              | <b>(1)</b>   | <b>3</b>                         | <b>1</b>                        |
| <b>RET. EARNINGS (DEF.) AT BEG. OF YEAR</b>  | <b>0</b>              | <b>0</b>     | <b>0</b>                         | <b>0</b>                        |
| <b>DEDUCT:</b>   |                       |              |                                  |                                 |
| Dividends  | 0                     | 0            | 0                                | 0                               |
| Other  | 0                     | 0            | 0                                | 0                               |
| <b>RET. EARNINGS (DEF.) AT END OF YEAR</b>   | <b>\$3</b>            | <b>(\$1)</b> | <b>\$3</b>                       | <b>\$1</b>                      |

| ASSETS  | Blythe<br>Consolidated | Elim           | FPL<br>Energy<br>Blythe,<br>LLC | Blythe<br>Energy<br>Acquisitions,<br>LLC | Blythe<br>Energy,<br>LLC |
|---|------------------------|----------------|---------------------------------|--|--------------------------|
| <b>PROPERTY, PLANT AND EQUIPMENT</b>                |                        |                |                                 |  |                          |
| Elec. utility plant in ser. & other property        | \$468                  | \$0            | \$0                             | \$0                                      | \$468                    |
| Nuclear fuel  | 0                      | 0              | 0                               | 0  | 0                        |
| Construction work in progress                       | 0                      | 0              | 0                               | 0  | 0                        |
| Less accumulated depr. & amort.                     | 0                      | 0              | 0                               | 0  | 0                        |
| Total prop., plant and eqpt. - net                  | 468                    | 0              | 0                               | 0  | 468                      |
| <b>CURRENT ASSETS</b>                               |                        |                |                                 |  |                          |
| Cash and cash equivalents                           | 0                      | 0              | 0                               | 0  | 0                        |
| Customer receivables - net                          | 0                      | 0              | 0                               | 0  | 0                        |
| Other receivables                                   | 3                      | 0              | 0                               | 0  | 3                        |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 0                      | 0              | 0                               | 0  | 0                        |
| Deferred clause expenses                            | 0                      | 0              | 0                               | 0  | 0                        |
| Other   | 3                      | 0              | 0                               | 0  | 3                        |
| Total current assets                                | 6                      | 0              | 0                               | 0  | 6                        |
| <b>OTHER ASSETS:</b>                                |                        |                |                                 |  |                          |
| Special use funds                                   | 0                      | 0              | 0                               | 0  | 0                        |
| Other investments                                   | 0                      | (300)          | 150                             | 150                                      | 0                        |
| Other   | 0                      | (4)            | 0                               | 4  | 0                        |
| Total other assets                                  | 0                      | (304)          | 150                             | 154                                      | 0                        |
| <b>TOTAL ASSETS</b>                                 | <b>\$474</b>           | <b>(\$304)</b> | <b>\$150</b>                    | <b>\$154</b>                             | <b>\$474</b>             |
| <b>CAPITALIZATION</b>                               |                        |                |                                 |  |                          |
| Common shareholders' equity                         | \$105                  | (\$300)        | \$150                           | \$105                                    | \$150                    |
| Pref. stk. of FPL w/o sinking fund require.         | 0                      | 0              | 0                               | 0  | 0                        |
| Long-term debt                                      | 272                    | 0              | 0                               | 0  | 272                      |
| Total capitalization                                | 377                    | (300)          | 150                             | 105                                      | 422                      |
| <b>CURRENT LIABILITIES</b>                          |                        |                |                                 |  |                          |
| Commercial paper                                    | 0                      | 0              | 0                               | 0  | 0                        |
| Note payable  | 0                      | 0              | 0                               | 0  | 0                        |
| Current maturities of long-term debt                | 0                      | 0              | 0                               | 0  | 0                        |
| Accounts payable                                    | 3                      | 0              | 0                               | 0  | 3                        |
| Customers' deposits                                 | 0                      | 0              | 0                               | 0  | 0                        |
| Accrued interest and taxes                          | 0                      | 0              | 0                               | 0  | 0                        |
| Deferred clause revenues                            | 0                      | 0              | 0                               | 0  | 0                        |
| Other   | 45                     | 0              | 0                               | 1  | 44                       |
| Total current liabilities                           | 48                     | 0              | 0                               | 1  | 47                       |
| <b>OTHER LIABILITIES AND DEFERRED CREDITS</b>       |                        |                |                                 |  |                          |
| Asset retirement obligations                        | 1                      | 0              | 0                               | 0  | 1                        |
| Accumulated deferred income taxes                   | 44                     | (4)            | 0                               | 48                                       | 0                        |
| Storm and property insurance reserve                | 0                      | 0              | 0                               | 0  | 0                        |
| Other   | 4                      | 0              | 0                               | 0  | 4                        |
| Total other liab. & def. credits                    | 49                     | (4)            | 0                               | 48                                       | 5                        |
| <b>COMMITMENTS AND CONTINGENCIES</b>                |                        |                |                                 |  |                          |
| <b>TOTAL CAPITALIZATION AND LIABILITIES</b>         | <b>\$474</b>           | <b>(\$304)</b> | <b>\$150</b>                    | <b>\$154</b>                             | <b>\$474</b>             |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

| INCOME STATEMENT  | Blythe<br>Consolidated | Elim        | FPL<br>Energy<br>Blythe,<br>LLC | Blythe<br>Energy<br>Acquisitions,<br>LLC | Blythe<br>Energy,<br>LLC |
|---|------------------------|-------------|---------------------------------|--|--------------------------|
| <b>OPERATING REVENUES</b>   | <b>(\$3)</b>           | <b>\$0</b>  | <b>\$0</b>                      | <b>\$0</b>                               | <b>(\$3)</b>             |
| <b>OPERATING EXPENSES</b>   |                        |             |                                 |  |                          |
| Fuel, purchased power & interchange   | (7)                    | 0           | 0                               | 0  | (7)                      |
| Other operations and maintenance  | 2                      | 0           | 0                               | 0  | 2                        |
| Depreciation & amortization   | 0                      | 0           | 0                               | 0  | 0                        |
| Taxes other than income taxes   | 0                      | 0           | 0                               | 0  | 0                        |
| Total operating expenses  | (5)                    | 0           | 0                               | 0  | (5)                      |
| <b>OPERATING INCOME</b>   | <b>2</b>               | <b>0</b>    | <b>0</b>                        | <b>0</b>                                 | <b>2</b>                 |
| <b>OTHER INCOME (DEDUCTIONS):</b>   |                        |             |                                 |  |                          |
| Interest charges  | (12)                   | 0           | 0                               | 0  | (12)                     |
| Preferred stock dividends - FPL   | 0                      | 0           | 0                               | 0  | 0                        |
| Loss on redemption of preferred stock - FPL   | 0                      | 0           | 0                               | 0  | 0                        |
| Equity in earnings of equity method investees   | 0                      | 20          | (10)                            | (10)                                     | 0                        |
| Other - net   | 0                      | 0           | 0                               | 0  | 0                        |
| Total other deductions - net  | (12)                   | 20          | (10)                            | (10)                                     | (12)                     |
| <b>INCOME FROM OPERATIONS BEFORE INCOME TAXES</b>   | <b>(10)</b>            | <b>20</b>   | <b>(10)</b>                     | <b>(10)</b>                              | <b>(10)</b>              |
| <b>INCOME TAXES</b>   | <b>(4)</b>             | <b>0</b>    | <b>0</b>                        | <b>(4)</b>                               | <b>0</b>                 |
| <b>INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE<br/>IN ACCOUNTING PRINCIPLE</b>              | <b>(6)</b>             | <b>20</b>   | <b>(10)</b>                     | <b>(6)</b>                               | <b>(10)</b>              |
| <b>CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES</b>                                      |                        |             |                                 |  |                          |
| FASB Interpretation No. 46, "Consol. of Variable<br>Interest Entities," net of income taxes | 0                      | 0           | 0                               | 0  | 0                        |
| <b>NET INCOME (LOSS)</b>  | <b>(6)</b>             | <b>20</b>   | <b>(10)</b>                     | <b>(6)</b>                               | <b>(10)</b>              |
| <b>RET. EARNINGS (DEF.) AT BEG. OF YEAR</b>   | <b>(3)</b>             | <b>6</b>    | <b>(3)</b>                      | <b>(3)</b>                               | <b>(3)</b>               |
| <b>DEDUCT:</b>  |                        |             |                                 |  |                          |
| Dividends   | 0                      | 0           | 0                               | 0  | 0                        |
| Other   | 0                      | 0           | 0                               | 0  | 0                        |
| <b>RET. EARNINGS (DEF.) AT END OF YEAR</b>  | <b>(\$9)</b>           | <b>\$26</b> | <b>(\$13)</b>                   | <b>(\$9)</b>                             | <b>(\$13)</b>            |

| ASSETS  | Calhoun I<br>Consolidated | Elim           | Calhoun<br>Power<br>Company I,<br>LLC | OTG, LLC<br>(Calhoun I) |
|---|---------------------------|----------------|---------------------------------------|-------------------------|
| <b>PROPERTY, PLANT AND EQUIPMENT</b>                |                           |                |                                       |                         |
| Elec. utility plant in ser. & other property        | \$235                     | \$0            | \$235                                 | \$0                     |
| Nuclear fuel  | 0                         | 0              | 0                                     | 0                       |
| Construction work in progress                       | 0                         | 0              | 0                                     | 0                       |
| Less accumulated depr. & amort.                     | (6)                       | 0              | (6)                                   | 0                       |
| Total prop., plant and eqpt. - net                  | 229                       | 0              | 229                                   | 0                       |
| <b>CURRENT ASSETS</b>                               |                           |                |                                       |                         |
| Cash and cash equivalents                           | 1                         | 0              | 1                                     | 0                       |
| Customer receivables - net                          | 0                         | 0              | 0                                     | 0                       |
| Other receivables                                   | 15                        | (1)            | 16                                    | 0                       |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 2                         | 0              | 2                                     | 0                       |
| Deferred clause expenses                            | 0                         | 0              | 0                                     | 0                       |
| Other   | 4                         | 0              | 4                                     | 0                       |
| Total current assets                                | 22                        | (1)            | 23                                    | 0                       |
| <b>OTHER ASSETS:</b>                                |                           |                |                                       |                         |
| Special use funds                                   | 0                         | 0              | 0                                     | 0                       |
| Other investments                                   | 0                         | (143)          | 0                                     | 143                     |
| Other   | 7                         | 0              | 7                                     | 0                       |
| Total other assets                                  | 7                         | (143)          | 7                                     | 143                     |
| <b>TOTAL ASSETS</b>                                 | <b>\$258</b>              | <b>(\$144)</b> | <b>\$259</b>                          | <b>\$143</b>            |
| <b>CAPITALIZATION</b>                               |                           |                |                                       |                         |
| Common shareholders' equity                         | \$114                     | (\$143)        | \$143                                 | \$114                   |
| Pref. stk. of FPL w/o sinking fund require.         | 0                         | 0              | 0                                     | 0                       |
| Long-term debt                                      | 110                       | 0              | 110                                   | 0                       |
| Total capitalization                                | 224                       | (143)          | 253                                   | 114                     |
| <b>CURRENT LIABILITIES</b>                          |                           |                |                                       |                         |
| Commercial paper                                    | 0                         | 0              | 0                                     | 0                       |
| Note payable  | 0                         | 0              | 0                                     | 0                       |
| Current maturities of long-term debt                | 0                         | 0              | 0                                     | 0                       |
| Accounts payable                                    | 0                         | 0              | 0                                     | 0                       |
| Customers' deposits                                 | 0                         | 0              | 0                                     | 0                       |
| Accrued interest and taxes                          | 1                         | 0              | 1                                     | 0                       |
| Deferred clause revenues                            | 0                         | 0              | 0                                     | 0                       |
| Other   | 3                         | (1)            | 3                                     | 1                       |
| Total current liabilities                           | 4                         | (1)            | 4                                     | 1                       |
| <b>OTHER LIABILITIES AND DEFERRED CREDITS</b>       |                           |                |                                       |                         |
| Asset retirement obligations                        | 0                         | 0              | 0                                     | 0                       |
| Accumulated deferred income taxes                   | 28                        | 0              | 0                                     | 28                      |
| Storm and property insurance reserve                | 0                         | 0              | 0                                     | 0                       |
| Other   | 2                         | 0              | 2                                     | 0                       |
| Total other liab. & def. credits                    | 30                        | 0              | 2                                     | 28                      |
| <b>COMMITMENTS AND CONTINGENCIES</b>                |                           |                |                                       |                         |
| <b>TOTAL CAPITALIZATION AND LIABILITIES</b>         | <b>\$258</b>              | <b>(\$144)</b> | <b>\$259</b>                          | <b>\$143</b>            |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

| INCOME STATEMENT  | Calhoun I<br>Consolidated | Elim         | Calhoun<br>Power<br>Company I,<br>LLC | OTG, LLC<br>(Calhoun I) |
|---|---------------------------|--------------|---------------------------------------|-------------------------|
| <b>OPERATING REVENUES</b>   | <b>\$19</b>               | <b>\$0</b>   | <b>\$19</b>                           | <b>\$0</b>              |
| <b>OPERATING EXPENSES</b>   |                           |              |                                       |                         |
| Fuel, purchased power & interchange   | 1                         | 0            | 1                                     | 0                       |
| Other operations and maintenance  | 4                         | 0            | 4                                     | 0                       |
| Depreciation & amortization   | 5                         | 0            | 5                                     | 0                       |
| Taxes other than income taxes   | 1                         | 0            | 1                                     | 0                       |
| Total operating expenses  | 11                        | 0            | 11                                    | 0                       |
| <b>OPERATING INCOME</b>   | <b>8</b>                  | <b>0</b>     | <b>8</b>                              | <b>0</b>                |
| <b>OTHER INCOME (DEDUCTIONS):</b>   |                           |              |                                       |                         |
| Interest charges  | (3)                       | 0            | (3)                                   | 0                       |
| Preferred stock dividends - FPL   | 0                         | 0            | 0                                     | 0                       |
| Loss on redemption of preferred stock - FPL   | 0                         | 0            | 0                                     | 0                       |
| Equity in earnings of equity method investees   | 0                         | (5)          | 0                                     | 5                       |
| Other - net   | 0                         | 0            | 0                                     | 0                       |
| Total other deductions - net  | (3)                       | (5)          | (3)                                   | 5                       |
| <b>INCOME FROM OPERATIONS BEFORE INCOME TAXES</b>   | <b>5</b>                  | <b>(5)</b>   | <b>5</b>                              | <b>5</b>                |
| <b>INCOME TAXES</b>   | <b>2</b>                  | <b>0</b>     | <b>0</b>                              | <b>2</b>                |
| <b>INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE<br/>IN ACCOUNTING PRINCIPLE</b>              | <b>3</b>                  | <b>(5)</b>   | <b>5</b>                              | <b>3</b>                |
| <b>CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES</b>                                      |                           |              |                                       |                         |
| FASB Interpretation No. 46, "Consol. of Variable<br>Interest Entities," net of income taxes | 0                         | 0            | 0                                     | 0                       |
| <b>NET INCOME (LOSS)</b>  | <b>3</b>                  | <b>(5)</b>   | <b>5</b>                              | <b>3</b>                |
| <b>RET. EARNINGS (DEF.) AT BEG. OF YEAR</b>   | <b>0</b>                  | <b>0</b>     | <b>0</b>                              | <b>0</b>                |
| <b>DEDUCT:</b>  |                           |              |                                       |                         |
| Dividends   | 0                         | 0            | 0                                     | 0                       |
| Other   | 0                         | 0            | 0                                     | 0                       |
| <b>RET. EARNINGS (DEF.) AT END OF YEAR</b>  | <b>\$3</b>                | <b>(\$5)</b> | <b>\$5</b>                            | <b>\$3</b>              |

|   | Delaware<br>Mountain<br>Consolidated | Elims  | FPL<br>Energy<br>Delaware<br>Mountain GP,<br>LLC | FPL<br>Energy<br>Delaware<br>Mountain LP,<br>LLC | Delaware<br>Mountain<br>Wind<br>Farm,<br>LP |
|---|--------------------------------------|--------|--|--|---|
| <b>ASSETS</b>                                       |                                      |        |  |  |   |
| PROPERTY, PLANT AND EQUIPMENT                       |                                      |        |  |  |   |
| Elec. utility plant in ser. & other property        | \$21                                 | \$0    | \$0  | \$0  | \$21  |
| Nuclear fuel  | 0                                    | 0      | 0  | 0  | 0   |
| Construction work in progress                       | 0                                    | 0      | 0  | 0  | 0   |
| Less accumulated depr. & amort.                     | (2)                                  | 0      | 0  | 0  | (2)   |
| Total prop., plant and eqpt. - net                  | 19                                   | 0      | 0  | 0  | 19  |
| CURRENT ASSETS                                      |                                      |        |  |  |   |
| Cash and cash equivalents                           | 0                                    | 0      | 0  | 0  | 0   |
| Customer receivables - net                          | 1                                    | 0      | 0  | 0  | 1   |
| Other receivables                                   | 0                                    | 0      | 0  | 0  | 0   |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 0                                    | 0      | 0  | 0  | 0   |
| Deferred clause expenses                            | 0                                    | 0      | 0  | 0  | 0   |
| Other   | 0                                    | 0      | 0  | 0  | 0   |
| Total current assets                                | 1                                    | 0      | 0  | 0  | 1   |
| OTHER ASSETS:                                       |                                      |        |  |  |   |
| Special use funds                                   | 0                                    | 0      | 0  | 0  | 0   |
| Other investments                                   | 0                                    | (18)   | 0  | 18   | 0   |
| Other   | 0                                    | 0      | 0  | 0  | 0   |
| Total other assets                                  | 0                                    | (18)   | 0  | 18   | 0   |
| TOTAL ASSETS  | \$20                                 | (\$18) | \$0  | \$18   | \$20  |
| <b>CAPITALIZATION</b>                               |                                      |        |  |  |   |
| Common shareholders' equity                         | \$15                                 | (\$18) | (\$3)  | \$18   | \$18  |
| Pref. stk. of FPL w/o sinking fund require.         | 0                                    | 0      | 0  | 0  | 0   |
| Long-term debt                                      | 0                                    | 0      | 0  | 0  | 0   |
| Total capitalization                                | 15                                   | (18)   | (3)  | 18   | 18  |
| <b>CURRENT LIABILITIES</b>                          |                                      |        |  |  |   |
| Commercial paper                                    | 0                                    | 0      | 0  | 0  | 0   |
| Note payable  | 0                                    | 0      | 0  | 0  | 0   |
| Current maturities of long-term debt                | 0                                    | 0      | 0  | 0  | 0   |
| Accounts payable                                    | 0                                    | 0      | 0  | 0  | 0   |
| Customers' deposits                                 | 0                                    | 0      | 0  | 0  | 0   |
| Accrued interest and taxes                          | 1                                    | 0      | 0  | 0  | 1   |
| Deferred clause revenues                            | 0                                    | 0      | 0  | 0  | 0   |
| Other   | 0                                    | 0      | 0  | 0  | 0   |
| Total current liabilities                           | 1                                    | 0      | 0  | 0  | 1   |
| <b>OTHER LIABILITIES AND DEFERRED CREDITS</b>       |                                      |        |  |  |   |
| Asset retirement obligations                        | 0                                    | 0      | 0  | 0  | 0   |
| Accumulated deferred income taxes                   | 3                                    | 0      | 3  | 0  | 0   |
| Storm and property insurance reserve                | 0                                    | 0      | 0  | 0  | 0   |
| Other   | 1                                    | 0      | 0  | 0  | 1   |
| Total other liab. & def. credits                    | 4                                    | 0      | 3  | 0  | 1   |
| <b>COMMITMENTS AND CONTINGENCIES</b>                |                                      |        |  |  |   |
| TOTAL CAPITALIZATION AND LIABILITIES                | \$20                                 | (\$18) | \$0  | \$18   | \$20  |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

|   | Delaware<br>Mountain<br>Consolidated | Elims | FPL<br>Energy<br>Delaware<br>Mountain<br>GP,<br>LLC | FPL<br>Energy<br>Delaware<br>Mountain<br>LP,<br>LLC | Delaware<br>Mountain<br>Wind<br>Farm,<br>LP |
|---|--------------------------------------|-------|---|---|---|
| <b>INCOME STATEMENT</b>   |                                      |       |   |   |   |
| OPERATING REVENUES  | \$2                                  | \$0   | \$0   | \$0   | \$2   |
| <b>OPERATING EXPENSES</b>   |                                      |       |   |   |   |
| Fuel, purchased power & interchange   | 0                                    | 0     | 0   | 0   | 0   |
| Other operations and maintenance  | 1                                    | 0     | 0   | 0   | 1   |
| Depreciation & amortization   | 1                                    | 0     | 0   | 0   | 1   |
| Taxes other than income taxes   | 1                                    | 0     | 0   | 0   | 1   |
| Total operating expenses  | 3                                    | 0     | 0   | 0   | 3   |
| OPERATING INCOME  | (1)                                  | 0     | 0   | 0   | (1)   |
| <b>OTHER INCOME (DEDUCTIONS):</b>   |                                      |       |   |   |   |
| Interest charges  | 0                                    | 0     | 0   | 0   | 0   |
| Preferred stock dividends - FPL   | 0                                    | 0     | 0   | 0   | 0   |
| Loss on redemption of preferred stock - FPL   | 0                                    | 0     | 0   | 0   | 0   |
| Equity in earnings of equity method investees   | 0                                    | 1     | 0   | (1)   | 0   |
| Other - net   | 0                                    | 0     | 0   | 0   | 0   |
| Total other deductions - net  | 0                                    | 1     | 0   | (1)   | 0   |
| INCOME FROM OPERATIONS BEFORE INCOME TAXES  | (1)                                  | 1     | 0   | (1)   | (1)   |
| INCOME TAXES  | (1)                                  | 0     | (1)   | 0   | 0   |
| INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE<br>IN ACCOUNTING PRINCIPLE  | 0                                    | 1     | 1   | (1)   | (1)   |
| <b>CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES</b><br>FASB Interpretation No. 46, "Consol. of Variable<br>Interest Entities," net of income taxes |                                      |       |   |   |   |
| NET INCOME (LOSS)   | 0                                    | 1     | 1   | (1)   | (1)   |
| RET. EARNINGS (DEF.) AT BEG. OF YEAR  | 0                                    | 1     | 1   | (1)   | (1)   |
| <b>DEDUCT:</b>  |                                      |       |   |   |   |
| Dividends   | 0                                    | 0     | 0   | 0   | 0   |
| Other   | 0                                    | 0     | 0   | 0   | 0   |
| RET. EARNINGS (DEF.) AT END OF YEAR   | \$0                                  | \$2   | \$2   | (\$2)   | (\$2)                                       |

| ASSETS  | Doswell Consolidated | Elims         | Doswell Limited Partnership | ESI LP, Inc. (Doswell) | ESI Doswell GP, Inc. | Doswell I, Inc. |
|---|----------------------|---------------|-----------------------------|------------------------|----------------------|-----------------|
| <b>PROPERTY, PLANT AND EQUIPMENT</b>                |                      |               |                             |                        |                      |                 |
| Elec. utility plant in ser. & other property        | \$463                | \$0           | \$463                       | \$0                    | \$0                  | \$0             |
| Nuclear fuel  | 0                    | 0             | 0                           | 0                      | 0                    | 0               |
| Construction work in progress                       | 0                    | 0             | 0                           | 0                      | 0                    | 0               |
| Less accumulated depr. & amort.                     | (142)                | 0             | (142)                       | 0                      | 0                    | 0               |
| Total prop., plant and eqpt. - net                  | 321                  | 0             | 321                         | 0                      | 0                    | 0               |
| <b>CURRENT ASSETS</b>                               |                      |               |                             |                        |                      |                 |
| Cash and cash equivalents                           | 6                    | 0             | 6                           | 0                      | 0                    | 0               |
| Customer receivables - net                          | 31                   | 0             | 31                          | 0                      | 0                    | 0               |
| Other receivables                                   | 7                    | 0             | 7                           | 0                      | 0                    | 0               |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 7                    | 0             | 7                           | 0                      | 0                    | 0               |
| Deferred clause expenses                            | 0                    | 0             | 0                           | 0                      | 0                    | 0               |
| Other   | 1                    | 0             | 1                           | 0                      | 0                    | 0               |
| Total current assets                                | 52                   | 0             | 52                          | 0                      | 0                    | 0               |
| <b>OTHER ASSETS:</b>                                |                      |               |                             |                        |                      |                 |
| Special use funds                                   | 0                    | 0             | 0                           | 0                      | 0                    | 0               |
| Other investments                                   | 0                    | (24)          | 0                           | (6)                    | 15                   | 15              |
| Other   | 9                    | 0             | 9                           | 0                      | 0                    | 0               |
| Total other assets                                  | 9                    | (24)          | 9                           | (6)                    | 15                   | 15              |
| <b>TOTAL ASSETS</b>                                 | <b>\$382</b>         | <b>(\$24)</b> | <b>\$382</b>                | <b>(\$6)</b>           | <b>\$15</b>          | <b>\$15</b>     |
| <b>CAPITALIZATION</b>                               |                      |               |                             |                        |                      |                 |
| Common shareholders' equity                         | (\$17)               | (\$24)        | \$9                         | (\$6)                  | (\$11)               | \$15            |
| Pref. stk. of FPL w/o sinking fund require.         | 0                    | 0             | 0                           | 0                      | 0                    | 0               |
| Long-term debt                                      | 309                  | 0             | 309                         | 0                      | 0                    | 0               |
| Total capitalization                                | 292                  | (24)          | 318                         | (6)                    | (11)                 | 15              |
| <b>CURRENT LIABILITIES</b>                          |                      |               |                             |                        |                      |                 |
| Commercial paper                                    | 0                    | 0             | 0                           | 0                      | 0                    | 0               |
| Note payable  | 0                    | 0             | 0                           | 0                      | 0                    | 0               |
| Current maturities of long-term debt                | 0                    | 0             | 0                           | 0                      | 0                    | 0               |
| Accounts payable                                    | 14                   | 0             | 14                          | 0                      | 0                    | 0               |
| Customers' deposits                                 | 0                    | 0             | 0                           | 0                      | 0                    | 0               |
| Accrued interest and taxes                          | 0                    | 0             | 0                           | 0                      | 0                    | 0               |
| Deferred clause revenues                            | 0                    | 0             | 0                           | 0                      | 0                    | 0               |
| Other   | 42                   | 0             | 42                          | 0                      | 0                    | 0               |
| Total current liabilities                           | 56                   | 0             | 56                          | 0                      | 0                    | 0               |
| <b>OTHER LIABILITIES AND DEFERRED CREDITS</b>       |                      |               |                             |                        |                      |                 |
| Asset retirement obligations                        | 0                    | 0             | 0                           | 0                      | 0                    | 0               |
| Accumulated deferred income taxes                   | 26                   | 0             | 0                           | 0                      | 26                   | 0               |
| Storm and property insurance reserve                | 0                    | 0             | 0                           | 0                      | 0                    | 0               |
| Other   | 8                    | 0             | 8                           | 0                      | 0                    | 0               |
| Total other liab. & def. credits                    | 34                   | 0             | 8                           | 0                      | 26                   | 0               |
| <b>COMMITMENTS AND CONTINGENCIES</b>                |                      |               |                             |                        |                      |                 |
| <b>TOTAL CAPITALIZATION AND LIABILITIES</b>         | <b>\$382</b>         | <b>(\$24)</b> | <b>\$382</b>                | <b>(\$6)</b>           | <b>\$15</b>          | <b>\$15</b>     |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

| INCOME STATEMENT   | Doswell Consolidated | Elims          | Doswell Limited Partnership | ESI LP, Inc. (Doswell) | ESI Doswell GP, Inc. | Doswell I, Inc. |
|--|----------------------|----------------|-----------------------------|------------------------|----------------------|-----------------|
| <b>OPERATING REVENUES</b>  | <b>\$183</b>         | <b>\$0</b>     | <b>\$183</b>                | <b>\$0</b>             | <b>\$0</b>           | <b>\$0</b>      |
| <b>OPERATING EXPENSES</b>  |                      |                |                             |                        |                      |                 |
| Fuel, purchased power & interchange  | 83                   | 0              | 83                          | 0                      | 0                    | 0               |
| Other operations and maintenance   | 14                   | 0              | 15                          | 0                      | (1)                  | 0               |
| Depreciation & amortization  | 14                   | 0              | 14                          | 0                      | 0                    | 0               |
| Taxes other than income taxes  | 1                    | 0              | 1                           | 0                      | 0                    | 0               |
| Total operating expenses   | 112                  | 0              | 113                         | 0                      | (1)                  | 0               |
| <b>OPERATING INCOME</b>  | <b>71</b>            | <b>0</b>       | <b>70</b>                   | <b>0</b>               | <b>1</b>             | <b>0</b>        |
| <b>OTHER INCOME (DEDUCTIONS):</b>  |                      |                |                             |                        |                      |                 |
| Interest charges   | (29)                 | 0              | (29)                        | 0                      | 0                    | 0               |
| Preferred stock dividends - FPL  | 0                    | 0              | 0                           | 0                      | 0                    | 0               |
| Loss on redemption of preferred stock - FPL  | 0                    | 0              | 0                           | 0                      | 0                    | 0               |
| Equity in earnings of equity method investees  | 0                    | (42)           | 0                           | 41                     | 1                    | 0               |
| Other - net  | 0                    | 0              | 0                           | 0                      | 0                    | 0               |
| Total other deductions - net   | (29)                 | (42)           | (29)                        | 41                     | 1                    | 0               |
| <b>INCOME FROM OPERATIONS BEFORE INCOME TAXES</b>  | <b>42</b>            | <b>(42)</b>    | <b>41</b>                   | <b>41</b>              | <b>2</b>             | <b>0</b>        |
| <b>INCOME TAXES</b>  | <b>11</b>            | <b>0</b>       | <b>0</b>                    | <b>0</b>               | <b>11</b>            | <b>0</b>        |
| <b>INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE IN ACCOUNTING PRINCIPLE</b>               | <b>31</b>            | <b>(42)</b>    | <b>41</b>                   | <b>41</b>              | <b>(9)</b>           | <b>0</b>        |
| <b>CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES</b>                                   |                      |                |                             |                        |                      |                 |
| FASB Interpretation No. 46, "Consol. of Variable Interest Entities," net of income taxes | 0                    | 0              | 0                           | 0                      | 0                    | 0               |
| <b>NET INCOME (LOSS)</b>   | <b>31</b>            | <b>(42)</b>    | <b>41</b>                   | <b>41</b>              | <b>(9)</b>           | <b>0</b>        |
| <b>RET. EARNINGS (DEF.) AT BEG. OF YEAR</b>  | <b>123</b>           | <b>(104)</b>   | <b>133</b>                  | <b>135</b>             | <b>(12)</b>          | <b>(29)</b>     |
| <b>DEDUCT:</b>   |                      |                |                             |                        |                      |                 |
| Dividends  | 0                    | 0              | 0                           | 0                      | 0                    | 0               |
| Other  | 0                    | 0              | 0                           | 0                      | 0                    | 0               |
| <b>RET. EARNINGS (DEF.) AT END OF YEAR</b>   | <b>\$154</b>         | <b>(\$146)</b> | <b>\$174</b>                | <b>\$176</b>           | <b>(\$21)</b>        | <b>(\$29)</b>   |

| ASSETS  | Forney Consolidated | Elims            | FPL Energy Forney, Inc. | FPL Energy Forney, LLC | FPLE Forney, L.P. | FPLE Forney Pipeline, L.P. | MNM I LP, LLC | MNM I, L.P.  |
|---|---------------------|------------------|-------------------------|------------------------|-------------------|----------------------------|---------------|--------------|
| <b>PROPERTY, PLANT AND EQUIPMENT</b>                |                     |                  |                         |                        |                   |                            |               |              |
| Elec. utility plant in ser. & other property        | \$835               | \$0              | \$0                     | \$0                    | \$729             | \$0                        | \$0           | \$106        |
| Nuclear fuel  | 0                   | 0                | 0                       | 0                      | 0                 | 0                          | 0             | 0            |
| Construction work in progress                       | 0                   | 0                | 0                       | 0                      | 0                 | 0                          | 0             | 0            |
| Less accumulated depr. & amort.                     | (15)                | 0                | 0                       | 0                      | (13)              | 0                          | 0             | (2)          |
| Total prop., plant and eqpt. - net                  | 820                 | 0                | 0                       | 0                      | 716               | 0                          | 0             | 104          |
| <b>CURRENT ASSETS</b>                               |                     |                  |                         |                        |                   |                            |               |              |
| Cash and cash equivalents                           | 13                  | 0                | 0                       | 0                      | 13                | 0                          | 0             | 0            |
| Customer receivables - net                          | 0                   | 0                | 0                       | 0                      | 0                 | 0                          | 0             | 0            |
| Other receivables                                   | 34                  | (2)              | 0                       | 0                      | 34                | 0                          | 0             | 2            |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 0                   | 0                | 0                       | 0                      | 0                 | 0                          | 0             | 0            |
| Deferred clause expenses                            | 0                   | 0                | 0                       | 0                      | 0                 | 0                          | 0             | 0            |
| Other   | 1                   | 0                | 0                       | 0                      | 1                 | 0                          | 0             | 0            |
| Total current assets                                | 48                  | (2)              | 0                       | 0                      | 48                | 0                          | 0             | 2            |
| <b>OTHER ASSETS:</b>                                |                     |                  |                         |                        |                   |                            |               |              |
| Special use funds                                   | 0                   | 0                | 0                       | 0                      | 0                 | 0                          | 0             | 0            |
| Other investments                                   | 0                   | (1,008)          | 8                       | 789                    | 106               | 0                          | 105           | 0            |
| Other   | 2                   | 0                | 0                       | 1                      | 1                 | 0                          | 0             | 0            |
| Total other assets                                  | 2                   | (1,008)          | 8                       | 790                    | 107               | 0                          | 105           | 0            |
| <b>TOTAL ASSETS</b>                                 | <b>\$870</b>        | <b>(\$1,010)</b> | <b>\$8</b>              | <b>\$790</b>           | <b>\$871</b>      | <b>\$0</b>                 | <b>\$105</b>  | <b>\$106</b> |
| <b>CAPITALIZATION</b>                               |                     |                  |                         |                        |                   |                            |               |              |
| Common shareholders' equity                         | \$793               | (\$1,008)        | \$3                     | \$790                  | \$797             | \$0                        | \$105         | \$106        |
| Pref. stk. of FPL w/o sinking fund require.         | 0                   | 0                | 0                       | 0                      | 0                 | 0                          | 0             | 0            |
| Long-term debt                                      | 0                   | 0                | 0                       | 0                      | 0                 | 0                          | 0             | 0            |
| Total capitalization                                | 793                 | (1,008)          | 3                       | 790                    | 797               | 0                          | 105           | 106          |
| <b>CURRENT LIABILITIES</b>                          |                     |                  |                         |                        |                   |                            |               |              |
| Commercial paper                                    | 0                   | 0                | 0                       | 0                      | 0                 | 0                          | 0             | 0            |
| Note payable  | 0                   | 0                | 0                       | 0                      | 0                 | 0                          | 0             | 0            |
| Current maturities of long-term debt                | 0                   | 0                | 0                       | 0                      | 0                 | 0                          | 0             | 0            |
| Accounts payable                                    | 5                   | 0                | 0                       | 0                      | 5                 | 0                          | 0             | 0            |
| Customers' deposits                                 | 0                   | 0                | 0                       | 0                      | 0                 | 0                          | 0             | 0            |
| Accrued interest and taxes                          | 5                   | 0                | 0                       | 0                      | 5                 | 0                          | 0             | 0            |
| Deferred clause revenues                            | 0                   | 0                | 0                       | 0                      | 0                 | 0                          | 0             | 0            |
| Other   | 52                  | (2)              | 0                       | 0                      | 54                | 0                          | 0             | 0            |
| Total current liabilities                           | 62                  | (2)              | 0                       | 0                      | 64                | 0                          | 0             | 0            |
| <b>OTHER LIABILITIES AND DEFERRED CREDITS</b>       |                     |                  |                         |                        |                   |                            |               |              |
| Asset retirement obligations                        | 0                   | 0                | 0                       | 0                      | 0                 | 0                          | 0             | 0            |
| Accumulated deferred income taxes                   | 5                   | 0                | 5                       | 0                      | 0                 | 0                          | 0             | 0            |
| Storm and property insurance reserve                | 0                   | 0                | 0                       | 0                      | 0                 | 0                          | 0             | 0            |
| Other   | 10                  | 0                | 0                       | 0                      | 10                | 0                          | 0             | 0            |
| Total other liab. & def. credits                    | 15                  | 0                | 5                       | 0                      | 10                | 0                          | 0             | 0            |
| <b>COMMITMENTS AND CONTINGENCIES</b>                |                     |                  |                         |                        |                   |                            |               |              |
| <b>TOTAL CAPITALIZATION AND LIABILITIES</b>         | <b>\$870</b>        | <b>(\$1,010)</b> | <b>\$8</b>              | <b>\$790</b>           | <b>\$871</b>      | <b>\$0</b>                 | <b>\$105</b>  | <b>\$106</b> |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

| INCOME STATEMENT   | Forney Consolidated | Elims        | FPL Energy Forney, Inc. | FPL Energy Forney, LLC | FPLE Forney, L.P. | FPLE Forney Pipeline, L.P. | MNM I LP, LLC | MNM I, L.P. |
|--|---------------------|--------------|-------------------------|------------------------|-------------------|----------------------------|---------------|-------------|
| <b>OPERATING REVENUES</b>  | <b>\$129</b>        | <b>(\$1)</b> | <b>\$1</b>              | <b>\$0</b>             | <b>\$129</b>      | <b>\$0</b>                 | <b>\$0</b>    | <b>\$0</b>  |
| <b>OPERATING EXPENSES</b>  |                     |              |                         |                        |                   |                            |               |             |
| Fuel, purchased power & interchange  | 91                  | 0            | 0                       | 0                      | 91                | 0                          | 0             | 0           |
| Other operations and maintenance   | 19                  | (1)          | 0                       | 0                      | 22                | 0                          | 0             | (2)         |
| Depreciation & amortization  | 14                  | 0            | 0                       | 0                      | 12                | 0                          | 0             | 2           |
| Taxes other than income taxes  | 3                   | 0            | 0                       | 0                      | 3                 | 0                          | 0             | 0           |
| Total operating expenses   | 127                 | (1)          | 0                       | 0                      | 128               | (1)                        | 0             | 0           |
| <b>OPERATING INCOME</b>  | <b>2</b>            | <b>0</b>     | <b>1</b>                | <b>0</b>               | <b>1</b>          | <b>0</b>                   | <b>0</b>      | <b>0</b>    |
| <b>OTHER INCOME (DEDUCTIONS):</b>  |                     |              |                         |                        |                   |                            |               |             |
| Interest charges   | 0                   | 0            | 0                       | 0                      | 0                 | 0                          | 0             | 0           |
| Preferred stock dividends - FPL  | 0                   | 0            | 0                       | 0                      | 0                 | 0                          | 0             | 0           |
| Loss on redemption of preferred stock - FPL  | 0                   | 0            | 0                       | 0                      | 0                 | 0                          | 0             | 0           |
| Equity in earnings of equity method investees  | 0                   | (1)          | 0                       | 1                      | 0                 | 0                          | 0             | 0           |
| Other - net  | 0                   | 0            | 0                       | 0                      | 0                 | 0                          | 0             | 0           |
| Total other deductions - net   | 0                   | (1)          | 0                       | 1                      | 0                 | 0                          | 0             | 0           |
| <b>INCOME FROM OPERATIONS BEFORE INCOME TAXES</b>  | <b>2</b>            | <b>(1)</b>   | <b>1</b>                | <b>1</b>               | <b>1</b>          | <b>0</b>                   | <b>0</b>      | <b>0</b>    |
| <b>INCOME TAXES</b>  | <b>1</b>            | <b>0</b>     | <b>1</b>                | <b>0</b>               | <b>0</b>          | <b>0</b>                   | <b>0</b>      | <b>0</b>    |
| <b>INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE IN ACCOUNTING PRINCIPLE</b>               | <b>1</b>            | <b>(1)</b>   | <b>0</b>                | <b>1</b>               | <b>1</b>          | <b>0</b>                   | <b>0</b>      | <b>0</b>    |
| <b>CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES</b>                                   |                     |              |                         |                        |                   |                            |               |             |
| FASB Interpretation No. 46, "Consol. of Variable Interest Entities," net of income taxes | 0                   | 0            | 0                       | 0                      | 0                 | 0                          | 0             | 0           |
| <b>NET INCOME (LOSS)</b>   | <b>1</b>            | <b>(1)</b>   | <b>0</b>                | <b>1</b>               | <b>1</b>          | <b>0</b>                   | <b>0</b>      | <b>0</b>    |
| <b>RET. EARNINGS (DEF.) AT BEG. OF YEAR</b>  | <b>(2)</b>          | <b>3</b>     | <b>2</b>                | <b>(4)</b>             | <b>(3)</b>        | <b>0</b>                   | <b>0</b>      | <b>0</b>    |
| <b>DEDUCT:</b>   |                     |              |                         |                        |                   |                            |               |             |
| Dividends  | 0                   | 0            | 0                       | 0                      | 0                 | 0                          | 0             | 0           |
| Other  | 0                   | 0            | 0                       | 0                      | 0                 | 0                          | 0             | 0           |
| <b>RET. EARNINGS (DEF.) AT END OF YEAR</b>   | <b>(\$1)</b>        | <b>\$2</b>   | <b>\$2</b>              | <b>(\$3)</b>           | <b>(\$2)</b>      | <b>\$0</b>                 | <b>\$0</b>    | <b>\$0</b>  |

|   | Gray<br>County<br>Wind<br>Consolidated | Elims         | Gray<br>County<br>Wind<br>Energy,<br>LLC | FPL<br>Energy<br>Gray<br>County<br>Wind,<br>LLC |
|---|--|---------------|--|---|
| <b>ASSETS</b>                                       |  |               |  |   |
| <b>PROPERTY, PLANT AND EQUIPMENT</b>                |  |               |  |   |
| Elec. utility plant in ser. & other property        | \$103                                  | \$0           | \$103                                    | \$0   |
| Nuclear fuel  | 0                                      | 0             | 0  | 0   |
| Construction work in progress                       | 0                                      | 0             | 0  | 0   |
| Less accumulated depr. & amort.                     | (12)                                   | 0             | (12)                                     | 0   |
| Total prop., plant and eqpt. - net                  | 91                                     | 0             | 91                                       | 0   |
| <b>CURRENT ASSETS</b>                               |  |               |  |   |
| Cash and cash equivalents                           | 0                                      | 0             | 0  | 0   |
| Customer receivables - net                          | 1                                      | 0             | 1  | 0   |
| Other receivables                                   | 0                                      | 0             | 0  | 0   |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 0                                      | 0             | 0  | 0   |
| Deferred clause expenses                            | 0                                      | 0             | 0  | 0   |
| Other   | 1                                      | 0             | 1  | 0   |
| Total current assets                                | 2                                      | 0             | 2  | 0   |
| <b>OTHER ASSETS:</b>                                |  |               |  |   |
| Special use funds                                   | 0                                      | 0             | 0  | 0   |
| Other investments                                   | 0                                      | (91)          | 0  | 91  |
| Other   | 0                                      | (1)           | 0  | 1   |
| Total other assets                                  | 0                                      | (92)          | 0  | 92  |
| <b>TOTAL ASSETS</b>                                 | <b>\$93</b>                            | <b>(\$92)</b> | <b>\$93</b>                              | <b>\$92</b>                                     |
| <b>CAPITALIZATION</b>                               |  |               |  |   |
| Common shareholders' equity                         | \$69                                   | (\$91)        | \$91                                     | \$69  |
| Pref. stk. of FPL w/o sinking fund require.         | 0                                      | 0             | 0  | 0   |
| Long-term debt                                      | 0                                      | 0             | 0  | 0   |
| Total capitalization                                | 69                                     | (91)          | 91                                       | 69  |
| <b>CURRENT LIABILITIES</b>                          |  |               |  |   |
| Commercial paper                                    | 0                                      | 0             | 0  | 0   |
| Note payable  | 0                                      | 0             | 0  | 0   |
| Current maturities of long-term debt                | 0                                      | 0             | 0  | 0   |
| Accounts payable                                    | 0                                      | 0             | 0  | 0   |
| Customers' deposits                                 | 0                                      | 0             | 0  | 0   |
| Accrued interest and taxes                          | 0                                      | 0             | 0  | 0   |
| Deferred clause revenues                            | 0                                      | 0             | 0  | 0   |
| Other   | 1                                      | 0             | 1  | 0   |
| Total current liabilities                           | 1                                      | 0             | 1  | 0   |
| <b>OTHER LIABILITIES AND DEFERRED CREDITS</b>       |  |               |  |   |
| Asset retirement obligations                        | 1                                      | 0             | 1  | 0   |
| Accumulated deferred income taxes                   | 22                                     | (1)           | 0  | 23  |
| Storm and property insurance reserve                | 0                                      | 0             | 0  | 0   |
| Other   | 0                                      | 0             | 0  | 0   |
| Total other liab. & def. credits                    | 23                                     | (1)           | 1  | 23  |
| <b>COMMITMENTS AND CONTINGENCIES</b>                |  |               |  |   |
| <b>TOTAL CAPITALIZATION AND LIABILITIES</b>         | <b>\$93</b>                            | <b>(\$92)</b> | <b>\$93</b>                              | <b>\$92</b>                                     |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

|   | Gray<br>County<br>Wind<br>Consolidated | Elims        | Gray<br>County<br>Wind<br>Energy,<br>LLC | FPL<br>Energy<br>Gray<br>County<br>Wind,<br>LLC |
|---|--|--------------|--|---|
| <b>INCOME STATEMENT</b>   |  |              |  |   |
| <b>OPERATING REVENUES</b>   | <b>\$9</b>                             | <b>\$0</b>   | <b>\$9</b>                               | <b>\$0</b>                                      |
| <b>OPERATING EXPENSES</b>   |  |              |  |   |
| Fuel, purchased power & interchange   | 0                                      | 0            | 0  | 0   |
| Other operations and maintenance  | 3                                      | 0            | 3  | 0   |
| Depreciation & amortization   | 5                                      | 0            | 5  | 0   |
| Taxes other than income taxes   | 0                                      | 0            | 0  | 0   |
| Total operating expenses  | 8                                      | 0            | 8  | 0   |
| <b>OPERATING INCOME</b>   | <b>1</b>                               | <b>0</b>     | <b>1</b>                                 | <b>0</b>  |
| <b>OTHER INCOME (DEDUCTIONS):</b>   |  |              |  |   |
| Interest charges  | 0                                      | 0            | 0  | 0   |
| Preferred stock dividends - FPL   | 0                                      | 0            | 0  | 0   |
| Loss on redemption of preferred stock - FPL   | 0                                      | 0            | 0  | 0   |
| Equity in earnings of equity method investees   | 0                                      | (1)          | 0  | 1   |
| Other - net   | 0                                      | 0            | 0  | 0   |
| Total other deductions - net  | 0                                      | (1)          | 0  | 1   |
| <b>INCOME FROM OPERATIONS BEFORE INCOME TAXES</b>   | <b>1</b>                               | <b>(1)</b>   | <b>1</b>                                 | <b>1</b>  |
| <b>INCOME TAXES</b>   | <b>(4)</b>                             | <b>0</b>     | <b>0</b>                                 | <b>(4)</b>                                      |
| <b>INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE<br/>IN ACCOUNTING PRINCIPLE</b>              | <b>5</b>                               | <b>(1)</b>   | <b>1</b>                                 | <b>5</b>  |
| <b>CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES</b>                                      |  |              |  |   |
| FASB Interpretation No. 46, "Consol. of Variable<br>Interest Entities," net of income taxes | 0                                      | 0            | 0  | 0   |
| <b>NET INCOME (LOSS)</b>  | <b>5</b>                               | <b>(1)</b>   | <b>1</b>                                 | <b>5</b>  |
| <b>RET. EARNINGS (DEF.) AT BEG. OF YEAR</b>   | <b>10</b>                              | <b>(3)</b>   | <b>3</b>                                 | <b>10</b>                                       |
| <b>DEDUCT:</b>  |  |              |  |   |
| Dividends   | 0                                      | 0            | 0  | 0   |
| Other   | 0                                      | 0            | 0  | 0   |
| <b>RET. EARNINGS (DEF.) AT END OF YEAR</b>  | <b>\$15</b>                            | <b>(\$4)</b> | <b>\$4</b>                               | <b>\$15</b>                                     |

| ASSETS  | Indian<br>Mesa<br>Consolidated | Elims  | FPL<br>Energy<br>Indian<br>Mesa<br>GP, LLC | FPL<br>Energy<br>Indian<br>Mesa<br>LP, LLC | Indian<br>Mesa<br>Wind<br>Farm<br>L.P. |
|---|--------------------------------|--------|--|--|--|
| PROPERTY, PLANT AND EQUIPMENT                       |                                |        |  |  |  |
| Elec. utility plant in ser. & other property        | \$83                           | \$0    | \$0  | \$0  | \$83                                   |
| Nuclear fuel  | 0                              | 0      | 0  | 0  | 0                                      |
| Construction work in progress                       | 0                              | 0      | 0  | 0  | 0                                      |
| Less accumulated depr. & amort.                     | (6)                            | 0      | 0  | 0  | (6)                                    |
| Total prop., plant and eqpt. - net                  | 77                             | 0      | 0  | 0  | 77                                     |
| CURRENT ASSETS                                      |                                |        |  |  |  |
| Cash and cash equivalents                           | 0                              | 0      | 0  | 0  | 0                                      |
| Customer receivables - net                          | 1                              | 0      | 0  | 0  | 1                                      |
| Other receivables                                   | 0                              | 0      | 0  | 0  | 0                                      |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 0                              | 0      | 0  | 0  | 0                                      |
| Deferred clause expenses                            | 0                              | 0      | 0  | 0  | 0                                      |
| Other   | 1                              | 0      | 0  | 0  | 1                                      |
| Total current assets                                | 2                              | 0      | 0  | 0  | 2                                      |
| OTHER ASSETS:                                       |                                |        |  |  |  |
| Special use funds                                   | 0                              | 0      | 0  | 0  | 0                                      |
| Other investments                                   | 0                              | (75)   | 1  | 74   | 0                                      |
| Other   | 2                              | 0      | 0  | 0  | 2                                      |
| Total other assets                                  | 2                              | (75)   | 1  | 74   | 2                                      |
| TOTAL ASSETS  | \$81                           | (\$75) | \$1  | \$74                                       | \$81                                   |
| CAPITALIZATION                                      |                                |        |  |  |  |
| Common shareholders' equity                         | \$60                           | (\$75) | (\$14)                                     | \$74                                       | \$75                                   |
| Pref. stk. of FPL w/o sinking fund require.         | 0                              | 0      | 0  | 0  | 0                                      |
| Long-term debt                                      | 0                              | 0      | 0  | 0  | 0                                      |
| Total capitalization                                | 60                             | (75)   | (14)                                       | 74   | 75                                     |
| CURRENT LIABILITIES                                 |                                |        |  |  |  |
| Commercial paper                                    | 0                              | 0      | 0  | 0  | 0                                      |
| Note payable  | 0                              | 0      | 0  | 0  | 0                                      |
| Current maturities of long-term debt                | 0                              | 0      | 0  | 0  | 0                                      |
| Accounts payable                                    | 0                              | 0      | 0  | 0  | 0                                      |
| Customers' deposits                                 | 0                              | 0      | 0  | 0  | 0                                      |
| Accrued interest and taxes                          | 0                              | 0      | 0  | 0  | 0                                      |
| Deferred clause revenues                            | 0                              | 0      | 0  | 0  | 0                                      |
| Other   | 0                              | 0      | 0  | 0  | 0                                      |
| Total current liabilities                           | 0                              | 0      | 0  | 0  | 0                                      |
| OTHER LIABILITIES AND DEFERRED CREDITS              |                                |        |  |  |  |
| Asset retirement obligations                        | 1                              | 0      | 0  | 0  | 1                                      |
| Accumulated deferred income taxes                   | 15                             | 0      | 15   | 0  | 0                                      |
| Storm and property insurance reserve                | 0                              | 0      | 0  | 0  | 0                                      |
| Other   | 5                              | 0      | 0  | 0  | 5                                      |
| Total other liab. & def. credits                    | 21                             | 0      | 15   | 0  | 6                                      |
| COMMITMENTS AND CONTINGENCIES                       |                                |        |  |  |  |
| TOTAL CAPITALIZATION AND LIABILITIES                | \$81                           | (\$75) | \$1  | \$74                                       | \$81                                   |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

| INCOME STATEMENT  | Indian<br>Mesa<br>Consolidated | Elims | FPL<br>Energy<br>Indian<br>Mesa<br>GP, LLC | FPL<br>Energy<br>Indian<br>Mesa<br>LP, LLC | Indian<br>Mesa<br>Wind<br>Farm<br>L.P. |
|---|--------------------------------|-------|--|--|--|
| OPERATING REVENUES  | \$7                            | \$0   | \$0  | \$0  | \$7                                    |
| OPERATING EXPENSES  |                                |       |  |  |  |
| Fuel, purchased power & interchange   | 0                              | 0     | 0  | 0  | 0                                      |
| Other operations and maintenance  | 2                              | 0     | 0  | 0  | 2                                      |
| Depreciation & amortization   | 4                              | 0     | 0  | 0  | 4                                      |
| Taxes other than income taxes   | 1                              | 0     | 0  | 0  | 1                                      |
| Total operating expenses  | 7                              | 0     | 0  | 0  | 7                                      |
| OPERATING INCOME  | 0                              | 0     | 0  | 0  | 0                                      |
| OTHER INCOME (DEDUCTIONS):  |                                |       |  |  |  |
| Interest charges  | 0                              | 0     | 0  | 0  | 0                                      |
| Preferred stock dividends - FPL   | 0                              | 0     | 0  | 0  | 0                                      |
| Loss on redemption of preferred stock - FPL   | 0                              | 0     | 0  | 0  | 0                                      |
| Equity in earnings of equity method investees   | 0                              | 1     | 0  | (1)  | 0                                      |
| Other - net   | 0                              | 0     | 0  | 0  | 0                                      |
| Total other deductions - net  | 0                              | 1     | 0  | (1)  | 0                                      |
| INCOME FROM OPERATIONS BEFORE INCOME TAXES  | 0                              | 1     | 0  | (1)  | 0                                      |
| INCOME TAXES  | (2)                            | 0     | (2)  | 0  | 0                                      |
| INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE<br>IN ACCOUNTING PRINCIPLE                      | 2                              | 1     | 2  | (1)  | 0                                      |
| CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES   |                                |       |  |  |  |
| FASB Interpretation No. 46, "Consol. of Variable<br>Interest Entities," net of income taxes | 0                              | 0     | 0  | 0  | 0                                      |
| NET INCOME (LOSS)   | 2                              | 1     | 2  | (1)  | 0                                      |
| RET. EARNINGS (DEF.) AT BEG. OF YEAR  | 0                              | 0     | 2  | (1)  | (1)                                    |
| DEDUCT:   |                                |       |  |  |  |
| Dividends   | 0                              | 0     | 0  | 0  | 0                                      |
| Other   | 0                              | 0     | 0  | 0  | 0                                      |
| RET. EARNINGS (DEF.) AT END OF YEAR   | \$2                            | \$1   | \$4  | (\$2)                                      | (\$1)                                  |

|   | LSP<br>VIII<br>LP<br>Consolidated | Elims      | Harper<br>Lake<br>Company<br>VIII | Hyperion<br>VIII,<br>Inc. |
|---|-----------------------------------|------------|-----------------------------------|---------------------------|
| <b>ASSETS</b>                                       |                                   |            |                                   |                           |
| <b>PROPERTY, PLANT AND EQUIPMENT</b>                |                                   |            |                                   |                           |
| Elec. utility plant in ser. & other property        | \$0                               | \$0        | \$0                               | \$0                       |
| Nuclear fuel  | 0                                 | 0          | 0                                 | 0                         |
| Construction work in progress                       | 0                                 | 0          | 0                                 | 0                         |
| Less accumulated depr. & amort.                     | 0                                 | 0          | 0                                 | 0                         |
| Total prop., plant and eqpt. - net                  | 0                                 | 0          | 0                                 | 0                         |
| <b>CURRENT ASSETS</b>                               |                                   |            |                                   |                           |
| Cash and cash equivalents                           | 0                                 | 0          | 0                                 | 0                         |
| Customer receivables - net                          | 0                                 | 0          | 0                                 | 0                         |
| Other receivables                                   | 0                                 | 0          | 0                                 | 0                         |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 0                                 | 0          | 0                                 | 0                         |
| Deferred clause expenses                            | 0                                 | 0          | 0                                 | 0                         |
| Other   | 0                                 | 0          | 0                                 | 0                         |
| Total current assets                                | 0                                 | 0          | 0                                 | 0                         |
| <b>OTHER ASSETS:</b>                                |                                   |            |                                   |                           |
| Special use funds                                   | 0                                 | 0          | 0                                 | 0                         |
| Other investments                                   | 6                                 | 4          | 0                                 | 2                         |
| Other   | 0                                 | (1)        | 0                                 | 1                         |
| Total other assets                                  | 6                                 | 3          | 0                                 | 3                         |
| <b>TOTAL ASSETS</b>                                 | <b>\$6</b>                        | <b>\$3</b> | <b>\$0</b>                        | <b>\$3</b>                |
| <b>CAPITALIZATION</b>                               |                                   |            |                                   |                           |
| Common shareholders' equity                         | (\$14)                            | \$4        | \$0                               | (\$18)                    |
| Pref. stk. of FPL w/o sinking fund require.         | 0                                 | 0          | 0                                 | 0                         |
| Long-term debt                                      | 0                                 | 0          | 0                                 | 0                         |
| Total capitalization                                | (14)                              | 4          | 0                                 | (18)                      |
| <b>CURRENT LIABILITIES</b>                          |                                   |            |                                   |                           |
| Commercial paper                                    | 0                                 | 0          | 0                                 | 0                         |
| Note payable  | 0                                 | 0          | 0                                 | 0                         |
| Current maturities of long-term debt                | 0                                 | 0          | 0                                 | 0                         |
| Accounts payable                                    | 0                                 | 0          | 0                                 | 0                         |
| Customers' deposits                                 | 0                                 | 0          | 0                                 | 0                         |
| Accrued interest and taxes                          | 0                                 | 0          | 0                                 | 0                         |
| Deferred clause revenues                            | 0                                 | 0          | 0                                 | 0                         |
| Other   | 1                                 | 0          | 0                                 | 1                         |
| Total current liabilities                           | 1                                 | 0          | 0                                 | 1                         |
| <b>OTHER LIABILITIES AND DEFERRED CREDITS</b>       |                                   |            |                                   |                           |
| Asset retirement obligations                        | 0                                 | 0          | 0                                 | 0                         |
| Accumulated deferred income taxes                   | 19                                | (1)        | 0                                 | 20                        |
| Storm and property insurance reserve                | 0                                 | 0          | 0                                 | 0                         |
| Other   | 0                                 | 0          | 0                                 | 0                         |
| Total other liab. & def. credits                    | 19                                | (1)        | 0                                 | 20                        |
| <b>COMMITMENTS AND CONTINGENCIES</b>                |                                   |            |                                   |                           |
| <b>TOTAL CAPITALIZATION AND LIABILITIES</b>         | <b>\$6</b>                        | <b>\$3</b> | <b>\$0</b>                        | <b>\$3</b>                |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

|   | LSP<br>VIII<br>LP<br>Consolidated | Elims      | Harper<br>Lake<br>Company<br>VIII | Hyperion<br>VIII,<br>Inc. |
|---|-----------------------------------|------------|-----------------------------------|---------------------------|
| <b>INCOME STATEMENT</b>   |                                   |            |                                   |                           |
| <b>OPERATING REVENUES</b>   | <b>\$1</b>                        | <b>\$0</b> | <b>\$1</b>                        | <b>\$0</b>                |
| <b>OPERATING EXPENSES</b>   |                                   |            |                                   |                           |
| Fuel, purchased power & interchange   | 0                                 | 0          | 0                                 | 0                         |
| Other operations and maintenance  | 0                                 | 0          | 0                                 | 0                         |
| Depreciation & amortization   | 0                                 | 0          | 0                                 | 0                         |
| Taxes other than income taxes   | 0                                 | 0          | 0                                 | 0                         |
| Total operating expenses  | 0                                 | 0          | 0                                 | 0                         |
| <b>OPERATING INCOME</b>   | <b>1</b>                          | <b>0</b>   | <b>1</b>                          | <b>0</b>                  |
| <b>OTHER INCOME (DEDUCTIONS):</b>   |                                   |            |                                   |                           |
| Interest charges  | 0                                 | 0          | 0                                 | 0                         |
| Preferred stock dividends - FPL   | 0                                 | 0          | 0                                 | 0                         |
| Loss on redemption of preferred stock - FPL   | 0                                 | 0          | 0                                 | 0                         |
| Equity in earnings of equity method investees   | 5                                 | 0          | 0                                 | 5                         |
| Other-net   | 0                                 | 0          | 0                                 | 0                         |
| Total other deductions - net  | 5                                 | 0          | 0                                 | 5                         |
| <b>INCOME FROM OPERATIONS BEFORE INCOME TAXES</b>   | <b>6</b>                          | <b>0</b>   | <b>1</b>                          | <b>5</b>                  |
| <b>INCOME TAXES</b>   | <b>1</b>                          | <b>0</b>   | <b>0</b>                          | <b>1</b>                  |
| <b>INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE<br/>IN ACCOUNTING PRINCIPLE</b>              | <b>5</b>                          | <b>0</b>   | <b>1</b>                          | <b>4</b>                  |
| <b>CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES</b>                                      |                                   |            |                                   |                           |
| FASB Interpretation No. 46, "Consol. of Variable<br>Interest Entities," net of income taxes | 0                                 | 0          | 0                                 | 0                         |
| <b>NET INCOME (LOSS)</b>  | <b>5</b>                          | <b>0</b>   | <b>1</b>                          | <b>4</b>                  |
| <b>RET. EARNINGS (DEF.) AT BEG. OF YEAR</b>   | <b>11</b>                         | <b>0</b>   | <b>3</b>                          | <b>8</b>                  |
| <b>DEDUCT:</b>  |                                   |            |                                   |                           |
| Dividends   | 0                                 | 0          | 0                                 | 0                         |
| Other   | 0                                 | 0          | 0                                 | 0                         |
| <b>RET. EARNINGS (DEF.) AT END OF YEAR</b>  | <b>\$16</b>                       | <b>\$0</b> | <b>\$4</b>                        | <b>\$12</b>               |

|   | LSP IX<br>LP<br>Consolidated | Elims      | HLC<br>IX<br>Company | Hyperion<br>IX,<br>Inc. |
|---|------------------------------|------------|----------------------|-------------------------|
| <b>ASSETS</b>                                       |                              |            |                      |                         |
| <b>PROPERTY, PLANT AND EQUIPMENT</b>                |                              |            |                      |                         |
| Elec. utility plant in ser. & other property        | \$0                          | \$0        | \$0                  | \$0                     |
| Nuclear fuel  | 0                            | 0          | 0                    | 0                       |
| Construction work in progress                       | 0                            | 0          | 0                    | 0                       |
| Less accumulated depr. & amort.                     | 0                            | 0          | 0                    | 0                       |
| Total prop., plant and eqpt. - net                  | 0                            | 0          | 0                    | 0                       |
| <b>CURRENT ASSETS</b>                               |                              |            |                      |                         |
| Cash and cash equivalents                           | 0                            | 0          | 0                    | 0                       |
| Customer receivables - net                          | 0                            | 0          | 0                    | 0                       |
| Other receivables                                   | 0                            | 0          | 0                    | 0                       |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 0                            | 0          | 0                    | 0                       |
| Deferred clause expenses                            | 0                            | 0          | 0                    | 0                       |
| Other   | 0                            | 0          | 0                    | 0                       |
| Total current assets                                | 0                            | 0          | 0                    | 0                       |
| <b>OTHER ASSETS:</b>                                |                              |            |                      |                         |
| Special use funds                                   | 0                            | 0          | 0                    | 0                       |
| Other investments                                   | 10                           | 4          | 0                    | 6                       |
| Other   | 0                            | (1)        | 0                    | 1                       |
| Total other assets                                  | 10                           | 3          | 0                    | 7                       |
| <b>TOTAL ASSETS</b>                                 | <b>\$10</b>                  | <b>\$3</b> | <b>\$0</b>           | <b>\$7</b>              |
| <b>CAPITALIZATION</b>                               |                              |            |                      |                         |
| Common shareholders' equity                         | (\$19)                       | \$4        | \$0                  | (\$23)                  |
| Pref. stk. of FPL w/o sinking fund require.         | 0                            | 0          | 0                    | 0                       |
| Long-term debt                                      | 0                            | 0          | 0                    | 0                       |
| Total capitalization                                | (19)                         | 4          | 0                    | (23)                    |
| <b>CURRENT LIABILITIES</b>                          |                              |            |                      |                         |
| Commercial paper                                    | 0                            | 0          | 0                    | 0                       |
| Note payable  | 0                            | 0          | 0                    | 0                       |
| Current maturities of long-term debt                | 0                            | 0          | 0                    | 0                       |
| Accounts payable                                    | 0                            | 0          | 0                    | 0                       |
| Customers' deposits                                 | 0                            | 0          | 0                    | 0                       |
| Accrued interest and taxes                          | 0                            | 0          | 0                    | 0                       |
| Deferred clause revenues                            | 0                            | 0          | 0                    | 0                       |
| Other   | 2                            | 0          | 0                    | 2                       |
| Total current liabilities                           | 2                            | 0          | 0                    | 2                       |
| <b>OTHER LIABILITIES AND DEFERRED CREDITS</b>       |                              |            |                      |                         |
| Asset retirement obligations                        | 0                            | 0          | 0                    | 0                       |
| Accumulated deferred income taxes                   | 27                           | (1)        | 0                    | 28                      |
| Storm and property insurance reserve                | 0                            | 0          | 0                    | 0                       |
| Other   | 0                            | 0          | 0                    | 0                       |
| Total other liab. & def. credits                    | 27                           | (1)        | 0                    | 28                      |
| <b>TOTAL CAPITALIZATION AND LIABILITIES</b>         | <b>\$10</b>                  | <b>\$3</b> | <b>\$0</b>           | <b>\$7</b>              |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

|  | LSP IX<br>LP<br>Consolidated | Elims      | HLC<br>IX<br>Company | Hyperion<br>IX,<br>Inc. |
|--|------------------------------|------------|----------------------|-------------------------|
| <b>INCOME STATEMENT</b>  |                              |            |                      |                         |
| <b>OPERATING REVENUES</b>  | <b>\$1</b>                   | <b>\$0</b> | <b>\$1</b>           | <b>\$0</b>              |
| <b>OPERATING EXPENSES</b>  |                              |            |                      |                         |
| Fuel, purchased power & interchange  | 0                            | 0          | 0                    | 0                       |
| Other operations and maintenance   | 0                            | 0          | 0                    | 0                       |
| Depreciation & amortization  | 0                            | 0          | 0                    | 0                       |
| Taxes other than income taxes  | 0                            | 0          | 0                    | 0                       |
| Total operating expenses   | 0                            | 0          | 0                    | 0                       |
| <b>OPERATING INCOME</b>  | <b>1</b>                     | <b>0</b>   | <b>1</b>             | <b>0</b>                |
| <b>OTHER INCOME (DEDUCTIONS):</b>  |                              |            |                      |                         |
| Interest charges   | 0                            | 0          | 0                    | 0                       |
| Preferred stock dividends - FPL  | 0                            | 0          | 0                    | 0                       |
| Loss on redemption of preferred stock - FPL                                    | 0                            | 0          | 0                    | 0                       |
| Equity in earnings of equity method investees                                  | 5                            | 0          | 0                    | 5                       |
| Other - net  | 0                            | 0          | 0                    | 0                       |
| Total other deductions - net   | 5                            | 0          | 0                    | 5                       |
| <b>INCOME FROM OPERATIONS BEFORE INCOME TAXES</b>                              | <b>6</b>                     | <b>0</b>   | <b>1</b>             | <b>5</b>                |
| <b>INCOME TAXES</b>  | <b>1</b>                     | <b>0</b>   | <b>0</b>             | <b>1</b>                |
| <b>INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE<br/>IN ACCOUNTING PRINCIPLE</b> | <b>5</b>                     | <b>0</b>   | <b>1</b>             | <b>4</b>                |
| <b>CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES</b>                         |                              |            |                      |                         |
| FASB Interpretation No. 46, "Consol. of Variable                               |                              |            |                      |                         |
| Interest Entities," net of income taxes  |                              |            |                      |                         |
|  | 0                            | 0          | 0                    | 0                       |
| <b>NET INCOME (LOSS)</b>   | <b>5</b>                     | <b>0</b>   | <b>1</b>             | <b>4</b>                |
| <b>RET. EARNINGS (DEF.) AT BEG. OF YEAR</b>                                    | <b>9</b>                     | <b>0</b>   | <b>3</b>             | <b>6</b>                |
| <b>DEDUCT:</b>   |                              |            |                      |                         |
| Dividends  | 0                            | 0          | 0                    | 0                       |
| Other  | 0                            | 0          | 0                    | 0                       |
| <b>RET. EARNINGS (DEF.) AT END OF YEAR</b>                                     | <b>\$14</b>                  | <b>\$0</b> | <b>\$4</b>           | <b>\$10</b>             |

| ASSETS  | MH50<br>Consolidated | Elims  | FPL<br>Energy<br>MH50,<br>L.P. | FPL<br>Energy<br>MH50<br>LP,<br>LLC | FPL<br>Energy<br>MH50<br>GP,<br>LLC |
|---|----------------------|--------|--------------------------------|-------------------------------------|-------------------------------------|
| PROPERTY, PLANT AND EQUIPMENT                       |                      |        |                                |                                     |                                     |
| Elec. utility plant in ser. & other property        | \$18                 | \$0    | \$18                           | \$0                                 | \$0                                 |
| Nuclear fuel  | 0                    | 0      | 0                              | 0                                   | 0                                   |
| Construction work in progress                       | 0                    | 0      | 0                              | 0                                   | 0                                   |
| Less accumulated depr. & amort.                     | (5)                  | 0      | (5)                            | 0                                   | 0                                   |
| Total prop., plant and eqpt. - net                  | 13                   | 0      | 13                             | 0                                   | 0                                   |
| CURRENT ASSETS                                      |                      |        |                                |                                     |                                     |
| Cash and cash equivalents                           | 0                    | 0      | 0                              | 0                                   | 0                                   |
| Customer receivables - net                          | 0                    | 0      | 0                              | 0                                   | 0                                   |
| Other receivables                                   | 0                    | 0      | 0                              | 0                                   | 0                                   |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 0                    | 0      | 0                              | 0                                   | 0                                   |
| Deferred clause expenses                            | 0                    | 0      | 0                              | 0                                   | 0                                   |
| Other   | 0                    | 0      | 0                              | 0                                   | 0                                   |
| Total current assets                                | 0                    | 0      | 0                              | 0                                   | 0                                   |
| OTHER ASSETS:                                       |                      |        |                                |                                     |                                     |
| Special use funds                                   | 0                    | 0      | 0                              | 0                                   | 0                                   |
| Other investments                                   | 0                    | (13)   | 0                              | 13                                  | 0                                   |
| Other   | 0                    | 0      | 0                              | 0                                   | 0                                   |
| Total other assets                                  | 0                    | (13)   | 0                              | 13                                  | 0                                   |
| TOTAL ASSETS  | \$13                 | (\$13) | \$13                           | \$13                                | \$0                                 |
| CAPITALIZATION                                      |                      |        |                                |                                     |                                     |
| Common shareholders' equity                         | \$3                  | (\$13) | \$13                           | \$3                                 | \$0                                 |
| Pref. stk. of FPL w/o sinking fund require.         | 0                    | 0      | 0                              | 0                                   | 0                                   |
| Long-term debt                                      | 9                    | 0      | 0                              | 9                                   | 0                                   |
| Total capitalization                                | 12                   | (13)   | 13                             | 12                                  | 0                                   |
| CURRENT LIABILITIES                                 |                      |        |                                |                                     |                                     |
| Commercial paper                                    | 0                    | 0      | 0                              | 0                                   | 0                                   |
| Note payable  | 0                    | 0      | 0                              | 0                                   | 0                                   |
| Current maturities of long-term debt                | 0                    | 0      | 0                              | 0                                   | 0                                   |
| Accounts payable                                    | 0                    | 0      | 0                              | 0                                   | 0                                   |
| Customers' deposits                                 | 0                    | 0      | 0                              | 0                                   | 0                                   |
| Accrued interest and taxes                          | 0                    | 0      | 0                              | 0                                   | 0                                   |
| Deferred clause revenues                            | 0                    | 0      | 0                              | 0                                   | 0                                   |
| Other   | 1                    | 0      | 0                              | 1                                   | 0                                   |
| Total current liabilities                           | 1                    | 0      | 0                              | 1                                   | 0                                   |
| OTHER LIABILITIES AND DEFERRED CREDITS              |                      |        |                                |                                     |                                     |
| Asset retirement obligations                        | 0                    | 0      | 0                              | 0                                   | 0                                   |
| Accumulated deferred income taxes                   | 0                    | 0      | 0                              | 0                                   | 0                                   |
| Storm and property insurance reserve                | 0                    | 0      | 0                              | 0                                   | 0                                   |
| Other   | 0                    | 0      | 0                              | 0                                   | 0                                   |
| Total other liab. & def. credits                    | 0                    | 0      | 0                              | 0                                   | 0                                   |
| COMMITMENTS AND CONTINGENCIES                       |                      |        |                                |                                     |                                     |
| TOTAL CAPITALIZATION AND LIABILITIES                | \$13                 | (\$13) | \$13                           | \$13                                | \$0                                 |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

| INCOME STATEMENT  | MH50<br>Consolidated | Elims | FPL<br>Energy<br>MH50,<br>L.P. | FPL<br>Energy<br>MH50<br>LP,<br>LLC | FPL<br>Energy<br>MH50<br>GP,<br>LLC |
|---|----------------------|-------|--------------------------------|-------------------------------------|-------------------------------------|
| OPERATING REVENUES  | \$5                  | \$0   | \$5                            | \$0                                 | \$0                                 |
| OPERATING EXPENSES  |                      |       |                                |                                     |                                     |
| Fuel, purchased power & interchange   | 4                    | 0     | 4                              | 0                                   | 0                                   |
| Other operations and maintenance  | 2                    | 0     | 2                              | 0                                   | 0                                   |
| Depreciation & amortization   | 1                    | 0     | 1                              | 0                                   | 0                                   |
| Taxes other than income taxes   | 0                    | 0     | 0                              | 0                                   | 0                                   |
| Total operating expenses  | 7                    | 0     | 7                              | 0                                   | 0                                   |
| OPERATING INCOME  | (2)                  | 0     | (2)                            | 0                                   | 0                                   |
| OTHER INCOME (DEDUCTIONS):  |                      |       |                                |                                     |                                     |
| Interest charges  | (1)                  | 0     | 0                              | (1)                                 | 0                                   |
| Preferred stock dividends - FPL   | 0                    | 0     | 0                              | 0                                   | 0                                   |
| Loss on redemption of preferred stock - FPL   | 0                    | 0     | 0                              | 0                                   | 0                                   |
| Equity in earnings of equity method investees   | 0                    | 2     | 0                              | (2)                                 | 0                                   |
| Other - net   | 0                    | 0     | 0                              | 0                                   | 0                                   |
| Total other deductions - net  | (1)                  | 2     | 0                              | (3)                                 | 0                                   |
| INCOME FROM OPERATIONS BEFORE INCOME TAXES  | (3)                  | 2     | (2)                            | (3)                                 | 0                                   |
| INCOME TAXES  | (1)                  | 0     | 0                              | 0                                   | (1)                                 |
| INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE<br>IN ACCOUNTING PRINCIPLE                      | (2)                  | 2     | (2)                            | (3)                                 | 1                                   |
| CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES   |                      |       |                                |                                     |                                     |
| FASB Interpretation No. 46, "Consol. of Variable<br>Interest Entities," net of income taxes | 0                    | 0     | 0                              | 0                                   | 0                                   |
| NET INCOME (LOSS)   | (2)                  | 2     | (2)                            | (3)                                 | 1                                   |
| RET. EARNINGS (DEF.) AT BEG. OF YEAR  | (1)                  | (3)   | 3                              | (1)                                 | 0                                   |
| DEDUCT:   |                      |       |                                |                                     |                                     |
| Dividends   | 0                    | 0     | 0                              | 0                                   | 0                                   |
| Other   | 0                    | 0     | 0                              | 0                                   | 0                                   |
| RET. EARNINGS (DEF.) AT END OF YEAR   | (\$3)                | (\$1) | \$1                            | (\$4)                               | \$1                                 |

| ASSETS  | MH700<br>Consolidated | Elims   | FPL<br>Energy<br>Marcus<br>Hook<br>LLC | FPL<br>Energy<br>MH700,<br>LLC | FPL<br>Energy<br>Marcus<br>Hook,<br>L.P. |
|---|-----------------------|---------|--|--------------------------------|--|
| PROPERTY, PLANT AND EQUIPMENT                       |                       |         |  |                                |  |
| Elec. utility plant in ser. & other property        | \$0                   | \$0     | \$0                                    | \$0                            | \$0                                      |
| Nuclear fuel  | 0                     | 0       | 0                                      | 0                              | 0  |
| Construction work in progress                       | 539                   | 0       | 0                                      | 0                              | 539                                      |
| Less accumulated depr. & amort.                     | 0                     | 0       | 0                                      | 0                              | 0  |
| Total prop., plant and eqpt. - net                  | 539                   | 0       | 0                                      | 0                              | 539                                      |
| CURRENT ASSETS                                      |                       |         |  |                                |  |
| Cash and cash equivalents                           | 0                     | 0       | 0                                      | 0                              | 0  |
| Customer receivables - net                          | 0                     | 0       | 0                                      | 0                              | 0  |
| Other receivables                                   | 0                     | 0       | 0                                      | 0                              | 0  |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 0                     | 0       | 0                                      | 0                              | 0  |
| Deferred clause expenses                            | 0                     | 0       | 0                                      | 0                              | 0  |
| Other   | 2                     | 0       | 0                                      | 0                              | 2  |
| Total current assets                                | 2                     | 0       | 0                                      | 0                              | 2  |
| OTHER ASSETS:                                       |                       |         |  |                                |  |
| Special use funds                                   | 0                     | 0       | 0                                      | 0                              | 0  |
| Other investments                                   | 0                     | (323)   | 322                                    | 1                              | 0  |
| Other   | 24                    | 0       | 10                                     | 0                              | 14                                       |
| Total other assets                                  | 24                    | (323)   | 332                                    | 1                              | 14                                       |
| TOTAL ASSETS  | \$565                 | (\$323) | \$332                                  | \$1                            | \$555                                    |
| CAPITALIZATION                                      |                       |         |  |                                |  |
| Common shareholders' equity                         | \$332                 | (\$323) | \$332                                  | \$1                            | \$322                                    |
| Pref. stk. of FPL w/o sinking fund require.         | 0                     | 0       | 0                                      | 0                              | 0  |
| Long-term debt                                      | 205                   | 0       | 0                                      | 0                              | 205                                      |
| Total capitalization                                | 537                   | (323)   | 332                                    | 1                              | 527                                      |
| CURRENT LIABILITIES                                 |                       |         |  |                                |  |
| Commercial paper                                    | 0                     | 0       | 0                                      | 0                              | 0  |
| Note payable  | 0                     | 0       | 0                                      | 0                              | 0  |
| Current maturities of long-term debt                | 0                     | 0       | 0                                      | 0                              | 0  |
| Accounts payable                                    | 0                     | 0       | 0                                      | 0                              | 0  |
| Customers' deposits                                 | 0                     | 0       | 0                                      | 0                              | 0  |
| Accrued interest and taxes                          | 0                     | 0       | 0                                      | 0                              | 0  |
| Deferred clause revenues                            | 0                     | 0       | 0                                      | 0                              | 0  |
| Other   | 28                    | 0       | 0                                      | 0                              | 28                                       |
| Total current liabilities                           | 28                    | 0       | 0                                      | 0                              | 28                                       |
| OTHER LIABILITIES AND DEFERRED CREDITS              |                       |         |  |                                |  |
| Asset retirement obligations                        | 0                     | 0       | 0                                      | 0                              | 0  |
| Accumulated deferred income taxes                   | 0                     | 0       | 0                                      | 0                              | 0  |
| Storm and property insurance reserve                | 0                     | 0       | 0                                      | 0                              | 0  |
| Other   | 0                     | 0       | 0                                      | 0                              | 0  |
| Total other liab. & def. credits                    | 0                     | 0       | 0                                      | 0                              | 0  |
| COMMITMENTS AND CONTINGENCIES                       |                       |         |  |                                |  |
| TOTAL CAPITALIZATION AND LIABILITIES                | \$565                 | (\$323) | \$332                                  | \$1                            | \$555                                    |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

| INCOME STATEMENT  | MH700<br>Consolidated | Elims | FPL<br>Energy<br>Marcus<br>Hook<br>LLC | FPL<br>Energy<br>MH700,<br>LLC | FPL<br>Energy<br>Marcus<br>Hook,<br>L.P. |
|---|-----------------------|-------|--|--------------------------------|--|
| OPERATING REVENUES  | \$0                   | \$0   | \$0                                    | \$0                            | \$0                                      |
| OPERATING EXPENSES  |                       |       |  |                                |  |
| Fuel, purchased power & interchange   | 0                     | 0     | 0                                      | 0                              | 0  |
| Other operations and maintenance  | 1                     | 0     | 0                                      | 0                              | 1  |
| Depreciation & amortization   | 0                     | 0     | 0                                      | 0                              | 0  |
| Taxes other than income taxes   | 0                     | 0     | 0                                      | 0                              | 0  |
| Total operating expenses  | 1                     | 0     | 0                                      | 0                              | 1  |
| OPERATING INCOME  | (1)                   | 0     | 0                                      | 0                              | (1)                                      |
| OTHER INCOME (DEDUCTIONS):  |                       |       |  |                                |  |
| Interest charges  | (2)                   | 0     | 0                                      | 0                              | (2)                                      |
| Preferred stock dividends - FPL   | 0                     | 0     | 0                                      | 0                              | 0  |
| Loss on redemption of preferred stock - FPL   | 0                     | 0     | 0                                      | 0                              | 0  |
| Equity in earnings of equity method investees   | 0                     | 2     | (2)                                    | 0                              | 0  |
| Other - net   | 0                     | 0     | 0                                      | 0                              | 0  |
| Total other deductions - net  | (2)                   | 2     | (2)                                    | 0                              | (2)                                      |
| INCOME FROM OPERATIONS BEFORE INCOME TAXES  | (3)                   | 2     | (2)                                    | 0                              | (3)                                      |
| INCOME TAXES  | (1)                   | 0     | (1)                                    | 0                              | 0  |
| INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE<br>IN ACCOUNTING PRINCIPLE                      | (2)                   | 2     | (1)                                    | 0                              | (3)                                      |
| CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES   |                       |       |  |                                |  |
| FASB Interpretation No. 46, "Consol. of Variable<br>Interest Entities," net of income taxes | 0                     | 0     | 0                                      | 0                              | 0  |
| NET INCOME (LOSS)   | (2)                   | 2     | (1)                                    | 0                              | (3)                                      |
| RET. EARNINGS (DEF.) AT BEG. OF YEAR  | (1)                   | 0     | (1)                                    | 0                              | 0  |
| DEDUCT:   |                       |       |  |                                |  |
| Dividends   | 0                     | 0     | 0                                      | 0                              | 0  |
| Other   | 0                     | 0     | 0                                      | 0                              | 0  |
| RET. EARNINGS (DEF.) AT END OF YEAR   | (\$3)                 | \$2   | (\$2)                                  | \$0                            | (\$3)                                    |

| ASSETS  | Mojave<br>Consolidated | Elim | ESI<br>Mojave<br>LLC | ESI<br>Mojave,<br>Inc. |
|---|------------------------|------|----------------------|------------------------|
| PROPERTY, PLANT AND EQUIPMENT                       |                        |      |                      |                        |
| Elec. utility plant in ser. & other property        | \$0                    | \$0  | \$0                  | \$0                    |
| Nuclear fuel  | 0                      | 0    | 0                    | 0                      |
| Construction work in progress                       | 0                      | 0    | 0                    | 0                      |
| Less accumulated depr. & amort.                     | 0                      | 0    | 0                    | 0                      |
| Total prop., plant and eqpt. - net                  | 0                      | 0    | 0                    | 0                      |
| CURRENT ASSETS                                      |                        |      |                      |                        |
| Cash and cash equivalents                           | 0                      | 0    | 0                    | 0                      |
| Customer receivables - net                          | 0                      | 0    | 0                    | 0                      |
| Other receivables                                   | 0                      | 0    | 0                    | 0                      |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 0                      | 0    | 0                    | 0                      |
| Deferred clause expenses                            | 0                      | 0    | 0                    | 0                      |
| Other   | 0                      | 0    | 0                    | 0                      |
| Total current assets                                | 0                      | 0    | 0                    | 0                      |
| OTHER ASSETS:                                       |                        |      |                      |                        |
| Special use funds                                   | 0                      | 0    | 0                    | 0                      |
| Other investments                                   | 8                      | 0    | 8                    | 0                      |
| Other   | 0                      | 0    | 0                    | 0                      |
| Total other assets                                  | 8                      | 0    | 8                    | 0                      |
| TOTAL ASSETS  | \$8                    | \$0  | \$8                  | \$0                    |
| CAPITALIZATION                                      |                        |      |                      |                        |
| Common shareholders' equity                         | \$8                    | \$0  | \$8                  | \$0                    |
| Pref. stk. of FPL w/o sinking fund require.         | 0                      | 0    | 0                    | 0                      |
| Long-term debt                                      | 0                      | 0    | 0                    | 0                      |
| Total capitalization                                | 8                      | 0    | 8                    | 0                      |
| CURRENT LIABILITIES                                 |                        |      |                      |                        |
| Commercial paper                                    | 0                      | 0    | 0                    | 0                      |
| Note payable  | 0                      | 0    | 0                    | 0                      |
| Current maturities of long-term debt                | 0                      | 0    | 0                    | 0                      |
| Accounts payable                                    | 0                      | 0    | 0                    | 0                      |
| Customers' deposits                                 | 0                      | 0    | 0                    | 0                      |
| Accrued interest and taxes                          | 0                      | 0    | 0                    | 0                      |
| Deferred clause revenues                            | 0                      | 0    | 0                    | 0                      |
| Other   | 0                      | 0    | 0                    | 0                      |
| Total current liabilities                           | 0                      | 0    | 0                    | 0                      |
| OTHER LIABILITIES AND DEFERRED CREDITS              |                        |      |                      |                        |
| Asset retirement obligations                        | 0                      | 0    | 0                    | 0                      |
| Accumulated deferred income taxes                   | 0                      | 0    | 0                    | 0                      |
| Storm and property insurance reserve                | 0                      | 0    | 0                    | 0                      |
| Other   | 0                      | 0    | 0                    | 0                      |
| Total other liab. & def. credits                    | 0                      | 0    | 0                    | 0                      |
| COMMITMENTS AND CONTINGENCIES                       |                        |      |                      |                        |
| TOTAL CAPITALIZATION AND LIABILITIES                | \$8                    | \$0  | \$8                  | \$0                    |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

| INCOME STATEMENT   | Mojave<br>Consolidated | Elim | ESI<br>Mojave<br>LLC | ESI<br>Mojave,<br>Inc. |
|--|------------------------|------|----------------------|------------------------|
| OPERATING REVENUES   | \$1                    | \$0  | \$1                  | \$0                    |
| OPERATING EXPENSES   |                        |      |                      |                        |
| Fuel, purchased power & interchange  | 0                      | 0    | 0                    | 0                      |
| Other operations and maintenance   | 1                      | 0    | 1                    | 0                      |
| Depreciation & amortization  | 0                      | 0    | 0                    | 0                      |
| Taxes other than income taxes  | 0                      | 0    | 0                    | 0                      |
| Total operating expenses   | 1                      | 0    | 1                    | 0                      |
| OPERATING INCOME   | 0                      | 0    | 0                    | 0                      |
| OTHER INCOME (DEDUCTIONS):   |                        |      |                      |                        |
| Interest charges   | 0                      | 0    | 0                    | 0                      |
| Preferred stock dividends - FPL  | 0                      | 0    | 0                    | 0                      |
| Loss on redemption of preferred stock - FPL  | 0                      | 0    | 0                    | 0                      |
| Equity in earnings of equity method investees  | 3                      | 0    | 3                    | 0                      |
| Other - net  | 0                      | 0    | 0                    | 0                      |
| Total other deductions - net   | 3                      | 0    | 3                    | 0                      |
| INCOME FROM OPERATIONS BEFORE INCOME TAXES   | 3                      | 0    | 3                    | 0                      |
| INCOME TAXES   | 0                      | 0    | 0                    | 0                      |
| INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE<br>IN ACCOUNTING PRINCIPLE   | 3                      | 0    | 3                    | 0                      |
| CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES<br>FASB Interpretation No. 46, "Consol. of Variable<br>Interest Entities," net of income taxes | 0                      | 0    | 0                    | 0                      |
| NET INCOME (LOSS)  | 3                      | 0    | 3                    | 0                      |
| RET. EARNINGS (DEF.) AT BEG. OF YEAR   | 19                     | 0    | 19                   | 0                      |
| DEDUCT:  |                        |      |                      |                        |
| Dividends  | 0                      | 0    | 0                    | 0                      |
| Other  | 0                      | 0    | 0                    | 0                      |
| RET. EARNINGS (DEF.) AT END OF YEAR  | \$22                   | \$0  | \$22                 | \$0                    |

|   | New Mexico Consolidated | Elims          | Pacific Power Investments, LLC | FPL Energy New Mexico Wind Holdings II, LLC | FPL Energy New Mexico Wind II, LLC | FPL Energy New Mexico Wind Financing, LLC | ESI NE Energy LP, Inc. (NM Wind) | FPL Energy New Mexico Wind, LLC |
|---|-------------------------|----------------|--------------------------------|---|------------------------------------|---|----------------------------------|---------------------------------|
| <b>ASSETS</b>                                       |                         |                |                                |   |                                    |   |                                  |                                 |
| <b>PROPERTY, PLANT AND EQUIPMENT</b>                |                         |                |                                |   |                                    |   |                                  |                                 |
| Elec. utility plant in ser. & other property        | \$198                   | \$0            | \$0                            | \$0   | \$0                                | \$0                                       | \$0                              | \$198                           |
| Nuclear fuel  | 0                       | 0              | 0                              | 0   | 0                                  | 0   | 0                                | 0                               |
| Construction work in progress                       | 0                       | 0              | 0                              | 0   | 0                                  | 0   | 0                                | 0                               |
| Less accumulated depr. & amort.                     | (3)                     | 0              | 0                              | 0   | 0                                  | 0   | 0                                | (3)                             |
| Total prop., plant and eqpt. - net                  | 195                     | 0              | 0                              | 0   | 0                                  | 0   | 0                                | 195                             |
| <b>CURRENT ASSETS</b>                               |                         |                |                                |   |                                    |   |                                  |                                 |
| Cash and cash equivalents                           | 1                       | 0              | 0                              | 0   | 0                                  | 0   | 0                                | 1                               |
| Customer receivables - net                          | 3                       | 0              | 0                              | 0   | 0                                  | 0   | 0                                | 3                               |
| Other receivables                                   | 2                       | (8)            | 8                              | 0   | 0                                  | 0   | 0                                | 2                               |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 0                       | 0              | 0                              | 0   | 0                                  | 0   | 0                                | 0                               |
| Deferred clause expenses                            | 0                       | 0              | 0                              | 0   | 0                                  | 0   | 0                                | 0                               |
| Other   | 0                       | 0              | 0                              | 0   | 0                                  | 0   | 0                                | 0                               |
| Total current assets                                | 6                       | (8)            | 8                              | 0   | 0                                  | 0   | 0                                | 6                               |
| <b>OTHER ASSETS:</b>                                |                         |                |                                |   |                                    |   |                                  |                                 |
| Special use funds                                   | 0                       | 0              | 0                              | 0   | 0                                  | 0   | 0                                | 0                               |
| Other investments                                   | 0                       | (297)          | 177                            | (40)  | (8)                                | (8)                                       | (8)                              | 184                             |
| Other   | 0                       | (1)            | 0                              | 1   | 0                                  | 0   | 0                                | 0                               |
| Total other assets                                  | 0                       | (298)          | 177                            | (39)  | (8)                                | (8)                                       | (8)                              | 184                             |
| <b>TOTAL ASSETS</b>                                 | <b>\$201</b>            | <b>(\$306)</b> | <b>\$185</b>                   | <b>(\$39)</b>                               | <b>(\$8)</b>                       | <b>(\$8)</b>                              | <b>(\$8)</b>                     | <b>\$385</b>                    |
| <b>CAPITALIZATION</b>                               |                         |                |                                |   |                                    |   |                                  |                                 |
| Common shareholders' equity                         | (\$76)                  | (\$120)        | \$185                          | (\$77)                                      | (\$40)                             | (\$8)                                     | (\$8)                            | (\$8)                           |
| Pref. stk. of FPL w/o sinking fund require.         | 0                       | 0              | 0                              | 0   | 0                                  | 0   | 0                                | 0                               |
| Long-term debt                                      | 0                       | (177)          | 0                              | 0   | 0                                  | 0   | 0                                | 177                             |
| Total capitalization                                | (76)                    | (297)          | 185                            | (77)  | (40)                               | (8)                                       | (8)                              | 169                             |
| <b>CURRENT LIABILITIES</b>                          |                         |                |                                |   |                                    |   |                                  |                                 |
| Commercial paper                                    | 0                       | 0              | 0                              | 0   | 0                                  | 0   | 0                                | 0                               |
| Note payable  | 0                       | 0              | 0                              | 0   | 0                                  | 0   | 0                                | 0                               |
| Current maturities of long-term debt                | 0                       | 0              | 0                              | 0   | 0                                  | 0   | 0                                | 0                               |
| Accounts payable                                    | 1                       | 0              | 0                              | 0   | 0                                  | 0   | 0                                | 1                               |
| Customers' deposits                                 | 0                       | 0              | 0                              | 0   | 0                                  | 0   | 0                                | 0                               |
| Accrued interest and taxes                          | 0                       | 0              | 0                              | 0   | 0                                  | 0   | 0                                | 0                               |
| Deferred clause revenues                            | 0                       | 0              | 0                              | 0   | 0                                  | 0   | 0                                | 0                               |
| Other   | 239                     | (8)            | 0                              | 0   | 32                                 | 0   | 0                                | 215                             |
| Total current liabilities                           | 240                     | (8)            | 0                              | 0   | 32                                 | 0   | 0                                | 216                             |
| <b>OTHER LIABILITIES AND DEFERRED CREDITS</b>       |                         |                |                                |   |                                    |   |                                  |                                 |
| Asset retirement obligations                        | 0                       | 0              | 0                              | 0   | 0                                  | 0   | 0                                | 0                               |
| Accumulated deferred income taxes                   | 37                      | (1)            | 0                              | 38  | 0                                  | 0   | 0                                | 0                               |
| Storm and property insurance reserve                | 0                       | 0              | 0                              | 0   | 0                                  | 0   | 0                                | 0                               |
| Other   | 0                       | 0              | 0                              | 0   | 0                                  | 0   | 0                                | 0                               |
| Total other liab. & def. credits                    | 37                      | (1)            | 0                              | 38  | 0                                  | 0   | 0                                | 0                               |
| <b>COMMITMENTS AND CONTINGENCIES</b>                |                         |                |                                |   |                                    |   |                                  |                                 |
| <b>TOTAL CAPITALIZATION AND LIABILITIES</b>         | <b>\$201</b>            | <b>(\$306)</b> | <b>\$185</b>                   | <b>(\$39)</b>                               | <b>(\$8)</b>                       | <b>(\$8)</b>                              | <b>(\$8)</b>                     | <b>\$385</b>                    |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

|  | New Mexico Consolidated | Elims       | Pacific Power Investments, LLC | FPL Energy New Mexico Wind Holdings II, LLC | FPL Energy New Mexico Wind II, LLC | FPL Energy New Mexico Wind Financing, LLC | ESI NE Energy LP, Inc. (NM Wind) | FPL Energy New Mexico Wind, LLC |
|--|-------------------------|-------------|--------------------------------|---|------------------------------------|---|----------------------------------|---------------------------------|
| <b>INCOME STATEMENT</b>  |                         |             |                                |   |                                    |   |                                  |                                 |
| <b>OPERATING REVENUES</b>  | <b>\$5</b>              | <b>\$0</b>  | <b>\$0</b>                     | <b>\$0</b>                                  | <b>\$0</b>                         | <b>\$0</b>                                | <b>\$0</b>                       | <b>\$5</b>                      |
| <b>OPERATING EXPENSES</b>  |                         |             |                                |   |                                    |   |                                  |                                 |
| Fuel, purchased power & interchange  | 0                       | 0           | 0                              | 0   | 0                                  | 0   | 0                                | 0                               |
| Other operations and maintenance   | 1                       | 0           | 0                              | 0   | 0                                  | 0   | 0                                | 1                               |
| Depreciation & amortization  | 3                       | 0           | 0                              | 0   | 0                                  | 0   | 0                                | 3                               |
| Taxes other than income taxes  | 0                       | 0           | 0                              | 0   | 0                                  | 0   | 0                                | 0                               |
| Total operating expenses   | 4                       | 0           | 0                              | 0   | 0                                  | 0   | 0                                | 4                               |
| <b>OPERATING INCOME</b>  | <b>1</b>                | <b>0</b>    | <b>0</b>                       | <b>0</b>                                    | <b>0</b>                           | <b>0</b>                                  | <b>0</b>                         | <b>1</b>                        |
| <b>OTHER INCOME (DEDUCTIONS):</b>  |                         |             |                                |   |                                    |   |                                  |                                 |
| Interest charges   | (7)                     | 4           | 0                              | 0   | 0                                  | 0   | 0                                | (11)                            |
| Preferred stock dividends - FPL  | 0                       | 0           | 0                              | 0   | 0                                  | 0   | 0                                | 0                               |
| Loss on redemption of preferred stock - FPL  | 0                       | 0           | 0                              | 0   | 0                                  | 0   | 0                                | 0                               |
| Equity in earnings of equity method investees  | 0                       | 20          | 0                              | (6)   | (6)                                | (6)                                       | (6)                              | 4                               |
| Other - net  | 0                       | (4)         | 4                              | 0   | 0                                  | 0   | 0                                | 0                               |
| Total other deductions - net   | (7)                     | 20          | 4                              | (6)   | (6)                                | (6)                                       | (6)                              | (7)                             |
| <b>INCOME FROM OPERATIONS BEFORE INCOME TAXES</b>  | <b>(6)</b>              | <b>20</b>   | <b>4</b>                       | <b>(6)</b>                                  | <b>(6)</b>                         | <b>(6)</b>                                | <b>(6)</b>                       | <b>(6)</b>                      |
| <b>INCOME TAXES</b>  | <b>(7)</b>              | <b>0</b>    | <b>0</b>                       | <b>(7)</b>                                  | <b>0</b>                           | <b>0</b>                                  | <b>0</b>                         | <b>0</b>                        |
| <b>INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE IN ACCOUNTING PRINCIPLE</b>               | <b>1</b>                | <b>20</b>   | <b>4</b>                       | <b>1</b>                                    | <b>(6)</b>                         | <b>(6)</b>                                | <b>(6)</b>                       | <b>(6)</b>                      |
| <b>CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES</b>                                   |                         |             |                                |   |                                    |   |                                  |                                 |
| FASB Interpretation No. 46, "Consol. of Variable Interest Entities," net of income taxes |                         |             |                                |   |                                    |   |                                  |                                 |
| Interest Entities  | 0                       | 0           | 0                              | 0   | 0                                  | 0   | 0                                | 0                               |
| <b>NET INCOME (LOSS)</b>   | <b>1</b>                | <b>20</b>   | <b>4</b>                       | <b>1</b>                                    | <b>(6)</b>                         | <b>(6)</b>                                | <b>(6)</b>                       | <b>(6)</b>                      |
| <b>RET. EARNINGS (DEF.) AT BEG. OF YEAR</b>  | <b>0</b>                | <b>0</b>    | <b>0</b>                       | <b>0</b>                                    | <b>0</b>                           | <b>0</b>                                  | <b>0</b>                         | <b>0</b>                        |
| <b>DEDUCT:</b>   |                         |             |                                |   |                                    |   |                                  |                                 |
| Dividends  | 0                       | 0           | 0                              | 0   | 0                                  | 0   | 0                                | 0                               |
| Other  | 0                       | 0           | 0                              | 0   | 0                                  | 0   | 0                                | 0                               |
| <b>RET. EARNINGS (DEF.) AT END OF YEAR</b>   | <b>\$1</b>              | <b>\$20</b> | <b>\$4</b>                     | <b>\$1</b>                                  | <b>(\$6)</b>                       | <b>(\$6)</b>                              | <b>(\$6)</b>                     | <b>(\$6)</b>                    |

|   | Oklahoma<br>Wind<br>Consolidated | Elims          | FPL<br>Energy<br>Oklahoma<br>Wind<br>Finance,<br>LLC | FPL<br>Energy<br>Oklahoma<br>Wind,<br>LLC |
|---|----------------------------------|----------------|--|---|
| <b>ASSETS</b>                                       |                                  |                |  |   |
| <b>PROPERTY, PLANT AND EQUIPMENT</b>                |                                  |                |  |   |
| Elec. utility plant in ser. & other property        | \$59                             | \$0            | \$0  | \$59                                      |
| Nuclear fuel  | 0                                | 0              | 0  | 0   |
| Construction work in progress                       | 0                                | 0              | 0  | 0   |
| Less accumulated depr. & amort.                     | (1)                              | 0              | 0  | (1)                                       |
| Total prop., plant and eqpt. - net                  | 58                               | 0              | 0  | 58  |
| <b>CURRENT ASSETS</b>                               |                                  |                |  |   |
| Cash and cash equivalents                           | 0                                | 0              | 0  | 0   |
| Customer receivables - net                          | 0                                | 0              | 0  | 0   |
| Other receivables                                   | 0                                | (1)            | 1  | 0   |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 0                                | 0              | 0  | 0   |
| Deferred clause expenses                            | 0                                | 0              | 0  | 0   |
| Other   | 0                                | 0              | 0  | 0   |
| Total current assets                                | 0                                | (1)            | 1  | 0   |
| <b>OTHER ASSETS:</b>                                |                                  |                |  |   |
| Special use funds                                   | 0                                | 0              | 0  | 0   |
| Other investments                                   | 0                                | (115)          | 57   | 58  |
| Other   | 0                                | 0              | 0  | 0   |
| Total other assets                                  | 0                                | (115)          | 57   | 58  |
| <b>TOTAL ASSETS</b>                                 | <b>\$58</b>                      | <b>(\$116)</b> | <b>\$58</b>  | <b>\$116</b>                              |
| <b>CAPITALIZATION</b>                               |                                  |                |  |   |
| Common shareholders' equity                         | \$53                             | (\$58)         | \$58   | \$53                                      |
| Pref. stk. of FPL w/o sinking fund require.         | 0                                | 0              | 0  | 0   |
| Long-term debt                                      | 0                                | (57)           | 0  | 57  |
| Total capitalization                                | 53                               | (115)          | 58   | 110                                       |
| <b>CURRENT LIABILITIES</b>                          |                                  |                |  |   |
| Commercial paper                                    | 0                                | 0              | 0  | 0   |
| Note payable  | 0                                | 0              | 0  | 0   |
| Current maturities of long-term debt                | 0                                | 0              | 0  | 0   |
| Accounts payable                                    | 0                                | 0              | 0  | 0   |
| Customers' deposits                                 | 0                                | 0              | 0  | 0   |
| Accrued interest and taxes                          | 0                                | 0              | 0  | 0   |
| Deferred clause revenues                            | 0                                | 0              | 0  | 0   |
| Other   | 5                                | (1)            | 0  | 6   |
| Total current liabilities                           | 5                                | (1)            | 0  | 6   |
| <b>OTHER LIABILITIES AND DEFERRED CREDITS</b>       |                                  |                |  |   |
| Asset retirement obligations                        | 0                                | 0              | 0  | 0   |
| Accumulated deferred income taxes                   | 0                                | 0              | 0  | 0   |
| Storm and property insurance reserve                | 0                                | 0              | 0  | 0   |
| Other   | 0                                | 0              | 0  | 0   |
| Total other liab. & def. credits                    | 0                                | 0              | 0  | 0   |
| <b>COMMITMENTS AND CONTINGENCIES</b>                |                                  |                |  |   |
| <b>TOTAL CAPITALIZATION AND LIABILITIES</b>         | <b>\$58</b>                      | <b>(\$116)</b> | <b>\$58</b>  | <b>\$116</b>                              |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

|   | Oklahoma<br>Wind<br>Consolidated | Elims        | FPL<br>Energy<br>Oklahoma<br>Wind<br>Finance,<br>LLC | FPL<br>Energy<br>Oklahoma<br>Wind,<br>LLC |
|---|----------------------------------|--------------|--|---|
| <b>INCOME STATEMENT</b>   |                                  |              |  |   |
| <b>OPERATING REVENUES</b>   | <b>\$1</b>                       | <b>\$0</b>   | <b>\$0</b>   | <b>\$1</b>                                |
| <b>OPERATING EXPENSES</b>   |                                  |              |  |   |
| Fuel, purchased power & interchange   | 0                                | 0            | 0  | 0   |
| Other operations and maintenance  | 0                                | 0            | 0  | 0   |
| Depreciation & amortization   | 1                                | 0            | 0  | 1   |
| Taxes other than income taxes   | 0                                | 0            | 0  | 0   |
| Total operating expenses  | 1                                | 0            | 0  | 1   |
| <b>OPERATING INCOME</b>   | <b>0</b>                         | <b>0</b>     | <b>0</b>   | <b>0</b>                                  |
| <b>OTHER INCOME (DEDUCTIONS):</b>   |                                  |              |  |   |
| Interest charges  | 0                                | 1            | 0  | (1)                                       |
| Preferred stock dividends - FPL   | 0                                | 0            | 0  | 0   |
| Loss on redemption of preferred stock - FPL   | 0                                | 0            | 0  | 0   |
| Equity in earnings of equity method investees   | 0                                | (1)          | 0  | 1   |
| Other - net   | 0                                | (1)          | 1  | 0   |
| Total other deductions - net  | 0                                | (1)          | 1  | 0   |
| <b>INCOME FROM OPERATIONS BEFORE INCOME TAXES</b>   | <b>0</b>                         | <b>(1)</b>   | <b>1</b>   | <b>0</b>                                  |
| <b>INCOME TAXES</b>   | <b>0</b>                         | <b>0</b>     | <b>0</b>   | <b>0</b>                                  |
| <b>INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE<br/>IN ACCOUNTING PRINCIPLE</b>              | <b>0</b>                         | <b>(1)</b>   | <b>1</b>   | <b>0</b>                                  |
| <b>CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES</b>                                      |                                  |              |  |   |
| FASB Interpretation No. 46, "Consol. of Variable<br>Interest Entities," net of income taxes | 0                                | 0            | 0  | 0   |
| <b>NET INCOME (LOSS)</b>  | <b>0</b>                         | <b>(1)</b>   | <b>1</b>   | <b>0</b>                                  |
| <b>RET. EARNINGS (DEF.) AT BEG. OF YEAR</b>   | <b>0</b>                         | <b>0</b>     | <b>0</b>   | <b>0</b>                                  |
| <b>DEDUCT:</b>  |                                  |              |  |   |
| Dividends   | 0                                | 0            | 0  | 0   |
| Other   | 0                                | 0            | 0  | 0   |
| <b>RET. EARNINGS (DEF.) AT END OF YEAR</b>  | <b>\$0</b>                       | <b>(\$1)</b> | <b>\$1</b>   | <b>\$0</b>                                |

|   | Ormesa<br>Consolidated | Elims | ESI<br>Ormesa<br>IE<br>Equity,<br>Inc. | ESI<br>Ormesa<br>Equity<br>Holdings<br>LLC |
|---|------------------------|-------|--|--|
| <b>ASSETS</b>                                       |                        |       |  |  |
| PROPERTY, PLANT AND EQUIPMENT                       |                        |       |  |  |
| Elec. utility plant in ser. & other property        | \$0                    | \$0   | \$0                                    | \$0  |
| Nuclear fuel  | 0                      | 0     | 0                                      | 0  |
| Construction work in progress                       | 0                      | 0     | 0                                      | 0  |
| Less accumulated depr. & amort.                     | 0                      | 0     | 0                                      | 0  |
| Total prop., plant and eqpt. - net                  | 0                      | 0     | 0                                      | 0  |
| CURRENT ASSETS                                      |                        |       |  |  |
| Cash and cash equivalents                           | 0                      | 0     | 0                                      | 0  |
| Customer receivables - net                          | 0                      | 0     | 0                                      | 0  |
| Other receivables                                   | 0                      | 0     | 0                                      | 0  |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 0                      | 0     | 0                                      | 0  |
| Deferred clause expenses                            | 0                      | 0     | 0                                      | 0  |
| Other   | 0                      | 0     | 0                                      | 0  |
| Total current assets                                | 0                      | 0     | 0                                      | 0  |
| OTHER ASSETS:                                       |                        |       |  |  |
| Special use funds                                   | 0                      | 0     | 0                                      | 0  |
| Other investments                                   | 0                      | 0     | 0                                      | 0  |
| Other   | 0                      | 0     | 0                                      | 0  |
| Total other assets                                  | 0                      | 0     | 0                                      | 0  |
| TOTAL ASSETS  | \$0                    | \$0   | \$0                                    | \$0  |
| CAPITALIZATION                                      |                        |       |  |  |
| Common shareholders' equity                         | \$0                    | \$0   | \$0                                    | \$0  |
| Pref. stk. of FPL w/o sinking fund require.         | 0                      | 0     | 0                                      | 0  |
| Long-term debt                                      | 0                      | 0     | 0                                      | 0  |
| Total capitalization                                | 0                      | 0     | 0                                      | 0  |
| CURRENT LIABILITIES                                 |                        |       |  |  |
| Commercial paper                                    | 0                      | 0     | 0                                      | 0  |
| Note payable  | 0                      | 0     | 0                                      | 0  |
| Current maturities of long-term debt                | 0                      | 0     | 0                                      | 0  |
| Accounts payable                                    | 0                      | 0     | 0                                      | 0  |
| Customers' deposits                                 | 0                      | 0     | 0                                      | 0  |
| Accrued interest and taxes                          | 0                      | 0     | 0                                      | 0  |
| Deferred clause revenues                            | 0                      | 0     | 0                                      | 0  |
| Other   | 0                      | 0     | 0                                      | 0  |
| Total current liabilities                           | 0                      | 0     | 0                                      | 0  |
| OTHER LIABILITIES AND DEFERRED CREDITS              |                        |       |  |  |
| Asset retirement obligations                        | 0                      | 0     | 0                                      | 0  |
| Accumulated deferred income taxes                   | 0                      | 0     | 0                                      | 0  |
| Storm and property insurance reserve                | 0                      | 0     | 0                                      | 0  |
| Other   | 0                      | 0     | 0                                      | 0  |
| Total other liab. & def. credits                    | 0                      | 0     | 0                                      | 0  |
| COMMITMENTS AND CONTINGENCIES                       |                        |       |  |  |
| TOTAL CAPITALIZATION AND LIABILITIES                | \$0                    | \$0   | \$0                                    | \$0  |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

|   | Ormesa<br>Consolidated | Elims | ESI<br>Ormesa<br>IE<br>Equity,<br>Inc. | ESI<br>Ormesa<br>Equity<br>Holdings<br>LLC |
|---|------------------------|-------|--|--|
| <b>INCOME STATEMENT</b>   |                        |       |  |  |
| OPERATING REVENUES  | \$0                    | \$0   | \$0                                    | \$0  |
| OPERATING EXPENSES  |                        |       |  |  |
| Fuel, purchased power & interchange   | 0                      | 0     | 0                                      | 0  |
| Other operations and maintenance  | 0                      | 0     | 0                                      | 0  |
| Depreciation & amortization   | 0                      | 0     | 0                                      | 0  |
| Taxes other than income taxes   | 0                      | 0     | 0                                      | 0  |
| Total operating expenses  | 0                      | 0     | 0                                      | 0  |
| OPERATING INCOME  | 0                      | 0     | 0                                      | 0  |
| OTHER INCOME (DEDUCTIONS):  |                        |       |  |  |
| Interest charges  | 0                      | 0     | 0                                      | 0  |
| Preferred stock dividends - FPL   | 0                      | 0     | 0                                      | 0  |
| Loss on redemption of preferred stock - FPL   | 0                      | 0     | 0                                      | 0  |
| Equity in earnings of equity method investees   | 0                      | 0     | 0                                      | 0  |
| Other - net   | 0                      | 0     | 0                                      | 0  |
| Total other deductions - net  | 0                      | 0     | 0                                      | 0  |
| INCOME FROM OPERATIONS BEFORE INCOME TAXES  | 0                      | 0     | 0                                      | 0  |
| INCOME TAXES  | 0                      | 0     | 0                                      | 0  |
| INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE<br>IN ACCOUNTING PRINCIPLE                      | 0                      | 0     | 0                                      | 0  |
| CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES   |                        |       |  |  |
| FASB Interpretation No. 46, "Consol. of Variable<br>Interest Entities," net of income taxes | 0                      | 0     | 0                                      | 0  |
| NET INCOME (LOSS)   | 0                      | 0     | 0                                      | 0  |
| RET. EARNINGS (DEF.) AT BEG. OF YEAR  | 0                      | 0     | 0                                      | 0  |
| DEDUCT:   |                        |       |  |  |
| Dividends   | 0                      | 0     | 0                                      | 0  |
| Other   | 0                      | 0     | 0                                      | 0  |
| RET. EARNINGS (DEF.) AT END OF YEAR   | \$0                    | \$0   | \$0                                    | \$0  |

|   | Operating<br>Services<br>Consolidated | Elims        | Texas<br>Wind<br>Operating<br>Services,<br>LLC | FPL<br>Energy<br>Virginia<br>Power<br>Services,<br>Inc. | FPL<br>Energy<br>CO2<br>Operations,<br>Inc. | FPL<br>Energy<br>Operating<br>Services,<br>Inc. |
|---|---------------------------------------|--------------|--|---|---|---|
| <b>ASSETS</b>                                       |                                       |              |  |   |   |   |
| <b>PROPERTY, PLANT AND EQUIPMENT</b>                |                                       |              |  |   |   |   |
| Elec. utility plant in ser. & other property        | \$0                                   | \$0          | \$0  | \$0   | \$0   | \$0   |
| Nuclear fuel  | 0                                     | 0            | 0  | 0   | 0   | 0   |
| Construction work in progress                       | 0                                     | 0            | 0  | 0   | 0   | 0   |
| Less accumulated depr. & amort.                     | 0                                     | 0            | 0  | 0   | 0   | 0   |
| Total prop., plant and eqpt. - net                  | 0                                     | 0            | 0  | 0   | 0   | 0   |
| <b>CURRENT ASSETS</b>                               |                                       |              |  |   |   |   |
| Cash and cash equivalents                           | 0                                     | 0            | 0  | 0   | 0   | 0   |
| Customer receivables - net                          | 0                                     | 0            | 0  | 0   | 0   | 0   |
| Other receivables                                   | 4                                     | 0            | 0  | 0   | 0   | 4   |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 0                                     | 0            | 0  | 0   | 0   | 0   |
| Deferred clause expenses                            | 0                                     | 0            | 0  | 0   | 0   | 0   |
| Other   | 0                                     | 0            | 0  | 0   | 0   | 0   |
| Total current assets                                | 4                                     | 0            | 0  | 0   | 0   | 4   |
| <b>OTHER ASSETS:</b>                                |                                       |              |  |   |   |   |
| Special use funds                                   | 0                                     | 0            | 0  | 0   | 0   | 0   |
| Other investments                                   | 0                                     | 0            | 0  | 0   | 0   | 0   |
| Other   | 1                                     | (1)          | 0  | 1   | 0   | 1   |
| Total other assets                                  | 1                                     | (1)          | 0  | 1   | 0   | 1   |
| <b>TOTAL ASSETS</b>                                 | <b>\$5</b>                            | <b>(\$1)</b> | <b>\$0</b>                                     | <b>\$1</b>  | <b>\$0</b>                                  | <b>\$5</b>                                      |
| <b>CAPITALIZATION</b>                               |                                       |              |  |   |   |   |
| Common shareholders' equity                         | \$3                                   | \$0          | \$0  | \$1   | \$0   | \$2   |
| Pref. stk. of FPL w/o sinking fund require.         | 0                                     | 0            | 0  | 0   | 0   | 0   |
| Long-term debt                                      | 0                                     | 0            | 0  | 0   | 0   | 0   |
| Total capitalization                                | 3                                     | 0            | 0  | 1   | 0   | 2   |
| <b>CURRENT LIABILITIES</b>                          |                                       |              |  |   |   |   |
| Commercial paper                                    | 0                                     | 0            | 0  | 0   | 0   | 0   |
| Note payable  | 0                                     | 0            | 0  | 0   | 0   | 0   |
| Current maturities of long-term debt                | 0                                     | 0            | 0  | 0   | 0   | 0   |
| Accounts payable                                    | 0                                     | 0            | 0  | 0   | 0   | 0   |
| Customers' deposits                                 | 0                                     | 0            | 0  | 0   | 0   | 0   |
| Accrued interest and taxes                          | 0                                     | 0            | 0  | 0   | 0   | 0   |
| Deferred clause revenues                            | 0                                     | 0            | 0  | 0   | 0   | 0   |
| Other   | 2                                     | 0            | 0  | 0   | 0   | 2   |
| Total current liabilities                           | 2                                     | 0            | 0  | 0   | 0   | 2   |
| <b>OTHER LIABILITIES AND DEFERRED CREDITS</b>       |                                       |              |  |   |   |   |
| Asset retirement obligations                        | 0                                     | 0            | 0  | 0   | 0   | 0   |
| Accumulated deferred income taxes                   | 0                                     | (1)          | 0  | 0   | 0   | 1   |
| Storm and property insurance reserve                | 0                                     | 0            | 0  | 0   | 0   | 0   |
| Other   | 0                                     | 0            | 0  | 0   | 0   | 0   |
| Total other liab. & def. credits                    | 0                                     | (1)          | 0  | 0   | 0   | 1   |
| <b>COMMITMENTS AND CONTINGENCIES</b>                |                                       |              |  |   |   |   |
| <b>TOTAL CAPITALIZATION AND LIABILITIES</b>         | <b>\$5</b>                            | <b>(\$1)</b> | <b>\$0</b>                                     | <b>\$1</b>  | <b>\$0</b>                                  | <b>\$5</b>                                      |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

|   | Operating<br>Services<br>Consolidated | Elims      | Texas<br>Wind<br>Operating<br>Services,<br>LLC | FPL<br>Energy<br>Virginia<br>Power<br>Services,<br>Inc. | FPL<br>Energy<br>CO2<br>Operations,<br>Inc. | FPL<br>Energy<br>Operating<br>Services,<br>Inc. |
|---|---------------------------------------|------------|--|---|---|---|
| <b>INCOME STATEMENT</b>   |                                       |            |  |   |   |   |
| <b>OPERATING REVENUES</b>   | <b>\$8</b>                            | <b>\$0</b> | <b>\$0</b>                                     | <b>\$0</b>  | <b>\$0</b>                                  | <b>\$8</b>                                      |
| <b>OPERATING EXPENSES</b>   |                                       |            |  |   |   |   |
| Fuel, purchased power & interchange   | 0                                     | 0          | 0  | 0   | 0   | 0   |
| Other operations and maintenance  | (2)                                   | 0          | 0  | 0   | 0   | (2)   |
| Depreciation & amortization   | 0                                     | 0          | 0  | 0   | 0   | 0   |
| Taxes other than income taxes   | 3                                     | 0          | 0  | 0   | 0   | 3   |
| Total operating expenses  | 1                                     | 0          | 0  | 0   | 0   | 1   |
| <b>OPERATING INCOME</b>   | <b>7</b>                              | <b>0</b>   | <b>0</b>                                       | <b>0</b>  | <b>0</b>                                    | <b>7</b>  |
| <b>OTHER INCOME (DEDUCTIONS):</b>   |                                       |            |  |   |   |   |
| Interest charges  | 0                                     | 0          | 0  | 0   | 0   | 0   |
| Preferred stock dividends - FPL   | 0                                     | 0          | 0  | 0   | 0   | 0   |
| Loss on redemption of preferred stock - FPL   | 0                                     | 0          | 0  | 0   | 0   | 0   |
| Equity in earnings of equity method investees   | 0                                     | 0          | 0  | 0   | 0   | 0   |
| Other - net   | 0                                     | 0          | 0  | 0   | 0   | 0   |
| Total other deductions - net  | 0                                     | 0          | 0  | 0   | 0   | 0   |
| <b>INCOME FROM OPERATIONS BEFORE INCOME TAXES</b>   | <b>7</b>                              | <b>0</b>   | <b>0</b>                                       | <b>0</b>  | <b>0</b>                                    | <b>7</b>  |
| <b>INCOME TAXES</b>   | <b>2</b>                              | <b>0</b>   | <b>0</b>                                       | <b>0</b>  | <b>0</b>                                    | <b>2</b>  |
| <b>INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE<br/>IN ACCOUNTING PRINCIPLE</b>              | <b>5</b>                              | <b>0</b>   | <b>0</b>                                       | <b>0</b>  | <b>0</b>                                    | <b>5</b>  |
| <b>CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES</b>                                      |                                       |            |  |   |   |   |
| FASB Interpretation No. 46, "Consol. of Variable<br>Interest Entities," net of income taxes | 0                                     | 0          | 0  | 0   | 0   | 0   |
| <b>NET INCOME (LOSS)</b>  | <b>5</b>                              | <b>0</b>   | <b>0</b>                                       | <b>0</b>  | <b>0</b>                                    | <b>5</b>  |
| <b>RET. EARNINGS (DEF.) AT BEG. OF YEAR</b>   | <b>16</b>                             | <b>0</b>   | <b>0</b>                                       | <b>1</b>  | <b>0</b>                                    | <b>15</b>                                       |
| <b>DEDUCT:</b>  |                                       |            |  |   |   |   |
| Dividends   | 0                                     | 0          | 0  | 0   | 0   | 0   |
| Other   | 0                                     | 0          | 0  | 0   | 0   | 0   |
| <b>RET. EARNINGS (DEF.) AT END OF YEAR</b>  | <b>\$21</b>                           | <b>\$0</b> | <b>\$0</b>                                     | <b>\$1</b>  | <b>\$0</b>                                  | <b>\$20</b>                                     |

| ASSETS  | Paris<br>Consolidated | Elims          | Lamar<br>Power<br>Partners,<br>L.P. | INTEXCO<br>I, LP | INTEXCO<br>I LP,<br>LLC | FPL<br>Energy<br>Paris<br>GP, Inc. | FPL<br>Energy<br>Paris<br>LP, LLC |
|---|-----------------------|----------------|-------------------------------------|------------------|-------------------------|------------------------------------|-----------------------------------|
| <b>PROPERTY, PLANT AND EQUIPMENT</b>                |                       |                |                                     |                  |                         |                                    |                                   |
| Elec. utility plant in ser. & other property        | \$452                 | \$0            | \$308                               | \$1              | \$143                   | \$0                                | \$0                               |
| Nuclear fuel  | 0                     | 0              | 0                                   | 0                | 0                       | 0                                  | 0                                 |
| Construction work in progress                       | 0                     | 0              | 0                                   | 0                | 0                       | 0                                  | 0                                 |
| Less accumulated depr. & amort.                     | (50)                  | 0              | (34)                                | 0                | (16)                    | 0                                  | 0                                 |
| Total prop., plant and eqpt. - net                  | 402                   | 0              | 274                                 | 1                | 127                     | 0                                  | 0                                 |
| <b>CURRENT ASSETS</b>                               |                       |                |                                     |                  |                         |                                    |                                   |
| Cash and cash equivalents                           | 3                     | 0              | 3                                   | 0                | 0                       | 0                                  | 0                                 |
| Customer receivables - net                          | 1                     | 0              | 1                                   | 0                | 0                       | 0                                  | 0                                 |
| Other receivables                                   | 24                    | 0              | 24                                  | 0                | 0                       | 0                                  | 0                                 |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 13                    | 0              | 13                                  | 0                | 0                       | 0                                  | 0                                 |
| Deferred clause expenses                            | 0                     | 0              | 0                                   | 0                | 0                       | 0                                  | 0                                 |
| Other   | 1                     | 0              | 1                                   | 0                | 0                       | 0                                  | 0                                 |
| Total current assets                                | 42                    | 0              | 42                                  | 0                | 0                       | 0                                  | 0                                 |
| <b>OTHER ASSETS:</b>                                |                       |                |                                     |                  |                         |                                    |                                   |
| Special use funds                                   | 0                     | 0              | 0                                   | 0                | 0                       | 0                                  | 0                                 |
| Other investments                                   | 0                     | (548)          | 128                                 | 0                | 0                       | 4                                  | 416                               |
| Other   | 0                     | 0              | 0                                   | 0                | 0                       | 0                                  | 0                                 |
| Total other assets                                  | 0                     | (548)          | 128                                 | 0                | 0                       | 4                                  | 416                               |
| <b>TOTAL ASSETS</b>                                 | <b>\$444</b>          | <b>(\$548)</b> | <b>\$444</b>                        | <b>\$1</b>       | <b>\$127</b>            | <b>\$4</b>                         | <b>\$416</b>                      |
| <b>CAPITALIZATION</b>                               |                       |                |                                     |                  |                         |                                    |                                   |
| Common shareholders' equity                         | \$396                 | (\$548)        | \$415                               | \$1              | \$127                   | (\$15)                             | \$416                             |
| Pref. stk. of FPL w/o sinking fund require.         | 0                     | 0              | 0                                   | 0                | 0                       | 0                                  | 0                                 |
| Long-term debt                                      | 0                     | 0              | 0                                   | 0                | 0                       | 0                                  | 0                                 |
| Total capitalization                                | 396                   | (548)          | 415                                 | 1                | 127                     | (15)                               | 416                               |
| <b>CURRENT LIABILITIES</b>                          |                       |                |                                     |                  |                         |                                    |                                   |
| Commercial paper                                    | 0                     | 0              | 0                                   | 0                | 0                       | 0                                  | 0                                 |
| Note payable  | 0                     | 0              | 0                                   | 0                | 0                       | 0                                  | 0                                 |
| Current maturities of long-term debt                | 0                     | 0              | 0                                   | 0                | 0                       | 0                                  | 0                                 |
| Accounts payable                                    | 1                     | 0              | 1                                   | 0                | 0                       | 0                                  | 0                                 |
| Customers' deposits                                 | 0                     | 0              | 0                                   | 0                | 0                       | 0                                  | 0                                 |
| Accrued interest and taxes                          | 4                     | 0              | 4                                   | 0                | 0                       | 0                                  | 0                                 |
| Deferred clause revenues                            | 0                     | 0              | 0                                   | 0                | 0                       | 0                                  | 0                                 |
| Other   | 16                    | 0              | 16                                  | 0                | 0                       | 0                                  | 0                                 |
| Total current liabilities                           | 21                    | 0              | 21                                  | 0                | 0                       | 0                                  | 0                                 |
| <b>OTHER LIABILITIES AND DEFERRED CREDITS</b>       |                       |                |                                     |                  |                         |                                    |                                   |
| Asset retirement obligations                        | 0                     | 0              | 0                                   | 0                | 0                       | 0                                  | 0                                 |
| Accumulated deferred income taxes                   | 19                    | 0              | 0                                   | 0                | 0                       | 19                                 | 0                                 |
| Storm and property insurance reserve                | 0                     | 0              | 0                                   | 0                | 0                       | 0                                  | 0                                 |
| Other   | 8                     | 0              | 8                                   | 0                | 0                       | 0                                  | 0                                 |
| Total other liab. & def. credits                    | 27                    | 0              | 8                                   | 0                | 0                       | 19                                 | 0                                 |
| <b>COMMITMENTS AND CONTINGENCIES</b>                |                       |                |                                     |                  |                         |                                    |                                   |
| <b>TOTAL CAPITALIZATION AND LIABILITIES</b>         | <b>\$444</b>          | <b>(\$548)</b> | <b>\$444</b>                        | <b>\$1</b>       | <b>\$127</b>            | <b>\$4</b>                         | <b>\$416</b>                      |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

| INCOME STATEMENT  | Paris<br>Consolidated | Elims          | Lamar<br>Power<br>Partners,<br>L.P. | INTEXCO<br>I, LP | INTEXCO<br>I LP,<br>LLC | FPL<br>Energy<br>Paris<br>GP, Inc. | FPL<br>Energy<br>Paris<br>LP, LLC |
|---|-----------------------|----------------|-------------------------------------|------------------|-------------------------|------------------------------------|-----------------------------------|
| <b>OPERATING REVENUES</b>   | <b>\$191</b>          | <b>\$0</b>     | <b>\$191</b>                        | <b>\$0</b>       | <b>\$0</b>              | <b>\$0</b>                         | <b>\$0</b>                        |
| <b>OPERATING EXPENSES</b>   |                       |                |                                     |                  |                         |                                    |                                   |
| Fuel, purchased power & interchange   | 132                   | 0              | 132                                 | 0                | 0                       | 0                                  | 0                                 |
| Other operations and maintenance  | 25                    | 0              | 25                                  | 0                | 0                       | 0                                  | 0                                 |
| Depreciation & amortization   | 15                    | 0              | 10                                  | 0                | 5                       | 0                                  | 0                                 |
| Taxes other than income taxes   | 4                     | 0              | 4                                   | 0                | 0                       | 0                                  | 0                                 |
| Total operating expenses  | 176                   | 0              | 171                                 | 0                | 5                       | 0                                  | 0                                 |
| <b>OPERATING INCOME</b>   | <b>15</b>             | <b>0</b>       | <b>20</b>                           | <b>0</b>         | <b>(5)</b>              | <b>0</b>                           | <b>0</b>                          |
| <b>OTHER INCOME (DEDUCTIONS):</b>   |                       |                |                                     |                  |                         |                                    |                                   |
| Interest charges  | 0                     | 0              | 0                                   | 0                | 0                       | 0                                  | 0                                 |
| Preferred stock dividends - FPL   | 0                     | 0              | 0                                   | 0                | 0                       | 0                                  | 0                                 |
| Loss on redemption of preferred stock - FPL   | 0                     | 0              | 0                                   | 0                | 0                       | 0                                  | 0                                 |
| Equity in earnings of equity method investees   | 0                     | (14)           | 0                                   | 0                | 0                       | 0                                  | 14                                |
| Other - net   | 0                     | 0              | (5)                                 | 0                | 5                       | 0                                  | 0                                 |
| Total other deductions - net  | 0                     | (14)           | (5)                                 | 0                | 5                       | 0                                  | 14                                |
| <b>INCOME FROM OPERATIONS BEFORE INCOME TAXES</b>   | <b>15</b>             | <b>(14)</b>    | <b>15</b>                           | <b>0</b>         | <b>0</b>                | <b>0</b>                           | <b>14</b>                         |
| <b>INCOME TAXES</b>   | <b>2</b>              | <b>0</b>       | <b>0</b>                            | <b>0</b>         | <b>0</b>                | <b>2</b>                           | <b>0</b>                          |
| <b>INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE<br/>IN ACCOUNTING PRINCIPLE</b>  | <b>13</b>             | <b>(14)</b>    | <b>15</b>                           | <b>0</b>         | <b>0</b>                | <b>(2)</b>                         | <b>14</b>                         |
| <b>CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES</b><br>FASB Interpretation No. 46, "Consol. of Variable<br>Interest Entities," net of income taxes | <b>0</b>              | <b>0</b>       | <b>0</b>                            | <b>0</b>         | <b>0</b>                | <b>0</b>                           | <b>0</b>                          |
| <b>NET INCOME (LOSS)</b>  | <b>13</b>             | <b>(14)</b>    | <b>15</b>                           | <b>0</b>         | <b>0</b>                | <b>(2)</b>                         | <b>14</b>                         |
| <b>RET. EARNINGS (DEF.) AT BEG. OF YEAR</b>   | <b>59</b>             | <b>(101)</b>   | <b>101</b>                          | <b>0</b>         | <b>(2)</b>              | <b>(14)</b>                        | <b>75</b>                         |
| <b>DEDUCT:</b>  |                       |                |                                     |                  |                         |                                    |                                   |
| Dividends   | 0                     | 0              | 0                                   | 0                | 0                       | 0                                  | 0                                 |
| Other   | 0                     | 0              | 0                                   | 0                | 0                       | 0                                  | 0                                 |
| <b>RET. EARNINGS (DEF.) AT END OF YEAR</b>  | <b>\$72</b>           | <b>(\$115)</b> | <b>\$116</b>                        | <b>\$0</b>       | <b>(\$2)</b>            | <b>(\$16)</b>                      | <b>\$89</b>                       |

|   | Pecos<br>Wind<br>Consolidated | Elims   | FPL<br>Energy<br>Pecos<br>Wind I,<br>LP | FPL<br>Energy<br>Pecos<br>Wind II,<br>LP | FPL<br>Energy<br>Pecos<br>Wind I<br>GP, LLC | FPL<br>Energy<br>Pecos<br>Wind I<br>LP, LLC | FPL<br>Energy<br>Pecos<br>Wind II<br>GP, LLC | FPL<br>Energy<br>Pecos<br>Wind II<br>LP, LLC |
|---|-------------------------------|---------|---|--|---|---|--|--|
| <b>ASSETS</b>                                       |                               |         |   |  |   |   |  |  |
| PROPERTY, PLANT AND EQUIPMENT                       |                               |         |   |  |   |   |  |  |
| Elec. utility plant in ser. & other property        | \$150                         | \$0     | \$75                                    | \$75                                     | \$0   | \$0   | \$0  | \$0  |
| Nuclear fuel  | 0                             | 0       | 0                                       | 0  | 0   | 0   | 0  | 0  |
| Construction work in progress                       | 0                             | 0       | 0                                       | 0  | 0   | 0   | 0  | 0  |
| Less accumulated depr. & amort.                     | (20)                          | 0       | (10)                                    | (10)                                     | 0   | 0   | 0  | 0  |
| Total prop., plant and eqpt. - net                  | 130                           | 0       | 65                                      | 65                                       | 0   | 0   | 0  | 0  |
| CURRENT ASSETS                                      |                               |         |   |  |   |   |  |  |
| Cash and cash equivalents                           | 0                             | 0       | 0                                       | 0  | 0   | 0   | 0  | 0  |
| Customer receivables - net                          | 1                             | 0       | 1                                       | 0  | 0   | 0   | 0  | 0  |
| Other receivables                                   | 0                             | 0       | 0                                       | 0  | 0   | 0   | 0  | 0  |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 0                             | 0       | 0                                       | 0  | 0   | 0   | 0  | 0  |
| Deferred clause expenses                            | 0                             | 0       | 0                                       | 0  | 0   | 0   | 0  | 0  |
| Other   | 1                             | 0       | 1                                       | 0  | 0   | 0   | 0  | 0  |
| Total current assets                                | 2                             | 0       | 2                                       | 0  | 0   | 0   | 0  | 0  |
| OTHER ASSETS:                                       |                               |         |   |  |   |   |  |  |
| Special use funds                                   | 0                             | 0       | 0                                       | 0  | 0   | 0   | 0  | 0  |
| Other investments                                   | 0                             | (130)   | 0                                       | 0  | 1   | 64  | 1  | 64   |
| Other   | 0                             | 0       | 0                                       | 0  | 0   | 0   | 0  | 0  |
| Total other assets                                  | 0                             | (130)   | 0                                       | 0  | 1   | 64  | 1  | 64   |
| TOTAL ASSETS  | \$132                         | (\$130) | \$67                                    | \$65                                     | \$1   | \$64  | \$1  | \$64   |
| <b>CAPITALIZATION</b>                               |                               |         |   |  |   |   |  |  |
| Common shareholders' equity                         | \$95                          | (\$130) | \$65                                    | \$65                                     | \$1   | \$29  | \$1  | \$64   |
| Pref. stk. of FPL w/o sinking fund require.         | 0                             | 0       | 0                                       | 0  | 0   | 0   | 0  | 0  |
| Long-term debt                                      | 0                             | 0       | 0                                       | 0  | 0   | 0   | 0  | 0  |
| Total capitalization                                | 95                            | (130)   | 65                                      | 65                                       | 1   | 29  | 1  | 64   |
| <b>CURRENT LIABILITIES</b>                          |                               |         |   |  |   |   |  |  |
| Commercial paper                                    | 0                             | 0       | 0                                       | 0  | 0   | 0   | 0  | 0  |
| Note payable  | 0                             | 0       | 0                                       | 0  | 0   | 0   | 0  | 0  |
| Current maturities of long-term debt                | 0                             | 0       | 0                                       | 0  | 0   | 0   | 0  | 0  |
| Accounts payable                                    | 0                             | 0       | 0                                       | 0  | 0   | 0   | 0  | 0  |
| Customers' deposits                                 | 0                             | 0       | 0                                       | 0  | 0   | 0   | 0  | 0  |
| Accrued interest and taxes                          | 1                             | 0       | 1                                       | 0  | 0   | 0   | 0  | 0  |
| Deferred clause revenues                            | 0                             | 0       | 0                                       | 0  | 0   | 0   | 0  | 0  |
| Other   | 0                             | 0       | 0                                       | 0  | 0   | 0   | 0  | 0  |
| Total current liabilities                           | 1                             | 0       | 1                                       | 0  | 0   | 0   | 0  | 0  |
| <b>OTHER LIABILITIES AND DEFERRED CREDITS</b>       |                               |         |   |  |   |   |  |  |
| Asset retirement obligations                        | 1                             | 0       | 1                                       | 0  | 0   | 0   | 0  | 0  |
| Accumulated deferred income taxes                   | 35                            | 0       | 0                                       | 0  | 0   | 35  | 0  | 0  |
| Storm and property insurance reserve                | 0                             | 0       | 0                                       | 0  | 0   | 0   | 0  | 0  |
| Other   | 0                             | 0       | 0                                       | 0  | 0   | 0   | 0  | 0  |
| Total other liab. & def. credits                    | 36                            | 0       | 1                                       | 0  | 0   | 35  | 0  | 0  |
| <b>COMMITMENTS AND CONTINGENCIES</b>                |                               |         |   |  |   |   |  |  |
| TOTAL CAPITALIZATION AND LIABILITIES                | \$132                         | (\$130) | \$67                                    | \$65                                     | \$1   | \$64  | \$1  | \$64   |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

|   | Pecos<br>Wind<br>Consolidated | Elims | FPL<br>Energy<br>Pecos<br>Wind I,<br>LP | FPL<br>Energy<br>Pecos<br>Wind II,<br>LP | FPL<br>Energy<br>Pecos<br>Wind I<br>GP, LLC | FPL<br>Energy<br>Pecos<br>Wind I<br>LP, LLC | FPL<br>Energy<br>Pecos<br>Wind II<br>GP, LLC | FPL<br>Energy<br>Pecos<br>Wind II<br>LP, LLC |
|---|-------------------------------|-------|---|--|---|---|--|--|
| <b>INCOME STATEMENT</b>   |                               |       |   |  |   |   |  |  |
| OPERATING REVENUES  | \$7                           | \$0   | \$4                                     | \$3                                      | \$0   | \$0   | \$0  | \$0  |
| OPERATING EXPENSES  |                               |       |   |  |   |   |  |  |
| Fuel, purchased power & interchange   | 0                             | 0     | 0                                       | 0  | 0   | 0   | 0  | 0  |
| Other operations and maintenance  | 2                             | 0     | 0                                       | 2  | 0   | 0   | 0  | 0  |
| Depreciation & amortization   | 8                             | 0     | 4                                       | 4  | 0   | 0   | 0  | 0  |
| Taxes other than income taxes   | 2                             | 0     | 2                                       | 0  | 0   | 0   | 0  | 0  |
| Total operating expenses  | 12                            | 0     | 6                                       | 6  | 0   | 0   | 0  | 0  |
| OPERATING INCOME  | (5)                           | 0     | (2)                                     | (3)                                      | 0   | 0   | 0  | 0  |
| <b>OTHER INCOME (DEDUCTIONS):</b>   |                               |       |   |  |   |   |  |  |
| Interest charges  | 0                             | 0     | 0                                       | 0  | 0   | 0   | 0  | 0  |
| Preferred stock dividends - FPL   | 0                             | 0     | 0                                       | 0  | 0   | 0   | 0  | 0  |
| Loss on redemption of preferred stock - FPL   | 0                             | 0     | 0                                       | 0  | 0   | 0   | 0  | 0  |
| Equity in earnings of equity method investees   | 0                             | 5     | 0                                       | 0  | 0   | (3)   | 0  | (2)  |
| Other - net   | 0                             | 0     | 0                                       | 0  | 0   | 0   | 0  | 0  |
| Total other deductions - net  | 0                             | 5     | 0                                       | 0  | 0   | (3)   | 0  | (2)  |
| INCOME FROM OPERATIONS BEFORE INCOME TAXES  | (5)                           | 5     | (2)                                     | (3)                                      | 0   | (3)   | 0  | (2)  |
| INCOME TAXES  | (3)                           | 0     | 0                                       | 0  | 0   | (3)   | 0  | 0  |
| INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE<br>IN ACCOUNTING PRINCIPLE                      | (2)                           | 5     | (2)                                     | (3)                                      | 0   | 0   | 0  | (2)  |
| <b>CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES</b>                                      |                               |       |   |  |   |   |  |  |
| FASB Interpretation No. 46, "Consol. of Variable<br>Interest Entities," net of income taxes | 0                             | 0     | 0                                       | 0  | 0   | 0   | 0  | 0  |
| NET INCOME (LOSS)   | (2)                           | 5     | (2)                                     | (3)                                      | 0   | 0   | 0  | (2)  |
| RET. EARNINGS (DEF.) AT BEG. OF YEAR  | 5                             | 6     | (3)                                     | (3)                                      | 2   | 4   | 2  | (3)  |
| <b>DEDUCT:</b>  |                               |       |   |  |   |   |  |  |
| Dividends   | 0                             | 0     | 0                                       | 0  | 0   | 0   | 0  | 0  |
| Other   | 0                             | 0     | 0                                       | 0  | 0   | 0   | 0  | 0  |
| RET. EARNINGS (DEF.) AT END OF YEAR   | \$3                           | \$11  | (\$5)                                   | (\$6)                                    | \$2   | \$4   | \$2  | (\$5)  |

|   | Pennsylvania<br>Wind<br>Consolidated | Elims  | FPL<br>Energy<br>Pennsylvania<br>Wind,<br>LLC | Pennsylvania<br>Windfarms,<br>Inc. | Somerset<br>Windpower<br>LLC | Mill<br>Run<br>Windpower<br>LLC | Meyersdale<br>Windpower<br>LLC |
|---|--------------------------------------|--------|---|------------------------------------|------------------------------|---------------------------------|--------------------------------|
| <b>ASSETS</b>                                       |                                      |        |   |                                    |                              |                                 |                                |
| PROPERTY, PLANT AND EQUIPMENT                       |                                      |        |   |                                    |                              |                                 |                                |
| Elec. utility plant in ser. & other property        | \$73                                 | \$0    | \$0   | \$2                                | \$7                          | \$13                            | \$51                           |
| Nuclear fuel  | 0                                    | 0      | 0   | 0                                  | 0                            | 0                               | 0                              |
| Construction work in progress                       | 0                                    | 0      | 0   | 0                                  | 0                            | 0                               | 0                              |
| Less accumulated depr. & amort.                     | 0                                    | 0      | 0   | 0                                  | 0                            | 0                               | 0                              |
| Total prop., plant and eqpt. - net                  | 73                                   | 0      | 0   | 2                                  | 7                            | 13                              | 51                             |
| CURRENT ASSETS                                      |                                      |        |   |                                    |                              |                                 |                                |
| Cash and cash equivalents                           | 0                                    | 0      | 0   | 0                                  | 0                            | 0                               | 0                              |
| Customer receivables - net                          | 0                                    | 0      | 0   | 0                                  | 0                            | 0                               | 0                              |
| Other receivables                                   | 0                                    | 0      | 0   | 0                                  | 0                            | 0                               | 0                              |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 0                                    | 0      | 0   | 0                                  | 0                            | 0                               | 0                              |
| Deferred clause expenses                            | 0                                    | 0      | 0   | 0                                  | 0                            | 0                               | 0                              |
| Other   | 2                                    | 0      | 2   | 0                                  | 0                            | 0                               | 0                              |
| Total current assets                                | 2                                    | 0      | 2   | 0                                  | 0                            | 0                               | 0                              |
| OTHER ASSETS:                                       |                                      |        |   |                                    |                              |                                 |                                |
| Special use funds                                   | 0                                    | 0      | 0   | 0                                  | 0                            | 0                               | 0                              |
| Other investments                                   | 0                                    | (57)   | 57  | 0                                  | 0                            | 0                               | 0                              |
| Other   | 4                                    | 0      | 0   | 1                                  | 1                            | 2                               | 0                              |
| Total other assets                                  | 4                                    | (57)   | 57  | 1                                  | 1                            | 2                               | 0                              |
| TOTAL ASSETS  | \$79                                 | (\$57) | \$59  | \$3                                | \$8                          | \$15                            | \$51                           |
| CAPITALIZATION                                      |                                      |        |   |                                    |                              |                                 |                                |
| Common shareholders' equity                         | \$45                                 | (\$57) | \$45  | \$2                                | \$8                          | \$14                            | \$33                           |
| Pref. stk. of FPL w/o sinking fund require.         | 0                                    | 0      | 0   | 0                                  | 0                            | 0                               | 0                              |
| Long-term debt                                      | 0                                    | 0      | 0   | 0                                  | 0                            | 0                               | 0                              |
| Total capitalization                                | 45                                   | (57)   | 45  | 2                                  | 8                            | 14                              | 33                             |
| CURRENT LIABILITIES                                 |                                      |        |   |                                    |                              |                                 |                                |
| Commercial paper                                    | 0                                    | 0      | 0   | 0                                  | 0                            | 0                               | 0                              |
| Note payable  | 0                                    | 0      | 0   | 0                                  | 0                            | 0                               | 0                              |
| Current maturities of long-term debt                | 0                                    | 0      | 0   | 0                                  | 0                            | 0                               | 0                              |
| Accounts payable                                    | 0                                    | 0      | 0   | 0                                  | 0                            | 0                               | 0                              |
| Customers' deposits                                 | 0                                    | 0      | 0   | 0                                  | 0                            | 0                               | 0                              |
| Accrued interest and taxes                          | 0                                    | 0      | 0   | 0                                  | 0                            | 0                               | 0                              |
| Deferred clause revenues                            | 0                                    | 0      | 0   | 0                                  | 0                            | 0                               | 0                              |
| Other   | 11                                   | 0      | 1   | 1                                  | 0                            | 0                               | 9                              |
| Total current liabilities                           | 11                                   | 0      | 1   | 1                                  | 0                            | 0                               | 9                              |
| OTHER LIABILITIES AND DEFERRED CREDITS              |                                      |        |   |                                    |                              |                                 |                                |
| Asset retirement obligations                        | 0                                    | 0      | 0   | 0                                  | 0                            | 0                               | 0                              |
| Accumulated deferred income taxes                   | 11                                   | 0      | 11  | 0                                  | 0                            | 0                               | 0                              |
| Storm and property insurance reserve                | 0                                    | 0      | 0   | 0                                  | 0                            | 0                               | 0                              |
| Other   | 12                                   | 0      | 2   | 0                                  | 0                            | 1                               | 9                              |
| Total other liab. & def. credits                    | 23                                   | 0      | 13  | 0                                  | 0                            | 1                               | 9                              |
| COMMITMENTS AND CONTINGENCIES                       |                                      |        |   |                                    |                              |                                 |                                |
| TOTAL CAPITALIZATION AND LIABILITIES                | \$79                                 | (\$57) | \$59  | \$3                                | \$8                          | \$15                            | \$51                           |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

|   | Pennsylvania<br>Wind<br>Consolidated | Elims | FPL<br>Energy<br>Pennsylvania<br>Wind,<br>LLC | Pennsylvania<br>Windfarms,<br>Inc. | Somerset<br>Windpower<br>LLC | Mill<br>Run<br>Windpower<br>LLC | Meyersdale<br>Windpower<br>LLC |
|---|--------------------------------------|-------|---|------------------------------------|------------------------------|---------------------------------|--------------------------------|
| <b>INCOME STATEMENT</b>   |                                      |       |   |                                    |                              |                                 |                                |
| OPERATING REVENUES  | \$4                                  | \$0   | \$0   | \$2                                | \$1                          | \$1                             | \$0                            |
| OPERATING EXPENSES  |                                      |       |   |                                    |                              |                                 |                                |
| Fuel, purchased power & interchange   | 0                                    | 0     | 0   | 0                                  | 0                            | 0                               | 0                              |
| Other operations and maintenance  | 1                                    | 0     | 0   | 1                                  | 0                            | 0                               | 0                              |
| Depreciation & amortization   | 1                                    | 0     | 0   | 0                                  | 1                            | 0                               | 0                              |
| Taxes other than income taxes   | 0                                    | 0     | 0   | 0                                  | 0                            | 0                               | 0                              |
| Total operating expenses  | 2                                    | 0     | 0   | 1                                  | 1                            | 0                               | 0                              |
| OPERATING INCOME  | 2                                    | 0     | 0   | 1                                  | 0                            | 1                               | 0                              |
| OTHER INCOME (DEDUCTIONS):  |                                      |       |   |                                    |                              |                                 |                                |
| Interest charges  | 0                                    | 0     | 0   | 0                                  | 0                            | 0                               | 0                              |
| Preferred stock dividends - FPL   | 0                                    | 0     | 0   | 0                                  | 0                            | 0                               | 0                              |
| Loss on redemption of preferred stock - FPL   | 0                                    | 0     | 0   | 0                                  | 0                            | 0                               | 0                              |
| Equity in earnings of equity method investees   | 0                                    | (2)   | 2   | 0                                  | 0                            | 0                               | 0                              |
| Other - net   | 0                                    | 0     | 0   | 0                                  | 0                            | 0                               | 0                              |
| Total other deductions - net  | 0                                    | (2)   | 2   | 0                                  | 0                            | 0                               | 0                              |
| INCOME FROM OPERATIONS BEFORE INCOME TAXES  | 2                                    | (2)   | 2   | 1                                  | 0                            | 1                               | 0                              |
| INCOME TAXES  | 0                                    | 0     | 0   | 0                                  | 0                            | 0                               | 0                              |
| INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE<br>IN ACCOUNTING PRINCIPLE                      | 2                                    | (2)   | 2   | 1                                  | 0                            | 1                               | 0                              |
| CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES   |                                      |       |   |                                    |                              |                                 |                                |
| FASB Interpretation No. 46, "Consol. of Variable<br>Interest Entities," net of income taxes | 0                                    | 0     | 0   | 0                                  | 0                            | 0                               | 0                              |
| NET INCOME (LOSS)   | 2                                    | (2)   | 2   | 1                                  | 0                            | 1                               | 0                              |
| RET. EARNINGS (DEF.) AT BEG. OF YEAR  | 0                                    | 0     | 0   | 0                                  | 0                            | 0                               | 0                              |
| DEDUCT:   |                                      |       |   |                                    |                              |                                 |                                |
| Dividends   | 0                                    | 0     | 0   | 0                                  | 0                            | 0                               | 0                              |
| Other   | 0                                    | 0     | 0   | 0                                  | 0                            | 0                               | 0                              |
| RET. EARNINGS (DEF.) AT END OF YEAR   | \$2                                  | (\$2) | \$2   | \$1                                | \$0                          | \$1                             | \$0                            |

| ASSETS  | Posdef<br>Consolidated | Elims        | CH<br>POSDEF,<br>INC. | CH<br>POSDEF<br>LP,<br>INC. | Acme<br>POSDEF<br>Partners,<br>L.P. | POSDEF<br>Power<br>Company,<br>L.P. |
|---|------------------------|--------------|-----------------------|-----------------------------|-------------------------------------|-------------------------------------|
| <b>PROPERTY, PLANT AND EQUIPMENT</b>                |                        |              |                       |                             |                                     |                                     |
| Elec. utility plant in ser. & other property        | \$103                  | \$0          | \$0                   | \$0                         | \$0                                 | \$103                               |
| Nuclear fuel  | 0                      | 0            | 0                     | 0                           | 0                                   | 0                                   |
| Construction work in progress                       | 0                      | 0            | 0                     | 0                           | 0                                   | 0                                   |
| Less accumulated depr. & amort.                     | (92)                   | 0            | 0                     | 0                           | 0                                   | (92)                                |
| Total prop., plant and eqpt. - net                  | 11                     | 0            | 0                     | 0                           | 0                                   | 11                                  |
| <b>CURRENT ASSETS</b>                               |                        |              |                       |                             |                                     |                                     |
| Cash and cash equivalents                           | 1                      | 0            | 0                     | 0                           | 0                                   | 1                                   |
| Customer receivables - net                          | 2                      | 0            | 0                     | 0                           | 0                                   | 2                                   |
| Other receivables                                   | 0                      | 0            | 0                     | 0                           | 0                                   | 0                                   |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 3                      | 0            | 0                     | 0                           | 0                                   | 3                                   |
| Deferred clause expenses                            | 0                      | 0            | 0                     | 0                           | 0                                   | 0                                   |
| Other   | 0                      | 0            | 0                     | 0                           | 0                                   | 0                                   |
| Total current assets                                | 6                      | 0            | 0                     | 0                           | 0                                   | 6                                   |
| <b>OTHER ASSETS:</b>                                |                        |              |                       |                             |                                     |                                     |
| Special use funds                                   | 0                      | 0            | 0                     | 0                           | 0                                   | 0                                   |
| Other investments                                   | 0                      | (1)          | 0                     | 0                           | 1                                   | 0                                   |
| Other   | 3                      | 0            | 0                     | 3                           | 0                                   | 0                                   |
| Total other assets                                  | 3                      | (1)          | 0                     | 3                           | 1                                   | 0                                   |
| <b>TOTAL ASSETS</b>                                 | <b>\$20</b>            | <b>(\$1)</b> | <b>\$0</b>            | <b>\$3</b>                  | <b>\$1</b>                          | <b>\$17</b>                         |
| <b>CAPITALIZATION</b>                               |                        |              |                       |                             |                                     |                                     |
| Common shareholders' equity                         | \$3                    | (\$1)        | \$0                   | \$3                         | \$0                                 | \$1                                 |
| Pref. stk. of FPL w/o sinking fund require.         | 0                      | 0            | 0                     | 0                           | 0                                   | 0                                   |
| Long-term debt                                      | 0                      | 0            | 0                     | 0                           | 0                                   | 0                                   |
| Total capitalization                                | 3                      | (1)          | 0                     | 3                           | 0                                   | 1                                   |
| <b>CURRENT LIABILITIES</b>                          |                        |              |                       |                             |                                     |                                     |
| Commercial paper                                    | 0                      | 0            | 0                     | 0                           | 0                                   | 0                                   |
| Note payable  | 0                      | 0            | 0                     | 0                           | 0                                   | 0                                   |
| Current maturities of long-term debt                | 0                      | 0            | 0                     | 0                           | 0                                   | 0                                   |
| Accounts payable                                    | 0                      | 0            | 0                     | 0                           | 0                                   | 0                                   |
| Customers' deposits                                 | 0                      | 0            | 0                     | 0                           | 0                                   | 0                                   |
| Accrued interest and taxes                          | 1                      | 0            | 0                     | 0                           | 0                                   | 1                                   |
| Deferred clause revenues                            | 0                      | 0            | 0                     | 0                           | 0                                   | 0                                   |
| Other   | 2                      | 0            | 0                     | 0                           | 0                                   | 2                                   |
| Total current liabilities                           | 3                      | 0            | 0                     | 0                           | 0                                   | 3                                   |
| <b>OTHER LIABILITIES AND DEFERRED CREDITS</b>       |                        |              |                       |                             |                                     |                                     |
| Asset retirement obligations                        | 0                      | 0            | 0                     | 0                           | 0                                   | 0                                   |
| Accumulated deferred income taxes                   | 0                      | 0            | 0                     | 0                           | 0                                   | 0                                   |
| Storm and property insurance reserve                | 0                      | 0            | 0                     | 0                           | 0                                   | 0                                   |
| Other   | 14                     | 0            | 0                     | 0                           | 1                                   | 13                                  |
| Total other liab. & def. credits                    | 14                     | 0            | 0                     | 0                           | 1                                   | 13                                  |
| <b>COMMITMENTS AND CONTINGENCIES</b>                |                        |              |                       |                             |                                     |                                     |
| <b>TOTAL CAPITALIZATION AND LIABILITIES</b>         | <b>\$20</b>            | <b>(\$1)</b> | <b>\$0</b>            | <b>\$3</b>                  | <b>\$1</b>                          | <b>\$17</b>                         |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

| INCOME STATEMENT  | Posdef<br>Consolidated | Elims         | CH<br>POSDEF,<br>INC. | CH<br>POSDEF<br>LP,<br>INC. | Acme<br>POSDEF<br>Partners,<br>L.P. | POSDEF<br>Power<br>Company,<br>L.P. |
|---|------------------------|---------------|-----------------------|-----------------------------|-------------------------------------|-------------------------------------|
| <b>OPERATING REVENUES</b>   | <b>\$31</b>            | <b>\$16</b>   | <b>\$0</b>            | <b>(\$11)</b>               | <b>\$4</b>                          | <b>\$22</b>                         |
| <b>OPERATING EXPENSES</b>   |                        |               |                       |                             |                                     |                                     |
| Fuel, purchased power & interchange   | 9                      | 0             | 0                     | 0                           | 0                                   | 9                                   |
| Other operations and maintenance  | 6                      | 0             | 0                     | 0                           | 0                                   | 6                                   |
| Depreciation & amortization   | 1                      | 0             | 0                     | 0                           | 0                                   | 1                                   |
| Taxes other than income taxes   | 0                      | 0             | 0                     | 0                           | 0                                   | 0                                   |
| Total operating expenses  | 16                     | 0             | 0                     | 0                           | 0                                   | 16                                  |
| <b>OPERATING INCOME</b>   | <b>15</b>              | <b>16</b>     | <b>0</b>              | <b>(11)</b>                 | <b>4</b>                            | <b>6</b>                            |
| <b>OTHER INCOME (DEDUCTIONS):</b>   |                        |               |                       |                             |                                     |                                     |
| Interest charges  | 0                      | 0             | 0                     | 0                           | 0                                   | 0                                   |
| Preferred stock dividends - FPL   | 0                      | 0             | 0                     | 0                           | 0                                   | 0                                   |
| Loss on redemption of preferred stock - FPL   | 0                      | 0             | 0                     | 0                           | 0                                   | 0                                   |
| Equity in earnings of equity method investees   | 0                      | (38)          | 0                     | 26                          | 12                                  | 0                                   |
| Other - net   | 0                      | 13            | 0                     | 0                           | (2)                                 | (11)                                |
| Total other deductions - net  | 0                      | (25)          | 0                     | 26                          | 10                                  | (11)                                |
| <b>INCOME FROM OPERATIONS BEFORE INCOME TAXES</b>   | <b>15</b>              | <b>(9)</b>    | <b>0</b>              | <b>15</b>                   | <b>14</b>                           | <b>(5)</b>                          |
| <b>INCOME TAXES</b>   | <b>6</b>               | <b>0</b>      | <b>0</b>              | <b>6</b>                    | <b>0</b>                            | <b>0</b>                            |
| <b>INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE<br/>IN ACCOUNTING PRINCIPLE</b>  | <b>9</b>               | <b>(9)</b>    | <b>0</b>              | <b>9</b>                    | <b>14</b>                           | <b>(5)</b>                          |
| <b>CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES</b><br>FASB Interpretation No. 46, "Consol. of Variable<br>Interest Entities," net of income taxes | <b>0</b>               | <b>0</b>      | <b>0</b>              | <b>0</b>                    | <b>0</b>                            | <b>0</b>                            |
| <b>NET INCOME (LOSS)</b>  | <b>9</b>               | <b>(9)</b>    | <b>0</b>              | <b>9</b>                    | <b>14</b>                           | <b>(5)</b>                          |
| <b>RET. EARNINGS (DEF.) AT BEG. OF YEAR</b>   | <b>4</b>               | <b>(30)</b>   | <b>0</b>              | <b>4</b>                    | <b>12</b>                           | <b>18</b>                           |
| <b>DEDUCT:</b>  |                        |               |                       |                             |                                     |                                     |
| Dividends   | 0                      | 0             | 0                     | 0                           | 0                                   | 0                                   |
| Other   | 0                      | 0             | 0                     | 0                           | 0                                   | 0                                   |
| <b>RET. EARNINGS (DEF.) AT END OF YEAR</b>  | <b>\$13</b>            | <b>(\$39)</b> | <b>\$0</b>            | <b>\$13</b>                 | <b>\$26</b>                         | <b>\$13</b>                         |

|   | Rhode<br>Island<br>Consolidated | Elims        | FPLE<br>Rhode<br>Island<br>State<br>Energy<br>GP, Inc. | FPLE<br>Rhode<br>Island<br>State<br>Energy<br>LP, LLC | FPLE<br>Rhode<br>Island<br>State<br>Energy,<br>L.P. | Rhode<br>Island<br>State<br>Energy<br>Statutory<br>Trust<br>2000 |
|---|---------------------------------|--------------|--|---|---|--|
| <b>ASSETS</b>                                       |                                 |              |  |   |   |  |
| <b>PROPERTY, PLANT AND EQUIPMENT</b>                |                                 |              |  |   |   |  |
| Elec. utility plant in ser. & other property        | \$355                           | \$0          | \$0  | \$1   | \$0   | \$354  |
| Nuclear fuel  | 0                               | 0            | 0  | 0   | 0   | 0  |
| Construction work in progress                       | 0                               | 0            | 0  | 0   | 0   | 0  |
| Less accumulated depr. & amort.                     | (13)                            | 0            | 0  | 0   | 0   | (13)   |
| Total prop., plant and eqpt. - net                  | 342                             | 0            | 0  | 1   | 0   | 341  |
| <b>CURRENT ASSETS</b>                               |                                 |              |  |   |   |  |
| Cash and cash equivalents                           | 13                              | 0            | 0  | 13  | 0   | 0  |
| Customer receivables - net                          | 0                               | 0            | 0  | 0   | 0   | 0  |
| Other receivables                                   | 14                              | 0            | 0  | 12  | 0   | 2  |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 9                               | 0            | 0  | 1   | 0   | 8  |
| Deferred clause expenses                            | 0                               | 0            | 0  | 0   | 0   | 0  |
| Other   | 9                               | 0            | 0  | 9   | 0   | 0  |
| Total current assets                                | 45                              | 0            | 0  | 35  | 0   | 10   |
| <b>OTHER ASSETS:</b>                                |                                 |              |  |   |   |  |
| Special use funds                                   | 0                               | 0            | 0  | 0   | 0   | 0  |
| Other investments                                   | 0                               | (4)          | 0  | 0   | 4   | 0  |
| Other   | 7                               | (1)          | 1  | 0   | 0   | 7  |
| Total other assets                                  | 7                               | (5)          | 1  | 0   | 4   | 7  |
| <b>TOTAL ASSETS</b>                                 | <b>\$394</b>                    | <b>(\$5)</b> | <b>\$1</b>   | <b>\$36</b>   | <b>\$4</b>  | <b>\$358</b>   |
| <b>CAPITALIZATION</b>                               |                                 |              |  |   |   |  |
| Common shareholders' equity                         | (\$16)                          | (\$4)        | (\$3)  | \$3   | \$4   | (\$16)   |
| Pref. stk. of FPL w/o sinking fund require.         | 0                               | 0            | 0  | 0   | 0   | 0  |
| Long-term debt                                      | 346                             | 0            | 0  | 0   | 0   | 346  |
| Total capitalization                                | 330                             | (4)          | (3)  | 3   | 4   | 330  |
| <b>CURRENT LIABILITIES</b>                          |                                 |              |  |   |   |  |
| Commercial paper                                    | 0                               | 0            | 0  | 0   | 0   | 0  |
| Note payable  | 0                               | 0            | 0  | 0   | 0   | 0  |
| Current maturities of long-term debt                | 10                              | 0            | 0  | 0   | 0   | 10   |
| Accounts payable                                    | 2                               | 0            | 0  | 2   | 0   | 0  |
| Customers' deposits                                 | 0                               | 0            | 0  | 0   | 0   | 0  |
| Accrued interest and taxes                          | 0                               | 0            | 0  | 0   | 0   | 0  |
| Deferred clause revenues                            | 0                               | 0            | 0  | 0   | 0   | 0  |
| Other   | 21                              | 0            | 0  | 23  | 0   | (2)  |
| Total current liabilities                           | 33                              | 0            | 0  | 25  | 0   | 8  |
| <b>OTHER LIABILITIES AND DEFERRED CREDITS</b>       |                                 |              |  |   |   |  |
| Asset retirement obligations                        | 0                               | 0            | 0  | 0   | 0   | 0  |
| Accumulated deferred income taxes                   | 3                               | (1)          | 4  | 0   | 0   | 0  |
| Storm and property insurance reserve                | 0                               | 0            | 0  | 0   | 0   | 0  |
| Other   | 28                              | 0            | 0  | 8   | 0   | 20   |
| Total other liab. & def. credits                    | 31                              | (1)          | 4  | 8   | 0   | 20   |
| <b>COMMITMENTS AND CONTINGENCIES</b>                |                                 |              |  |   |   |  |
| <b>TOTAL CAPITALIZATION AND LIABILITIES</b>         | <b>\$394</b>                    | <b>(\$5)</b> | <b>\$1</b>   | <b>\$36</b>   | <b>\$4</b>  | <b>\$358</b>   |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

|  | Rhode<br>Island<br>Consolidated | Elims        | FPLE<br>Rhode<br>Island<br>State<br>Energy<br>GP, Inc. | FPLE<br>Rhode<br>Island<br>State<br>Energy<br>LP, LLC | FPLE<br>Rhode<br>Island<br>State<br>Energy,<br>L.P. | Rhode<br>Island<br>State<br>Energy<br>Statutory<br>Trust<br>2000 |
|--|---------------------------------|--------------|--|---|---|--|
| <b>INCOME STATEMENT</b>  |                                 |              |  |   |   |  |
| <b>OPERATING REVENUES</b>  | <b>\$105</b>                    | <b>\$0</b>   | <b>\$0</b>   | <b>\$105</b>  | <b>\$0</b>  | <b>\$0</b>   |
| <b>OPERATING EXPENSES</b>  |                                 |              |  |   |   |  |
| Fuel, purchased power & interchange  | 69                              | 0            | 0  | 69  | 0   | 0  |
| Other operations and maintenance   | 16                              | 0            | 0  | 16  | 0   | 0  |
| Depreciation & amortization  | 6                               | 0            | 0  | 0   | 0   | 6  |
| Taxes other than income taxes  | 1                               | 0            | 0  | 1   | 0   | 0  |
| Total operating expenses   | 92                              | 0            | 0  | 86  | 0   | 6  |
| <b>OPERATING INCOME</b>  | <b>13</b>                       | <b>0</b>     | <b>0</b>   | <b>19</b>   | <b>0</b>  | <b>(6)</b>   |
| <b>OTHER INCOME (DEDUCTIONS):</b>  |                                 |              |  |   |   |  |
| Interest charges   | (7)                             | 0            | 0  | 0   | 0   | (7)  |
| Preferred stock dividends - FPL  | 0                               | 0            | 0  | 0   | 0   | 0  |
| Loss on redemption of preferred stock - FPL  | 0                               | 0            | 0  | 0   | 0   | 0  |
| Equity in earnings of equity method investees  | 0                               | (3)          | 0  | 0   | 3   | 0  |
| Other - net  | (10)                            | 0            | 0  | (19)  | 0   | 9  |
| Total other deductions - net   | (17)                            | (3)          | 0  | (19)  | 3   | 2  |
| <b>INCOME FROM OPERATIONS BEFORE INCOME TAXES</b>  | <b>(4)</b>                      | <b>(3)</b>   | <b>0</b>   | <b>0</b>  | <b>3</b>  | <b>(4)</b>   |
| <b>INCOME TAXES</b>  | <b>(6)</b>                      | <b>0</b>     | <b>(6)</b>   | <b>0</b>  | <b>0</b>  | <b>0</b>   |
| <b>INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE<br/>IN ACCOUNTING PRINCIPLE</b>                             | <b>2</b>                        | <b>(3)</b>   | <b>6</b>   | <b>0</b>  | <b>3</b>  | <b>(4)</b>   |
| <b>CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES</b>   |                                 |              |  |   |   |  |
| FASB Interpretation No. 46, "Consol. of Variable<br>Interest Entities," net of income taxes benefit of \$2 | (3)                             | 0            | 0  | 3   | 0   | (6)  |
| <b>NET INCOME (LOSS)</b>   | <b>(1)</b>                      | <b>(3)</b>   | <b>6</b>   | <b>3</b>  | <b>3</b>  | <b>(10)</b>  |
| <b>RET. EARNINGS (DEF.) AT BEG. OF YEAR</b>  | <b>(2)</b>                      | <b>(1)</b>   | <b>(3)</b>   | <b>1</b>  | <b>1</b>  | <b>0</b>   |
| <b>DEDUCT:</b>   |                                 |              |  |   |   |  |
| Dividends  | 0                               | 0            | 0  | 0   | 0   | 0  |
| Other  | 0                               | 0            | 0  | 0   | 0   | 0  |
| <b>RET. EARNINGS (DEF.) AT END OF YEAR</b>   | <b>(\$3)</b>                    | <b>(\$4)</b> | <b>\$3</b>   | <b>\$4</b>  | <b>\$4</b>  | <b>(\$10)</b>  |

| ASSETS  | Rockaway Consolidated | Elims          | FPL Energy Rockaway Peaking Facilities, LLC | FPL Energy New York, LLC | Bayswater Peaking Facility, LLC | Jamaica Bay Peaking Facility, LLC |
|---|-----------------------|----------------|---|--------------------------|---------------------------------|-----------------------------------|
| <b>PROPERTY, PLANT AND EQUIPMENT</b>                |                       |                |   |                          |                                 |                                   |
| Elec. utility plant in ser. & other property        | \$118                 | \$0            | \$0   | \$0                      | \$58                            | \$60                              |
| Nuclear fuel  | 0                     | 0              | 0   | 0                        | 0                               | 0                                 |
| Construction work in progress                       | 1                     | 0              | 0   | 0                        | 0                               | 1                                 |
| Less accumulated depr. & amort.                     | (5)                   | 0              | 0   | 0                        | (4)                             | (1)                               |
| Total prop., plant and eqpt. - net                  | 114                   | 0              | 0   | 0                        | 54                              | 60                                |
| <b>CURRENT ASSETS</b>                               |                       |                |   |                          |                                 |                                   |
| Cash and cash equivalents                           | 1                     | 0              | 0   | 0                        | 1                               | 0                                 |
| Customer receivables - net                          | 4                     | 0              | 0   | 0                        | 2                               | 2                                 |
| Other receivables                                   | 0                     | (1)            | 0   | 0                        | 1                               | 0                                 |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 1                     | 0              | 0   | 0                        | 1                               | 0                                 |
| Deferred clause expenses                            | 0                     | 0              | 0   | 0                        | 0                               | 0                                 |
| Other   | 3                     | 0              | 3   | 0                        | 0                               | 0                                 |
| Total current assets                                | 9                     | (1)            | 3   | 0                        | 5                               | 2                                 |
| <b>OTHER ASSETS:</b>                                |                       |                |   |                          |                                 |                                   |
| Special use funds                                   | 0                     | 0              | 0   | 0                        | 0                               | 0                                 |
| Other investments                                   | 0                     | (119)          | 114   | 5                        | 0                               | 0                                 |
| Other   | 3                     | 0              | 3   | 0                        | 0                               | 0                                 |
| Total other assets                                  | 3                     | (119)          | 117   | 5                        | 0                               | 0                                 |
| <b>TOTAL ASSETS</b>                                 | <b>\$126</b>          | <b>(\$120)</b> | <b>\$120</b>                                | <b>\$5</b>               | <b>\$59</b>                     | <b>\$62</b>                       |
| <b>CAPITALIZATION</b>                               |                       |                |   |                          |                                 |                                   |
| Common shareholders' equity                         | (\$11)                | (\$4)          | \$5   | (\$11)                   | \$3                             | (\$4)                             |
| Pref. stk. of FPL w/o sinking fund require.         | 0                     | 0              | 0   | 0                        | 0                               | 0                                 |
| Long-term debt                                      | 111                   | (115)          | 111   | 0                        | 55                              | 60                                |
| Total capitalization                                | 100                   | (119)          | 116   | (11)                     | 58                              | 56                                |
| <b>CURRENT LIABILITIES</b>                          |                       |                |   |                          |                                 |                                   |
| Commercial paper                                    | 0                     | 0              | 0   | 0                        | 0                               | 0                                 |
| Note payable  | 0                     | 0              | 0   | 0                        | 0                               | 0                                 |
| Current maturities of long-term debt                | 4                     | 0              | 4   | 0                        | 0                               | 0                                 |
| Accounts payable                                    | 1                     | 0              | 0   | 0                        | 0                               | 1                                 |
| Customers' deposits                                 | 0                     | 0              | 0   | 0                        | 0                               | 0                                 |
| Accrued interest and taxes                          | 0                     | 0              | 0   | 0                        | 0                               | 0                                 |
| Deferred clause revenues                            | 0                     | 0              | 0   | 0                        | 0                               | 0                                 |
| Other   | 5                     | (1)            | 0   | 0                        | 1                               | 5                                 |
| Total current liabilities                           | 10                    | (1)            | 4   | 0                        | 1                               | 6                                 |
| <b>OTHER LIABILITIES AND DEFERRED CREDITS</b>       |                       |                |   |                          |                                 |                                   |
| Asset retirement obligations                        | 0                     | 0              | 0   | 0                        | 0                               | 0                                 |
| Accumulated deferred income taxes                   | 16                    | 0              | 0   | 16                       | 0                               | 0                                 |
| Storm and property insurance reserve                | 0                     | 0              | 0   | 0                        | 0                               | 0                                 |
| Other   | 0                     | 0              | 0   | 0                        | 0                               | 0                                 |
| Total other liab. & def. credits                    | 16                    | 0              | 0   | 16                       | 0                               | 0                                 |
| <b>COMMITMENTS AND CONTINGENCIES</b>                |                       |                |   |                          |                                 |                                   |
| <b>TOTAL CAPITALIZATION AND LIABILITIES</b>         | <b>\$126</b>          | <b>(\$120)</b> | <b>\$120</b>                                | <b>\$5</b>               | <b>\$59</b>                     | <b>\$62</b>                       |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

| INCOME STATEMENT   | Rockaway Consolidated | Elims         | FPL Energy Rockaway Peaking Facilities, LLC | FPL Energy New York, LLC | Bayswater Peaking Facility, LLC | Jamaica Bay Peaking Facility, LLC |
|--|-----------------------|---------------|---|--------------------------|---------------------------------|-----------------------------------|
| <b>OPERATING REVENUES</b>  | <b>\$19</b>           | <b>\$0</b>    | <b>\$0</b>                                  | <b>\$0</b>               | <b>\$13</b>                     | <b>\$6</b>                        |
| <b>OPERATING EXPENSES</b>  |                       |               |   |                          |                                 |                                   |
| Fuel, purchased power & interchange  | 0                     | 0             | 0   | 0                        | 0                               | 0                                 |
| Other operations and maintenance   | 3                     | 0             | 0   | 0                        | 2                               | 1                                 |
| Depreciation & amortization  | 4                     | 0             | 0   | 0                        | 3                               | 1                                 |
| Taxes other than income taxes  | 0                     | 0             | 0   | 0                        | 0                               | 0                                 |
| Total operating expenses   | 7                     | 0             | 0   | 0                        | 5                               | 2                                 |
| <b>OPERATING INCOME</b>  | <b>12</b>             | <b>0</b>      | <b>0</b>                                    | <b>0</b>                 | <b>8</b>                        | <b>4</b>                          |
| <b>OTHER INCOME (DEDUCTIONS):</b>  |                       |               |   |                          |                                 |                                   |
| Interest charges   | (3)                   | 3             | (3)   | 0                        | (1)                             | (2)                               |
| Preferred stock dividends - FPL  | 0                     | 0             | 0   | 0                        | 0                               | 0                                 |
| Loss on redemption of preferred stock - FPL  | 0                     | 0             | 0   | 0                        | 0                               | 0                                 |
| Equity in earnings of equity method investees  | 0                     | (13)          | 4   | 9                        | 0                               | 0                                 |
| Other - net  | 0                     | (3)           | 3   | 0                        | 0                               | 0                                 |
| Total other deductions - net   | (3)                   | (13)          | 4   | 9                        | (1)                             | (2)                               |
| <b>INCOME FROM OPERATIONS BEFORE INCOME TAXES</b>  | <b>9</b>              | <b>(13)</b>   | <b>4</b>                                    | <b>9</b>                 | <b>7</b>                        | <b>2</b>                          |
| <b>INCOME TAXES</b>  | <b>4</b>              | <b>0</b>      | <b>0</b>                                    | <b>4</b>                 | <b>0</b>                        | <b>0</b>                          |
| <b>INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE IN ACCOUNTING PRINCIPLE</b>               | <b>5</b>              | <b>(13)</b>   | <b>4</b>                                    | <b>5</b>                 | <b>7</b>                        | <b>2</b>                          |
| <b>CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES</b>                                   |                       |               |   |                          |                                 |                                   |
| FASB Interpretation No. 46, "Consol. of Variable Interest Entities," net of income taxes | 0                     | 0             | 0   | 0                        | 0                               | 0                                 |
| <b>NET INCOME (LOSS)</b>   | <b>5</b>              | <b>(13)</b>   | <b>4</b>                                    | <b>5</b>                 | <b>7</b>                        | <b>2</b>                          |
| <b>RET. EARNINGS (DEF.) AT BEG. OF YEAR</b>  | <b>2</b>              | <b>(4)</b>    | <b>0</b>                                    | <b>2</b>                 | <b>4</b>                        | <b>0</b>                          |
| <b>DEDUCT:</b>   |                       |               |   |                          |                                 |                                   |
| Dividends  | 0                     | 0             | 0   | 0                        | 0                               | 0                                 |
| Other  | 0                     | 0             | 0   | 0                        | 0                               | 0                                 |
| <b>RET. EARNINGS (DEF.) AT END OF YEAR</b>   | <b>\$7</b>            | <b>(\$17)</b> | <b>\$4</b>                                  | <b>\$7</b>               | <b>\$11</b>                     | <b>\$2</b>                        |

| ASSETS  | Seabrook<br>Consolidated | Elims          | FPL<br>Energy<br>Seabrook,<br>LLC | FPL<br>Energy<br>Seabrook,<br>LLC - Plant |
|---|--------------------------|----------------|-----------------------------------|---|
| <b>PROPERTY, PLANT AND EQUIPMENT</b>                |                          |                |                                   |   |
| Elec. utility plant in ser. & other property        | \$724                    | \$0            | \$0                               | \$724                                     |
| Nuclear fuel  | 83                       | 0              | 0                                 | 83  |
| Construction work in progress                       | 35                       | 0              | 0                                 | 35  |
| Less accumulated depr. & amort.                     | (48)                     | 0              | 0                                 | (48)                                      |
| Total prop., plant and eqpt. - net                  | 794                      | 0              | 0                                 | 794                                       |
| <b>CURRENT ASSETS</b>                               |                          |                |                                   |   |
| Cash and cash equivalents                           | 0                        | 0              | 0                                 | 0   |
| Customer receivables - net                          | 0                        | 0              | 0                                 | 0   |
| Other receivables                                   | 59                       | 0              | 1                                 | 58  |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 46                       | 0              | 0                                 | 46  |
| Deferred clause expenses                            | 0                        | 0              | 0                                 | 0   |
| Other   | 48                       | (3)            | 0                                 | 51  |
| Total current assets                                | 153                      | (3)            | 1                                 | 155                                       |
| <b>OTHER ASSETS:</b>                                |                          |                |                                   |   |
| Special use funds                                   | 274                      | 0              | 0                                 | 274                                       |
| Other investments                                   | 0                        | (967)          | 967                               | 0   |
| Other   | 12                       | 0              | 0                                 | 12  |
| Total other assets                                  | 286                      | (967)          | 967                               | 286                                       |
| <b>TOTAL ASSETS</b>                                 | <b>\$1,233</b>           | <b>(\$970)</b> | <b>\$968</b>                      | <b>\$1,235</b>                            |
| <b>CAPITALIZATION</b>                               |                          |                |                                   |   |
| Common shareholders' equity                         | \$958                    | (\$967)        | \$937                             | \$988                                     |
| Pref. stk. of FPL w/o sinking fund require.         | 0                        | 0              | 0                                 | 0   |
| Long-term debt                                      | 0                        | 0              | 0                                 | 0   |
| Total capitalization                                | 958                      | (967)          | 937                               | 988                                       |
| <b>CURRENT LIABILITIES</b>                          |                          |                |                                   |   |
| Commercial paper                                    | 0                        | 0              | 0                                 | 0   |
| Note payable  | 0                        | 0              | 0                                 | 0   |
| Current maturities of long-term debt                | 0                        | 0              | 0                                 | 0   |
| Accounts payable                                    | 4                        | 0              | 0                                 | 4   |
| Customers' deposits                                 | 0                        | 0              | 0                                 | 0   |
| Accrued interest and taxes                          | 0                        | 0              | 0                                 | 0   |
| Deferred clause revenues                            | 0                        | 0              | 0                                 | 0   |
| Other   | 58                       | (3)            | 0                                 | 61  |
| Total current liabilities                           | 62                       | (3)            | 0                                 | 65  |
| <b>OTHER LIABILITIES AND DEFERRED CREDITS</b>       |                          |                |                                   |   |
| Asset retirement obligations                        | 163                      | 0              | 0                                 | 163                                       |
| Accumulated deferred income taxes                   | 31                       | 0              | 31                                | 0   |
| Storm and property insurance reserve                | 0                        | 0              | 0                                 | 0   |
| Other   | 19                       | 0              | 0                                 | 19  |
| Total other liab. & def. credits                    | 213                      | 0              | 31                                | 182                                       |
| <b>COMMITMENTS AND CONTINGENCIES</b>                |                          |                |                                   |   |
| <b>TOTAL CAPITALIZATION AND LIABILITIES</b>         | <b>\$1,233</b>           | <b>(\$970)</b> | <b>\$968</b>                      | <b>\$1,235</b>                            |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

| INCOME STATEMENT  | Seabrook<br>Consolidated | Elims          | FPL<br>Energy<br>Seabrook,<br>LLC | FPL<br>Energy<br>Seabrook,<br>LLC - Plant |
|---|--------------------------|----------------|-----------------------------------|---|
| <b>OPERATING REVENUES</b>   | <b>\$294</b>             | <b>(\$4)</b>   | <b>\$4</b>                        | <b>\$294</b>                              |
| <b>OPERATING EXPENSES</b>   |                          |                |                                   |   |
| Fuel, purchased power & interchange   | 38                       | 0              | 0                                 | 38  |
| Other operations and maintenance  | 119                      | (4)            | 0                                 | 123                                       |
| Depreciation & amortization   | 28                       | 0              | 0                                 | 28  |
| Taxes other than income taxes   | 18                       | 0              | 0                                 | 18  |
| Total operating expenses  | 203                      | (4)            | 0                                 | 207                                       |
| <b>OPERATING INCOME</b>   | <b>91</b>                | <b>0</b>       | <b>4</b>                          | <b>87</b>                                 |
| <b>OTHER INCOME (DEDUCTIONS):</b>   |                          |                |                                   |   |
| Interest charges  | 0                        | 0              | 0                                 | 0   |
| Preferred stock dividends - FPL   | 0                        | 0              | 0                                 | 0   |
| Loss on redemption of preferred stock - FPL   | 0                        | 0              | 0                                 | 0   |
| Equity in earnings of equity method investees   | 0                        | (97)           | 97                                | 0   |
| Other - net   | 10                       | 0              | 0                                 | 10  |
| Total other deductions - net  | 10                       | (97)           | 97                                | 10  |
| <b>INCOME FROM OPERATIONS BEFORE INCOME TAXES</b>   | <b>101</b>               | <b>(97)</b>    | <b>101</b>                        | <b>97</b>                                 |
| <b>INCOME TAXES</b>   | <b>39</b>                | <b>0</b>       | <b>39</b>                         | <b>0</b>                                  |
| <b>INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE<br/>IN ACCOUNTING PRINCIPLE</b>              | <b>62</b>                | <b>(97)</b>    | <b>62</b>                         | <b>97</b>                                 |
| <b>CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES</b>                                      |                          |                |                                   |   |
| FASB Interpretation No. 46, "Consol. of Variable<br>Interest Entities," net of income taxes | 0                        | 0              | 0                                 | 0   |
| <b>NET INCOME (LOSS)</b>  | <b>62</b>                | <b>(97)</b>    | <b>62</b>                         | <b>97</b>                                 |
| <b>RET. EARNINGS (DEF.) AT BEG. OF YEAR</b>   | <b>15</b>                | <b>(23)</b>    | <b>15</b>                         | <b>23</b>                                 |
| <b>DEDUCT:</b>  |                          |                |                                   |   |
| Dividends   | 0                        | 0              | 0                                 | 0   |
| Other   | 0                        | 0              | 0                                 | 0   |
| <b>RET. EARNINGS (DEF.) AT END OF YEAR</b>  | <b>\$77</b>              | <b>(\$120)</b> | <b>\$77</b>                       | <b>\$120</b>                              |

| ASSETS  | Sky River<br>Consolidated | Elims  | FPL<br>Energy<br>Sky River<br>Wind,<br>LLC | ESI<br>Sky<br>River<br>Limited<br>Partnership | Sky<br>River<br>Partnership |
|---|---------------------------|--------|--|---|-----------------------------|
| PROPERTY, PLANT AND EQUIPMENT                       |                           |        |  |   |                             |
| Elec. utility plant in ser. & other property        | \$74                      | \$0    | \$0  | \$0   | \$74                        |
| Nuclear fuel  | 0                         | 0      | 0  | 0   | 0                           |
| Construction work in progress                       | 0                         | 0      | 0  | 0   | 0                           |
| Less accumulated depr. & amort.                     | (42)                      | 0      | 0  | 0   | (42)                        |
| Total prop., plant and eqpt. - net                  | 32                        | 0      | 0  | 0   | 32                          |
| CURRENT ASSETS                                      |                           |        |  |   |                             |
| Cash and cash equivalents                           | 0                         | 0      | 0  | 0   | 0                           |
| Customer receivables - net                          | 0                         | 0      | 0  | 0   | 0                           |
| Other receivables                                   | 2                         | 0      | 0  | 0   | 2                           |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 0                         | 0      | 0  | 0   | 0                           |
| Deferred clause expenses                            | 0                         | 0      | 0  | 0   | 0                           |
| Other   | 4                         | 0      | 0  | 0   | 4                           |
| Total current assets                                | 6                         | 0      | 0  | 0   | 6                           |
| OTHER ASSETS:                                       |                           |        |  |   |                             |
| Special use funds                                   | 0                         | 0      | 0  | 0   | 0                           |
| Other investments                                   | 0                         | (37)   | 27   | 10  | 0                           |
| Other   | 11                        | 0      | 0  | 0   | 11                          |
| Total other assets                                  | 11                        | (37)   | 27   | 10  | 11                          |
| TOTAL ASSETS  | \$49                      | (\$37) | \$27                                       | \$10  | \$49                        |
| CAPITALIZATION                                      |                           |        |  |   |                             |
| Common shareholders' equity                         | \$36                      | (\$37) | \$27                                       | \$10  | \$36                        |
| Pref. stk. of FPL w/o sinking fund require.         | 0                         | 0      | 0  | 0   | 0                           |
| Long-term debt                                      | 0                         | (5)    | 0  | 0   | 5                           |
| Total capitalization                                | 36                        | (42)   | 27   | 10  | 41                          |
| CURRENT LIABILITIES                                 |                           |        |  |   |                             |
| Commercial paper                                    | 0                         | 0      | 0  | 0   | 0                           |
| Note payable  | 6                         | 5      | 0  | 0   | 1                           |
| Current maturities of long-term debt                | 0                         | 0      | 0  | 0   | 0                           |
| Accounts payable                                    | 0                         | 0      | 0  | 0   | 0                           |
| Customers' deposits                                 | 0                         | 0      | 0  | 0   | 0                           |
| Accrued interest and taxes                          | 0                         | 0      | 0  | 0   | 0                           |
| Deferred clause revenues                            | 0                         | 0      | 0  | 0   | 0                           |
| Other   | 6                         | 0      | 0  | 0   | 6                           |
| Total current liabilities                           | 12                        | 5      | 0  | 0   | 7                           |
| OTHER LIABILITIES AND DEFERRED CREDITS              |                           |        |  |   |                             |
| Asset retirement obligations                        | 1                         | 0      | 0  | 0   | 1                           |
| Accumulated deferred income taxes                   | 0                         | 0      | 0  | 0   | 0                           |
| Storm and property insurance reserve                | 0                         | 0      | 0  | 0   | 0                           |
| Other   | 0                         | 0      | 0  | 0   | 0                           |
| Total other liab. & def. credits                    | 1                         | 0      | 0  | 0   | 1                           |
| COMMITMENTS AND CONTINGENCIES                       |                           |        |  |   |                             |
| TOTAL CAPITALIZATION AND LIABILITIES                | \$49                      | (\$37) | \$27                                       | \$10  | \$49                        |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

| INCOME STATEMENT  | Sky River<br>Consolidated | Elims | FPL<br>Energy<br>Sky River<br>Wind,<br>LLC | ESI<br>Sky<br>River<br>Limited<br>Partnership | Sky<br>River<br>Partnership |
|---|---------------------------|-------|--|---|-----------------------------|
| OPERATING REVENUES  | \$3                       | \$0   | \$0  | \$0   | \$3                         |
| OPERATING EXPENSES  |                           |       |  |   |                             |
| Fuel, purchased power & interchange   | 0                         | 0     | 0  | 0   | 0                           |
| Other operations and maintenance  | 0                         | 0     | 0  | 0   | 0                           |
| Depreciation & amortization   | 0                         | 0     | 0  | 0   | 0                           |
| Taxes other than income taxes   | 0                         | 0     | 0  | 0   | 0                           |
| Total operating expenses  | 0                         | 0     | 0  | 0   | 0                           |
| OPERATING INCOME  | 3                         | 0     | 0  | 0   | 3                           |
| OTHER INCOME (DEDUCTIONS):  |                           |       |  |   |                             |
| Interest charges  | 0                         | 0     | 0  | 0   | 0                           |
| Preferred stock dividends - FPL   | 0                         | 0     | 0  | 0   | 0                           |
| Loss on redemption of preferred stock - FPL   | 0                         | 0     | 0  | 0   | 0                           |
| Equity in earnings of equity method investees   | 0                         | (3)   | 0  | 3   | 0                           |
| Other - net   | 0                         | 0     | 0  | 0   | 0                           |
| Total other deductions - net  | 0                         | (3)   | 0  | 3   | 0                           |
| INCOME FROM OPERATIONS BEFORE INCOME TAXES  | 3                         | (3)   | 0  | 3   | 3                           |
| INCOME TAXES  | 0                         | 0     | 0  | 0   | 0                           |
| INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE<br>IN ACCOUNTING PRINCIPLE                      | 3                         | (3)   | 0  | 3   | 3                           |
| CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES   |                           |       |  |   |                             |
| FASB Interpretation No. 46, "Consol. of Variable<br>Interest Entities," net of income taxes | 0                         | 0     | 0  | 0   | 0                           |
| NET INCOME (LOSS)   | 3                         | (3)   | 0  | 3   | 3                           |
| RET. EARNINGS (DEF.) AT BEG. OF YEAR  | 0                         | 3     | 0  | 0   | (3)                         |
| DEDUCT:   |                           |       |  |   |                             |
| Dividends   | 0                         | 0     | 0  | 0   | 0                           |
| Other   | 0                         | 0     | 0  | 0   | 0                           |
| RET. EARNINGS (DEF.) AT END OF YEAR   | \$3                       | \$0   | \$0  | \$3   | \$0                         |

|   | Upton<br>Wind<br>Consolidated | Elims   | FPL<br>Energy<br>Upton<br>Wind I,<br>LP | FPL<br>Energy<br>Upton<br>Wind II,<br>LP | FPL<br>Energy<br>Upton<br>Wind III,<br>LP | FPL<br>Energy<br>Upton<br>Wind IV,<br>LP | FPL<br>Energy<br>Upton<br>Wind I<br>GP, LLC | FPL<br>Energy<br>Upton<br>Wind I<br>LP, LLC |
|---|-------------------------------|---------|---|--|---|--|---|---|
| <b>ASSETS</b>                                       |                               |         |   |  |   |  |   |   |
| PROPERTY, PLANT AND EQUIPMENT                       |                               |         |   |  |   |  |   |   |
| Elec. utility plant in ser. & other property        | \$288                         | \$0     | \$82                                    | \$84                                     | \$81                                      | \$41                                     | \$0   | \$0   |
| Nuclear fuel  | 0                             | 0       | 0                                       | 0  | 0   | 0  | 0   | 0   |
| Construction work in progress                       | 0                             | 0       | 0                                       | 0  | 0   | 0  | 0   | 0   |
| Less accumulated depr. & amort.                     | (32)                          | 0       | (10)                                    | (9)                                      | (9)                                       | (4)                                      | 0   | 0   |
| Total prop., plant and eqpt. - net                  | 256                           | 0       | 72                                      | 75                                       | 72  | 37                                       | 0   | 0   |
| CURRENT ASSETS                                      |                               |         |   |  |   |  |   |   |
| Cash and cash equivalents                           | 0                             | 0       | 0                                       | 0  | 0   | 0  | 0   | 0   |
| Customer receivables - net                          | 4                             | 0       | 4                                       | 0  | 0   | 0  | 0   | 0   |
| Other receivables                                   | 1                             | 0       | 0                                       | 1  | 0   | 0  | 0   | 0   |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 0                             | 0       | 0                                       | 0  | 0   | 0  | 0   | 0   |
| Deferred clause expenses                            | 0                             | 0       | 0                                       | 0  | 0   | 0  | 0   | 0   |
| Other   | 0                             | 0       | 0                                       | 0  | 0   | 0  | 0   | 0   |
| Total current assets                                | 5                             | 0       | 4                                       | 1  | 0   | 0  | 0   | 0   |
| OTHER ASSETS:                                       |                               |         |   |  |   |  |   |   |
| Special use funds                                   | 0                             | 0       | 0                                       | 0  | 0   | 0  | 0   | 0   |
| Other investments                                   | 0                             | (261)   | 0                                       | 0  | 0   | 0  | 1   | 72  |
| Other   | 6                             | 0       | 2                                       | 1  | 2   | 1  | 0   | 0   |
| Total other assets                                  | 6                             | (261)   | 2                                       | 1  | 2   | 1  | 1   | 72  |
| TOTAL ASSETS  | \$267                         | (\$261) | \$78                                    | \$77                                     | \$74                                      | \$38                                     | \$1   | \$72  |
| <b>CAPITALIZATION</b>                               |                               |         |   |  |   |  |   |   |
| Common shareholders' equity                         | \$190                         | (\$261) | \$72                                    | \$77                                     | \$74                                      | \$38                                     | \$1   | \$1   |
| Pref. stk. of FPL w/o sinking fund require.         | 0                             | 0       | 0                                       | 0  | 0   | 0  | 0   | 0   |
| Long-term debt                                      | 0                             | 0       | 0                                       | 0  | 0   | 0  | 0   | 0   |
| Total capitalization                                | 190                           | (261)   | 72                                      | 77                                       | 74  | 38                                       | 1   | 1   |
| <b>CURRENT LIABILITIES</b>                          |                               |         |   |  |   |  |   |   |
| Commercial paper                                    | 0                             | 0       | 0                                       | 0  | 0   | 0  | 0   | 0   |
| Note payable  | 0                             | 0       | 0                                       | 0  | 0   | 0  | 0   | 0   |
| Current maturities of long-term debt                | 0                             | 0       | 0                                       | 0  | 0   | 0  | 0   | 0   |
| Accounts payable                                    | 0                             | 0       | 0                                       | 0  | 0   | 0  | 0   | 0   |
| Customers' deposits                                 | 0                             | 0       | 0                                       | 0  | 0   | 0  | 0   | 0   |
| Accrued interest and taxes                          | 3                             | 0       | 3                                       | 0  | 0   | 0  | 0   | 0   |
| Deferred clause revenues                            | 0                             | 0       | 0                                       | 0  | 0   | 0  | 0   | 0   |
| Other   | 2                             | 0       | 2                                       | 0  | 0   | 0  | 0   | 0   |
| Total current liabilities                           | 5                             | 0       | 5                                       | 0  | 0   | 0  | 0   | 0   |
| <b>OTHER LIABILITIES AND DEFERRED CREDITS</b>       |                               |         |   |  |   |  |   |   |
| Asset retirement obligations                        | 1                             | 0       | 1                                       | 0  | 0   | 0  | 0   | 0   |
| Accumulated deferred income taxes                   | 71                            | 0       | 0                                       | 0  | 0   | 0  | 0   | 71  |
| Storm and property insurance reserve                | 0                             | 0       | 0                                       | 0  | 0   | 0  | 0   | 0   |
| Other   | 0                             | 0       | 0                                       | 0  | 0   | 0  | 0   | 0   |
| Total other liab. & def. credits                    | 72                            | 0       | 1                                       | 0  | 0   | 0  | 0   | 71  |
| <b>COMMITMENTS AND CONTINGENCIES</b>                |                               |         |   |  |   |  |   |   |
| TOTAL CAPITALIZATION AND LIABILITIES                | \$267                         | (\$261) | \$78                                    | \$77                                     | \$74                                      | \$38                                     | \$1   | \$72  |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

|   | Upton<br>Wind<br>Consolidated | Elims | FPL<br>Energy<br>Upton<br>Wind I,<br>LP | FPL<br>Energy<br>Upton<br>Wind II,<br>LP | FPL<br>Energy<br>Upton<br>Wind III,<br>LP | FPL<br>Energy<br>Upton<br>Wind IV,<br>LP | FPL<br>Energy<br>Upton<br>Wind I<br>GP, LLC | FPL<br>Energy<br>Upton<br>Wind I<br>LP, LLC |
|---|-------------------------------|-------|---|--|---|--|---|---|
| <b>INCOME STATEMENT</b>   |                               |       |   |  |   |  |   |   |
| OPERATING REVENUES  | \$19                          | \$0   | \$8                                     | \$8                                      | \$2                                       | \$1                                      | \$0   | \$0   |
| OPERATING EXPENSES  |                               |       |   |  |   |  |   |   |
| Fuel, purchased power & interchange   | 0                             | 0     | 0                                       | 0  | 0   | 0  | 0   | 0   |
| Other operations and maintenance  | 5                             | 0     | 0                                       | 2  | 2   | 1  | 0   | 0   |
| Depreciation & amortization   | 15                            | 0     | 4                                       | 5  | 4   | 2  | 0   | 0   |
| Taxes other than income taxes   | 3                             | 0     | 3                                       | 0  | 0   | 0  | 0   | 0   |
| Total operating expenses  | 23                            | 0     | 7                                       | 7  | 6   | 3  | 0   | 0   |
| OPERATING INCOME  | (4)                           | 0     | 1                                       | 1  | (4)                                       | (2)                                      | 0   | 0   |
| <b>OTHER INCOME (DEDUCTIONS):</b>   |                               |       |   |  |   |  |   |   |
| Interest charges  | 0                             | 0     | 0                                       | 0  | 0   | 0  | 0   | 0   |
| Preferred stock dividends - FPL   | 0                             | 0     | 0                                       | 0  | 0   | 0  | 0   | 0   |
| Loss on redemption of preferred stock - FPL   | 0                             | 0     | 0                                       | 0  | 0   | 0  | 0   | 0   |
| Equity in earnings of equity method investees   | 0                             | 4     | 0                                       | 0  | 0   | 0  | 0   | 1   |
| Other - net   | 0                             | 0     | 0                                       | 0  | 0   | 0  | 0   | 0   |
| Total other deductions - net  | 0                             | 4     | 0                                       | 0  | 0   | 0  | 0   | 1   |
| INCOME FROM OPERATIONS BEFORE INCOME TAXES  | (4)                           | 4     | 1                                       | 1  | (4)                                       | (2)                                      | 0   | 1   |
| INCOME TAXES  | (3)                           | 0     | 0                                       | 0  | 0   | 0  | 0   | (3)   |
| INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE<br>IN ACCOUNTING PRINCIPLE                      | (1)                           | 4     | 1                                       | 1  | (4)                                       | (2)                                      | 0   | 4   |
| <b>CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES</b>                                      |                               |       |   |  |   |  |   |   |
| FASB Interpretation No. 46, "Consol. of Variable<br>Interest Entities," net of income taxes | 0                             | 0     | 0                                       | 0  | 0   | 0  | 0   | 0   |
| NET INCOME (LOSS)   | (1)                           | 4     | 1                                       | 1  | (4)                                       | (2)                                      | 0   | 4   |
| RET. EARNINGS (DEF.) AT BEG. OF YEAR  | 3                             | 11    | (6)                                     | (2)                                      | (2)                                       | (1)                                      | 1   | 5   |
| <b>DEDUCT:</b>  |                               |       |   |  |   |  |   |   |
| Dividends   | 0                             | 0     | 0                                       | 0  | 0   | 0  | 0   | 0   |
| Other   | 0                             | 0     | 0                                       | 0  | 0   | 0  | 0   | 0   |
| RET. EARNINGS (DEF.) AT END OF YEAR   | \$2                           | \$15  | (\$5)                                   | (\$1)                                    | (\$6)                                     | (\$3)                                    | \$1   | \$9   |

|   | FPL<br>Energy<br>Upton<br>Wind<br>II GP,<br>LLC | FPL<br>Energy<br>Upton<br>Wind<br>II LP,<br>LLC | FPL<br>Energy<br>Upton<br>Wind<br>III GP,<br>LLC | FPL<br>Energy<br>Upton<br>Wind<br>III LP,<br>LLC | FPL<br>Energy<br>Upton<br>Wind<br>IV GP,<br>LLC | FPL<br>Energy<br>Upton<br>Wind<br>IV LP,<br>LLC |
|---|---|---|--|--|---|---|
| <b>ASSETS</b>                                       |   |   |  |  |   |   |
| <b>PROPERTY, PLANT AND EQUIPMENT</b>                |   |   |  |  |   |   |
| Elec. utility plant in ser. & other property        | \$0   | \$0   | \$0  | \$0  | \$0   | \$0   |
| Nuclear fuel  | 0   | 0   | 0  | 0  | 0   | 0   |
| Construction work in progress                       | 0   | 0   | 0  | 0  | 0   | 0   |
| Less accumulated depr. & amort.                     | 0   | 0   | 0  | 0  | 0   | 0   |
| Total prop., plant and eqpt. - net                  | 0   | 0   | 0  | 0  | 0   | 0   |
| <b>CURRENT ASSETS</b>                               |   |   |  |  |   |   |
| Cash and cash equivalents                           | 0   | 0   | 0  | 0  | 0   | 0   |
| Customer receivables - net                          | 0   | 0   | 0  | 0  | 0   | 0   |
| Other receivables                                   | 0   | 0   | 0  | 0  | 0   | 0   |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 0   | 0   | 0  | 0  | 0   | 0   |
| Deferred clause expenses                            | 0   | 0   | 0  | 0  | 0   | 0   |
| Other   | 0   | 0   | 0  | 0  | 0   | 0   |
| Total current assets                                | 0   | 0   | 0  | 0  | 0   | 0   |
| <b>OTHER ASSETS:</b>                                |   |   |  |  |   |   |
| Special use funds                                   | 0   | 0   | 0  | 0  | 0   | 0   |
| Other investments                                   | 1   | 76  | 1  | 73   | 0   | 37  |
| Other   | 0   | 0   | 0  | 0  | 0   | 0   |
| Total other assets                                  | 1   | 76  | 1  | 73   | 0   | 37  |
| <b>TOTAL ASSETS</b>                                 | <b>\$1</b>                                      | <b>\$76</b>                                     | <b>\$1</b>                                       | <b>\$73</b>                                      | <b>\$0</b>                                      | <b>\$37</b>                                     |
| <b>CAPITALIZATION</b>                               |   |   |  |  |   |   |
| Common shareholders' equity                         | \$1   | \$76  | \$1  | \$73   | \$0   | \$37  |
| Pref. stk. of FPL w/o sinking fund require.         | 0   | 0   | 0  | 0  | 0   | 0   |
| Long-term debt                                      | 0   | 0   | 0  | 0  | 0   | 0   |
| Total capitalization                                | 1   | 76  | 1  | 73   | 0   | 37  |
| <b>CURRENT LIABILITIES</b>                          |   |   |  |  |   |   |
| Commercial paper                                    | 0   | 0   | 0  | 0  | 0   | 0   |
| Note payable  | 0   | 0   | 0  | 0  | 0   | 0   |
| Current maturities of long-term debt                | 0   | 0   | 0  | 0  | 0   | 0   |
| Accounts payable                                    | 0   | 0   | 0  | 0  | 0   | 0   |
| Customers' deposits                                 | 0   | 0   | 0  | 0  | 0   | 0   |
| Accrued interest and taxes                          | 0   | 0   | 0  | 0  | 0   | 0   |
| Deferred clause revenues                            | 0   | 0   | 0  | 0  | 0   | 0   |
| Other   | 0   | 0   | 0  | 0  | 0   | 0   |
| Total current liabilities                           | 0   | 0   | 0  | 0  | 0   | 0   |
| <b>OTHER LIABILITIES AND DEFERRED CREDITS</b>       |   |   |  |  |   |   |
| Asset retirement obligations                        | 0   | 0   | 0  | 0  | 0   | 0   |
| Accumulated deferred income taxes                   | 0   | 0   | 0  | 0  | 0   | 0   |
| Storm and property insurance reserve                | 0   | 0   | 0  | 0  | 0   | 0   |
| Other   | 0   | 0   | 0  | 0  | 0   | 0   |
| Total other liab. & def. credits                    | 0   | 0   | 0  | 0  | 0   | 0   |
| <b>COMMITMENTS AND CONTINGENCIES</b>                |   |   |  |  |   |   |
| <b>TOTAL CAPITALIZATION AND LIABILITIES</b>         | <b>\$1</b>                                      | <b>\$76</b>                                     | <b>\$1</b>                                       | <b>\$73</b>                                      | <b>\$0</b>                                      | <b>\$37</b>                                     |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

|   | FPL<br>Energy<br>Upton<br>Wind<br>II GP,<br>LLC | FPL<br>Energy<br>Upton<br>Wind<br>II LP,<br>LLC | FPL<br>Energy<br>Upton<br>Wind<br>III GP,<br>LLC | FPL<br>Energy<br>Upton<br>Wind<br>III LP,<br>LLC | FPL<br>Energy<br>Upton<br>Wind<br>IV GP,<br>LLC | FPL<br>Energy<br>Upton<br>Wind<br>IV LP,<br>LLC |
|---|---|---|--|--|---|---|
| <b>INCOME STATEMENT</b>   |   |   |  |  |   |   |
| <b>OPERATING REVENUES</b>   | <b>\$0</b>                                      | <b>\$0</b>                                      | <b>\$0</b>                                       | <b>\$0</b>                                       | <b>\$0</b>                                      | <b>\$0</b>                                      |
| <b>OPERATING EXPENSES</b>   |   |   |  |  |   |   |
| Fuel, purchased power & interchange   | 0   | 0   | 0  | 0  | 0   | 0   |
| Other operations and maintenance  | 0   | 0   | 0  | 0  | 0   | 0   |
| Depreciation & amortization   | 0   | 0   | 0  | 0  | 0   | 0   |
| Taxes other than income taxes   | 0   | 0   | 0  | 0  | 0   | 0   |
| Total operating expenses  | 0   | 0   | 0  | 0  | 0   | 0   |
| <b>OPERATING INCOME</b>   | <b>0</b>  | <b>0</b>  | <b>0</b>   | <b>0</b>   | <b>0</b>  | <b>0</b>  |
| <b>OTHER INCOME (DEDUCTIONS):</b>   |   |   |  |  |   |   |
| Interest charges  | 0   | 0   | 0  | 0  | 0   | 0   |
| Preferred stock dividends - FPL   | 0   | 0   | 0  | 0  | 0   | 0   |
| Loss on redemption of preferred stock - FPL   | 0   | 0   | 0  | 0  | 0   | 0   |
| Equity in earnings of equity method investees   | 0   | 1   | 0  | (4)  | 0   | (2)   |
| Other - net   | 0   | 0   | 0  | 0  | 0   | 0   |
| Total other deductions - net  | 0   | 1   | 0  | (4)  | 0   | (2)   |
| <b>INCOME FROM OPERATIONS BEFORE INCOME TAXES</b>   | <b>0</b>  | <b>1</b>  | <b>0</b>   | <b>(4)</b>                                       | <b>0</b>  | <b>(2)</b>                                      |
| <b>INCOME TAXES</b>   | <b>0</b>  | <b>0</b>  | <b>0</b>   | <b>0</b>   | <b>0</b>  | <b>0</b>  |
| <b>INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE<br/>IN ACCOUNTING PRINCIPLE</b>              | <b>0</b>  | <b>1</b>  | <b>0</b>   | <b>(4)</b>                                       | <b>0</b>  | <b>(2)</b>                                      |
| <b>CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES</b>                                      |   |   |  |  |   |   |
| FASB Interpretation No. 46, "Consol. of Variable<br>Interest Entities," net of income taxes | 0   | 0   | 0  | 0  | 0   | 0   |
| <b>NET INCOME (LOSS)</b>  | <b>0</b>  | <b>1</b>  | <b>0</b>   | <b>(4)</b>                                       | <b>0</b>  | <b>(2)</b>                                      |
| <b>RET. EARNINGS (DEF.) AT BEG. OF YEAR</b>   | <b>1</b>  | <b>(2)</b>                                      | <b>1</b>   | <b>(2)</b>                                       | <b>0</b>  | <b>(1)</b>                                      |
| <b>DEDUCT:</b>  |   |   |  |  |   |   |
| Dividends   | 0   | 0   | 0  | 0  | 0   | 0   |
| Other   | 0   | 0   | 0  | 0  | 0   | 0   |
| <b>RET. EARNINGS (DEF.) AT END OF YEAR</b>  | <b>\$1</b>                                      | <b>(\$1)</b>                                    | <b>\$1</b>                                       | <b>(\$6)</b>                                     | <b>\$0</b>                                      | <b>(\$3)</b>                                    |

| ASSETS  | Vansycle Consolidated | Elims         | ESI Vansycle Partners, L.P. | ESI Vansycle GP, Inc. | ESI Vansycle LP, Inc. |
|---|-----------------------|---------------|-----------------------------|-----------------------|-----------------------|
| <b>PROPERTY, PLANT AND EQUIPMENT</b>                |                       |               |                             |                       |                       |
| Elec. utility plant in ser. & other property        | \$28                  | \$0           | \$0                         | \$0                   | \$28                  |
| Nuclear fuel  | 0                     | 0             | 0                           | 0                     | 0                     |
| Construction work in progress                       | 0                     | 0             | 0                           | 0                     | 0                     |
| Less accumulated depr. & amort.                     | (7)                   | 0             | 0                           | 0                     | (7)                   |
| Total prop., plant and eqpt. - net                  | 21                    | 0             | 0                           | 0                     | 21                    |
| <b>CURRENT ASSETS</b>                               |                       |               |                             |                       |                       |
| Cash and cash equivalents                           | 0                     | 0             | 0                           | 0                     | 0                     |
| Customer receivables - net                          | 1                     | 0             | 0                           | 0                     | 1                     |
| Other receivables                                   | 0                     | 0             | 0                           | 0                     | 0                     |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 0                     | 0             | 0                           | 0                     | 0                     |
| Deferred clause expenses                            | 0                     | 0             | 0                           | 0                     | 0                     |
| Other   | 0                     | 0             | 0                           | 0                     | 0                     |
| Total current assets                                | 1                     | 0             | 0                           | 0                     | 1                     |
| <b>OTHER ASSETS:</b>                                |                       |               |                             |                       |                       |
| Special use funds                                   | 0                     | 0             | 0                           | 0                     | 0                     |
| Other investments                                   | 0                     | (22)          | 22                          | 0                     | 0                     |
| Other   | 0                     | 0             | 0                           | 0                     | 0                     |
| Total other assets                                  | 0                     | (22)          | 22                          | 0                     | 0                     |
| <b>TOTAL ASSETS</b>                                 | <b>\$22</b>           | <b>(\$22)</b> | <b>\$22</b>                 | <b>\$0</b>            | <b>\$22</b>           |
| <b>CAPITALIZATION</b>                               |                       |               |                             |                       |                       |
| Common shareholders' equity                         | \$14                  | (\$22)        | \$14                        | \$0                   | \$22                  |
| Pref. stk. of FPL w/o sinking fund require.         | 0                     | 0             | 0                           | 0                     | 0                     |
| Long-term debt                                      | 0                     | 0             | 0                           | 0                     | 0                     |
| Total capitalization                                | 14                    | (22)          | 14                          | 0                     | 22                    |
| <b>CURRENT LIABILITIES</b>                          |                       |               |                             |                       |                       |
| Commercial paper                                    | 0                     | 0             | 0                           | 0                     | 0                     |
| Note payable  | 0                     | 0             | 0                           | 0                     | 0                     |
| Current maturities of long-term debt                | 0                     | 0             | 0                           | 0                     | 0                     |
| Accounts payable                                    | 0                     | 0             | 0                           | 0                     | 0                     |
| Customers' deposits                                 | 0                     | 0             | 0                           | 0                     | 0                     |
| Accrued interest and taxes                          | 0                     | 0             | 0                           | 0                     | 0                     |
| Deferred clause revenues                            | 0                     | 0             | 0                           | 0                     | 0                     |
| Other   | 0                     | 0             | 0                           | 0                     | 0                     |
| Total current liabilities                           | 0                     | 0             | 0                           | 0                     | 0                     |
| <b>OTHER LIABILITIES AND DEFERRED CREDITS</b>       |                       |               |                             |                       |                       |
| Asset retirement obligations                        | 0                     | 0             | 0                           | 0                     | 0                     |
| Accumulated deferred income taxes                   | 8                     | 0             | 8                           | 0                     | 0                     |
| Storm and property insurance reserve                | 0                     | 0             | 0                           | 0                     | 0                     |
| Other   | 0                     | 0             | 0                           | 0                     | 0                     |
| Total other liab. & def. credits                    | 8                     | 0             | 8                           | 0                     | 0                     |
| <b>COMMITMENTS AND CONTINGENCIES</b>                |                       |               |                             |                       |                       |
| <b>TOTAL CAPITALIZATION AND LIABILITIES</b>         | <b>\$22</b>           | <b>(\$22)</b> | <b>\$22</b>                 | <b>\$0</b>            | <b>\$22</b>           |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

| INCOME STATEMENT   | Vansycle Consolidated | Elims        | ESI Vansycle Partners, L.P. | ESI Vansycle GP, Inc. | ESI Vansycle LP, Inc. |
|--|-----------------------|--------------|-----------------------------|-----------------------|-----------------------|
| <b>OPERATING REVENUES</b>  | <b>\$4</b>            | <b>\$0</b>   | <b>\$4</b>                  | <b>\$0</b>            | <b>\$0</b>            |
| <b>OPERATING EXPENSES</b>  |                       |              |                             |                       |                       |
| Fuel, purchased power & interchange  | 0                     | 0            | 0                           | 0                     | 0                     |
| Other operations and maintenance   | 1                     | 0            | 1                           | 0                     | 0                     |
| Depreciation & amortization  | 2                     | 0            | 2                           | 0                     | 0                     |
| Taxes other than income taxes  | 0                     | 0            | 0                           | 0                     | 0                     |
| Total operating expenses   | 3                     | 0            | 3                           | 0                     | 0                     |
| <b>OPERATING INCOME</b>  | <b>1</b>              | <b>0</b>     | <b>1</b>                    | <b>0</b>              | <b>0</b>              |
| <b>OTHER INCOME (DEDUCTIONS):</b>  |                       |              |                             |                       |                       |
| Interest charges   | 0                     | 0            | 0                           | 0                     | 0                     |
| Preferred stock dividends - FPL  | 0                     | 0            | 0                           | 0                     | 0                     |
| Loss on redemption of preferred stock - FPL  | 0                     | 0            | 0                           | 0                     | 0                     |
| Equity in earnings of equity method investees  | 0                     | (1)          | 0                           | 0                     | 1                     |
| Other - net  | 0                     | 0            | 0                           | 0                     | 0                     |
| Total other deductions - net   | 0                     | (1)          | 0                           | 0                     | 1                     |
| <b>INCOME FROM OPERATIONS BEFORE INCOME TAXES</b>  | <b>1</b>              | <b>(1)</b>   | <b>1</b>                    | <b>0</b>              | <b>1</b>              |
| <b>INCOME TAXES</b>  | <b>(1)</b>            | <b>0</b>     | <b>0</b>                    | <b>0</b>              | <b>(1)</b>            |
| <b>INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE IN ACCOUNTING PRINCIPLE</b>               | <b>2</b>              | <b>(1)</b>   | <b>1</b>                    | <b>0</b>              | <b>2</b>              |
| <b>CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES</b>                                   |                       |              |                             |                       |                       |
| FASB Interpretation No. 46, "Consol. of Variable Interest Entities," net of income taxes | 0                     | 0            | 0                           | 0                     | 0                     |
| <b>NET INCOME (LOSS)</b>   | <b>2</b>              | <b>(1)</b>   | <b>1</b>                    | <b>0</b>              | <b>2</b>              |
| <b>RET. EARNINGS (DEF.) AT BEG. OF YEAR</b>  | <b>8</b>              | <b>(6)</b>   | <b>6</b>                    | <b>0</b>              | <b>8</b>              |
| <b>DEDUCT:</b>   |                       |              |                             |                       |                       |
| Dividends  | 0                     | 0            | 0                           | 0                     | 0                     |
| Other  | 0                     | 0            | 0                           | 0                     | 0                     |
| <b>RET. EARNINGS (DEF.) AT END OF YEAR</b>   | <b>\$10</b>           | <b>(\$7)</b> | <b>\$7</b>                  | <b>\$0</b>            | <b>\$10</b>           |

| ASSETS  | Victory<br>Gardens<br>Consolidated | Elims        | FPL<br>Energy<br>VG Wind,<br>LLC | ESI VG<br>Limited<br>Partnership | Victory<br>Garden<br>Phase IV<br>Partnership |
|---|------------------------------------|--------------|----------------------------------|----------------------------------|--|
| <b>PROPERTY, PLANT AND EQUIPMENT</b>                |                                    |              |                                  |                                  |  |
| Elec. utility plant in ser. & other property        | \$13                               | \$0          | \$0                              | \$0                              | \$13   |
| Nuclear fuel  | 0                                  | 0            | 0                                | 0                                | 0  |
| Construction work in progress                       | 0                                  | 0            | 0                                | 0                                | 0  |
| Less accumulated depr. & amort.                     | (10)                               | 0            | 0                                | 0                                | (10)   |
| Total prop., plant and eqpt. - net                  | 3                                  | 0            | 0                                | 0                                | 3  |
| <b>CURRENT ASSETS</b>                               |                                    |              |                                  |                                  |  |
| Cash and cash equivalents                           | 1                                  | 0            | 0                                | 0                                | 1  |
| Customer receivables - net                          | 0                                  | 0            | 0                                | 0                                | 0  |
| Other receivables                                   | 3                                  | 0            | 0                                | 2                                | 1  |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 0                                  | 0            | 0                                | 0                                | 0  |
| Deferred clause expenses                            | 0                                  | 0            | 0                                | 0                                | 0  |
| Other   | 0                                  | 0            | 0                                | 0                                | 0  |
| Total current assets                                | 4                                  | 0            | 0                                | 2                                | 2  |
| <b>OTHER ASSETS:</b>                                |                                    |              |                                  |                                  |  |
| Special use funds                                   | 0                                  | 0            | 0                                | 0                                | 0  |
| Other investments                                   | 0                                  | (7)          | 7                                | 0                                | 0  |
| Other   | 2                                  | 0            | 0                                | 0                                | 2  |
| Total other assets                                  | 2                                  | (7)          | 7                                | 0                                | 2  |
| <b>TOTAL ASSETS</b>                                 | <b>\$9</b>                         | <b>(\$7)</b> | <b>\$7</b>                       | <b>\$2</b>                       | <b>\$7</b>                                   |
| <b>CAPITALIZATION</b>                               |                                    |              |                                  |                                  |  |
| Common shareholders' equity                         | \$8                                | (\$7)        | \$7                              | \$2                              | \$6  |
| Pref. stk. of FPL w/o sinking fund require.         | 0                                  | 0            | 0                                | 0                                | 0  |
| Long-term debt                                      | 0                                  | 0            | 0                                | 0                                | 0  |
| Total capitalization                                | 8                                  | (7)          | 7                                | 2                                | 6  |
| <b>CURRENT LIABILITIES</b>                          |                                    |              |                                  |                                  |  |
| Commercial paper                                    | 0                                  | 0            | 0                                | 0                                | 0  |
| Note payable  | 0                                  | 0            | 0                                | 0                                | 0  |
| Current maturities of long-term debt                | 0                                  | 0            | 0                                | 0                                | 0  |
| Accounts payable                                    | 0                                  | 0            | 0                                | 0                                | 0  |
| Customers' deposits                                 | 0                                  | 0            | 0                                | 0                                | 0  |
| Accrued interest and taxes                          | 0                                  | 0            | 0                                | 0                                | 0  |
| Deferred clause revenues                            | 0                                  | 0            | 0                                | 0                                | 0  |
| Other   | 1                                  | 0            | 0                                | 0                                | 1  |
| Total current liabilities                           | 1                                  | 0            | 0                                | 0                                | 1  |
| <b>OTHER LIABILITIES AND DEFERRED CREDITS</b>       |                                    |              |                                  |                                  |  |
| Asset retirement obligations                        | 0                                  | 0            | 0                                | 0                                | 0  |
| Accumulated deferred income taxes                   | 0                                  | 0            | 0                                | 0                                | 0  |
| Storm and property insurance reserve                | 0                                  | 0            | 0                                | 0                                | 0  |
| Other   | 0                                  | 0            | 0                                | 0                                | 0  |
| Total other liab. & def. credits                    | 0                                  | 0            | 0                                | 0                                | 0  |
| <b>COMMITMENTS AND CONTINGENCIES</b>                |                                    |              |                                  |                                  |  |
| <b>TOTAL CAPITALIZATION AND LIABILITIES</b>         | <b>\$9</b>                         | <b>(\$7)</b> | <b>\$7</b>                       | <b>\$2</b>                       | <b>\$7</b>                                   |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

| INCOME STATEMENT  | Victory<br>Gardens<br>Consolidated | Elims        | FPL<br>Energy<br>VG Wind,<br>LLC | ESI VG<br>Limited<br>Partnership | Victory<br>Garden<br>Phase IV<br>Partnership |
|---|------------------------------------|--------------|----------------------------------|----------------------------------|--|
| <b>OPERATING REVENUES</b>   | <b>\$1</b>                         | <b>\$0</b>   | <b>\$0</b>                       | <b>\$0</b>                       | <b>\$1</b>                                   |
| <b>OPERATING EXPENSES</b>   |                                    |              |                                  |                                  |  |
| Fuel, purchased power & interchange   | 0                                  | 0            | 0                                | 0                                | 0  |
| Other operations and maintenance  | 0                                  | 0            | 0                                | 0                                | 0  |
| Depreciation & amortization   | 0                                  | 0            | 0                                | 0                                | 0  |
| Taxes other than income taxes   | 0                                  | 0            | 0                                | 0                                | 0  |
| Total operating expenses  | 0                                  | 0            | 0                                | 0                                | 0  |
| <b>OPERATING INCOME</b>   | <b>1</b>                           | <b>0</b>     | <b>0</b>                         | <b>0</b>                         | <b>1</b>                                     |
| <b>OTHER INCOME (DEDUCTIONS):</b>   |                                    |              |                                  |                                  |  |
| Interest charges  | 0                                  | 0            | 0                                | 0                                | 0  |
| Preferred stock dividends - FPL   | 0                                  | 0            | 0                                | 0                                | 0  |
| Loss on redemption of preferred stock - FPL   | 0                                  | 0            | 0                                | 0                                | 0  |
| Equity in earnings of equity method investees   | 0                                  | (2)          | 1                                | 1                                | 0  |
| Other - net   | 0                                  | 0            | 0                                | 0                                | 0  |
| Total other deductions - net  | 0                                  | (2)          | 1                                | 1                                | 0  |
| <b>INCOME FROM OPERATIONS BEFORE INCOME TAXES</b>   | <b>1</b>                           | <b>(2)</b>   | <b>1</b>                         | <b>1</b>                         | <b>1</b>                                     |
| <b>INCOME TAXES</b>   | <b>0</b>                           | <b>0</b>     | <b>0</b>                         | <b>0</b>                         | <b>0</b>                                     |
| <b>INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE<br/>IN ACCOUNTING PRINCIPLE</b>              | <b>1</b>                           | <b>(2)</b>   | <b>1</b>                         | <b>1</b>                         | <b>1</b>                                     |
| <b>CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES</b>                                      |                                    |              |                                  |                                  |  |
| FASB Interpretation No. 46, "Consol. of Variable<br>Interest Entities," net of income taxes | 0                                  | 0            | 0                                | 0                                | 0  |
| <b>NET INCOME (LOSS)</b>  | <b>1</b>                           | <b>(2)</b>   | <b>1</b>                         | <b>1</b>                         | <b>1</b>                                     |
| <b>RET. EARNINGS (DEF.) AT BEG. OF YEAR</b>   | <b>0</b>                           | <b>1</b>     | <b>0</b>                         | <b>0</b>                         | <b>(1)</b>                                   |
| <b>DEDUCT:</b>  |                                    |              |                                  |                                  |  |
| Dividends   | 0                                  | 0            | 0                                | 0                                | 0  |
| Other   | 0                                  | 0            | 0                                | 0                                | 0  |
| <b>RET. EARNINGS (DEF.) AT END OF YEAR</b>  | <b>\$1</b>                         | <b>(\$1)</b> | <b>\$1</b>                       | <b>\$1</b>                       | <b>\$0</b>                                   |

| ASSETS  | Waymart<br>Consolidated | Elims         | FPL<br>Energy<br>Waymart<br>GP, LLC | FPL<br>Energy<br>Waymart<br>LP, LLC | Waymart<br>Wind<br>Farm<br>L.P. |
|---|-------------------------|---------------|-------------------------------------|-------------------------------------|---------------------------------|
| <b>PROPERTY, PLANT AND EQUIPMENT</b>                |                         |               |                                     |                                     |                                 |
| Elec. utility plant in ser. & other property        | \$90                    | \$0           | \$0                                 | \$0                                 | \$90                            |
| Nuclear fuel  | 0                       | 0             | 0                                   | 0                                   | 0                               |
| Construction work in progress                       | 0                       | 0             | 0                                   | 0                                   | 0                               |
| Less accumulated depr. & amort.                     | (1)                     | 0             | 0                                   | 0                                   | (1)                             |
| Total prop., plant and eqpt. - net                  | 89                      | 0             | 0                                   | 0                                   | 89                              |
| <b>CURRENT ASSETS</b>                               |                         |               |                                     |                                     |                                 |
| Cash and cash equivalents                           | 0                       | 0             | 0                                   | 0                                   | 0                               |
| Customer receivables - net                          | 1                       | 0             | 0                                   | 0                                   | 1                               |
| Other receivables                                   | 1                       | 0             | 0                                   | 0                                   | 1                               |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 0                       | 0             | 0                                   | 0                                   | 0                               |
| Deferred clause expenses                            | 0                       | 0             | 0                                   | 0                                   | 0                               |
| Other   | 0                       | 0             | 0                                   | 0                                   | 0                               |
| Total current assets                                | 2                       | 0             | 0                                   | 0                                   | 2                               |
| <b>OTHER ASSETS:</b>                                |                         |               |                                     |                                     |                                 |
| Special use funds                                   | 0                       | 0             | 0                                   | 0                                   | 0                               |
| Other investments                                   | 0                       | (82)          | 12                                  | 70                                  | 0                               |
| Other   | (2)                     | 0             | 0                                   | (5)                                 | 3                               |
| Total other assets                                  | (2)                     | (82)          | 12                                  | 65                                  | 3                               |
| <b>TOTAL ASSETS</b>                                 | <b>\$89</b>             | <b>(\$82)</b> | <b>\$12</b>                         | <b>\$65</b>                         | <b>\$94</b>                     |
| <b>CAPITALIZATION</b>                               |                         |               |                                     |                                     |                                 |
| Common shareholders' equity                         | \$57                    | (\$82)        | (\$5)                               | \$62                                | \$82                            |
| Pref. stk. of FPL w/o sinking fund require.         | 0                       | 0             | 0                                   | 0                                   | 0                               |
| Long-term debt                                      | 0                       | 0             | 0                                   | 0                                   | 0                               |
| Total capitalization                                | 57                      | (82)          | (5)                                 | 62                                  | 82                              |
| <b>CURRENT LIABILITIES</b>                          |                         |               |                                     |                                     |                                 |
| Commercial paper                                    | 0                       | 0             | 0                                   | 0                                   | 0                               |
| Note payable  | 0                       | 0             | 0                                   | 0                                   | 0                               |
| Current maturities of long-term debt                | 0                       | 0             | 0                                   | 0                                   | 0                               |
| Accounts payable                                    | 0                       | 0             | 0                                   | 0                                   | 0                               |
| Customers' deposits                                 | 0                       | 0             | 0                                   | 0                                   | 0                               |
| Accrued interest and taxes                          | 0                       | 0             | 0                                   | 0                                   | 0                               |
| Deferred clause revenues                            | 0                       | 0             | 0                                   | 0                                   | 0                               |
| Other   | 11                      | 0             | 0                                   | 3                                   | 8                               |
| Total current liabilities                           | 11                      | 0             | 0                                   | 3                                   | 8                               |
| <b>OTHER LIABILITIES AND DEFERRED CREDITS</b>       |                         |               |                                     |                                     |                                 |
| Asset retirement obligations                        | 0                       | 0             | 0                                   | 0                                   | 0                               |
| Accumulated deferred income taxes                   | 17                      | 0             | 17                                  | 0                                   | 0                               |
| Storm and property insurance reserve                | 0                       | 0             | 0                                   | 0                                   | 0                               |
| Other   | 4                       | 0             | 0                                   | 0                                   | 4                               |
| Total other liab. & def. credits                    | 21                      | 0             | 17                                  | 0                                   | 4                               |
| <b>COMMITMENTS AND CONTINGENCIES</b>                |                         |               |                                     |                                     |                                 |
| <b>TOTAL CAPITALIZATION AND LIABILITIES</b>         | <b>\$89</b>             | <b>(\$82)</b> | <b>\$12</b>                         | <b>\$65</b>                         | <b>\$94</b>                     |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

| INCOME STATEMENT  | Waymart<br>Consolidated | Elims      | FPL<br>Energy<br>Waymart<br>GP, LLC | FPL<br>Energy<br>Waymart<br>LP, LLC | Waymart<br>Wind<br>Farm<br>L.P. |
|---|-------------------------|------------|-------------------------------------|-------------------------------------|---------------------------------|
| <b>OPERATING REVENUES</b>   | <b>\$2</b>              | <b>\$0</b> | <b>\$0</b>                          | <b>\$0</b>                          | <b>\$2</b>                      |
| <b>OPERATING EXPENSES</b>   |                         |            |                                     |                                     |                                 |
| Fuel, purchased power & interchange   | 0                       | 0          | 0                                   | 0                                   | 0                               |
| Other operations and maintenance  | 1                       | 0          | 0                                   | 0                                   | 1                               |
| Depreciation & amortization   | 1                       | 0          | 0                                   | 0                                   | 1                               |
| Taxes other than income taxes   | 0                       | 0          | 0                                   | 0                                   | 0                               |
| Total operating expenses  | 2                       | 0          | 0                                   | 0                                   | 2                               |
| <b>OPERATING INCOME</b>   | <b>0</b>                | <b>0</b>   | <b>0</b>                            | <b>0</b>                            | <b>0</b>                        |
| <b>OTHER INCOME (DEDUCTIONS):</b>   |                         |            |                                     |                                     |                                 |
| Interest charges  | 0                       | 0          | 0                                   | 0                                   | 0                               |
| Preferred stock dividends - FPL   | 0                       | 0          | 0                                   | 0                                   | 0                               |
| Loss on redemption of preferred stock - FPL   | 0                       | 0          | 0                                   | 0                                   | 0                               |
| Equity in earnings of equity method investees   | 0                       | 0          | 0                                   | 0                                   | 0                               |
| Other - net   | 0                       | 0          | 0                                   | 0                                   | 0                               |
| Total other deductions - net  | 0                       | 0          | 0                                   | 0                                   | 0                               |
| <b>INCOME FROM OPERATIONS BEFORE INCOME TAXES</b>   | <b>0</b>                | <b>0</b>   | <b>0</b>                            | <b>0</b>                            | <b>0</b>                        |
| <b>INCOME TAXES</b>   | <b>(1)</b>              | <b>0</b>   | <b>(1)</b>                          | <b>0</b>                            | <b>0</b>                        |
| <b>INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE<br/>IN ACCOUNTING PRINCIPLE</b>              | <b>1</b>                | <b>0</b>   | <b>1</b>                            | <b>0</b>                            | <b>0</b>                        |
| <b>CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES</b>                                      |                         |            |                                     |                                     |                                 |
| FASB Interpretation No. 46, "Consol. of Variable<br>Interest Entities," net of income taxes | 0                       | 0          | 0                                   | 0                                   | 0                               |
| <b>NET INCOME (LOSS)</b>  | <b>1</b>                | <b>0</b>   | <b>1</b>                            | <b>0</b>                            | <b>0</b>                        |
| <b>RET. EARNINGS (DEF.) AT BEG. OF YEAR</b>   | <b>0</b>                | <b>0</b>   | <b>0</b>                            | <b>0</b>                            | <b>0</b>                        |
| <b>DEDUCT:</b>  |                         |            |                                     |                                     |                                 |
| Dividends   | 0                       | 0          | 0                                   | 0                                   | 0                               |
| Other   | 0                       | 0          | 0                                   | 0                                   | 0                               |
| <b>RET. EARNINGS (DEF.) AT END OF YEAR</b>  | <b>\$1</b>              | <b>\$0</b> | <b>\$1</b>                          | <b>\$0</b>                          | <b>\$0</b>                      |

| ASSETS  | FPL Energy, LLC Consolidated | Elims          | FPL Energy, LLC | FPL Energy Power Marketing, Inc. | BAC Investment Corp. | Square Lake Holdings, Inc. | FPL Energy Project Management, Inc. | Blythe Project Management, LLC |
|---|------------------------------|----------------|-----------------|----------------------------------|----------------------|----------------------------|-------------------------------------|--------------------------------|
| <b>PROPERTY, PLANT AND EQUIPMENT</b>                |                              |                |                 |                                  |                      |                            |                                     |                                |
| Elec. utility plant in ser. & other property        | \$591                        | \$0            | \$206           | \$3                              | \$0                  | \$0                        | \$1                                 | \$0                            |
| Nuclear fuel  | 0                            | 0              | 0               | 0                                | 0                    | 0                          | 0                                   | 0                              |
| Construction work in progress                       | 43                           | 0              | 40              | 0                                | 0                    | 0                          | 0                                   | 0                              |
| Less accumulated depr. & amort.                     | (66)                         | 0              | (11)            | (1)                              | 0                    | 0                          | (1)                                 | 0                              |
| Total prop., plant and eqpt. - net                  | 568                          | 0              | 235             | 2                                | 0                    | 0                          | 0                                   | 0                              |
| <b>CURRENT ASSETS</b>                               |                              |                |                 |                                  |                      |                            |                                     |                                |
| Cash and cash equivalents                           | 0                            | 0              | 0               | 2                                | 0                    | 0                          | 0                                   | 0                              |
| Customer receivables - net                          | 113                          | 0              | (5)             | 117                              | 0                    | 0                          | 0                                   | 0                              |
| Other receivables                                   | 123                          | 197            | (192)           | 66                               | 5                    | 15                         | 1                                   | 0                              |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 5                            | 0              | 0               | 0                                | 0                    | 0                          | 0                                   | 0                              |
| Deferred clause expenses                            | 0                            | 0              | 0               | 0                                | 0                    | 0                          | 0                                   | 0                              |
| Other   | 62                           | 0              | 1               | 56                               | 0                    | 0                          | 0                                   | 0                              |
| Total current assets                                | 303                          | 197            | (196)           | 241                              | 5                    | 15                         | 1                                   | 0                              |
| <b>OTHER ASSETS:</b>                                |                              |                |                 |                                  |                      |                            |                                     |                                |
| Special use funds                                   | 0                            | 0              | 0               | 0                                | 0                    | 0                          | 0                                   | 0                              |
| Other investments                                   | 4,194                        | (916)          | 4,757           | 0                                | 75                   | 272                        | 0                                   | 0                              |
| Other   | 113                          | (26)           | 4               | 30                               | 0                    | 0                          | 0                                   | 0                              |
| Total other assets                                  | 4,307                        | (942)          | 4,761           | 30                               | 75                   | 272                        | 0                                   | 0                              |
| <b>TOTAL ASSETS</b>                                 | <b>\$5,178</b>               | <b>(\$745)</b> | <b>\$4,800</b>  | <b>\$273</b>                     | <b>\$80</b>          | <b>\$287</b>               | <b>\$1</b>                          | <b>\$0</b>                     |
| <b>CAPITALIZATION</b>                               |                              |                |                 |                                  |                      |                            |                                     |                                |
| Common shareholders' equity                         | \$4,611                      | (\$916)        | \$4,750         | (\$44)                           | \$80                 | \$287                      | (\$1)                               | \$0                            |
| Pref. stk. of FPL w/o sinking fund require.         | 0                            | 0              | 0               | 0                                | 0                    | 0                          | 0                                   | 0                              |
| Long-term debt                                      | 0                            | 0              | 0               | 0                                | 0                    | 0                          | 0                                   | 0                              |
| Total capitalization                                | 4,611                        | (916)          | 4,750           | (44)                             | 80                   | 287                        | (1)                                 | 0                              |
| <b>CURRENT LIABILITIES</b>                          |                              |                |                 |                                  |                      |                            |                                     |                                |
| Commercial paper                                    | 0                            | 0              | 0               | 0                                | 0                    | 0                          | 0                                   | 0                              |
| Note payable  | 0                            | 0              | 0               | 0                                | 0                    | 0                          | 0                                   | 0                              |
| Current maturities of long-term debt                | 0                            | 0              | 0               | 0                                | 0                    | 0                          | 0                                   | 0                              |
| Accounts payable                                    | 70                           | 0              | 1               | 66                               | 0                    | 0                          | 0                                   | 0                              |
| Customers' deposits                                 | 10                           | 0              | 0               | 10                               | 0                    | 0                          | 0                                   | 0                              |
| Accrued interest and taxes                          | 234                          | 234            | 0               | 0                                | 0                    | 0                          | 0                                   | 0                              |
| Deferred clause revenues                            | 0                            | 0              | 0               | 0                                | 0                    | 0                          | 0                                   | 0                              |
| Other   | 223                          | (37)           | 34              | 207                              | 0                    | 0                          | 2                                   | 0                              |
| Total current liabilities                           | 537                          | 197            | 35              | 283                              | 0                    | 0                          | 2                                   | 0                              |
| <b>OTHER LIABILITIES AND DEFERRED CREDITS</b>       |                              |                |                 |                                  |                      |                            |                                     |                                |
| Asset retirement obligations                        | 5                            | 0              | 0               | 0                                | 0                    | 0                          | 0                                   | 0                              |
| Accumulated deferred income taxes                   | 0                            | (24)           | 15              | 9                                | 0                    | 0                          | 0                                   | 0                              |
| Storm and property insurance reserve                | 0                            | 0              | 0               | 0                                | 0                    | 0                          | 0                                   | 0                              |
| Other   | 25                           | (2)            | 0               | 25                               | 0                    | 0                          | 0                                   | 0                              |
| Total other liab. & def. credits                    | 30                           | (26)           | 15              | 34                               | 0                    | 0                          | 0                                   | 0                              |
| <b>COMMITMENTS AND CONTINGENCIES</b>                |                              |                |                 |                                  |                      |                            |                                     |                                |
| <b>TOTAL CAPITALIZATION AND LIABILITIES</b>         | <b>\$5,178</b>               | <b>(\$745)</b> | <b>\$4,800</b>  | <b>\$273</b>                     | <b>\$80</b>          | <b>\$287</b>               | <b>\$1</b>                          | <b>\$0</b>                     |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

| INCOME STATEMENT   | FPL Energy, LLC Consolidated | Elims          | FPL Energy, LLC | FPL Energy Power Marketing, Inc. | BAC Investment Corp. | Square Lake Holdings, Inc. | FPL Energy Project Management, Inc. | Blythe Project Management, LLC |
|--|------------------------------|----------------|-----------------|----------------------------------|----------------------|----------------------------|-------------------------------------|--------------------------------|
| <b>OPERATING REVENUES</b>  | <b>(\$815)</b>               | <b>(\$968)</b> | <b>\$0</b>      | <b>\$24</b>                      | <b>\$0</b>           | <b>\$0</b>                 | <b>\$0</b>                          | <b>\$0</b>                     |
| <b>OPERATING EXPENSES</b>  |                              |                |                 |                                  |                      |                            |                                     |                                |
| Fuel, purchased power & interchange  | (916)                        | (968)          | 0               | 1                                | 0                    | 0                          | 0                                   | 0                              |
| Other operations and maintenance   | 92                           | 0              | 48              | 18                               | 0                    | 0                          | 4                                   | 0                              |
| Depreciation & amortization  | 19                           | 0              | 6               | 1                                | 0                    | 0                          | 0                                   | 0                              |
| Taxes other than income taxes  | 15                           | 0              | 2               | 1                                | 0                    | 0                          | 1                                   | 0                              |
| Total operating expenses   | (790)                        | (968)          | 56              | 21                               | 0                    | 0                          | 5                                   | 0                              |
| <b>OPERATING INCOME</b>  | <b>(25)</b>                  | <b>0</b>       | <b>(56)</b>     | <b>3</b>                         | <b>0</b>             | <b>0</b>                   | <b>(5)</b>                          | <b>0</b>                       |
| <b>OTHER INCOME (DEDUCTIONS):</b>  |                              |                |                 |                                  |                      |                            |                                     |                                |
| Interest charges   | (62)                         | 0              | (62)            | 0                                | 0                    | 0                          | 0                                   | 0                              |
| Preferred stock dividends - FPL  | 0                            | 0              | 0               | 0                                | 0                    | 0                          | 0                                   | 0                              |
| Loss on redemption of preferred stock - FPL  | 0                            | 0              | 0               | 0                                | 0                    | 0                          | 0                                   | 0                              |
| Equity in earnings of equity method investees  | 1                            | 0              | 0               | 0                                | 0                    | 0                          | 0                                   | 0                              |
| Other - net  | 35                           | (2)            | 12              | 0                                | 5                    | 12                         | 0                                   | 0                              |
| Total other deductions - net   | (26)                         | (2)            | (50)            | 0                                | 5                    | 12                         | 0                                   | 0                              |
| <b>INCOME FROM OPERATIONS BEFORE INCOME TAXES</b>  | <b>(51)</b>                  | <b>(2)</b>     | <b>(106)</b>    | <b>3</b>                         | <b>5</b>             | <b>12</b>                  | <b>(5)</b>                          | <b>0</b>                       |
| <b>INCOME TAXES</b>  | <b>(24)</b>                  | <b>0</b>       | <b>(46)</b>     | <b>2</b>                         | <b>1</b>             | <b>5</b>                   | <b>(1)</b>                          | <b>0</b>                       |
| <b>INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE IN ACCOUNTING PRINCIPLE</b>               | <b>(27)</b>                  | <b>(2)</b>     | <b>(60)</b>     | <b>1</b>                         | <b>4</b>             | <b>7</b>                   | <b>(4)</b>                          | <b>0</b>                       |
| <b>CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES</b>                                   |                              |                |                 |                                  |                      |                            |                                     |                                |
| FASB Interpretation No. 46, "Consol. of Variable Interest Entities," net of income taxes | 0                            | 0              | 0               | 0                                | 0                    | 0                          | 0                                   | 0                              |
| <b>NET INCOME (LOSS)</b>   | <b>(27)</b>                  | <b>(2)</b>     | <b>(60)</b>     | <b>1</b>                         | <b>4</b>             | <b>7</b>                   | <b>(4)</b>                          | <b>0</b>                       |
| <b>RET. EARNINGS (DEF.) AT BEG. OF YEAR</b>  | <b>(493)</b>                 | <b>0</b>       | <b>(321)</b>    | <b>(28)</b>                      | <b>18</b>            | <b>(1)</b>                 | <b>(12)</b>                         | <b>0</b>                       |
| <b>DEDUCT:</b>   |                              |                |                 |                                  |                      |                            |                                     |                                |
| Dividends  | 0                            | 0              | 0               | 0                                | 0                    | 0                          | 0                                   | 0                              |
| Other  | 0                            | 0              | 0               | 0                                | 0                    | 0                          | 0                                   | 0                              |
| <b>RET. EARNINGS (DEF.) AT END OF YEAR</b>   | <b>(\$520)</b>               | <b>(\$2)</b>   | <b>(\$381)</b>  | <b>(\$27)</b>                    | <b>\$22</b>          | <b>\$6</b>                 | <b>(\$16)</b>                       | <b>\$0</b>                     |

FPL ENERGY, LLC AND SUBSIDIARIES  
CONSOLIDATING BALANCE SHEET  
DECEMBER 31, 2003  
(\$ Millions)

58

|   | Maine Final<br>Consolidated |
|---|-----------------------------|
| <b>ASSETS</b>                                       |                             |
| <b>PROPERTY, PLANT AND EQUIPMENT</b>                |                             |
| Elec. utility plant in ser. & other property        | \$381                       |
| Nuclear fuel  | 0                           |
| Construction work in progress                       | 3                           |
| Less accumulated depr. & amort.                     | (53)                        |
| Total prop., plant and eqpt. - net                  | 331                         |
| <b>CURRENT ASSETS</b>                               |                             |
| Cash and cash equivalents                           | (2)                         |
| Customer receivables - net                          | 1                           |
| Other receivables                                   | 31                          |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 5                           |
| Deferred clause expenses                            | 0                           |
| Other   | 5                           |
| Total current assets                                | 40                          |
| <b>OTHER ASSETS:</b>                                |                             |
| Special use funds                                   | 0                           |
| Other investments                                   | 6                           |
| Other   | 105                         |
| Total other assets                                  | 111                         |
| <b>TOTAL ASSETS</b>                                 | <b>\$482</b>                |
| <b>CAPITALIZATION</b>                               |                             |
| Common shareholders' equity                         | \$455                       |
| Pref. stk. of FPL w/o sinking fund require.         | 0                           |
| Long-term debt                                      | 0                           |
| Total capitalization                                | 455                         |
| <b>CURRENT LIABILITIES</b>                          |                             |
| Commercial paper                                    | 0                           |
| Note payable  | 0                           |
| Current maturities of long-term debt                | 0                           |
| Accounts payable                                    | 3                           |
| Customers' deposits                                 | 0                           |
| Accrued interest and taxes                          | 0                           |
| Deferred clause revenues                            | 0                           |
| Other   | 17                          |
| Total current liabilities                           | 20                          |
| <b>OTHER LIABILITIES AND DEFERRED CREDITS</b>       |                             |
| Asset retirement obligations                        | 5                           |
| Accumulated deferred income taxes                   | 0                           |
| Storm and property insurance reserve                | 0                           |
| Other   | 2                           |
| Total other liab. & def. credits                    | 7                           |
| <b>COMMITMENTS AND CONTINGENCIES</b>                |                             |
| <b>TOTAL CAPITALIZATION AND LIABILITIES</b>         | <b>\$482</b>                |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

|   | Maine Final<br>Consolidated |
|---|-----------------------------|
| <b>INCOME STATEMENT</b>   |                             |
| <b>OPERATING REVENUES</b>   | <b>\$129</b>                |
| <b>OPERATING EXPENSES</b>   |                             |
| Fuel, purchased power & interchange   | 51                          |
| Other operations and maintenance  | 22                          |
| Depreciation & amortization   | 12                          |
| Taxes other than income taxes   | 11                          |
| Total operating expenses  | 96                          |
| <b>OPERATING INCOME</b>   | <b>33</b>                   |
| <b>OTHER INCOME (DEDUCTIONS):</b>   |                             |
| Interest charges  | 0                           |
| Preferred stock dividends - FPL   | 0                           |
| Loss on redemption of preferred stock - FPL   | 0                           |
| Equity in earnings of equity method investees   | 1                           |
| Other - net   | 8                           |
| Total other deductions - net  | 9                           |
| <b>INCOME FROM OPERATIONS BEFORE INCOME TAXES</b>   | <b>42</b>                   |
| <b>INCOME TAXES</b>   | <b>15</b>                   |
| <b>INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE<br/>IN ACCOUNTING PRINCIPLE</b>              | <b>27</b>                   |
| <b>CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES</b>                                      |                             |
| FASB Interpretation No. 46, "Consol. of Variable<br>Interest Entities," net of income taxes | 0                           |
| <b>NET INCOME (LOSS)</b>  | <b>27</b>                   |
| <b>RET. EARNINGS (DEF.) AT BEG. OF YEAR</b>   | <b>(149)</b>                |
| <b>DEDUCT:</b>  |                             |
| Dividends   | 0                           |
| Other   | 0                           |
| <b>RET. EARNINGS (DEF.) AT END OF YEAR</b>  | <b>(\$122)</b>              |

|   | Maine<br>Final<br>Consolidated | Elims          | FPL<br>Energy<br>Wyman<br>LLC | FPL<br>Energy<br>Wyman<br>IV LLC | FPL<br>Energy<br>Mason<br>LLC | FPL<br>Energy<br>Cape,<br>LLC | FPL<br>Energy<br>Maine,<br>Inc. | FPL<br>Energy<br>Maine<br>Operating<br>Services<br>LLC |
|---|--------------------------------|----------------|-------------------------------|----------------------------------|-------------------------------|-------------------------------|---------------------------------|--|
| <b>ASSETS</b>                                       |                                |                |                               |                                  |                               |                               |                                 |  |
| <b>PROPERTY, PLANT AND EQUIPMENT</b>                |                                |                |                               |                                  |                               |                               |                                 |  |
| Elec. utility plant in ser. & other property        | \$381                          | \$0            | \$41                          | \$75                             | \$0                           | \$1                           | \$0                             | \$0  |
| Nuclear fuel  | 0                              | 0              | 0                             | 0                                | 0                             | 0                             | 0                               | 0  |
| Construction work in progress                       | 3                              | 0              | 0                             | 0                                | 0                             | 0                             | 0                               | 0  |
| Less accumulated depr. & amort.                     | (53)                           | 0              | (9)                           | (17)                             | 0                             | 0                             | 0                               | 0  |
| Total prop., plant and eqpt. - net                  | 331                            | 0              | 32                            | 58                               | 0                             | 1                             | 0                               | 0  |
| <b>CURRENT ASSETS</b>                               |                                |                |                               |                                  |                               |                               |                                 |  |
| Cash and cash equivalents                           | (2)                            | 0              | 0                             | (1)                              | (1)                           | 0                             | 0                               | 0  |
| Customer receivables - net                          | 1                              | 0              | 0                             | 1                                | 0                             | 0                             | 0                               | 0  |
| Other receivables                                   | 31                             | 0              | 13                            | 1                                | 0                             | 0                             | 0                               | 0  |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 5                              | 0              | 2                             | 3                                | 0                             | 0                             | 0                               | 0  |
| Deferred clause expenses                            | 0                              | 0              | 0                             | 0                                | 0                             | 0                             | 0                               | 0  |
| Other   | 5                              | 0              | 0                             | 1                                | 0                             | 0                             | 0                               | 0  |
| Total current assets                                | 40                             | 0              | 15                            | 5                                | (1)                           | 0                             | 0                               | 0  |
| <b>OTHER ASSETS:</b>                                |                                |                |                               |                                  |                               |                               |                                 |  |
| Special use funds                                   | 0                              | 0              | 0                             | 0                                | 0                             | 0                             | 0                               | 0  |
| Other investments                                   | 6                              | (337)          | 0                             | 0                                | 0                             | 0                             | 338                             | 0  |
| Other   | 105                            | (99)           | 0                             | 0                                | 0                             | 0                             | 204                             | 0  |
| Total other assets                                  | 111                            | (436)          | 0                             | 0                                | 0                             | 0                             | 542                             | 0  |
| <b>TOTAL ASSETS</b>                                 | <b>\$482</b>                   | <b>(\$436)</b> | <b>\$47</b>                   | <b>\$63</b>                      | <b>(\$1)</b>                  | <b>\$1</b>                    | <b>\$542</b>                    | <b>\$0</b>   |
| <b>CAPITALIZATION</b>                               |                                |                |                               |                                  |                               |                               |                                 |  |
| Common shareholders' equity                         | \$455                          | (\$337)        | \$42                          | \$59                             | (\$2)                         | \$1                           | \$443                           | (\$1)  |
| Pref. stk. of FPL w/o sinking fund require.         | 0                              | 0              | 0                             | 0                                | 0                             | 0                             | 0                               | 0  |
| Long-term debt                                      | 0                              | 0              | 0                             | 0                                | 0                             | 0                             | 0                               | 0  |
| Total capitalization                                | 455                            | (337)          | 42                            | 59                               | (2)                           | 1                             | 443                             | (1)  |
| <b>CURRENT LIABILITIES</b>                          |                                |                |                               |                                  |                               |                               |                                 |  |
| Commercial paper                                    | 0                              | 0              | 0                             | 0                                | 0                             | 0                             | 0                               | 0  |
| Note payable  | 0                              | 0              | 0                             | 0                                | 0                             | 0                             | 0                               | 0  |
| Current maturities of long-term debt                | 0                              | 0              | 0                             | 0                                | 0                             | 0                             | 0                               | 0  |
| Accounts payable                                    | 3                              | 0              | 0                             | 0                                | 0                             | 0                             | 0                               | 0  |
| Customers' deposits                                 | 0                              | 0              | 0                             | 0                                | 0                             | 0                             | 0                               | 0  |
| Accrued interest and taxes                          | 0                              | 0              | 0                             | 0                                | 0                             | 0                             | 0                               | 0  |
| Deferred clause revenues                            | 0                              | 0              | 0                             | 0                                | 0                             | 0                             | 0                               | 0  |
| Other   | 17                             | 0              | 3                             | 4                                | 1                             | 0                             | 0                               | 1  |
| Total current liabilities                           | 20                             | 0              | 3                             | 4                                | 1                             | 0                             | 0                               | 1  |
| <b>OTHER LIABILITIES AND DEFERRED CREDITS</b>       |                                |                |                               |                                  |                               |                               |                                 |  |
| Asset retirement obligations                        | 5                              | 0              | 1                             | 0                                | 0                             | 0                             | 0                               | 0  |
| Accumulated deferred income taxes                   | 0                              | (99)           | 0                             | 0                                | 0                             | 0                             | 99                              | 0  |
| Storm and property insurance reserve                | 0                              | 0              | 0                             | 0                                | 0                             | 0                             | 0                               | 0  |
| Other   | 2                              | 0              | 1                             | 0                                | 0                             | 0                             | 0                               | 0  |
| Total other liab. & def. credits                    | 7                              | (99)           | 2                             | 0                                | 0                             | 0                             | 99                              | 0  |
| <b>COMMITMENTS AND CONTINGENCIES</b>                |                                |                |                               |                                  |                               |                               |                                 |  |
| <b>TOTAL CAPITALIZATION AND LIABILITIES</b>         | <b>\$482</b>                   | <b>(\$436)</b> | <b>\$47</b>                   | <b>\$63</b>                      | <b>(\$1)</b>                  | <b>\$1</b>                    | <b>\$542</b>                    | <b>\$0</b>   |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

|   | Maine<br>Final<br>Consolidated | Elims        | FPL<br>Energy<br>Wyman<br>LLC | FPL<br>Energy<br>Wyman<br>IV LLC | FPL<br>Energy<br>Mason<br>LLC | FPL<br>Energy<br>Cape,<br>LLC | FPL<br>Energy<br>Maine,<br>Inc. | FPL<br>Energy<br>Maine<br>Operating<br>Services<br>LLC |
|---|--------------------------------|--------------|-------------------------------|----------------------------------|-------------------------------|-------------------------------|---------------------------------|--|
| <b>INCOME STATEMENT</b>   |                                |              |                               |                                  |                               |                               |                                 |  |
| <b>OPERATING REVENUES</b>   | <b>\$129</b>                   | <b>\$7</b>   | <b>\$29</b>                   | <b>\$44</b>                      | <b>\$0</b>                    | <b>\$1</b>                    | <b>(\$3)</b>                    | <b>\$0</b>   |
| <b>OPERATING EXPENSES</b>   |                                |              |                               |                                  |                               |                               |                                 |  |
| Fuel, purchased power & interchange   | 51                             | 0            | 13                            | 40                               | 0                             | 0                             | (2)                             | 0  |
| Other operations and maintenance  | 22                             | 0            | 5                             | 4                                | (4)                           | 1                             | 1                               | (1)  |
| Depreciation & amortization   | 12                             | 0            | 2                             | 4                                | 0                             | 0                             | 0                               | 0  |
| Taxes other than income taxes   | 11                             | 0            | 1                             | 2                                | 0                             | 0                             | 0                               | 1  |
| Total operating expenses  | 96                             | 0            | 21                            | 50                               | (4)                           | 1                             | (1)                             | 0  |
| <b>OPERATING INCOME</b>   | <b>33</b>                      | <b>7</b>     | <b>8</b>                      | <b>(6)</b>                       | <b>4</b>                      | <b>0</b>                      | <b>(2)</b>                      | <b>0</b>   |
| <b>OTHER INCOME (DEDUCTIONS):</b>   |                                |              |                               |                                  |                               |                               |                                 |  |
| Interest charges  | 0                              | 0            | 0                             | 0                                | 0                             | 0                             | 0                               | 0  |
| Preferred stock dividends - FPL   | 0                              | 0            | 0                             | 0                                | 0                             | 0                             | 0                               | 0  |
| Loss on redemption of preferred stock - FPL   | 0                              | 0            | 0                             | 0                                | 0                             | 0                             | 0                               | 0  |
| Equity in earnings of equity method investees   | 1                              | (43)         | 0                             | 0                                | 0                             | 0                             | 43                              | 0  |
| Other - net   | 8                              | (7)          | 3                             | 3                                | 9                             | 0                             | 0                               | 0  |
| Total other deductions - net  | 9                              | (50)         | 3                             | 3                                | 9                             | 0                             | 43                              | 0  |
| <b>INCOME FROM OPERATIONS BEFORE INCOME TAXES</b>   | <b>42</b>                      | <b>(43)</b>  | <b>11</b>                     | <b>(3)</b>                       | <b>13</b>                     | <b>0</b>                      | <b>41</b>                       | <b>0</b>   |
| <b>INCOME TAXES</b>   | <b>15</b>                      | <b>0</b>     | <b>0</b>                      | <b>0</b>                         | <b>0</b>                      | <b>0</b>                      | <b>15</b>                       | <b>0</b>   |
| <b>INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE<br/>IN ACCOUNTING PRINCIPLE</b>              | <b>27</b>                      | <b>(43)</b>  | <b>11</b>                     | <b>(3)</b>                       | <b>13</b>                     | <b>0</b>                      | <b>26</b>                       | <b>0</b>   |
| <b>CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES</b>                                      |                                |              |                               |                                  |                               |                               |                                 |  |
| FASB Interpretation No. 46, "Consol. of Variable<br>Interest Entities," net of income taxes | 0                              | 0            | 0                             | 0                                | 0                             | 0                             | 0                               | 0  |
| <b>NET INCOME (LOSS)</b>  | <b>27</b>                      | <b>(43)</b>  | <b>11</b>                     | <b>(3)</b>                       | <b>13</b>                     | <b>0</b>                      | <b>26</b>                       | <b>0</b>   |
| <b>RET. EARNINGS (DEF.) AT BEG. OF YEAR</b>   | <b>(149)</b>                   | <b>297</b>   | <b>(33)</b>                   | <b>(73)</b>                      | <b>8</b>                      | <b>1</b>                      | <b>(163)</b>                    | <b>(3)</b>   |
| <b>DEDUCT:</b>  |                                |              |                               |                                  |                               |                               |                                 |  |
| Dividends   | 0                              | 0            | 0                             | 0                                | 0                             | 0                             | 0                               | 0  |
| Other   | 0                              | 0            | 0                             | 0                                | 0                             | 0                             | 0                               | 0  |
| <b>RET. EARNINGS (DEF.) AT END OF YEAR</b>  | <b>(\$122)</b>                 | <b>\$254</b> | <b>(\$22)</b>                 | <b>(\$76)</b>                    | <b>\$21</b>                   | <b>\$1</b>                    | <b>(\$137)</b>                  | <b>(\$3)</b>   |

| ASSETS  | FPL<br>Energy<br>Spruce<br>Point<br>LLC | Maine 1<br>Consolidated |
|---|---|-------------------------|
| <b>PROPERTY, PLANT AND EQUIPMENT</b>                |   |                         |
| Elec. utility plant in ser. & other property        | \$0                                     | \$264                   |
| Nuclear fuel  | 0                                       | 0                       |
| Construction work in progress                       | 0                                       | 3                       |
| Less accumulated depr. & amort.                     | 0                                       | (27)                    |
| Total prop., plant and eqpt. - net                  | 0                                       | 240                     |
| <b>CURRENT ASSETS</b>                               |   |                         |
| Cash and cash equivalents                           | 0                                       | 0                       |
| Customer receivables - net                          | 0                                       | 0                       |
| Other receivables                                   | 0                                       | 17                      |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 0                                       | 0                       |
| Deferred clause expenses                            | 0                                       | 0                       |
| Other   | 0                                       | 4                       |
| Total current assets                                | 0                                       | 21                      |
| <b>OTHER ASSETS:</b>                                |   |                         |
| Special use funds                                   | 0                                       | 0                       |
| Other investments                                   | 0                                       | 5                       |
| Other   | 0                                       | 0                       |
| Total other assets                                  | 0                                       | 5                       |
| <b>TOTAL ASSETS</b>                                 | <b>\$0</b>                              | <b>\$266</b>            |
| <b>CAPITALIZATION</b>                               |   |                         |
| Common shareholders' equity                         | \$0                                     | \$250                   |
| Pref. stk. of FPL w/o sinking fund require.         | 0                                       | 0                       |
| Long-term debt                                      | 0                                       | 0                       |
| Total capitalization                                | 0                                       | 250                     |
| <b>CURRENT LIABILITIES</b>                          |   |                         |
| Commercial paper                                    | 0                                       | 0                       |
| Note payable  | 0                                       | 0                       |
| Current maturities of long-term debt                | 0                                       | 0                       |
| Accounts payable                                    | 0                                       | 3                       |
| Customers' deposits                                 | 0                                       | 0                       |
| Accrued interest and taxes                          | 0                                       | 0                       |
| Deferred clause revenues                            | 0                                       | 0                       |
| Other   | 0                                       | 8                       |
| Total current liabilities                           | 0                                       | 11                      |
| <b>OTHER LIABILITIES AND DEFERRED CREDITS</b>       |   |                         |
| Asset retirement obligations                        | 0                                       | 4                       |
| Accumulated deferred income taxes                   | 0                                       | 0                       |
| Storm and property insurance reserve                | 0                                       | 0                       |
| Other   | 0                                       | 1                       |
| Total other liab. & def. credits                    | 0                                       | 5                       |
| <b>COMMITMENTS AND CONTINGENCIES</b>                |   |                         |
| <b>TOTAL CAPITALIZATION AND LIABILITIES</b>         | <b>\$0</b>                              | <b>\$266</b>            |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

| INCOME STATEMENT  | FPL<br>Energy<br>Spruce<br>Point<br>LLC | Maine 1<br>Consolidating |
|---|---|--------------------------|
| <b>OPERATING REVENUES</b>   | <b>\$0</b>                              | <b>\$51</b>              |
| <b>OPERATING EXPENSES</b>   |   |                          |
| Fuel, purchased power & interchange   | 0                                       | 0                        |
| Other operations and maintenance  | 0                                       | 16                       |
| Depreciation & amortization   | 0                                       | 6                        |
| Taxes other than income taxes   | 0                                       | 7                        |
| Total operating expenses  | 0                                       | 29                       |
| <b>OPERATING INCOME</b>   | <b>0</b>                                | <b>22</b>                |
| <b>OTHER INCOME (DEDUCTIONS):</b>   |   |                          |
| Interest charges  | 0                                       | 0                        |
| Preferred stock dividends - FPL   | 0                                       | 0                        |
| Loss on redemption of preferred stock - FPL   | 0                                       | 0                        |
| Equity in earnings of equity method investees   | 0                                       | 1                        |
| Other - net   | 0                                       | 0                        |
| Total other deductions - net  | 0                                       | 1                        |
| <b>INCOME FROM OPERATIONS BEFORE INCOME TAXES</b>   | <b>0</b>                                | <b>23</b>                |
| <b>INCOME TAXES</b>   | <b>0</b>                                | <b>0</b>                 |
| <b>INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE<br/>IN ACCOUNTING PRINCIPLE</b>              | <b>0</b>                                | <b>23</b>                |
| <b>CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES</b>                                      |   |                          |
| FASB Interpretation No. 46, "Consol. of Variable<br>Interest Entities," net of income taxes | 0                                       | 0                        |
| <b>NET INCOME (LOSS)</b>  | <b>0</b>                                | <b>23</b>                |
| <b>RET. EARNINGS (DEF.) AT BEG. OF YEAR</b>   | <b>0</b>                                | <b>(183)</b>             |
| <b>DEDUCT:</b>  |   |                          |
| Dividends   | 0                                       | 0                        |
| Other   | 0                                       | 0                        |
| <b>RET. EARNINGS (DEF.) AT END OF YEAR</b>  | <b>\$0</b>                              | <b>(\$160)</b>           |

| ASSETS  | Maine 1<br>Consolidated | Elims | Kennebec<br>Hydro<br>Resources,<br>Inc. | FPL<br>Energy<br>Maine<br>Hydro<br>LLC |
|---|-------------------------|-------|---|--|
| PROPERTY, PLANT AND EQUIPMENT                       |                         |       |   |  |
| Elec. utility plant in ser. & other property        | \$264                   | \$0   | \$0                                     | \$264                                  |
| Nuclear fuel  | 0                       | 0     | 0                                       | 0                                      |
| Construction work in progress                       | 3                       | 0     | 0                                       | 3                                      |
| Less accumulated depr. & amort.                     | (27)                    | 0     | 0                                       | (27)                                   |
| Total prop., plant and eqpt. - net                  | 240                     | 0     | 0                                       | 240                                    |
| CURRENT ASSETS                                      |                         |       |   |  |
| Cash and cash equivalents                           | 0                       | 0     | 0                                       | 0                                      |
| Customer receivables - net                          | 0                       | 0     | 0                                       | 0                                      |
| Other receivables                                   | 17                      | 0     | 0                                       | 17                                     |
| Mat'ls., supplies & fossil fuel inv. - at avg. cost | 0                       | 0     | 0                                       | 0                                      |
| Deferred clause expenses                            | 0                       | 0     | 0                                       | 0                                      |
| Other   | 4                       | 0     | 0                                       | 4                                      |
| Total current assets                                | 21                      | 0     | 0                                       | 21                                     |
| OTHER ASSETS:                                       |                         |       |   |  |
| Special use funds                                   | 0                       | 0     | 0                                       | 0                                      |
| Other investments                                   | 5                       | 4     | 2                                       | (1)                                    |
| Other   | 0                       | 0     | 0                                       | 0                                      |
| Total other assets                                  | 5                       | 4     | 2                                       | (1)                                    |
| TOTAL ASSETS  | \$266                   | \$4   | \$2                                     | \$260                                  |
| CAPITALIZATION                                      |                         |       |   |  |
| Common shareholders' equity                         | \$250                   | \$4   | \$2                                     | \$244                                  |
| Pref. stk. of FPL w/o sinking fund require.         | 0                       | 0     | 0                                       | 0                                      |
| Long-term debt                                      | 0                       | 0     | 0                                       | 0                                      |
| Total capitalization                                | 250                     | 4     | 2                                       | 244                                    |
| CURRENT LIABILITIES                                 |                         |       |   |  |
| Commercial paper                                    | 0                       | 0     | 0                                       | 0                                      |
| Note payable  | 0                       | 0     | 0                                       | 0                                      |
| Current maturities of long-term debt                | 0                       | 0     | 0                                       | 0                                      |
| Accounts payable                                    | 3                       | 0     | 0                                       | 3                                      |
| Customers' deposits                                 | 0                       | 0     | 0                                       | 0                                      |
| Accrued interest and taxes                          | 0                       | 0     | 0                                       | 0                                      |
| Deferred clause revenues                            | 0                       | 0     | 0                                       | 0                                      |
| Other   | 8                       | 0     | 0                                       | 8                                      |
| Total current liabilities                           | 11                      | 0     | 0                                       | 11                                     |
| OTHER LIABILITIES AND DEFERRED CREDITS              |                         |       |   |  |
| Asset retirement obligations                        | 4                       | 0     | 0                                       | 4                                      |
| Accumulated deferred income taxes                   | 0                       | 0     | 0                                       | 0                                      |
| Storm and property insurance reserve                | 0                       | 0     | 0                                       | 0                                      |
| Other   | 1                       | 0     | 0                                       | 1                                      |
| Total other liab. & def. credits                    | 5                       | 0     | 0                                       | 5                                      |
| COMMITMENTS AND CONTINGENCIES                       |                         |       |   |  |
| TOTAL CAPITALIZATION AND LIABILITIES                | \$266                   | \$4   | \$2                                     | \$260                                  |

CONSOLIDATING STATEMENTS OF INCOME AND  
RETAINED EARNINGS  
DECEMBER 31, 2003  
(\$ Millions)

| INCOME STATEMENT  | Maine 1<br>Consolidated | Elims | Kennebec<br>Hydro<br>Resources,<br>Inc. | FPL<br>Energy<br>Maine<br>Hydro<br>LLC |
|---|-------------------------|-------|---|--|
| OPERATING REVENUES  | \$51                    | \$0   | \$0                                     | \$51                                   |
| OPERATING EXPENSES  |                         |       |   |  |
| Fuel, purchased power & interchange   | 0                       | 0     | 0                                       | 0                                      |
| Other operations and maintenance  | 16                      | 0     | 0                                       | 16                                     |
| Depreciation & amortization   | 6                       | 0     | 0                                       | 6                                      |
| Taxes other than income taxes   | 7                       | 0     | 0                                       | 7                                      |
| Total operating expenses  | 29                      | 0     | 0                                       | 29                                     |
| OPERATING INCOME  | 22                      | 0     | 0                                       | 22                                     |
| OTHER INCOME (DEDUCTIONS):  |                         |       |   |  |
| Interest charges  | 0                       | 0     | 0                                       | 0                                      |
| Preferred stock dividends - FPL   | 0                       | 0     | 0                                       | 0                                      |
| Loss on redemption of preferred stock - FPL   | 0                       | 0     | 0                                       | 0                                      |
| Equity in earnings of equity method investees   | 1                       | (1)   | 1                                       | 1                                      |
| Other - net   | 0                       | 0     | 0                                       | 0                                      |
| Total other deductions - net  | 1                       | (1)   | 1                                       | 1                                      |
| INCOME FROM OPERATIONS BEFORE INCOME TAXES  | 23                      | (1)   | 1                                       | 23                                     |
| INCOME TAXES  | 0                       | 0     | 0                                       | 0                                      |
| INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE<br>IN ACCOUNTING PRINCIPLE                      | 23                      | (1)   | 1                                       | 23                                     |
| CUM. EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES   |                         |       |   |  |
| FASB Interpretation No. 46, "Consol. of Variable<br>Interest Entities," net of income taxes | 0                       | 0     | 0                                       | 0                                      |
| NET INCOME (LOSS)   | 23                      | (1)   | 1                                       | 23                                     |
| RET. EARNINGS (DEF.) AT BEG. OF YEAR  | (183)                   | 0     | 6                                       | (189)                                  |
| DEDUCT:   |                         |       |   |  |
| Dividends   | 0                       | 0     | 0                                       | 0                                      |
| Other   | 0                       | 0     | 0                                       | 0                                      |
| RET. EARNINGS (DEF.) AT END OF YEAR   | (\$160)                 | (\$1) | \$7                                     | (\$166)                                |