

# PIERCE ATWOOD

June 24, 2002

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Claire Diccico  
Assistant Secretary  
New Hampshire Public Utilities Commission  
8 Old Suncook Road  
Concord, NH 03301

Re: Proceeding to Approve the Funding Assurance Proposed in Connection with  
the Sale of Seabrook Station Interests – Docket No. NDFC 2002-2

Dear Ms. Diccico:

Enclosed please find for filing in the above-captioned proceeding the  
Stipulation of the Full Parties.

Thank you for your attention to this matter.

Sincerely,



Raymond W. Hepper  
Attorney for FPL Energy Seabrook, LLC

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RWH/jlw  
Enclosures

cc: Service List

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207.623.9367 f

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Portsmouth, NH 03802-1009  
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ADD1

**STATE OF NEW HAMPSHIRE  
NUCLEAR DECOMMISSIONING FINANCING  
COMMITTEE**

**Docket No. NDFC 2002-2**

Proceeding to Approve the Funding Assurance  
Proposed in Connection with the Sale of Seabrook Station Interests

**Stipulation of the Full Parties**

June 24, 2002

Submitted by:

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*Attorneys for FPL Energy Seabrook, LLC*

**FPLE - SEABROOK**  
**NDFC Stipulation of Full parties**  
**Exhibits by Tab**

TAB	EXHIBIT DESCRIPTION
1	Stipulation
2	Application of FPL Energy Seabrook, LLC for approval of the funding assurance and schedule of payments (provided previously)
3	FPL Group's corporate structure
4	Preliminary schedule of payments
5	Projected income and cash flow
6	Projected cash flow using more conservative performance assumptions
7	FPL Group Capital support agreement
8	FPL Group Capital's letter to NDFC
9	FPL Group Capital decommissioning fund guarantee
10	FPL Group, Inc. guaranty to FPL Group Capital
11	FPL Group letter to NDFC
12	FPL Group key financial statistics
13	Profile of FPL Energy
14	FPL Group's 2001 SEC Form 10-K
15	FPL Group's generating assets
16	Debts and equity instruments
17	Affidavit of Moray P. Dewhurst of FPL
18	MMWEC, TMLP and HLPD reservation of rights

**EXHIBIT 1**  
**STIPULATION**

THE STATE OF NEW HAMPSHIRE  
NUCLEAR DECOMMISSIONING FINANCING COMMITTEE

DOCKET NO. NDFC 2002-2

**STIPULATION OF THE FULL PARTIES**

For the purposes of this docket only, and without prejudice to any party with respect to any future proceeding, all full parties hereby stipulate to the following facts and other matters.

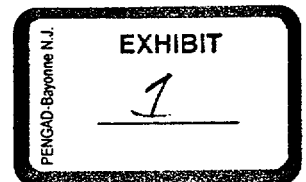
The parties acknowledge that the Nuclear Decommissioning Financing Committee ("NDFC" or "Committee") has the authority, pursuant to RSA 162-F, to order additional funding assurances or the modification of any existing funding assurance and to change the schedule of payments at any time. Each full party expressly reserves all rights to contest any order of the NDFC in a court of competent jurisdiction.

**I. APPEARANCES**

**1. Full Parties** Pursuant to Order No. 1, the NDFC accepted the following entities as full parties:

(a) FPL Energy Seabrook, LLC ("FPLE Seabrook") is a limited liability corporation established and duly organized in the State of Delaware, which will have its principal place of business in New Hampshire. FPLE Seabrook was formed solely to acquire, own and operate Seabrook. FPLE Seabrook is registered to do business in New Hampshire.

(b) The Seabrook Station Joint Owners participating in the sale of Seabrook Station ownership interests are the North Atlantic Energy Corporation, United Illuminating Company, Great Bay Power Corporation, New England Power Company, Canal Electric Company, Little Bay Power Corporation, New Hampshire Electric



Cooperative, Inc., the Connecticut Light and Power Company ("Selling Joint Owners"). North Atlantic Energy Service Corporation is the managing agent of Seabrook Station.

(c) The Massachusetts Municipal Wholesale Electric Company ("MMWEC") and Taunton Municipal Lighting Plant ("TMLP") and Hudson Light and Power Department ("HLPD") are Seabrook Station Joint Owners that are not selling their ownership interests, and are represented jointly. The other parties to this docket are the Seacoast Anti-Pollution League ("SAPL"), the Public Utilities Commission Staff and the Office of the Consumer Advocate.

**2. Special Appearances** FPL Group, Inc. ("FPL Group") and FPL Group Capital, Inc. ("FPL Group Capital") specially appear in this proceeding exclusively for the purpose of submitting Exhibits 8 and 11, and by so specially appearing the parties agree, and by approving this stipulation the Committee acknowledges, that neither FPL Group nor FPL Group Capital have submitted to the jurisdiction of the Committee.

**3. Reservations** SAPL reserves its right to cross-examine FPLE Seabrook's witness and to present evidence and legal argument requesting that the NDFC order that the NDFC may asserts its rights against FPL Group and FPL Group Capital, set forth herein, in the courts of New Hampshire. MMWEC, TMLP and HLPD reserve their rights to cross-examine FPLE Seabrook's witness and to present evidence and legal argument regarding the additional funding assurances set forth in Exhibit 18 to this stipulation.

## **II. SCOPE AND ISSUES**

FPLE Seabrook, an indirect wholly-owned subsidiary of FPL Group Capital, which is a direct wholly-owned subsidiary of FPL Group, proposes to purchase

approximately 88.2% of Seabrook Station. Before the sale can occur the Committee must determine how FPLE Seabrook will meet its decommissioning funding obligation and the adequacy of the funding assurance requirements of RSA 162-F:21-a, and RSA 162-F:21-c.

The issues to be addressed in this docket are limited to the following list. These issues constitute the scope of the docket.

In this docket the Committee has stated that it will:

1. Establish the funding date(s) for FPLE Seabrook for the 2003 schedule of payments;
2. Establish the schedule of payments for FPLE Seabrook for 2003, including
  - a. Determining the assumptions to be used as a basis for calculation of the schedule of payments.
  - b. Determining how the RSA 162-F:21-a payment at closing, the so-called "top-off payment" is to be calculated when determining the schedule of payments;
3. Establish the schedule of payments for FPLE Seabrook from the date of sale of approximately 88% of the Seabrook Station ownership through December 31, 2002, if the sale occurs prior to the end of the year;
4. Establish the Funding Assurance terms necessary for FPLE Seabrook to meet the obligations of RSA 162-F: 21-a and RSA 162-F:21-c
5. Establish the procedures to be used on the date of sale of ownership interests in Seabrook Station concerning the top-off payment, including
  - a. Transfer procedure
  - b. Fund allocations among trusts
  - c. True-up of payment after the date of sale
  - d. Reporting requirements after transfers are completed
6. Establish the procedures for transfer of the nuclear decommissioning fund ("Decommissioning Fund") balances of selling owners to FPLE Seabrook, including
  - a. Transfer procedure

- b. Fund allocations among trusts
  - c. True-up of payment after the date of sale
  - d. Reporting requirements after transfers are completed
7. Establish the Decommissioning Fund reporting requirements for the annual report to be submitted in March 2003;
  8. Establish the date on which the RSA 162-F:22 initial submission (the so-called 4-Year review) will be filed with the Committee;
  9. Establish any periodic reporting requirements for FPLE Seabrook, in addition to those to be incorporated in the Annual Report requirements;
  10. Establish changes to be made to the Master Trust Agreement in response to the amendment of RSA 162-F, and in anticipation of the Seabrook Station transfer of a majority of the ownership interests.
  11. Establish whether, in the event of a premature permanent cessation of operation ("premature shutdown") expenses associated with any SAFSTOR period are to be paid from the Decommissioning Fund.

### **III. FPLE SEABROOK'S PROPOSED FUNDING ASSURANCES**

FPLE Seabrook, in its application proposed a combination of funding assurances to secure payment of its portion of the difference between the projected decommissioning costs of Seabrook Station and the Decommissioning Fund balance (including the Selling Joint Owners' top-off payment) at the time of FPLE Seabrook's acquisition of its share of Seabrook Station. FPLE Seabrook's proposed funding assurance consisted of three components:

(1) Scheduled payments into the Decommissioning Fund supported by positive cash flow from operation of Seabrook Station which FPLE Seabrook projects will be sufficient to cover all operating expenses including ongoing payments into the Decommissioning Fund;

(2) A Support Agreement from FPL Group Capital, Inc. to FPLE Seabrook providing assurance in the aggregate amount of \$110 million;



(3) A guaranty<sup>1</sup> from FPL Group Capital to the NDFC, fully backed by a guaranty from FPL Group, which according to FPLE Seabrook:

(a) would ensure that the ongoing payments into the Decommissioning Fund would continue under the highly unlikely scenario that FPLE Seabrook cannot meet its obligation to make contributions into the funds;

(b) would ensure that the obligations of FPLE Seabrook to decommission its share of Seabrook Station would be fully satisfied in the unlikely event of either a premature shutdown or inadequate funding for decommissioning; and

(c) would remain in place through the decommissioning of the plant unless an alternate funding assurance is approved by the Committee.

#### **IV. STIPULATED FUNDING ASSURANCES**

Based on the evidence referenced herein and as presented to the NDFC in this Docket, the full parties agree, with the exception of the MMWEC, TMLP, and HLPD and SAPL reservations set forth in Paragraph I.3 above, that, through a combination of the top-off payment, scheduled payments supported by projected positive cash flows from FPLE Seabrook, contractual commitments, direct and indirect parental guarantees and the reporting requirements listed below, FPLE Seabrook will provide sufficient funding assurances to fund the cost of decommissioning FPLE Seabrook's percentage ownership of Seabrook Station to the Commercial and Industrial Standard as adopted in NDFC Docket 2001-1. The parties stipulate as follows.

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<sup>1</sup> The terms "guaranty" and "guarantee" are used herein interchangeably and intended to have the same

**A. Seabrook Station Cash Flow**

FPLE Seabrook projected cash flows based on the alternative assumptions embodied in both Exhibit 5 and Exhibit 6 will be sufficient to meet all of its operating and maintenance expenses, interest expenses, and taxes, including its projected contributions to the Decommissioning Fund.

**B. Support Agreement**

1. FPLE Seabrook and FPL Group Capital, its indirect parent corporation, shall enter into a support agreement (in the form of Exhibit 7 attached hereto) pursuant to which FPL Group Capital and FPLE Seabrook evidence their desire and commitment to ensure FPLE Seabrook's ability to pay the expenses of operating Seabrook Station, including the contributions to the Decommissioning Fund as required by the NDFC ("Support Agreement"). Pursuant to the Support Agreement, FPL Group Capital will provide, if requested by FPLE Seabrook, up to \$110 million to cover its operating and maintenance expenses (including Decommissioning Fund contributions).

2. In the event of an outage, the Support Agreement shall remain in effect until Seabrook Station returns to service or \$110 million is provided by FPL Group Capital pursuant to the Support Agreement, whichever occurs first. In the event of an outage lasting longer than nine consecutive months in fulfillment of its commitment to pay its share of all operating and maintenance expense of Seabrook Station, including payments to the Decommissioning Fund, FPLE Seabrook shall have available to it an additional \$110 million from FPL Group Capital for the duration of that outage.

3. In the event of an outage at Seabrook Station and the premature shutdown of Seabrook Station, the Support Agreement and the commitment in Paragraph IV.B.2

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meaning; the use of one spelling or the other does not connote a different meaning.

above, shall remain in effect for a total of 15 months from the date the outage began, or the payment of \$220 million by FPL Group Capital to FPLE Seabrook, whichever occurs first.

4. The total amount available to FPLE Seabrook specified in the Support Agreement and the commitment provided in Paragraph IV.B.2 above shall be reduced on a dollar for dollar basis as funds are provided by FPL Group Capital to FPLE Seabrook. At the end of any outage, with the exception of an outage leading to a premature shutdown, the amounts available to FPLE Seabrook under the Support Agreement and under the circumstances referenced in Paragraph IV.B.2, shall be reinstated to the full amounts stated in the Support Agreement and in Paragraph IV.B.2, respectively, as those amounts may be adjusted pursuant to Paragraph IV.C.

5. The dollar amounts in the Support Agreement and the commitment provided in Paragraph IV.B.2 are subject to adjustment pursuant to Paragraph IV.C. below.

**C. Adjustment of Support Agreement**

1. Commencing in 2007, when conducting its four-year review pursuant to RSA 162-F:22,I, the Committee, in addition to fulfilling its other statutory responsibilities, shall review and adjust the amount available to FPLE Seabrook under its Support Agreement with FPL Group Capital as described herein. The amount available for outages of less than a nine-month duration shall equal one-half of the average annual operations and maintenance expense (as defined by the elements set forth in the "Operating Expense" columns in Exhibit 5) for FPLE Seabrook's share of Seabrook Station during the immediately preceding three-year period and the most recent

projection for the succeeding three years, as attested to by sworn application to the NDFC at the time of that hearing. The additional commitment in Paragraph IV.B.2 above for outages lasting more than nine (9) months' duration shall equal one-half of the average annual operations and maintenance expense for FPLE Seabrook's share of Seabrook Station as described in the immediately preceding sentence.

2. FPLE Seabrook will give the NDFC thirty (30) days notice prior to any changes in the FPL Group Capital Support Agreement described above and will not make any amendments, modifications or changes to said agreement if, within the thirty day period, the NDFC (i) determines that such changes are likely to diminish the quality of the funding assurance provided and (ii) commences a proceeding to investigate whether the proposed change diminishes the quality of the funding assurance; provided that any such amendment, modification or change shall thereafter be effective if, in the exercise of its discretion, the NDFC concludes that the proposed change does not diminish the quality of the funding assurance.

**D. FPL Group Capital Guaranty**

FPL Group Capital shall execute and deliver to the NDFC a guaranty (in the form of Exhibit 9) in favor of the NDFC, which:

- (1) shall provide for the full funding of FPLE Seabrook's decommissioning obligation in the event that FPLE Seabrook does not meet its obligation to make contributions in accordance with RSA 162-F:21-c;
- (2) ensures that the payment obligations of FPLE Seabrook to decommission its share of Seabrook Station are fully satisfied in the event of either a

premature shutdown of Seabrook Station or inadequate funding for decommissioning from FPLE Seabrook cash flow; and

- (3) remains in place through the decommissioning of Seabrook Station unless an alternate funding assurance is approved by the Committee.

**E. FPL Group Guarantee**

1. In accordance with the provisions of the FPL Group to FPL Group Capital Guarantee (Exhibit 10), FPLE Seabrook shall notify the NDFC of any proposed change, modification or amendment to the Group Guarantee, which change, modification or amendment would not be effective against the NDFC if, within thirty (30) days following the date of such amendment notice, the NDFC delivers written notice to FPLE Seabrook to show cause why the proposed amendment would not diminish the quality of the funding assurances provided to and relied upon by the NDFC in this proceeding. In such event, the change, modification or amendment would not be effective as against the NDFC until the NDFC thereafter provides its consent to the proposed amendment.

2. It is specifically understood and agreed that, the Guaranty from FPL Group Capital to the NDFC is within the definition of "Contingent Obligation" and thereby included in the definition of "Debt" which makes the NDFC a "Holder" and the Guaranty from FPL Group Capital to the NDFC an "Operative Instrument," as these terms are used in the FPL Group Guarantee.

3. The obligations of FPL Group Capital under the terms of its guaranty to the NDFC are guaranteed by FPL Group which "absolutely and unconditionally guarantees" those obligations of FPL Group Capital's guaranty to the NDFC. The guaranty from FPL Group to FPL Group Capital is enforceable by the NDFC in the event that (a) FPLE

Seabrook does not meet its obligations to the NDFC, and (b) FPL Group Capital does not meet its obligations pursuant to the FPL Group Capital guaranty in favor of the NDFC.

**F. Reporting Requirements**

1. FPLE Seabrook shall provide to the NDFC a copy of the monthly operating report filed with the U.S. Nuclear Regulatory Commission for each of the nuclear power units owned or operated by any direct or indirect subsidiary of FPL Group.

2. FPLE Seabrook will deliver to the NDFC printed copies of all 8-K, 10-K and 10-Q filings made to the Securities and Exchange Commission by FPL Group or any of its subsidiary companies within five (5) business days of when such filings are made to the SEC.

3. FPLE Seabrook will notify the NDFC within ten (10) days of the enactment of any Florida statute or final court order of the Supreme Court of Florida mandating the restructuring of regulated electric utility services, or divestiture of generating assets of any electric utility regulated in Florida which is owned directly or indirectly by FPL Group, or the introduction of competition for electric utility services in Florida.

4. FPLE Seabrook will notify the NDFC within five (5) business days of FPL Group Capital's failure to maintain or fulfill any of the representations or warranties contained in the FPL Group Capital guaranty to the NDFC. FPL Group Capital shall make commercially reasonable efforts, pursuant to New Hampshire law, to cure such deficiency.

**G. Additional Assurances In The Event Of A Change In Business Conditions**

1. If FPL Group's ratio of (i) Funded Debt (as defined in Exhibit 16, attached hereto and made a part hereof) as of the end of the most recently ended fiscal quarter to (ii)

Total Capitalization (as defined in Exhibit 16) as of the end of the most recently ended fiscal quarter is greater than 0.65:1.00, then, at FPLE Seabrook's option, either of the additional assurances set forth below will be provided. FPLE Seabrook shall provide evidence to the NDFC quarterly that the ratio described does not exceed 0.65:1.00. Notwithstanding anything herein to the contrary, for the purpose of calculating "Funded Debt" and "Total Capitalization," Funded Debt of Group or any of its Subsidiaries (as defined in Exhibit 16), recourse for which is limited to specific assets of Group and/or any of its Subsidiaries ("Nonrecourse Indebtedness"), and the specific assets securing such Nonrecourse Indebtedness (to the extent of such Nonrecourse Indebtedness) shall not be taken into effect.

(a) FPLE Seabrook will not pay any cash dividends or make any other cash contributions to FPL Group or any Subsidiary of FPL Group for so long as the Funded Debt to Total Capital ratio test is not met provided, however, that FPLE Seabrook shall continue to make all required payments into the Decommissioning Fund.

(b) FPLE Seabrook may, in lieu thereof, make a payment into the Decommissioning Fund equal to six (6) times the authorized contribution for the month in which the ratio is greater than 0.65:1.00. Said payment is in addition to any required contributions to the fund and shall not be considered in calculating future funding schedules until such time as the ratio of Funded Debt to Total Capitalization as described above falls below 0.65:1.00.

2. In the event that FPL Group's operating income on a consolidated basis, as reported to the SEC in forms 10-K or 10-Q, or such reports that may supersede those

reports, falls below \$800 million for the immediately preceding twelve (12) months, FPLE Seabrook will within ten (10) business days show cause why the funding assurances to the NDFC should not be modified.

3. In the event that FPL Group reported consolidated operating income falls below \$600 million for the immediately preceding twelve (12) month period, FPLE Seabrook shall within five (5) business days deposit into an escrow account for the benefit of the Decommissioning Fund an amount equal to twelve (12) times its scheduled contribution to the fund for the month in which operating income falls below \$600 million for the immediately preceding twelve (12) month period, and show cause why the NDFC should not modify FPLE Seabrook's funding assurances. Said escrow funds are not in lieu of scheduled Decommissioning Fund contributions and shall be released to FPLE Seabrook by the NDFC if it finds that no additional assurances are required or if FPLE Seabrook provides additional funding assurances as ordered by the NDFC.

4. In the event that Florida Power & Light Company, the regulated utility subsidiary of FPL Group, sells or otherwise divests itself of 80% of its electric generating assets, as measured by either net generating capacity or by net book value, FPLE Seabrook shall within five (5) business days deposit into an escrow account for the benefit of the Decommissioning Fund an amount equal to twelve (12) times its scheduled contributions to the Decommissioning Fund for the month in which the sale or divestiture occurs and show cause why the NDFC should not modify FPLE Seabrook's funding assurances. Said escrow funds are not in lieu of scheduled Decommissioning Fund contributions and shall be released to FPLE Seabrook by the NDFC if it finds that no additional assurances



are required or if FPLE Seabrook provides additional funding assurances as ordered by the NDFC.

5. If, for any reason, a contribution payment due and payable to the Decommissioning Fund is not received within five (5) business days of its due date, FPLE Seabrook shall deposit into the decommissioning fund an amount equal to six (6) times its scheduled contributions to the fund for the month in which the payment is not received, cure its arrearage and make all other payments as scheduled.

#### **H. Schedule of Payments**

1. The Decommissioning Fund schedule of payments for FPLE Seabrook (Exhibit 4) uses the same assumptions as the schedule adopted in NDFC Docket 2002-1, with two exceptions.

(a) The 2002 year-end Decommissioning Fund balance includes \$58.7 million as the estimate of the RSA 162-F:21-a top-off payment and the payment is assumed to be invested based on investment elections proposed by FPLE Seabrook; and

(b) The 2003-2026 Decommissioning Fund schedule of payments for the Seabrook Station ownership interest of the Selling Joint Owners are assumed to be invested based on the investment elections proposed by FPLE Seabrook.

2. The Decommissioning Fund schedule of payments for FPLE Seabrook (Exhibit 4) as modified in subparagraph IV.H.5. will be effective as of January 1, 2003, for all ownership interests purchased before that date.

3. FPLE Seabrook will pay the unpaid 2002 decommissioning obligations of each selling joint owner, as established by the NDFC in NDFC Docket 2001-1, for each ownership interest purchased in 2002.

4. If FPLE Seabrook purchases a Seabrook Station ownership interest after January 1, 2003, the Decommissioning Fund schedule of payments for FPLE Seabrook (Exhibit 4) will be effective for such ownership interest as of the first business day of the month following the date of purchase of that ownership interest.

5. Prior to final approval of the Decommissioning Fund schedule of payments for FPLE Seabrook (Exhibit 4), it will be recalculated using the Decommissioning Fund market value as of November 30, 2002, plus the trust fund contributions scheduled to be made in December 2002.

#### **V. EXHIBITS TO THE STIPULATION**

Attached are eighteen (18) exhibits which support this stipulation and which, in the opinion of the parties, establish the reasonableness of the funding assurances provided pursuant to this Agreement.

Exhibit 1 is the stipulation of the Full Parties.

Exhibit 2 is the Application, and all exhibits thereto, of FPLE Seabrook, for approval of the funding assurances and Decommissioning Fund schedule of payments dated May 9, 2002.

Exhibit 3 is an illustration of FPL Group's corporate structure including its relationship to FPLE Seabrook.

Exhibit 4 is FPLE Seabrook's preliminary schedule of payments which was produced using each of the assumptions previously approved by the NDFC with the

following two exceptions; (1) the beginning fund balance was adjusted to include the top-off payment; and (2) FPLE Seabrook's investment election was incorporated.

Exhibit 5 is FPLE Seabrook's projected cash flow data demonstrating its ability to make required scheduled decommissioning fund payments based on forecast operating conditions.

Exhibit 6 is FPLE Seabrook's projected cash flow using more conservative performance assumptions.

Exhibit 7 is the Support Agreement proposed by FPLE Seabrook.

Exhibit 8 is a letter from FPL Group Capital to the NDFC.

Exhibit 9 is FPL Group Capital's guarantee to the NDFC providing assurance that all decommissioning costs will be funded whenever incurred.

Exhibit 10 is FPL Group's guarantee of FPL Group Capital's obligations.

Exhibit 11 is a letter from FPL Group to the NDFC.

Exhibit 12 is a summary of pertinent FPL information including a comparison of debt ratings, stock prices and additional key financial statistics.

Exhibit 13 includes other representative descriptive information about FPL Group.

Exhibit 14 is FPL Group's 2001 SEC Form 10-K.

Exhibit 15 describes the generation assets owned, operated and controlled by FPL Group Capital and FPL Energy.

Exhibit 16 defines those debts and equity instruments that are to be considered in calculating the ratio that is described in Section IV of the stipulation.

Dated: June 24, 2007

FPL Energy Seabrook, LLC

by 

its Attorney

Dated: \_\_\_\_\_

Office of the Consumer Advocate

by \_\_\_\_\_

its \_\_\_\_\_

Dated: \_\_\_\_\_

Selling Joint Owners and  
North Atlantic Energy Service  
Corporation

by \_\_\_\_\_

their \_\_\_\_\_

Dated: \_\_\_\_\_

Seacoast Anti-Pollution League

by \_\_\_\_\_

its \_\_\_\_\_

Dated: \_\_\_\_\_

Massachusetts Municipal Wholesale  
Electric Company, Taunton  
Municipal Lighting Plant and  
Hudson Light and Power Department

by \_\_\_\_\_

their \_\_\_\_\_

**EXHIBIT 2**

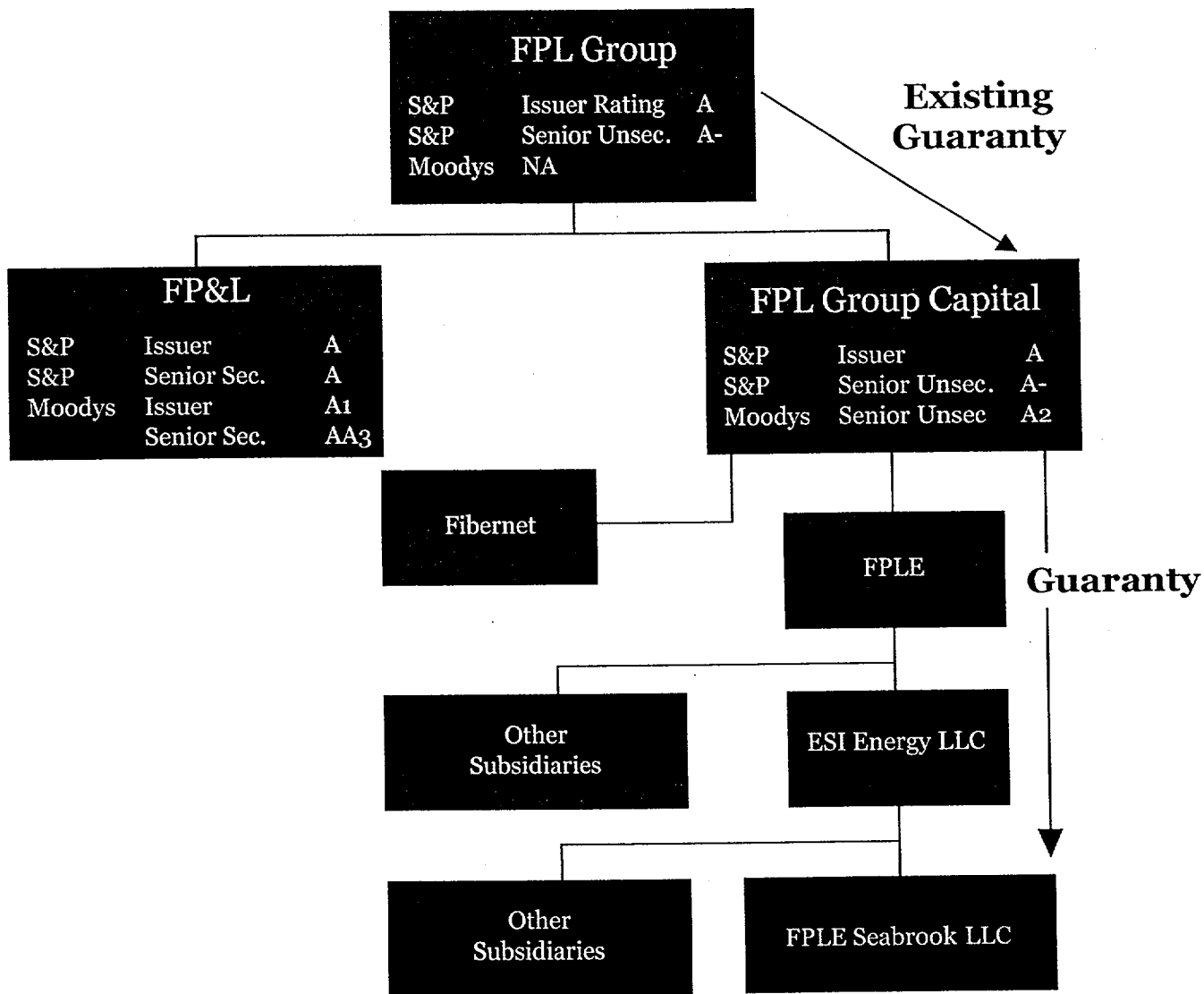
**APPLICATION OF FPL ENERGY SEABROOK, LLC  
FOR APPROVAL OF THE FUNDING ASSURANCE  
AND SCHEDULE OF PAYMENTS**

(Application provided previously)

**EXHIBIT 3**

**FPL GROUP'S CORPORATE STRUCTURE**

Corporate Ownership of FPLE Seabrook



**EXHIBIT 4**

**PRELIMINARY SCHEDULE OF PAYMENTS**

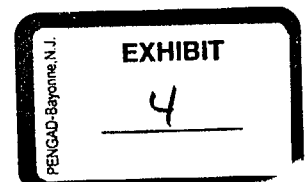


SEABROOK STATION  
 DECOMMISSIONING COST PROJECTIONS  
 FPL Energy Seabrook, LLC

Ownership:	88.23%
Share of Decommissioning Cost:	\$ 490,150,974

Year End 12/31	Contributions						Total
	Fund 1A	Fund 1B	Fund 2	Fund 3	Fund 4	Fund 5	
12/31/02	1,154,292	10,454,357	469,625	1,047,265	1,191,374	1,541,334	15,858,247
12/31/03	0	0	0	6,678,082	0	2,871,355	9,549,437
12/31/04	0	0	0	6,945,205	0	2,986,209	9,931,414
12/31/05	0	0	0	7,223,014	0	3,105,657	10,328,671
12/31/06	0	0	0	7,511,935	0	3,229,883	10,741,818
12/31/07	0	0	0	3,961,597	0	1,963,663	5,925,260
12/31/08	0	0	0	4,120,062	0	2,042,209	6,162,271
12/31/09	0	0	0	4,284,865	0	2,123,899	6,408,764
12/31/10	0	0	0	4,456,258	0	2,208,854	6,665,112
12/31/11	0	0	0	4,634,509	0	2,297,209	6,931,718
12/31/12	0	0	0	4,819,890	0	2,389,098	7,208,988
12/31/13	0	0	0	7,282,461	0	214,884	7,497,345
12/31/14	0	0	0	7,573,759	0	223,480	7,797,239
12/31/15	0	0	0	7,876,710	0	232,419	8,109,129
12/31/16	0	0	0	8,191,778	0	241,716	8,433,494
12/31/17	0	0	0	8,519,450	0	251,384	8,770,834
12/31/18	0	0	0	8,860,228	0	261,440	9,121,668
12/31/19	0	0	0	9,214,637	0	271,897	9,486,534
12/31/20	0	0	0	9,583,222	0	282,773	9,865,995
12/31/21	0	0	0	9,966,549	0	294,084	10,260,633
12/31/22	0	0	0	10,365,212	0	305,847	10,671,059
12/31/23	0	0	0	11,097,902	0	0	11,097,902
12/31/24	0	0	0	11,541,819	0	0	11,541,819
12/31/25	0	0	0	12,003,491	0	0	12,003,491
12/31/26	0	0	0	7,282,119	0	0	7,282,119

1,154,292	10,454,357	469,625	185,042,019	1,191,374	29,339,294	227,650,961
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SEABROOK STATION  
 DECOMMISSIONING COST PROJECTIONS  
 Summary Page for Totals of All Owners

Year End	Contributions	Fees/Expenses	Annual Earnings	Balances	Target
12/31	Total	Total	Total	Total	Cost
12/31/93					-
12/31/94				-	-
12/31/95				42,604,093	-
12/31/96	-	-	-	55,340,641	-
12/31/97	-	-	-	71,541,311	-
12/31/98	-	-	-	94,399,829	-
12/31/99	-	-	-	124,925,920	-
12/31/00	-	-	-	145,720,360	555,537,770
12/31/01	-	-	-	162,516,615	584,703,503
12/31/02	17,507,244	2,400,734	15,082,454	251,419,531	615,400,437
12/31/03	11,403,451	2,809,955	23,155,415	283,168,442	647,708,960
12/31/04	11,859,589	3,021,840	25,969,296	317,975,487	681,713,680
12/31/05	12,333,972	3,250,465	29,060,577	356,119,572	717,503,648
12/31/06	12,827,331	3,497,194	32,455,482	397,905,191	755,172,590
12/31/07	7,183,265	3,760,142	35,931,097	437,259,411	794,819,151
12/31/08	7,470,596	4,036,938	39,521,536	480,214,605	836,547,156
12/31/09	7,769,420	4,335,441	43,450,433	527,099,017	880,465,882
12/31/10	8,080,197	4,657,408	47,749,669	578,271,475	926,690,341
12/31/11	8,403,405	5,004,746	52,454,184	634,124,318	975,341,584
12/31/12	8,739,541	5,379,518	57,602,279	695,086,619	1,026,547,017
12/31/13	9,089,122	5,783,434	63,179,817	761,572,125	1,080,440,735
12/31/14	9,452,687	6,218,716	69,227,338	834,033,434	1,137,163,874
12/31/15	9,830,795	6,688,387	75,833,521	913,009,363	1,196,864,977
12/31/16	10,224,026	7,195,246	83,050,438	999,088,581	1,259,700,388
12/31/17	10,632,988	7,742,329	90,935,129	1,092,914,368	1,325,834,659
12/31/18	11,058,307	8,332,925	99,550,086	1,195,189,836	1,395,440,978
12/31/19	11,500,639	8,970,600	108,963,789	1,306,683,664	1,468,701,630
12/31/20	11,960,665	9,659,223	119,251,287	1,428,236,393	1,545,808,465
12/31/21	12,439,091	10,402,989	130,494,853	1,560,767,348	1,626,963,410
12/31/22	12,936,655	11,206,130	130,393,968	1,692,891,841	1,712,378,989
12/31/23	13,454,121	11,133,716	128,012,611	1,823,224,858	1,802,278,886
12/31/24	13,992,286	29,728,617	122,648,063	1,930,136,591	1,877,584,520
12/31/25	14,551,978	36,886,475	114,324,959	2,022,127,052	1,949,053,715
12/31/26	8,828,200	78,116,679	102,659,139	2,055,497,712	1,981,306,388
12/31/27	-	334,992,321	97,563,569	1,818,068,960	1,750,305,483
12/31/28	-	345,736,209	85,129,723	1,557,462,474	1,495,126,573
12/31/29	-	330,985,609	72,130,411	1,298,607,276	1,240,606,975
12/31/30	-	341,309,481	58,538,225	1,015,836,020	961,011,018
12/31/31	-	316,280,765	44,589,914	744,145,169	691,258,590
12/31/32	-	180,021,299	34,069,401	598,193,271	546,256,544
12/31/33	-	142,682,701	27,487,175	482,997,745	431,409,913
12/31/34	-	25,356,579	24,567,244	482,208,410	430,661,589
12/31/35	-	18,184,806	24,744,951	488,768,555	437,263,788
12/31/36	-	19,096,224	25,097,420	494,769,751	443,326,047
12/31/37	-	19,965,736	25,423,102	500,227,118	448,868,218
12/31/38	-	20,924,620	25,719,300	505,021,797	453,770,400
12/31/39	-	21,929,865	25,980,810	509,072,741	457,950,118
12/31/40	-	23,038,788	26,201,773	512,235,726	461,261,357
12/31/41	-	24,088,177	26,378,710	514,526,259	463,717,669
12/31/42	-	25,246,197	26,507,906	515,787,968	465,160,543
12/31/43	-	26,460,071	26,582,317	515,910,214	465,476,797
12/31/44	-	27,800,069	26,594,069	514,704,213	464,474,648
12/31/45	-	48,534,976	26,032,245	492,201,482	442,143,337
12/31/46	-	455,729,690	14,300,281	50,772,074	(0)
	273,529,572	3,028,584,030	2,584,595,965		

Ownership:	100.00%
Share of Decommissioning Cost:	
As of 12/31/2000	\$555,537,770

Fund	Pre-Tax Return	Tax Rate
1A	7.64%	20.00%
1B	10.76%	20.00%
2	7.64%	0.00%
3	6.08%	0.00%
4	4.83%	0.00%
5	10.76%	0.00%
Total		

Inflation Rates	
Core	4.00%
Decommissioning	5.25%

Run K:\Clients\Naes\Modeling\2002 Runs\NAESCO 2026 2026 Change 2007 FPL Topoff NonQual.xl

Accelerated funding through 2006  
 Decom Begins 2026  
 Topoff of \$58.7m at 12/31/2002 (All Non-Qual)  
 Target costs equal to \$555.5 in 2001 dollars  
 Used 5.25% escalation factor  
 FPL contribution directions  
 Escalating annual contributions  
 5 Year phaseout prior to shutdown  
  
 Final payment in 2046

-Run on 06/13/02





**EXHIBIT 5**

**PROJECTED INCOME AND CASH FLOW**

**Seabrook  
Projected Income Statement  
88.23% of the Plant**

\$000s	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Operating revenue (Note 1)	\$252,795	\$295,230	\$291,259	\$289,486	\$306,569
Operating expense					
O&M	\$92,642	\$88,230	\$83,819	\$83,819	\$83,819
Refueling outage	22,058	0	19,411	19,411	0
Nuclear fuel amortization	27,123	29,772	28,343	28,343	30,427
Waste disposal / DOE D&D fee	8,220	8,969	8,564	8,564	9,154
A&G	22,058	22,058	21,175	21,175	21,175
Property taxes	16,323	16,323	16,323	16,323	16,323
Unit 2 preserve and protect	309	309	309	309	309
Depreciation	10,338	10,563	10,789	11,014	11,239
Decommissioning (Note 2)	21,549	22,741	24,020	25,389	26,857
Total	\$220,617	\$198,965	\$212,751	\$214,346	\$199,302
Operating income	\$32,178	\$96,265	\$78,508	\$75,140	\$107,266
Other (income) expense					
Decommissioning fund earnings	(\$10,875)	(\$12,298)	(\$13,815)	(\$15,481)	(\$17,176)
Interest expense	29,282	29,013	27,072	25,498	23,994
Total	\$18,407	\$16,716	\$13,257	\$10,017	\$6,818
Income before income taxes	\$13,772	\$79,549	\$65,251	\$65,123	\$100,448
Income taxes	5,581	32,237	26,443	26,391	40,707
Net income	\$8,191	\$47,312	\$38,808	\$38,732	\$59,742

Note 1) Revenue projections based on estimated generation and 10/2001 PIRA price projection as follows:

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Generation (gwh) (88.23% of plant)	7,985	8,765	8,344	8,344	8,958
Energy price - \$/mwh	\$29.36	\$30.90	\$31.21	\$30.63	\$30.06
Capacity - \$/kw/yr	\$17.92	\$23.85	\$30.16	\$33.15	\$36.43

Note 2) Represents estimated book decommissioning expense based on SFAS 143, Accounting for Asset Retirement Obligations.

Seabrook  
 Projected Cash Flow  
 88.23% of the Plant

\$000s	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Net income	\$8,191	\$47,312	\$38,808	\$38,732	\$59,742
Depreciation expense	10,338	10,563	10,789	11,014	11,239
Capital expenditures	(10,588)	(10,588)	(10,588)	(10,588)	(10,588)
Decommissioning expense	21,549	22,741	24,020	25,389	26,857
Decommissioning contributions	(12,382)	(12,876)	(13,391)	(13,926)	(7,366)
Decommissioning fund earnings (A/T)	(6,468)	(7,314)	(8,216)	(9,207)	(10,215)
Deferred taxes	(2,970)	5,628	3,535	1,564	(325)
Cash flow	\$7,671	\$55,467	\$44,956	\$42,978	\$69,344

**EXHIBIT 6**

**PROJECTED CASH FLOW USING MORE  
CONSERVATIVE PERFORMANCE ASSUMPTIONS**



**Seabrook**  
**Projected Income Statement**  
**88.23% of the Plant**

\$000s	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Operating revenue (Note 1)	\$225,656	\$260,915	\$250,262	\$245,847	\$259,977
Operating expense					
O&M	\$92,642	\$88,230	\$83,819	\$83,819	\$83,819
Refueling outage	22,058	0	19,411	19,411	0
Nuclear fuel amortization	27,123	29,772	28,343	28,343	30,427
Waste disposal / DOE D&D fee	8,220	8,969	8,564	8,564	9,154
A&G	22,058	22,058	21,175	21,175	21,175
Property taxes	16,323	16,323	16,323	16,323	16,323
Unit 2 preserve and protect	309	309	309	309	309
Depreciation	10,338	10,563	10,789	11,014	11,239
Decommissioning (Note 2)	21,549	22,741	24,020	25,389	26,857
Total	\$220,617	\$198,965	\$212,751	\$214,346	\$199,302
Operating income	\$5,039	\$61,950	\$37,511	\$31,501	\$60,674
Other (income) expense					
Decommissioning fund earnings	(\$10,875)	(\$12,298)	(\$13,815)	(\$15,481)	(\$17,176)
Interest expense	29,282	29,578	28,363	27,670	27,119
Total	\$18,407	\$17,280	\$14,548	\$12,189	\$9,943
Income before income taxes	(\$13,368)	\$44,670	\$22,963	\$19,312	\$50,732
Income taxes	(5,417)	18,103	9,306	7,826	20,559
Net income	(\$7,951)	\$26,567	\$13,657	\$11,486	\$30,173

Note 1) Revenue projections based on estimated generation and 10/2001 PIRA price projection as follows:

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Generation (gwh) (88.23% of plant)	7,267	8,047	7,626	7,626	8,240
Energy price - \$/mwh	\$29.36	\$30.90	\$31.21	\$30.63	\$30.06
Capacity - \$/kw/yr	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00

Note 2) Represents estimated book decommissioning expense based on SFAS 143, Accounting for Asset Retirement Obligations.

**Scabrook**  
**Projected Cash Flow**  
**88.23% of the Plant**

\$000s	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Net income	(\$7,951)	\$26,567	\$13,657	\$11,486	\$30,173
Depreciation expense	10,338	10,563	10,789	11,014	11,239
Capital expenditures	(10,588)	(10,588)	(10,588)	(10,588)	(10,588)
Decommissioning expense	21,549	22,741	24,020	25,389	26,857
Decommissioning contributions	(12,382)	(12,876)	(13,391)	(13,926)	(7,366)
Decommissioning fund earnings (A/T)	(6,468)	(7,314)	(8,216)	(9,207)	(10,215)
Deferred taxes	(2,970)	5,628	3,535	1,564	(325)
Cash flow	(\$8,471)	\$34,723	\$19,806	\$15,732	\$39,775

**EXHIBIT 7**

**FPL GROUP CAPITAL SUPPORT AGREEMENT**

**SUPPORT AGREEMENT BETWEEN  
FPL GROUP CAPITAL INC AND  
FPL ENERGY SEABROOK, LLC**

THIS SUPPORT AGREEMENT, dated as of [\_\_\_\_\_, 2002] between FPL Group Capital Inc, a Florida corporation (“FPL”), and FPL Energy Seabrook, LLC, a Delaware limited liability company (the “Subsidiary”).

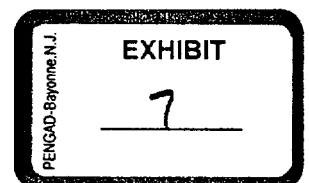
W I T N E S S E T H:

WHEREAS, FPL is the indirect owner of 100% of the outstanding shares of the Subsidiary; and

WHEREAS, the Subsidiary intends to purchase certain assets located at the Seabrook Nuclear Generating Station in Rockingham County, New Hampshire pursuant to a Purchase and Sale Agreement dated April 13, 2002, by and among North Atlantic Energy Corporation, the United Illuminating Company, Great Bay Power Corporation, New England Power Company, The Connecticut Light and Power Company, Canal Electric Company, Little Bay Power Corporation, and New Hampshire Electric Cooperative, Inc.; and

WHEREAS, FPL and the Subsidiary desire to take certain actions to ensure the Subsidiary’s ability to pay the expenses of operating Seabrook Nuclear Generating Station Unit 1 (“Seabrook Unit 1”), maintaining Seabrook Unit 1 safely and protecting the public health and safety (the “Operating Expenses”), and to meet U.S. Nuclear Regulatory Commission (“NRC”) requirements during the operating life of Seabrook Unit 1 (the “NRC Requirements”).

NOW, THEREFORE, in consideration of the mutual promises herein contained, the parties hereto agree as follows:



1. *Availability of Funding.* From time to time, upon request of the Subsidiary, FPL shall provide or cause to be provided to the Subsidiary such funds as the Subsidiary determines to be necessary to pay the Operating Expenses and meet the NRC Requirements; provided, however, in no event shall the aggregate amount which FPL is obligated to provide under this Agreement exceed \$110 million.
2. *No Guarantee.* This Support Agreement is not, and nothing herein contained, and no action taken pursuant hereto by FPL shall be construed as, or deemed to constitute, a direct or indirect guarantee by FPL to any person of the payment of the Operating Expenses or of any liability or obligation of any kind or character whatsoever of the Subsidiary or of any affiliate of the Subsidiary. This Agreement may, however, be relied upon by the NRC in determining the financial qualifications of the Subsidiary to hold an operating license for Seabrook Unit 1.
3. *Waivers.* FPL hereby waives any failure or delay on the part of the Subsidiary in asserting or enforcing any of its rights or in making any claims or demands hereunder.
4. *Amendments and Termination.* This Agreement may not be amended or modified at any time without thirty (30) days prior written notice to the NRC and Nuclear Decommissioning Financing Committee. This Agreement shall terminate at such time as FPL is no longer the direct or indirect owner of any of the shares or other ownership interests in the Subsidiary. This Agreement

shall also terminate at such time as Seabrook Unit 1 permanently ceases commercial operations.

5. *Successors.* This Agreement shall be binding upon the parties hereto and their respective successors and assigns.
6. *Third Parties.* Except as expressly provided in Section 4 with respect to the NRC, this Agreement is not intended for the benefit of any person other than the parties hereto, and shall not confer or be deemed to confer upon any other such person any benefits, rights or remedies hereunder.
7. *Governing Law.* This Agreement shall be governed by the laws of the State of Florida without giving effect to any choice or conflict-of-law provision or rule (whether of Florida or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than Florida.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by their respective officers thereunto duly authorized as of the day and year first above written.

FPL GROUP CAPITAL INC

By:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

FPL ENERGY SEABROOK, LLC

By:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT 8**

**FPL GROUP CAPITAL LETTER TO NDFC**

[FPL Group Capital Letterhead]

Thomas Getz  
Chairman  
Nuclear Decommissioning Financing Committee  
8 Old Suncook Road  
Concord, New Hampshire 03301

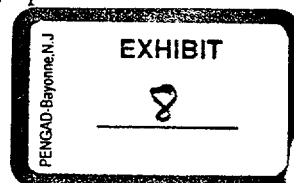
Re: NDFC Docket No. 2002-2

Dear Chairman Getz:

In conjunction with FPL Energy Seabrook, LLC's ("FPLE Seabrook") proposed acquisition of an interest in the Seabrook Station, FPLE Seabrook agreed in a Stipulation to the Nuclear Decommissioning Financing Committee (the "Committee") dated June 24, 2002 to certain funding assurances that its decommissioning obligations would be met. Included in those assurances is a Support Agreement from FPL Group Capital, Inc. ("FPL Group Capital") providing funds to support FPLE Seabrook's operations and maintenance (including FPLE Seabrook's obligations to make payments into the decommissioning fund), and a guarantee from FPL Group Capital to the NDFC of all of FPLE Seabrook's decommissioning fund payments and decommissioning expenses. Although not a party to the proceeding before the Committee, nor subjecting itself to the Committee's jurisdiction, by signature of the authorized corporate officer identified below, FPL Group Capital hereby agrees to the following terms of the Stipulation:

- Stipulation Paragraphs IV.B:

1. FPLE Seabrook and FPL Group Capital, its indirect parent corporation, shall enter into a support agreement (in the form of Exhibit 7 attached to the Stipulation) pursuant to which FPL Group Capital and FPLE Seabrook evidence their desire and commitment to ensure FPLE Seabrook's ability to pay the expenses of operating Seabrook Station, including the contributions to the Decommissioning Fund as required by the NDFC ("Support Agreement"). Pursuant to the Support Agreement, FPL Group Capital will provide, if requested by FPLE Seabrook, up to \$110 million to cover its operating and maintenance expenses (including Decommissioning Fund contributions).
2. In the event of an outage, the Support Agreement shall remain in effect until Seabrook Station returns to service or \$110 million is provided by FPL Group Capital pursuant to the Support Agreement, whichever occurs first. In the event of an outage lasting longer than nine consecutive months in fulfillment of its commitment to pay its share of all operating and maintenance expense of Seabrook Station, including payments to the Decommissioning Fund, FPLE Seabrook shall have available to it an additional \$110 million from FPL Group Capital for the duration of that outage.
3. In the event of an outage at Seabrook Station and the premature shutdown of Seabrook Station, the Support Agreement and the commitment in Paragraph





IV.B.2 above, shall remain in effect for a total of 15 months from the date the outage began, or the payment of \$220 million by FPL Group Capital to FPLE Seabrook, whichever occurs first.

4. The total amount available to FPLE Seabrook specified in the Support Agreement and the commitment provided in Paragraph IV.B.2 above shall be reduced on a dollar for dollar basis as funds are provided by FPL Group Capital to FPLE Seabrook. At the end of any outage, with the exception of an outage leading to a premature shutdown, the amounts available to FPLE Seabrook under the Support Agreement and under the circumstances referenced in Paragraph IV.B.2, shall be reinstated to the full amounts stated in the Support Agreement and in Paragraph IV.B.2, respectively, as those amounts may be adjusted pursuant to Paragraph IV.C.

5. The dollar amounts in the Support Agreement and the commitment provided in Paragraph IV.B.2 are subject to adjustment pursuant to Paragraph IV.C. below.

- Stipulation Paragraph IV.C.:

1. Commencing in 2007, when conducting its four-year review pursuant to RSA 162-F:22,I, the Committee, in addition to fulfilling its other statutory responsibilities, shall review and adjust the amount available to FPLE Seabrook under its Support Agreement with FPL Group Capital as described herein. The amount available for outages of less than a nine-month duration shall equal one-half of the average annual operations and maintenance expense (as defined by the elements set forth in the "Operating Expense" columns in Exhibit 5 to the Stipulation) for FPLE Seabrook's share of Seabrook Station during the immediately preceding three-year period and the most recent projection for the succeeding three years, as attested to by sworn application to the NDFC at the time of that hearing. The additional commitment in Paragraph IV.B.2 above for outages lasting more than nine (9) months' duration shall equal one-half of the average annual operations and maintenance expense for FPLE Seabrook's share of Seabrook Station as described in the immediately preceding sentence.

2. FPLE Seabrook will give the NDFC thirty (30) days notice prior to any changes in the FPL Group Capital Support Agreement described above and will not make any amendments, modifications or changes to said agreement if, within the thirty day period, the NDFC (i) determines that such changes are likely to diminish the quality of the funding assurance provided and (ii) commences a proceeding to investigate whether the proposed change diminishes the quality of the funding assurance; provided that any such amendment, modification or change shall thereafter be effective if, in the exercise of its discretion, the NDFC concludes that the proposed change does not diminish the quality of the funding assurance.

- Stipulation Paragraph IV.D:

FPL Group Capital shall execute and deliver to the NDFC a guaranty (in the form of Exhibit 9 to the Stipulation) in favor of the NDFC, which

- (1) shall provide for the full funding of FPLE Seabrook's decommissioning obligation in the event that FPLE Seabrook does not meet its obligation to make contributions in accordance with RSA 162-F:21-c;
  - (2) ensures that the payment obligations of FPLE Seabrook to decommission its share of Seabrook Station are fully satisfied in the event of either a premature shutdown of Seabrook Station or inadequate funding for decommissioning from FPLE Seabrook cash flow; and
  - (3) remains in place through the decommissioning of Seabrook Station unless an alternate funding assurance is approved by the Committee.
- Stipulation Paragraph IV.F.4:

In the event of FPL Group Capital's failure to maintain or fulfill any of the representations or warranties contained in the FPL Group Capital guaranty to the NDFC, FPL Group Capital shall make commercially reasonable efforts, pursuant to New Hampshire law, to cure such deficiency.

Sincerely,

[title] of, and authorized signatory for, FPL Group Capital, Inc.

**EXHIBIT 9**

**FPL GROUP CAPITAL DECOMMISSIONING FUND GUARANTEE**

GUARANTY

GUARANTY, dated as of \_\_\_\_\_, 2002, made by FPL Group Capital Inc, a Florida corporation, (the "Guarantor") in favor of the New Hampshire Nuclear Decommissioning Fund Committee ("NDFC") on behalf of Guarantor's subsidiary, FPL Energy Seabrook, LLC (the "Buyer").

**W I T N E S S E T H:**

WHEREAS, the Buyer and North Atlantic Energy Corporation, a New Hampshire corporation, The United Illuminating Company, a Connecticut corporation, Great Bay Power Corporation, a New Hampshire corporation, New England Power Company, a Massachusetts corporation, The Connecticut Light and Power Company, a Connecticut corporation, Canal Electric Company, a Massachusetts corporation, Little Bay Power Corporation, a New Hampshire corporation and New Hampshire Electric Cooperative, Inc., a New Hampshire electric cooperative (collectively, the "Sellers") have entered into a Purchase and Sale Agreement, dated as of \_\_\_\_\_, 2002 (the "PSA"), to sell to the Buyer the Acquired Assets specified therein (except as otherwise defined herein, capitalized terms are the same as defined in the Purchase and Sale Agreement ); and

WHEREAS, the Buyer is an indirect wholly-owned subsidiary of the Guarantor;

WHEREAS, the NDFC Final Report and Order for Docket 2001-1, dated November 5, 2001, establishes the aggregate amount required to be on deposit in the Sellers' Qualified Decommissioning Funds and Nonqualified Decommissioning Funds at the time of the Initial Closing and each Subsequent Closing on account of the Ownership Shares of the Sellers participating in each said Closing;

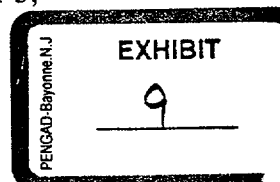
WHEREAS, the Sellers with interests in the Acquired Assets will transfer \$\_\_\_\_\_ million to Buyer's Qualified Decommissioning Funds and Nonqualified Decommissioning Funds for the Facility;

WHEREAS, the Buyer will be responsible for making additional payments into Buyer's Qualified Decommissioning Funds and Nonqualified Decommissioning Funds and for Decommissioning the Facility;

WHEREAS, the Guarantor expects to receive substantial indirect benefits from the purchase of the Acquired Assets by the Buyer from the Sellers (which benefits are hereby acknowledged), and accordingly, desires to execute and deliver this Guaranty in order to provide financial assurance for Decommissioning funding obligations and activities for the Facility;

NOW, THEREFORE, in consideration of the foregoing and other benefits accruing to the Guarantor, the receipt and sufficiency of which are hereby acknowledged, the Guarantor hereby makes the following representations and warranties to the NDFC and hereby covenants and agrees as follows:

1. The Guarantor guarantees to the NDFC that (a) the Buyer shall fully fund the projected cost of Decommissioning in a manner consistent with the requirements of RSA 162-F:21-c, as set forth in the NDFC Final Report and Order, dated November 5,



2001 and any subsequent orders, and (b) if the Buyer fails to fund the required Decommissioning activities at the Facility, in accordance with all applicable Laws, the Guarantor shall fund the required Decommissioning obligations (the "Guaranteed Obligations").

2. This Guaranty shall remain in full force and effect until the date on which the Buyer no longer is required to comply with the applicable Decommissioning assurance requirements, Decommissioning at the Facility has been completed in accordance with applicable Laws, or until otherwise earlier terminated or extinguished by the NDFC. The Buyer reserves the right to replace this Guaranty with a letter of credit, guaranty of another creditworthy entity, or other similar instrument, subject to approval of the NDFC. No delay or omission by the NDFC to exercise any right under this Guaranty shall impair any right, nor shall it be construed to be a waiver thereof. No waiver of any single breach or default under this Guaranty shall be deemed a waiver of any other breach or default.

3. Except for termination or cancellation of this Guaranty or action by the NDFC extinguishing the Guaranteed Obligations, the obligations and liability of the Guarantor under this Guaranty shall be absolute, unconditional and continuing and shall remain in full force and effect without regard to, and shall not be released, suspended, discharged, terminated or otherwise affected by, any circumstance or occurrence whatsoever, including, without limitation: (a) any change in time, manner or place of performance of, or in any other term of, the Guaranteed Obligations; (b) any change in ownership of the Guarantor or the Buyer; (c) any bankruptcy, insolvency, or reorganization of, or other similar proceedings involving, the Guarantor or the Buyer; (d) any other circumstances which might otherwise constitute a legal or equitable discharge of a surety or guarantor; or (e) any amendment or modification of the license or the Decommissioning funding plan for the Facility, the extension or reduction of the time of performance of required activities, or any other modification or alteration of an obligation of the Buyer under applicable Laws; provided that, except for the matters set forth in (a), (b), (c) and (e) above, the Guarantor shall be entitled to assert and claim the benefit of any defense, offset or counterclaim which the Buyer may have in law or equity to the payment or performance of the Guaranteed Obligations, as a defense, offset or counterclaim to its obligations under this Guaranty.

4. The Guarantor hereby irrevocably, unconditionally and expressly waives, to the fullest extent permitted by applicable Law, promptness, diligence, notice of acceptance and other notice with respect to the Guaranteed Obligations and this Guaranty and any requirement that the NDFC protect, secure or perfect any security interest or exhaust any right or first proceed against Buyer or any other person or entity. Likewise, the Guarantor expressly waives notice of acceptance of this Guaranty by the NDFC and of any amendments or modification of the Decommissioning requirements or the license.

5. This Guaranty shall be binding upon Guarantor and its successors and permitted assigns and inure to the benefit of and be enforceable by the NDFC and its successors and permitted assigns.

6. The Guarantor further represents, warrants and agrees that:

(a) The Guarantor (i) is a duly organized and validly existing corporation in good standing under the laws of the State of Florida, (ii) has the power and authority to own its property and assets and to transact the business in which it is engaged and (iii) is duly qualified as a foreign corporation and in good standing in each jurisdiction where the ownership, leasing or operation of property or the conduct of its business requires such qualification.

(b) The Guarantor has the corporate power and legal right to execute, deliver and perform the terms and provisions of this Guaranty and has taken all necessary corporate action to authorize the execution, delivery and performance by it of this Guaranty. The Guarantor has duly executed and delivered this Guaranty, and this Guaranty constitutes its legal, valid and binding obligation enforceable in accordance with its terms.

(c) Neither the execution, delivery or performance by the Guarantor of this Guaranty, nor compliance by it with the terms and provisions hereof, (i) will contravene any provision of any law, statute, rule or regulation or any order, writ, injunction or decree of any court or governmental instrumentality, (ii) will conflict or be inconsistent with or result in any breach of any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of (or the obligation to create or impose) any lien upon any of the property or assets of the Guarantor pursuant to the terms of any indenture, mortgage, deed of trust, credit agreement, loan agreement or any other agreement, contract or instrument to which the Guarantor is a party or by which it or any of its property or assets is bound or to which it may be subject or (iii) will violate any provision of the certificate of incorporation or by-laws of the Guarantor.

(d) No order, consent, approval, license, authorization or validation of, or filing, recording or registration with (except as have been obtained previously), or exemption by, any governmental or public body or authority, or any subdivision thereof (except as have been previously obtained), is required to authorize, or is required in connection with, (i) the execution, delivery and performance of this Guaranty or (ii) the legality, validity, binding effect or enforceability of this Guaranty.

(e) The Buyer is an indirect but wholly-owned subsidiary of the Guarantor.

7. This Guaranty and the rights and obligations of the NDFC and the Guarantor hereunder, shall be governed by and construed in accordance with the laws of

the State of New Hampshire without giving effect to any choice or conflict-of-law provision or rule (whether of New Hampshire or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than New Hampshire.

8. ANY NOTICE REQUIRED OR PERMITTED HEREUNDER SHALL BE IN WRITING AND SHALL BE DEEMED DULY GIVEN (I) ONE (1) BUSINESS DAY FOLLOWING THE DATE SENT WHEN SENT BY OVERNIGHT DELIVERY AND (II) FIVE (5) BUSINESS DAYS FOLLOWING THE DATE MAILED WHEN MAILED BY REGISTERED OR CERTIFIED MAIL RETURN RECEIPT REQUESTED AND POSTAGE PREPAID AT THE FOLLOWING ADDRESS:

If to Guarantor:

[Guarantor address]

If to Sellers:

[Sellers' Representative address]

IN WITNESS WHEREOF, the Guarantor has caused this Guaranty to be executed and delivered as of the date first above written.

FPL Group Capital, Inc.

By \_\_\_\_\_

Name:

Title:

**EXHIBIT 10**

**FPL GROUP, INC. GUARANTY TO FPL GROUP CAPITAL**



## GUARANTEE

THIS GUARANTEE, dated as of October 14, 1998 (the "Guarantee"), is entered into by and between FPL GROUP, INC., a Florida corporation ("Guarantor"), and FPL GROUP CAPITAL INC, a Florida corporation ("Group Capital").

### WITNESSETH:

WHEREAS, Guarantor is the owner of 100% of the issued and outstanding shares of capital stock of Group Capital; and

WHEREAS, Group Capital has incurred and from time to time hereafter intends to incur Debt (as hereinafter defined) from time to time from parties other than Guarantor to enable Group Capital to carry on its business; and

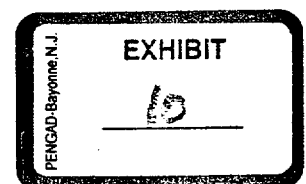
WHEREAS, Guarantor and Group Capital desire to enter into this Guarantee for the benefit of Holders (as hereinafter defined) of Group Capital's Debt, to enhance Group Capital's ability to incur such Debt;

NOW, THEREFORE, in consideration of the mutual promises herein contained and other good and valuable consideration, the receipt of which is hereby acknowledged, Guarantor, for itself, and its successors and assigns, hereby absolutely and unconditionally guarantees to each Holder of Debt, whether or not incurred, created or arising prior to, on or subsequent to the date hereof, prompt and full payment, when and as the same may become due and payable, whether upon acceleration, redemption or stated maturity, according to their terms and the terms of the applicable Operative Instruments, of such Debt (whether of principal, interest, premium, if any, fees, expenses or otherwise), together with the reasonable expenses (including reasonable attorneys' fees and expenses) of each such Holder incurred in connection with the enforcement or collection of, this Guaranty (collectively, the "Guaranteed Obligations"), but only in the case of a failure of Group Capital to pay or provide for punctual payment of any such amounts. Guarantor hereby agrees that its obligations under this Guarantee constitute a guarantee of payment when due and not of collection.

For the purposes hereof, the following terms shall have the following meanings:

"Contingent Obligations" means the liability of Group Capital under any agreement by which Group Capital assumes, guarantees, endorses, contingently agrees to purchase or provide funds for the payment of, or otherwise becomes liable upon, the obligation of any other Person or otherwise assures any creditor of such other Person against loss, in each such case, the liability of Group Capital to be reasonably capable of being calculated, and shall include, without limitation, the contingent liability of Group Capital under any letter of credit or the commercial equivalent thereof of which Group Capital is in any way liable.

"Debt" means Group Capital's (a) obligations for borrowed money, including, without limitation, such obligations as are evidenced by credit agreements, bonds, notes, convertible or exchangeable notes, debentures, convertible or exchangeable debentures, or other straight debt or hybrid debt securities, secured or unsecured, (b) obligations representing the deferred purchase price of property other than accounts payable arising in the ordinary course of business, (c) obligations, whether or not



assumed, secured by Liens or payable out of the proceeds or production from property now or hereafter owned or acquired by Group Capital, (d) obligations which are evidenced by notes, acceptances, or other instruments, (e) capitalized lease obligations, and (f) Contingent Obligations; provided that Debt shall not include (x) any obligations of Group Capital to Guarantor, (y) any obligations or indebtedness in respect of any Debentures issued pursuant to the terms of that certain Indenture, dated as of March 1, 1987, from Group Capital to The Bank of New York (formerly Irving Trust Company), or (z) any Debt which, by its express terms, is excluded from the benefit of this Guarantee or is otherwise guaranteed pursuant to a separate instrument of guarantee issued by Guarantor.

"Holder" means any Person to which Group Capital is indebted or obligated in respect of Debt (although the same may not be funded in whole or in part) or which is acting as agent, trustee or authorized representative with respect to Debt on behalf of any such Person, but shall not include Guarantor or any Person controlled, directly or indirectly, by Guarantor.

"Lien" means any security interest, mortgage, pledge, lien, claim, charge, encumbrance, title retention agreement, lessor's interest under a capitalized lease obligation or analogous instrument, in, of or on any of Group Capital's property.

"Operative Instrument" means any agreement by which Group Capital issues, provides for the payment of, or is obligated with respect to, any Debt.

"Person" means any bank, corporation, natural person, firm, joint venture, partnership, limited liability company, trust, unincorporated organization, government or any department or agency of any government.

Guarantor hereby further agrees as follows:

1. Waiver. Guarantor hereby waives demand of payment, presentment, protest and notice of protest, non-payment, default or dishonor on any and all of the Debt hereby guaranteed. Payments by Guarantor for the account of the Holders pursuant to this Guarantee shall be made in lawful money of the United States of America.

2. Obligations Absolute. The Guarantor guarantees that the Guaranteed Obligations will be paid strictly in accordance with the terms of the Operative Instruments, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of any Holder of Debt with respect thereto. This Guarantee contains the full agreement of Guarantor and is not subject to any oral conditions. The obligations of the Guarantor under this Guaranty are independent of the Guaranteed Obligations, and, subject to the provisions of this Guaranty, a separate action or actions may be brought and prosecuted against the Guarantor to enforce this Guaranty, irrespective of whether any action is brought against Group Capital or whether Group Capital is joined in any such action or actions. The liability of the Guarantor under this Guaranty shall be absolute and unconditional irrespective of, and the Guarantor hereby irrevocably waives any defenses it may now or hereafter have in any way relating to, any or all of the following:

(a) any lack of validity or enforceability of any Operative Instrument or any agreement or instrument relating thereto;

- (b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Guaranteed Obligations, or any other amendment or waiver of or any consent to departure from any Operative Instrument, including, without limitation, any increase in the Guaranteed Obligations resulting from the extension of additional credit to Group Capital;
- (c) any taking, exchange, release or non-perfection of any collateral, or any taking, release or amendment or waiver of or consent to departure from any other guaranty, for all or any of the Guaranteed Obligations;
- (d) any manner of application of collateral, or proceeds thereof, to all or any of the Guaranteed Obligations, or any manner of sale or other disposition of any collateral for all or any of the Guaranteed Obligations or any other assets of Group Capital;
- (e) any change, restructuring or termination of the corporate structure or existence of Group Capital;
- (f) any failure of any Holder to disclose to the Guarantor any information relating to the financial condition, operations, properties or prospects of Group Capital now or in the future known to any Holder (the Guarantor waiving any duty on the part of the Holders to disclose such information); or
- (g) any other circumstance (including, without limitation, any statute of limitations) or any existence of or reliance on any representation by any Holder that might otherwise constitute a defense available to, or a discharge of, Group Capital, the Guarantor or any other guarantor or surety.

### 3. Waivers and Acknowledgments.

(a) The Guarantor hereby waives promptness, diligence, notice of acceptance and any other notice with respect to any of the Guaranteed Obligations and this Guaranty and any requirement that any Holder protect, secure, perfect or insure any lien or any property subject thereto or exhaust any right or remedy or take any action against Group Capital or any other person or entity or any collateral.

(b) The Guarantor acknowledges that it will receive substantial direct and indirect benefits from the financial accommodations and arrangements made or to be made for the benefit of Group Capital by the Holders of Debt from time to time and that the waivers set forth in Sections 2 and 3 hereof are knowingly made in contemplation of such benefits.

4. Subrogation. The Guarantor will not exercise any rights that it may now or hereafter acquire against Group Capital that arise from the existence, payment, performance or enforcement of any Debt under this Guaranty or any Operative Instrument, including, without limitation, any right of subrogation, reimbursement, exoneration, contribution or indemnification and any right to participate in any claim or remedy of any Holder of such Debt against Group Capital or any other insider guarantor or any collateral, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, including, without limitation, the right to take or receive from

Group Capital or any other insider guarantor, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security on account of such claim, remedy or right, unless and until all of such Debt shall have been paid in full and all commitments to fund such Debt shall have been terminated in full.

5. Waiver of Notice of Acceptance. Guarantor hereby expressly waives notice from the Holders of acceptance and reliance on this Guarantee.

6. Obligations Continuing. The obligations hereunder shall be continuing and irrevocable until the date upon which all of the outstanding Debt hereby guaranteed has been fully paid and performed or this Guarantee has otherwise been earlier terminated in accordance with the provisions hereof.

7. Liability Not Affected by Bankruptcy. The liability of Guarantor shall remain and continue in full force and effect notwithstanding the voluntary or involuntary liquidation, dissolution, marshaling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition or readjustment of, or any similar proceeding affecting, Group Capital or any of its assets. The Holders may bring suit against Guarantor separately without having to contemporaneously exhaust their remedies against Group Capital. This Guarantee shall continue to be effective or reinstated, as the case may be, if at any time any payment of the Guaranteed Obligations is rescinded or must otherwise be returned by any Holder of Debt upon the insolvency, bankruptcy or reorganization of Group Capital, all as though such payment had not been made.

8. Governing Law; Severability. This Guarantee shall be construed in accordance with and governed by the laws of the State of Florida, without regard to conflict of laws principles thereunder. Wherever possible, each provision of this Guarantee shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Guarantee shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Guarantee.

9. Course of Dealing. No failure, omission or delay on the part of the Holders in exercising any rights hereunder or in taking any action to collect or enforce payment of any obligation to which this Guarantee applies, against Group Capital, shall operate as a waiver of any such right or in any manner prejudice the rights of the Holders against Guarantor.

10. Amendments; Termination. This Guarantee may be amended or modified at any time by the parties hereto; provided, however, that no such amendment or modification shall be binding on or in any manner become effective with respect to the Holders of any Debt outstanding, or in respect of which unfunded commitments are outstanding, at the time of the effectiveness thereof, unless (a) reasonable prior notice of such amendment or modification designated as such (an "Amendment Notice") shall have been given to all Holders of all outstanding Debt or commitments and (b) to the extent that, on or prior to the date that is thirty (30) days following the date of the Amendment Notice, any such Holder shall have delivered a written notice to Guarantor or Group Capital stating that the proposed amendment or modification adversely affects such Holder and providing a reasonable basis therefor (an "Objection Notice"), no such amendment or modification shall be effective as against such Holder until such Holder shall have provided its

written consent to the proposed amendment or modification. For the purposes hereof, with respect to any Debt or commitments issued under a common agreement, indenture or instrument pursuant to which several Holders are parties or entitled to the direct benefit of such common agreement, indenture or instrument ("Syndicate Holders"), (1) any Amendment Notice need only be given by Guarantor or Group Capital to the agent or trustee acting on behalf of such Syndicate Holders, (2) any Objection Notice to be given on behalf of any or all of such Syndicate Holders shall be given by their agent or trustee and such notice shall specify the specific Holders which assert that they are adversely affected by the proposed amendment or modification and set forth the reasonable basis asserted by each such Syndicate Holder therefor, and (3) to the extent that any Objection Notice is given on behalf of the Syndicate Holders or any of them, such Objection Notice shall be effective as to all such Syndicate Holders and the proposed amendment or modification shall not be effective as against any such Syndicate Holders until all such Syndicate Holders shall have provided their written consent to the effectiveness of the proposed amendment or modification as evidenced by a notice of their agent or trustee to such effect given to Guarantor or Group Capital.

11. Benefit Received. Guarantor represents that Group Capital is the wholly-owned corporate subsidiary of Guarantor and that this Guarantee may reasonably be expected to benefit, directly or indirectly, Guarantor. Guarantor further represents that the consideration received for this Guarantee is reasonably worth at least as much as the liability and obligation of Guarantor under this Guarantee.

12. Limit on Interest. Should it be determined that Guarantor is required to pay interest on any Debt in excess of that legally permitted to be paid by Guarantor under applicable law, the obligations of Guarantor shall be limited to paying the maximum rate permitted under said applicable law. This provision shall not limit in any respect, other than the payment of such interest as may be usurious, the obligation of Guarantor to pay the principal amount due plus other amounts due in respect of the Debt.

13. Successors. This Guarantee shall be binding upon the parties hereto and their respective successors and assigns and is also intended for the benefit of the Holders from time to time of the Debt and, notwithstanding that such Holders are not parties hereto, each such Holder shall be entitled to the full benefits of this Guarantee and to enforce the covenants and agreements contained herein. This is not intended for the benefit of any person other than the Holders of the Debt, and shall not confer or be deemed to confer upon any other such person any benefits, rights or remedies hereunder.

14. Notices. Whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties by any other party, or whenever any of the parties desires to give or serve upon any other a communication with respect to this Guarantee, each such notice, demand, request, consent, approval, declaration or other communication shall be in writing and either shall be delivered in person or sent by registered or certified mail, return receipt requested, with proper postage prepaid, by facsimile transmission or by a reputable overnight courier with all charges prepaid, addressed as follows:

If to any Holder (or any agent or trustee for any Holder), to the address of such Holder (or such agent or trustee) on the books of Guarantor or Group Capital, and

If to Guarantor or Group Capital, at:

FPL Group, Inc.  
700 Universe Boulevard  
Juno Beach, Florida 33408  
Attention: Treasurer  
Fax No.: 561-694-6299

or at such other address as may be substituted by notice given as herein provided. Every notice, demand, request, consent, approval, declaration or other communication hereunder shall be deemed to have been duly served, given or delivered (a) upon the earlier of actual receipt and three (3) Business Days after deposit in the United States mail, registered or certified mail, return receipt requested, with proper postage prepaid, (b) upon transmission, when sent by telecopy or other similar facsimile transmission, (c) one (1) Business Day after deposit with a reputable overnight courier with all charges prepaid, or (d) when delivered, if hand-delivered by messenger.

IN WITNESS WHEREOF, Guarantor has caused this Guarantee to be executed as of the date first written above.

FPL GROUP, INC.

By: Dilek Samil  
Title: Treasurer

SIGNED, SEALED AND DELIVERED  
IN THE PRESENCE OF:

Francine Mc Guire

FPL GROUP CAPITAL INC

By: Dilek Samil  
Title: Treasurer

SIGNED, SEALED AND DELIVERED  
IN THE PRESENCE OF:

Francine Mc Guire

**EXHIBIT 11**

**FPL GROUP LETTER TO NDFC**

[FPL Group Letterhead]

Thomas Getz  
Chairman  
Nuclear Decommissioning Financing Committee  
8 Old Suncook Road  
Concord, New Hampshire 03301

Re: NDFC Docket No. 2002-2

Dear Chairman Getz:

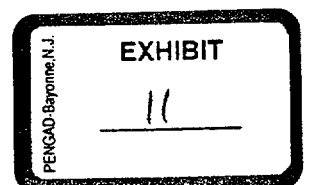
In conjunction with FPL Energy Seabrook, LLC's ("FPLE Seabrook") proposed acquisition of an interest in the Seabrook Station, FPLE Seabrook agreed in a Stipulation to the Nuclear Decommissioning Financing Committee (the "Committee") dated June 24, 2002 to certain funding assurances that its decommissioning obligations would be met. Included in those assurances is the existing guarantee from FPL Group of FPL Group Capital's guaranty of FPLE Seabrook's decommissioning trust fund payments and decommissioning expenses. Although not a party to the proceeding before the Committee, nor subjecting itself to the Committee's jurisdiction, by signature of the authorized corporate officer identified below, FPL Group hereby agrees to the following terms of the Stipulation:

- Stipulation Paragraph IV.E.:

1. In accordance with the provisions of the FPL Group to FPL Group Capital Guarantee (Exhibit 10), FPLE Seabrook shall notify the NDFC of any proposed change, modification or amendment to the Group Guarantee, which change, modification or amendment would not be effective against the NDFC if, within thirty (30) days following the date of such amendment notice, the NDFC delivers written notice to FPLE Seabrook to show cause why the proposed amendment would not diminish the quality of the funding assurances provided to and relied upon by the NDFC in this proceeding. In such event, the change, modification or amendment would not be effective as against the NDFC until the NDFC thereafter provides its consent to the proposed amendment.

2. It is specifically understood and agreed that, the Guaranty from FPL Group Capital to the NDFC is within the definition of "Contingent Obligation" and thereby included in the definition of "Debt" which makes the NDFC a "Holder" and the Guaranty from FPL Group Capital to the NDFC an "Operative Instrument," as these terms are used in the FPL Group Guarantee.

3. The obligations of FPL Group Capital under the terms of its guaranty to the NDFC are guaranteed by FPL Group which "absolutely and unconditionally guarantees" those obligations of FPL Group Capital's guaranty to the NDFC. The guaranty from FPL Group to FPL Group Capital is enforceable by the NDFC in the event that (a) FPLE Seabrook does not meet its obligations to the NDFC, and





(b) FPL Group Capital does not meet its obligations pursuant to the FPL Group Capital guaranty in favor of the NDFC.

Sincerely,

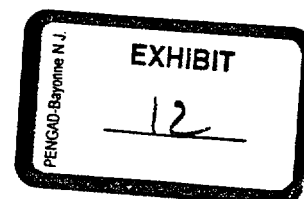
[title] of, and authorized signatory for, FPL Group, Inc.

**EXHIBIT 12**

**FPL GROUP KEY FINANCIAL STATISTICS**

CONSOLIDATED FINANCIAL DATA  
(in millions)

	2001				
	FP&L	FPL Group Capital	Other	Reclassifications & Consolidating Entries	FPL Group
<b>Income Data</b>					
Operating Revenues	\$ 7,477	\$ 999	\$ -	\$ (1)	\$ 8,475
Operating Expenses	6,593	879	-	(394)	7,078
EBITA	2,162	352	788	(835)	2,467
EBIT	1,264	267	788	(835)	1,484
Net Income	679	113	781	(792)	781
<b>Cash Data</b>					
Net Cash from Operations	\$ 1,826	\$ 15	\$ 769	\$ (668)	\$ 1,942
Capital Expenditures	1,154	1,977	-	-	3,131
Net Increase (Decrease) Cash and Equivalents					
<b>Balance Sheet Data</b>					
Property, Plant & Equip. (Net)	\$ 8,294	\$ 3,360	\$ -	\$ 8	\$ 11,662
Total Assets	11,924	6,063	6,600	(7,124)	17,463
Common Equity	5,444	1,040	6,015	(6,484)	6,015
Long-Term Debt	2,579	2,279	-	-	4,858
Total Capitalization	8,249	3,319	6,015	(6,484)	11,099



CONSOLIDATED FINANCIAL DATA  
(in millions)

2000

Income Data	2000				
	FP&L	FPL Group Capital	Other	Reclassifications & Consolidating Entries	FPL Group
Operating Revenues	\$ 6,361	\$ 721	\$ -	\$ -	\$ 7,082
Operating Expenses	5,561	632	-	(351)	5,842
EBITA	2,114	281	726	(771)	2,350
EBIT	1,139	224	726	(771)	1,318
Net Income	607	118	704	(725)	704
<b>Cash Data</b>					
Net Cash from Operations	\$ 849	\$ 159	\$ 959	\$ (991)	\$ 976
Capital Expenditures	1,299	507	-	-	1,806
Net Increase (Decrease) Cash and Equivalents					
<b>Balance Sheet Data</b>					
Property, Plant & Equip. (Net)	\$ 8,114	\$ 1,814	\$ -	\$ 6	\$ 9,934
Total Assets	12,020	3,714	6,176	(6,610)	15,300
Common Equity	5,032	935	5,593	(5,967)	5,593
Long-Term Debt	2,577	1,400	-	(1)	3,976
Total Capitalization	7,835	2,335	5,593	(5,968)	9,795

CONSOLIDATED FINANCIAL DATA  
(in millions)

1999

Income Data	1999				
	FP&L	FPL Group Capital	Other	Reclassifications & Consolidating Entries	FPL Group
Operating Revenues	\$ 6,057	\$ 380	\$ -	\$ 1	\$ 6,438
Operating Expenses	5,311	533	-	(326)	5,518
EBITA	2,067	263	712	(760)	2,282
EBIT	1,078	212	712	(760)	1,242
Net Income	576	138	697	(714)	697
<b>Cash Data</b>					
Net Cash from Operations	\$ 1,499	\$ 56	\$ 594	\$ (586)	\$ 1,563
Capital Expenditures	861	1,540	-	-	2,401
Net Increase (Decrease) Cash and Equivalents					
<b>Balance Sheet Data</b>					
Property, Plant & Equip. (Net)	\$ 7,978	\$ 1,281	\$ -	\$ 5	\$ 9,264
Total Assets	10,608	3,267	5,922	(6,356)	13,441
Common Equity	4,793	1,013	5,370	(5,806)	5,370
Long-Term Debt	2,079	1,399	-	-	3,478
Total Capitalization	7,098	2,412	5,370	(5,806)	9,074

COMPANY	CURRENT MARKET CAPITALIZATION	CLOSING PRICE 6/03/02	52 WEEK HIGH	52 WEEK LOW	1 YR TOTAL RETURN %	PRICE/EARNING RATIO
<b>FPL Group Inc</b>	<b>\$ 10,560,460,000</b>	<b>\$ 60.00</b>	<b>\$ 65.31</b>	<b>\$ 51.13</b>	<b>4.99</b>	<b>12.68</b>
<b>SELLERS</b>						
National Grid Group Plc	\$ 12,847,710,000	\$ 36.15	\$ 41.00	\$ 30.40	(10.43)	NA
Northeast Utilities	\$ 2,539,373,000	\$ 19.60	\$ 20.84	\$ 16.85	3.93	17.19
NSTAR	\$ 2,489,347,000	\$ 46.94	\$ 48.20	\$ 39.50	15.76	14.95
UIL Holdings Corp	\$ 803,662,000	\$ 55.60	\$ 58.90	\$ 45.00	21.68	13.21
BayCorp Holdings Ltd/US	\$ 102,484,400	\$ 12.00	\$ 12.50	\$ 8.25	19.40	4.21
<b>COMPARABLES</b>						
Duke Energy Corp	\$ 26,304,940,000	\$ 31.70	\$ 44.46	\$ 30.61	(23.14)	13.43
Dominion Resources Inc/VA	\$ 17,728,970,000	\$ 64.10	\$ 67.06	\$ 55.13	3.83	15.33
Exelon Corp	\$ 16,998,740,000	\$ 52.79	\$ 67.70	\$ 38.75	(16.53)	12.48
Entergy Corp	\$ 9,668,640,000	\$ 43.11	\$ 46.85	\$ 33.60	3.75	13.14
Constellation Energy Group Inc	\$ 4,879,937,000	\$ 29.75	\$ 46.97	\$ 20.90	(31.35)	12.34
<b>IPP'S</b>						
Mirant Corp	\$ 3,477,095,000	\$ 8.65	\$ 39.70	\$ 7.50	(75.67)	4.83
Calpine Corp	\$ 3,391,379,000	\$ 9.07	\$ 48.75	\$ 6.15	(79.05)	5.30
AES Corp/The	\$ 3,018,771,000	\$ 5.65	\$ 45.20	\$ 3.40	(86.72)	4.56
NRG Energy Inc	\$ 2,108,491,000	\$ 10.60	\$ 28.83	\$ 7.51	(60.49)	10.19
<b>OVERALL MARKET</b>						
S&P Index	\$ 9,502,277,000,000	\$ 1,040.69	\$ 1,286.62	\$ 944.75	(17.51)	42.52
S&P 500 Elec Util Index	\$ 212,083,656,250	\$ 142.37	\$ 175.23	\$ 130.73	(17.80)	10.86

Source: Bloomberg

**UTILITY INDUSTRY RATINGS FOR LARGEST HOLDING COMPANIES**  
**AS OF MAY 31,2002**  
**(WITH SUBSIDIARY RATINGS INCLUDED)**  
**RANKED BY MARKET CAPITALIZATION**

COMPANY	MARKET CAP ON 5/29/02	CORPORATE RATING (S & P)	MOODY'S	
			ISSUER	UNSEC. DEBT
<b>DUKE ENERGY CORP</b>	<b>26,537,290,000</b>	<b>A+</b>	<b>A1</b>	
Duke Energy Field Services Corp		BBB		Baa2
Duke Energy Trading & Marketing		A-		
Texas Eastern Transmission		A+		A2
Duke Capital Corp.		A+		A3
PanEnergy Corp.		A+		
<b>SOUTHERN CO</b>	<b>19,324,070,000</b>	<b>A</b>		
Alabama Power		A	A2	
Georgia Power		A	A2	
Gulf Power		A	A2	
Mississippi Power		A	A1	
Savanna Electric & Power		A	A2	
Southern Electric Generating		A	A2	
Alabama Power Capital Trust I		A		
Southern Power Company		BBB+	Baa1	
<b>DOMINION RESOURCES INC/VA</b>	<b>18,052,570,000</b>	<b>BBB+</b>		<b>Baa1</b>
Consolidated Natural Gas		BBB+	A3	
Virginia Electric Power		A	A3	
<b>EXELON CORP</b>	<b>17,662,070,000</b>	<b>A-</b>	<b>Baa2</b>	
Commonwealth Edison Co		A-	Baa1	
Exelon Generation LLC		A-	Baa1	
PECO Energy Co.		A-	A3	
<b>AMERICAN ELECTRIC POWER</b>	<b>14,033,090,000</b>	<b>BBB+</b>		<b>Baa1</b>
AEP Resources Inc.		BBB+		
Appalachian Power Co.		BBB+	Baa1	
Central Power & Light Co.		BBB+	Baa1	
Colombus Southern Power Co.		BBB+		
Indiana Michigan Power		BBB+		
Kentucky Power Co.		BBB+		

**UTILITY INDUSTRY RATINGS FOR LARGEST HOLDING COMPANIES  
AS OF MAY 31,2002  
(WITH SUBSIDIARY RATINGS INCLUDED)  
RANKED BY MARKET CAPITALIZATION**

COMPANY	MARKET CAP ON 5/29/02	CORPORATE RATING (S & P)	MOODY'S	
			ISSUER	UNSEC. DEBT
Ohio Power Co.		BBB+		



**UTILITY INDUSTRY RATINGS FOR LARGEST HOLDING COMPANIES  
AS OF MAY 31,2002  
(WITH SUBSIDIARY RATINGS INCLUDED)  
RANKED BY MARKET CAPITALIZATION**

COMPANY	MARKET CAP ON 5/29/02	CORPORATE RATING (S & P)	MOODY'S	
			ISSUER	UNSEC. DEBT
Public Service of Oklahoma		BBB+		
Southwestern Electric Power Co.		BBB+		
West Texas Utilities Co.		BBB+		
<b>TXU CORP</b>	<b>13,647,780,000</b>	<b>BBB+</b>		<b>Baa3</b>
TXU Energy			Baa2	
TXU Electric Company		BBB+		
TXU Gas Company		BBB+		
TXU Europe Ltd.		BBB+		
TXU Mining Co.		BBB+		
TXU US Holdings Group			Baa3	
Eastern Electricity PLC		BBB+		
Energy Group LTtd.		BBB+		
Pinnacle One Partners L.P.		BBB-		
Oncor Electric Delivery Company			Baa1	
TXU Europe Group PLC		BBB+	Baa1	
<b>PROGRESS ENERGY INC</b>	<b>11,532,990,000</b>	<b>BBB+</b>		<b>Baa1</b>
Progress Energy Corp		BBB+		
Carolina Power & Light		BBB+	Baa1	
Florida Power Corp		BBB+	A2	
<b>FPL GROUP INC</b>	<b>11,190,570,000</b>	<b>A</b>	<b>NR</b>	
Florida Power & Light Company		A	A1	
FPL Group Capital		A		A2
<b>FIRSTENERGY CORP</b>	<b>10,229,760,000</b>	<b>BBB</b>	<b>Baa2</b>	
Jersey Central Power & Light Co.		BBB		
Metropolitan Edison Co.		BBB		
Ohio Edison Co.,		BBB	Baa2	
Pennsylvania Electric Co.		BBB		
Pennsylvania Power Co.		BBB	Baa2	
Toledo Edison Co.		BBB	Ba1	

**UTILITY INDUSTRY RATINGS FOR LARGEST HOLDING COMPANIES**  
**AS OF MAY 31,2002**  
**(WITH SUBSIDIARY RATINGS INCLUDED)**  
**RANKED BY MARKET CAPITALIZATION**

COMPANY	MARKET CAP ON 5/29/02	CORPORATE RATING (S & P)	MOODY'S	
			ISSUER	UNSEC. DEBT
Cleveland Electric Illuminating		BBB	Bal	

**UTILITY INDUSTRY RATINGS FOR LARGEST HOLDING COMPANIES  
AS OF MAY 31,2002  
(WITH SUBSIDIARY RATINGS INCLUDED)  
RANKED BY MARKET CAPITALIZATION**

COMPANY	MARKET CAP ON 5/29/02	CORPORATE RATING (S & P)	MOODY'S	
			ISSUER	UNSEC. DEBT
<b>ENERGY CORP</b>	<b>9,980,387,000</b>	<b>BBB</b>		
Entergy Gulf States, Inc.		BBB-	Ba1	
Entergy Louisiana, Inc.		BBB	Baa3	
Entergy New Orleans, Inc.		BBB		
Entergy Arkansas, Inc.		BBB	Baa3	
Entergy Mississippi, Inc.		BBB		
<b>PUBLIC SERVICE ENTERPRISE GP</b>	<b>9,441,153,000</b>	<b>BBB</b>		<b>Baa2</b>
Public Service Electric & Gas Co		BBB	Baa1	
PSEG Power LLC		BBB		Baa1
PSEG Energy Holdings Inc.		BBB		Baa3
<b>CONSOLIDATED EDISON INC</b>	<b>9,398,811,000</b>	<b>A+</b>	<b>A2</b>	
Consolidated Edison Co. of NY Inc.		A+	A1	
Orange & Rockland Utilities		A+	A1	
<b>P G &amp; E CORPORATION</b>	<b>8,547,449,000</b>	<b>WR</b>	<b>Caa2</b>	
<b>XCEL ENERGY INC</b>	<b>7,899,753,000</b>	<b>A-</b>	<b>A3</b>	
Public Service Co. of Colorado		A-	Baa1	
Southwestern Public Service Co.		A-		
Northern States Power		A-		
Northern States Power Wisconsin		A		
<b>DTE ENERGY COMPANY</b>	<b>7,572,495,000</b>	<b>BBB+</b>		<b>Baa2</b>
Detroit Edison		BBB+	Baa1	
Michigan Consolidated Natural Gas		BBB+		Baa3
<b>AMEREN CORPORATION</b>	<b>6,315,187,000</b>	<b>A+</b>	<b>A2</b>	
AmerenEnergy Generating Co.		BBB+	A1	
Central Illinois Public Service		A+	A2	
<b>EDISON INTERNATIONAL</b>	<b>6,089,411,000</b>	<b>B-</b>		<b>B3</b>
Southern California Edison		BB	Baa3	
Edison Mission Energy		BBB-		
Edison Mission Marketing & Trading		BBB-		

**UTILITY INDUSTRY RATINGS FOR LARGEST HOLDING COMPANIES**  
**AS OF MAY 31,2002**  
**(WITH SUBSIDIARY RATINGS INCLUDED)**  
**RANKED BY MARKET CAPITALIZATION**

COMPANY	MARKET CAP ON 5/29/02	CORPORATE RATING (S & P)	MOODY'S	
			ISSUER	UNSEC. DEBT
<b>CINERGY CORP</b>	<b>6,031,300,000</b>	<b>BBB+</b>	<b>Baa2</b>	
PSI Energy Inc.		A-	Baa1	
Union Light Heat & Power Co.		A-		
Cincinnati Gas & Electric Co.		A-		
<b>PPL CORPORATION</b>	<b>5,230,898,000</b>	<b>BBB</b>		
PPL Energy Supply LLC		BBB		
PPL Electric Utilities		A-	Baa1	
<b>NISOURCE INC</b>	<b>5,071,845,000</b>	<b>BBB</b>		<b>Baa3</b>
Bay State Gas Co.		BBB		Baa2
Columbia Energy Group		BBB		Baa2
Northern Indiana Public Service Co.		BBB		
NiSource Capital Markets Inc.		BBB		Baa3
NiSource Finance Corp.		BBB	Baa3	
<b>RELIANT ENERGY INC</b>	<b>5,059,364,000</b>	<b>BBB+</b>	<b>Baa1</b>	
Reliant		BBB+		
Houston Industries FinanceCo. L.P.		BBB+		Baa1
Reliant Resources, Inc.		BBB+	Baa3	
<b>CONSTELLATION ENERGY GROUP</b>	<b>4,989,838,000</b>	<b>A-</b>		<b>Baa1</b>
Baltimore Gas & Electric Co.		A-	A2	
<b>ALLEGHENY ENERGY INC</b>	<b>4,575,782,000</b>	<b>BBB+</b>		<b>Baa2</b>
Penn Power Co.		BBB+		
Monongahela Power Co.		BBB+	A2	
The Edison Co.		BBB+		
Allegheny Energy Supply Co.		BBB+	Baa1	
<b>TECO ENERGY INC</b>	<b>3,601,594,000</b>	<b>A-</b>		<b>A3</b>
Tampa Electric Company		A-	A1	
Teco Finance Inc.		A-		

**RATINGS OF LARGEST IPP COMPANIES  
AS OF MAY 31, 2002**

COMPANY	MARKET CAP ON 5/29/02	CORPORATE RATING (S & P)	MOODY'S	
			ISSUER	UNSEC. DEBT
RELIANT RESOURCES INC	2,769,185,000	BBB	Baa3	
MIRANT CORP	3,621,807,000	BBB-		Ba1
NRG ENERGY INC	2,112,469,990	BBB-		Baa3
CALPINE CORP	3,589,552,000	BB	B1	

**EXHIBIT 13**

**PROFILE OF FPL ENERGY**



**FPL Energy**

# PROFILE OF FPL ENERGY

FPL Energy ("FPLE") is a major U.S. wholesale electric generator which adds value by actively managing and trading energy commodities in conjunction with our assets

**Safe Harbor Statement:** Any statements made herein about future operating results or other future events are forward-looking statements under the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. Actual results may differ substantially from such forward-looking statements. A discussion of factors that could cause actual results or events to vary is contained in FPL Group's 2001 SEC Form 10-K.

PENGA-D-Byonme.N.J

EXHIBIT

13

**FPL  
GROUP**



**Energy**

**FPLE has:**

- **Presence in 18 states**
- **5,063 mw portfolio**
- **Experience in developing, constructing, operating and acquiring power plants**
- **Strong asset optimization team**







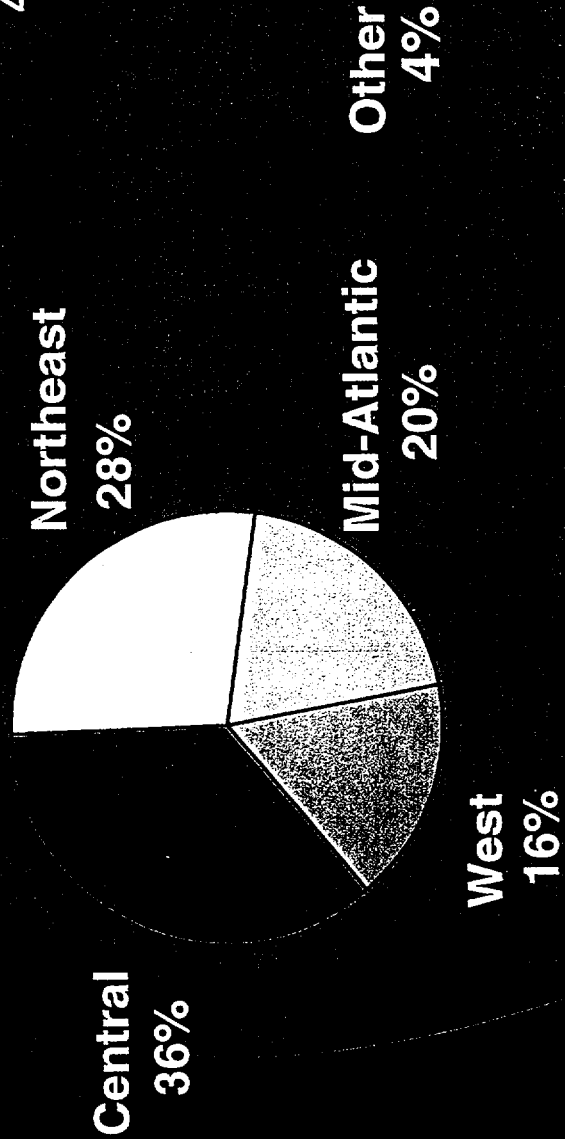
**Energy**

# Diversified Portfolio

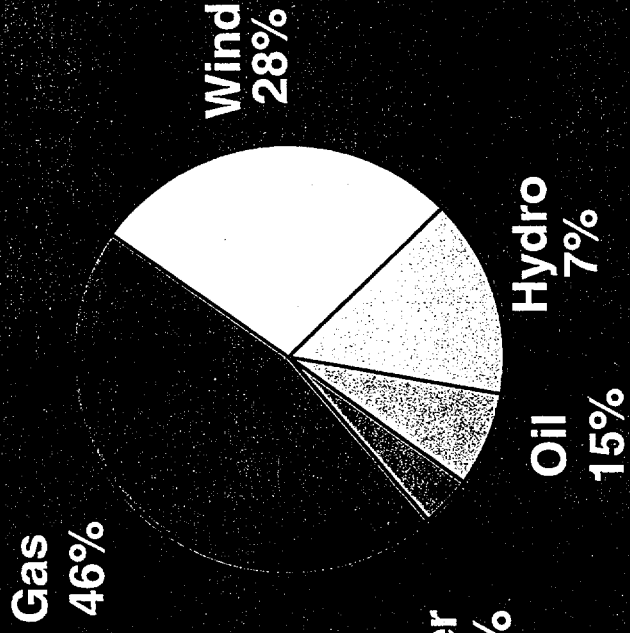
## 5,063 Net MW in Operation

Year-end 2001

### Regional Diversity



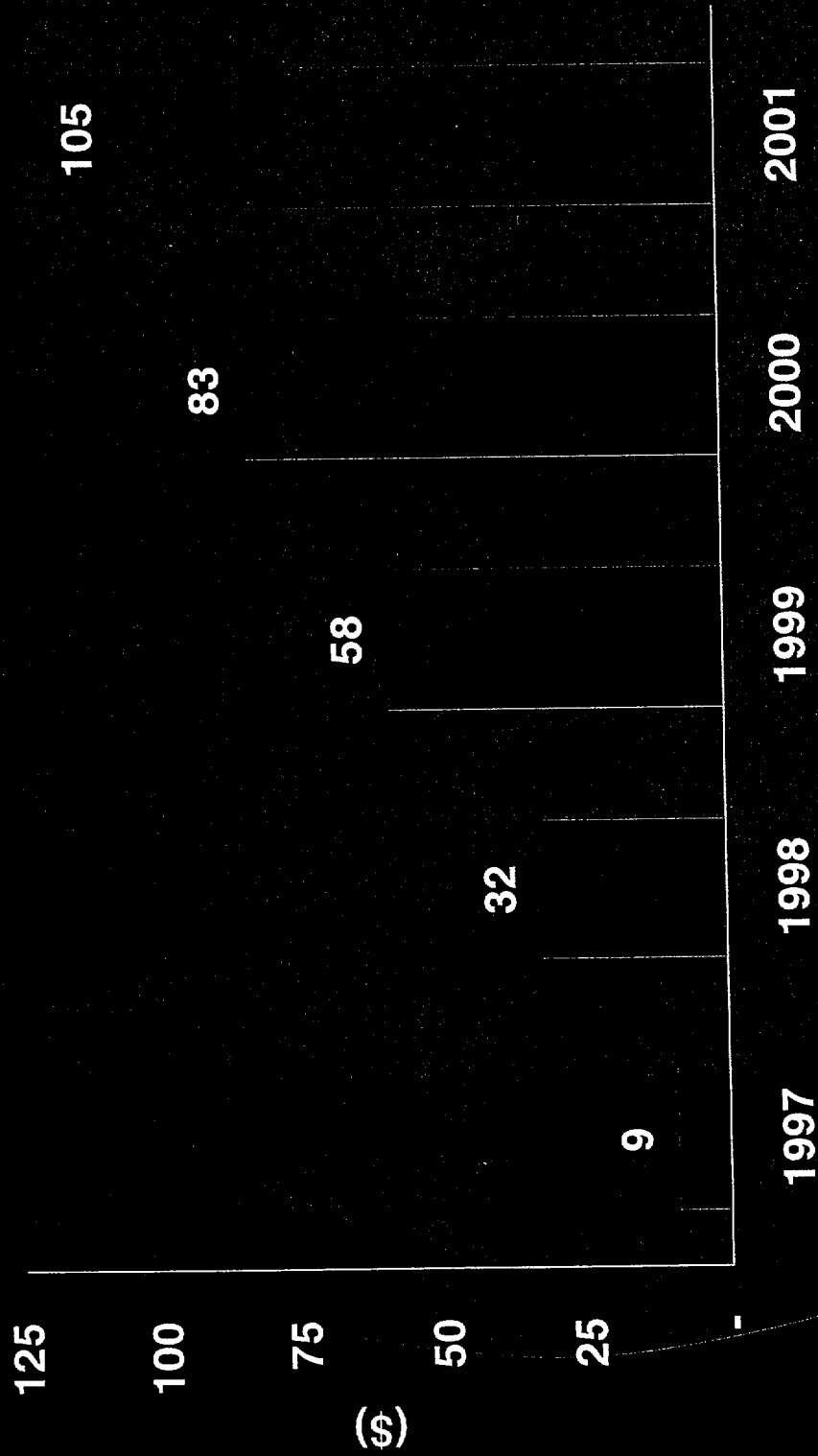
### Fuel Diversity





# Track Record of Consistent, Strong Earnings Growth

Energy (\$ millions)



Excluding non-recurring items and effects of FAS 133





Energy

# Current problems with the energy market overall: “paper” trading

- Trades are based on hopes that the market will perform as predicted (e.g., energy can be purchased at a price below the price agreed upon in the trade)
- No asset backing up the trade in the event the energy is not available at the predicted price at the required time
- Rather than generating the energy for the trade, the paper trader must absorb the difference between the trade price and the then-current market price
- Overall: paper traders are subject to market volatility, which if negative, can lead to financial collapse





Energy

# FPLE: Financial Strength Through Asset-Backed Trading

## FPLE's Energy Trading:

- Asset-backed, which means the vast majority of FPLE's trades are based on energy generated by an FPLE generation asset.
- Calendar Year 2001 - 97% of the power sold in the marketplace was based from FPLE managed assets and 99.19% of FPLE's net income was derived from sales based on its' managed assets.
- Trading based on FPLE assets reduces FPLE's exposure to market volatility associated with non-asset based trading.





# Disciplined Growth Strategy

**Energy**

- **Grow generation portfolio in prudent way**
  - aggressive wind development
  - focused fossil development
  - pursuit of M&A opportunities
- **Optimize asset value**
  - integrated operations, business management and marketing and trading capabilities
- **Hedge position via substantial contract coverage**
- **Moderate risk by regional and fuel diversity**
- **Manage portfolio actively**

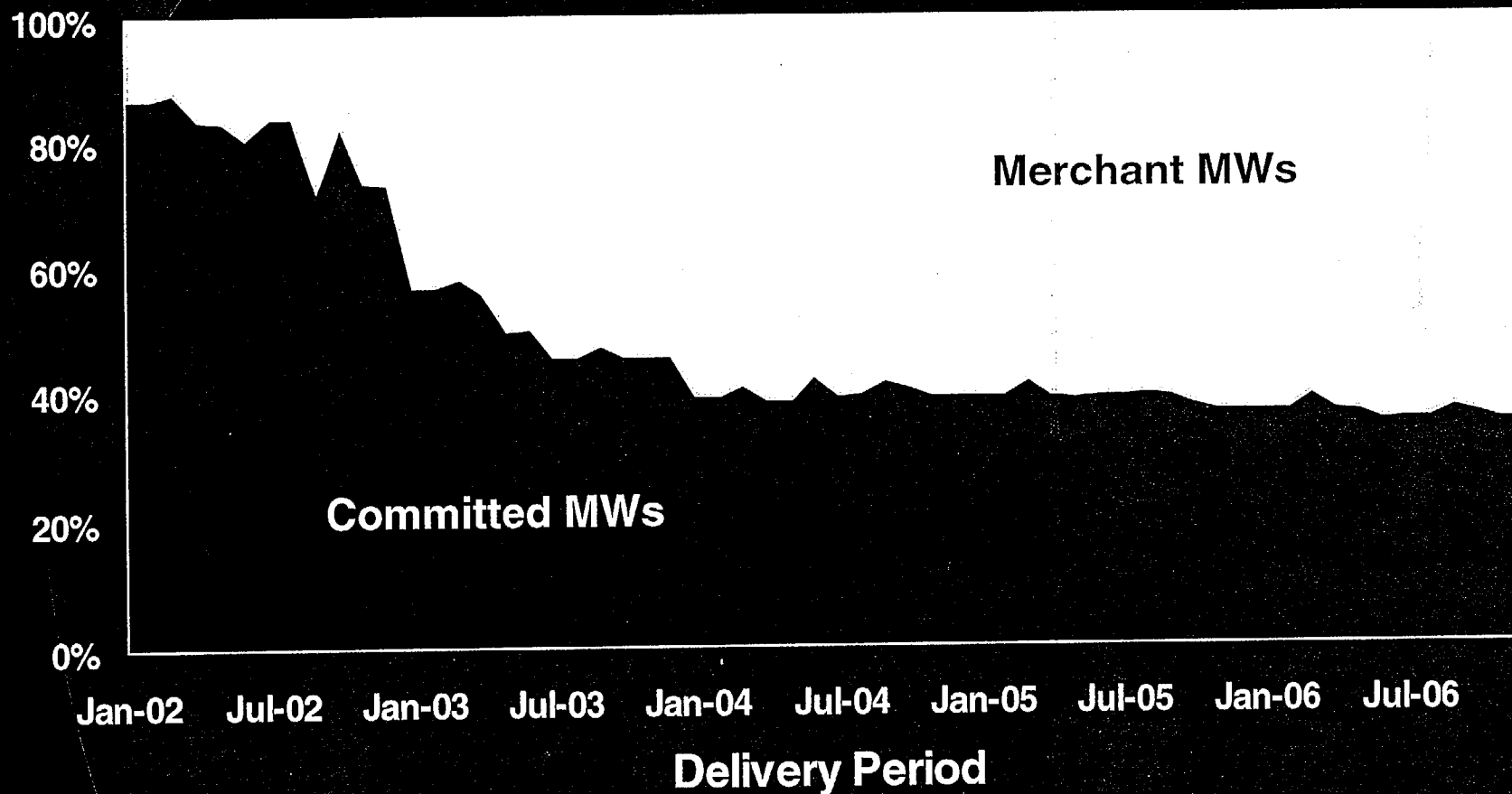


**Energy**

# Well-Hedged Position

2002 = 79% <sup>1</sup>

2003 = 51%

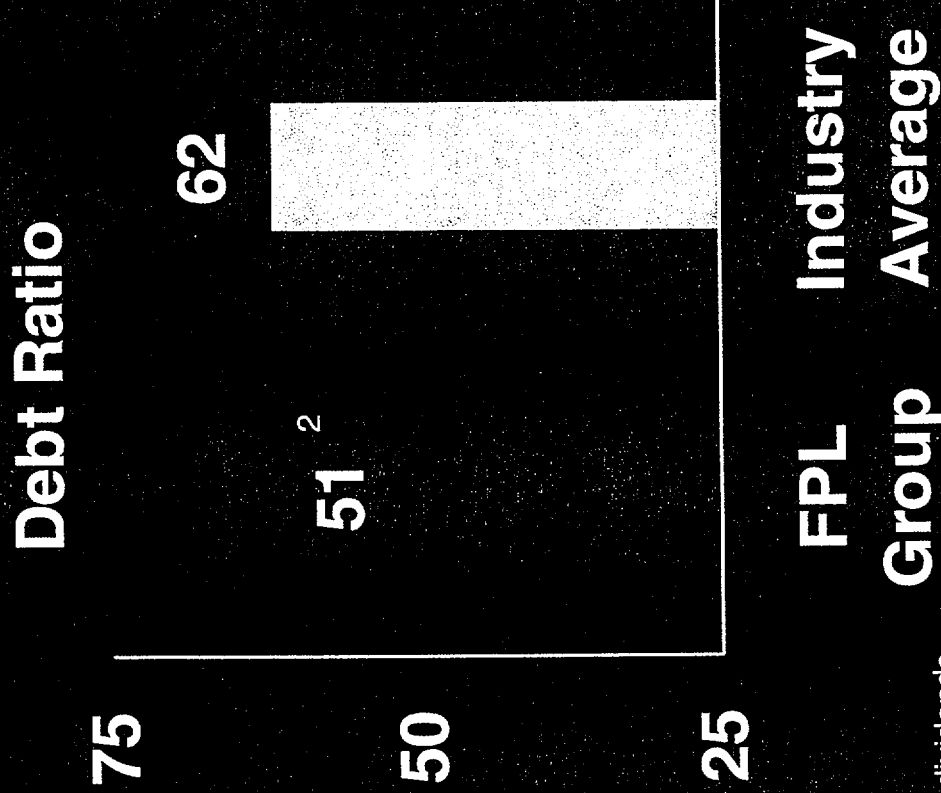


<sup>1</sup> For the remaining months in 2002



# Financial Strength

- Strong balance sheet
- Strong credit ratings
  - A = FPL Group
- Strong cash flow
  - \$1.4 billion 2001 operating cash flow<sup>1</sup>

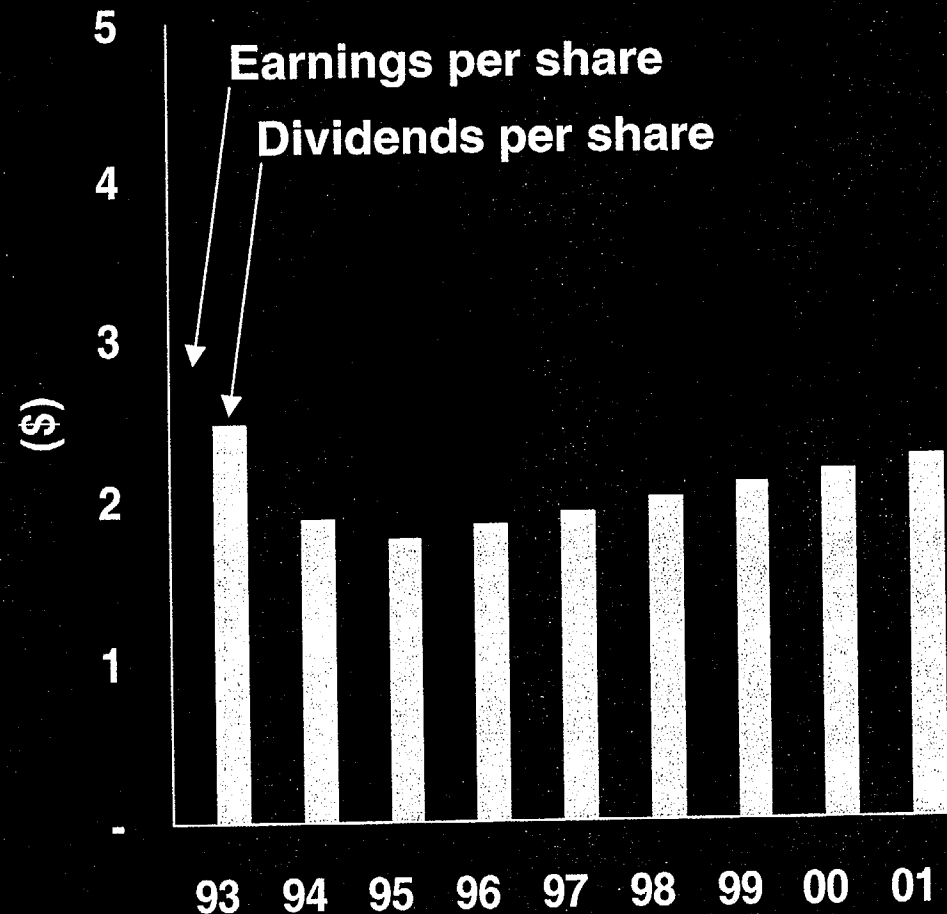


<sup>1</sup> Operating cash flow = net income + depreciation & amortization - dividends

<sup>2</sup> As of 6/21/02

# Financial Discipline Prudent Dividend Policy

- **Healthy 3.8% yield <sup>1</sup>**
- **48% payout ratio allows for growth <sup>2</sup>**



1 As of 6/20/02

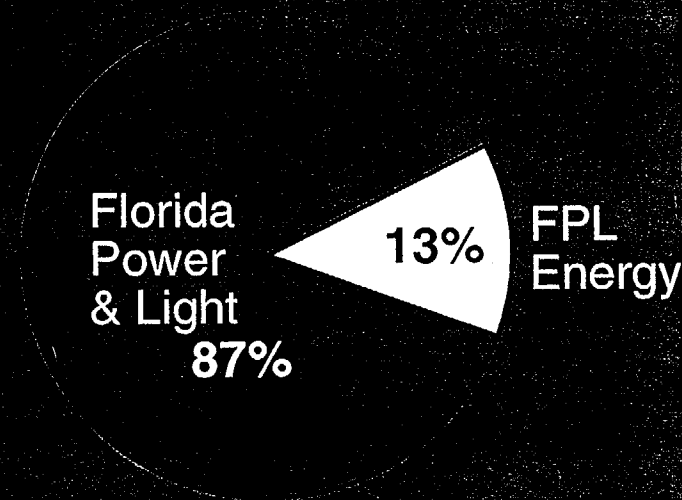
2 2001



# Financial Discipline Well-Hedged Position

	Capacity % contracted:
FPL	100%
FPL Energy	51 - 79%
Total FPL Group <i>(weighted average)</i>	<u>94 - 97%</u>

## EPS Contribution % 2001



# Earnings Guidance for 2002

- **FPL approximately flat with 2001**
  - assuming normal weather
- **FPL Energy up 15 - 20%**
  - reflects modest capacity growth and delay in PTC's
  - reflects poor hydro conditions in 1st quarter
  - assumes no major changes in market prices
- **FPL Group EPS \$4.70 - \$4.75**

# Earnings Guidance Beyond 2002

- **Expect FPL to return to strong underlying fundamentals**
  - 4%-5% average annual earnings growth
- **Continue to target average annual growth of 20% - 30% at FPL Energy**

**FPL Group Average EPS Growth: 6% - 8%**

**EXHIBIT 14**

**FPL GROUP'S 2001 SEC FORM 10-K**

(Already provided as Exhibit 8 in May 9, 2002, NDFC application,  
additional copies provided to NDFC members in this filing)

**EXHIBIT 15**

**FPL GROUP'S GENERATING ASSETS**

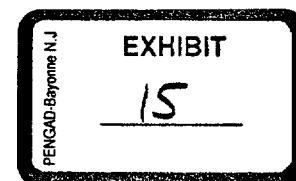
**FPL GROUP'S GENERATING PLANTS**  
FP&L Generating Assets

<u>Name</u>	<u>Location (City)</u>	<u>Capacity</u>	<u>Fuel Type</u>	<u>Ownership %</u>	<u>Net MW</u>
Cape Canaveral	Cocoa	806	Oil	100.0%	806
Cutler	Miami	215	Gas	100.0%	215
Port Everglades	Port Everglades	1,242	Oil	100.0%	1,242
Port Everglades	Port Everglades	420	Gas	100.0%	420
Riviera	Riviera Beach	563	Oil	100.0%	563
Turkey Point	Miami	12	Oil	100.0%	12
Turkey Point	Miami	810	Oil	100.0%	810
Turkey Point	Miami	1,386	Uranium	100.0%	1,386
Manatee	Plant City	1,625	Oil	100.0%	1,625
Martin	Indiantown	2,588	Gas	100.0%	2,588
St. Lucie	Fort Pierce	1,677	Uranium	92.6%	1,553
Putnam	East Palatka	498	Gas	100.0%	498
Fort Myers	Fort Myers	1,626	Oil	100.0%	1,626
Lauderdale	Dania	1,694	Gas	100.0%	1,694
Sanford <sup>(1)</sup>	Lake Monroe	2,314	Oil	100.0%	2,314
Scherer	Juliette	862	Coal	76.4%	658
St. Johns River Power	Jacksonville	1,270	Coal	20.0%	254

(1) 1,400 MW exp.

FPL Energy Generating Assets

<u>Name</u>	<u>Location</u>	<u>Capacity</u>	<u>Fuel Type</u>	<u>Ownership %</u>	<u>Net MW</u>
Bellingham	MA	300	Gas	50.0%	150



Cherokee	SC	98	Gas	50.0%	49
Doswell	VA	879	Gas	100.0%	879
Double C	CA	50	Gas	25.1%	13
Kern Front	CA	50	Gas	18.7%	9
High Sierra	CA	50	Gas	45.0%	22
Lamar Power Partners	TX	1,000	Gas	99.0%	990
Marcus Hook 50	PA	50	Gas	100.0%	50
Sayreville	NJ	290	Gas	50.0%	145
Altamont Power	CA	18	Wind	50.3%	9
Cameron Ridge	CA	56	Wind	50.0%	28
Cerro Gordo	IA	42	Wind	100.0%	42
Gray County	KS	112	Wind	100.0%	112
King Mountain	TX	278	Wind	100.0%	278
Green Ridge Power	CA	165	Wind	50.0%	83
Lake Benton II	MN	104	Wind	100.0%	104
Mojave 16/17/18	CA	85	Wind	50.0%	43
Mojave 3/5	CA	46	Wind	48.0%	22
Montfort	WI	30	Wind	100.0%	30
Morwind	CA	29	Wind	50.0%	15
Pacific Crest	CA	47	Wind	50.0%	24
Ridgetop	CA	25	Wind	50.0%	13
Sky River	CA	77	Wind	50.0%	39
Southwest Mesa	TX	75	Wind	100.0%	75
Stateline	WA/OR	263	Wind	100.0%	263
Vansycle	OR	24.9	Wind	100.0%	25
Victory Garden	CA	22	Wind	50.0%	11
Wind Power Ptrs.	CA	99.9	Wind	100.0%	100
Woodward Mountain	TX	160	Wind	100.0%	160
Hydro Projects	ME	377	Hydro	98.9%	373
East Mesa	CA	93.5	Geo/Solar	50.1%	47
SEGS VIII,IX	CA	160	Geo/Solar	50.0%	80
Mason	ME	372	Oil	100.0%	372
W.F. Wyman	ME	620	Oil	61.8%	383
Gilberton	PA	79.5	Other	5.4%	4
Ebensburg	PA	47.3	Other	20.1%	10
Montgomery County	PA	27.1	Other	39.9%	11
Multitrade	VA	80	Other	40.0%	32
Port of Stockton	CA	44	Other	50.0%	22
<b>Sub Total</b>					<b>5,117</b>

**EXHIBIT 16**

**DEBTS AND EQUITY INSTRUMENTS**



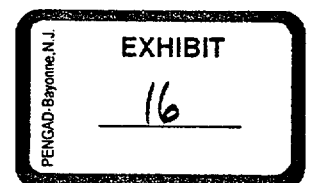
## Exhibit 16

### Definitions

“ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder.

“Funded Debt” shall mean, as of the date of any determination thereof, the following (without duplication) with respect to Group and its Subsidiaries, determined on a consolidated basis in accordance with generally accepted accounting principles:

- (i) all indebtedness for borrowed money (other than trade liabilities incurred in the ordinary course of business and payable in accordance with customary practices);
- (ii) all obligations evidenced by bonds, indentures, notes and other similar instruments;
- (iii) all obligations with respect to the deferred purchase price of property (other than as described in clause (iv) below) to the extent that such obligations are absolute and fixed and not subject to any right of cancellation by Group and/or any of its Subsidiaries;
- (iv) all obligations with respect to construction services to be performed, but only to the extent such obligations have become due and owing as of the date of any such determination pursuant to the provisions of the specific agreement evidencing such obligations;
- (v) all obligations of Group and its Subsidiaries as lessee under (a) leases that have been or should be, in accordance with generally accepted accounting principles, recorded as capital leases, and (b) Synthetic Lease Obligations;
- (vi) all liabilities secured by any Lien on any property owned by Group or any of its Subsidiaries;
- (vii) all obligations, contingent or otherwise, of Group and its Subsidiaries in respect of acceptances, letters of credit or similar extensions of credit, to the extent such obligations exceed \$300,000,000 in the aggregate;
- (viii) all net obligations under Swap Contracts in an amount equal to the Swap Termination Value thereof;
- (ix) any Mandatorily Redeemable Stock of Group and its Subsidiaries (the amount of such Mandatorily Redeemable Stock to be determined for this purpose as the higher of the liquidation



preference and the amount payable upon redemption of such Mandatorily Redeemable Stock);

- (x) any liabilities in respect of unfunded vested benefits under plans covered by Title IV of ERISA; and
- (xi) guarantees of obligations of the type described in clause (i), (ii), (iii), (iv), (v), (vi), (vii), (viii), (ix) or (x) above, but only to the extent of the indebtedness guaranteed thereby which is then outstanding as of the date of any such determination pursuant to the provisions of the agreement in respect of which such obligation exists or arises.

“Lien” shall mean any mortgage, pledge, lien, security interest or other charge or encumbrance with respect to any present or future assets of the Person referred to in the context in which the term is used.

“Mandatorily Redeemable Stock” shall mean, with respect to any Person, any share of such Person’s capital stock to the extent that it is (i) redeemable, payable or required to be purchased or otherwise retired or extinguished, or convertible into any indebtedness or other liability of such Person, (A) at a fixed or determinable date, whether by operation of a sinking fund or otherwise, (B) at the option of any Person other than such Person, or (C) upon the occurrence of a condition not solely within the control of such Person, such as a redemption required to be made out of future earnings, or (ii) presently convertible into Mandatorily Redeemable Stock.

“Person” shall mean any individual, corporation, partnership, trust, unincorporated association, business, or other legal entity, and any government or any governmental agency or political subdivision thereof.

“Subsidiary” shall mean any corporation, association, trust, or other business entity of which either the Company or Group shall at any time own directly or indirectly through a Subsidiary or Subsidiaries at least a majority (by number of votes) of the outstanding Voting Stock.

“Swap Contract” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc. or any International Foreign Exchange Master Agreement (any such master

agreement, together with any related schedules, a “Master Agreement”), including any such obligations or liabilities under any Master Agreement.

“Swap Termination Value” means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a) the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts.

“Synthetic Lease Obligation” means the monetary obligation of Group or any of its Subsidiaries under (a) a so-called synthetic, off-balance sheet or tax retention lease, or (b) an agreement for the use or possession of property creating obligations that do not appear on the balance sheet of such Person but which, upon the insolvency or bankruptcy of such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

“Total Capitalization” means the sum of Funded Debt plus equity appearing on the consolidated balance sheet of Group and its consolidated subsidiaries (including, without limitation, common equity, preferred stock and any such other equity classifications as may be permitted by generally accepted accounting principles), prepared as of the end of a fiscal quarter in accordance with generally accepted accounting principles consistent with those applied in the preparation of Group’s financial statements.

“Voting Stock” shall mean stock or similar interest, of any class or classes (however designated), the holders of which are at the time entitled, as such holders, to vote for the election of a majority of the directors (or persons performing similar functions) of the corporation, association, trust or other business entity involved, whether or not the right so to vote exists by reason of the happening of a contingency.

**EXHIBIT 17**

**AFFIDAVIT OF MORAY P. DEWHURST OF FPL**

THE STATE OF NEW HAMPSHIRE  
NUCLEAR DECOMMISSIONING FINANCING COMMITTEE

Docket No. 2002-2

AFFIDAVIT OF MORAY P. DEWHURST

BEFORE ME, the undersigned authority, personally appeared, Moray P. Dewhurst, who after being duly sworn, states as follows:

I, Moray P. Dewhurst, being first duly sworn, do hereby depose and say: All statements made in this Affidavit are made on my own personal knowledge and are true.

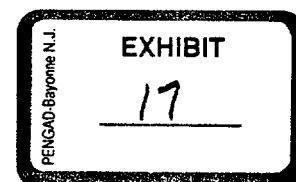
1. I am the Vice President, Finance and Chief Financial Officer of FPL Group, Inc. 700 Universe Blvd. P.O. Box 14000, Juno Beach, Florida 33408-0420. I am not an attorney.

2. As the Vice President, Finance and Chief Financial Officer of FPL Group, Inc., I have access to financial data for FPL Group, Inc. and all its subsidiaries, including FPL Energy Seabrook, LLC ("FPLE Seabrook").

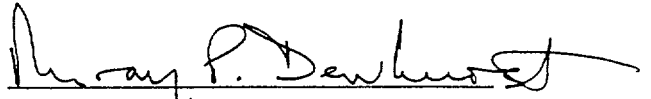
3. On April 13, 2002, FPLE Seabrook entered into an agreement for the purchase and sale of an 88.22889% interest in the Seabrook Nuclear Power Station.

4. On June 24, 2002, certain of the parties to the proceeding before the Nuclear Decommissioning Financing Committee (the "Committee") filed a Stipulation reflecting the parties' agreements on appropriate funding assurances and requested Committee findings.

5. To the extent the exhibits to the Stipulation were prepared by, or statements in the Stipulation are attributed to, FPLE Seabrook, or any FPL Group, Inc. affiliate, I believe those exhibits and statement to be accurate, true and complete.

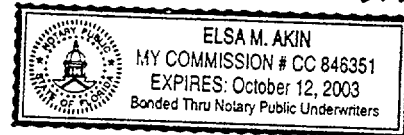
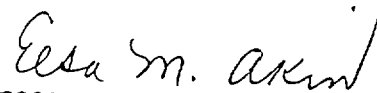


Dated: June 24, 2002



Moray P. Dewhurst  
Vice President, Finance and  
Chief Financial Officer  
FPL Group, Inc.  
700 Universe Blvd.  
P.O. Box 14000  
Juno Beach, FL  
33408-0420

Before me the undersigned authority personally appeared, on this 24<sup>th</sup> day of June,  
2002, Moray P. Dewhurst, who is personally known to me.

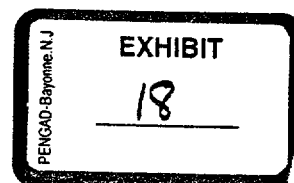


**EXHIBIT 18**

**MMWEC, TMLP AND HLPD RESERVATION OF RIGHTS**

MMWEC, TMLP and HLPD reserve their rights to cross-examine FPLE Seabrook's witness and to present evidence and legal argument that further funding assurances, in addition to those stipulated, are warranted and should be imposed by the NDFC. Those additional funding assurances are:

- (1) The promise by FPL Group Capital to make available to FPLE Seabrook an additional \$110 million in the event of a Seabrook Station outage lasting longer than nine (9) months (See: 1V B2) should be included within the FPL Group Capital guaranty in favor of the NDFC. (See: IV D); and
- (2) FPLE Seabrook is obligated to place in escrow an amount equal to one year of its scheduled payments to the Decommissioning Fund if, at the end of any six (6) month time period, the cash flow derived from the operation of Seabrook Station falls below one times (1X) FPLE Seabrook's scheduled decommissioning payments. (See Exhibit 2 to the Application). Within thirty (30) days of such payment into the escrow, the NDFC shall commence a hearing at which FPLE Seabrook must demonstrate that the escrow funds should be returned to FPLE Seabrook. If after such hearing, no order returning the funds is issued by the NDFC, then the funds remain in the escrow until the cash flow derived from the operation of Seabrook Station is equal to, or exceeds, one times (1X) the scheduled decommissioning payments at the end of the twelve month period commencing in the month the payment was made into the escrow. At that time, the escrow funds





shall be returned to FPLE Seabrook. If the cash flow does not exceed one times (1X) decommissioning payments for that twelve- month period, then the funds in the escrow shall be paid to the Decommissioning Fund. Such payment into the Decommissioning Fund shall not relieve FPLE Seabrook from the obligation to make any scheduled payments into the Decommissioning Fund. Investments in the escrow shall be identical to those in the Decommissioning Fund.

**CERTIFICATE OF SERVICE**

I, Raymond W. Hepper, hereby certify that on June 24, 2002, I have served the Stipulation of Full Parties in NDFC 2002-2 on the following individuals identified below:

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NDFC LEGAL COUNSEL  
JUDD ASSOCIATES INC  
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ORR & RENO PA  
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FERRITER SCOBBO &  
RODOPHELE PC  
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SHAW PITMAN  
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WASHINGTON DC 20037-1128

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GALLAGHER, CALLAHAN &  
GARTRELL  
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NSTAR ELECTRIC & GAS CORP  
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BERLIN CT 06037

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SARAH B KNOWLTON  
MCLANE LAW FIRM  
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PORTSMOUTH NH 03801

JIM CROWE  
UNITED ILLUMINATING  
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NEW HAVEN CT 06506

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WIGGIN & DANA  
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CONCORD NH 03301

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SEABROOK NH 03874

SCOTT BRYER  
CHIEF OF ROAD TOLL OPERATION  
DEPT OF SAFETY  
JAMES H HAYES BLDG  
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COMMISSIONER OF THE TREASURY  
STATE HOUSE ANNEX - RM 121  
CONCORD NH 03301

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GOV'S OFF OF ENERGY  
& COMMUNITY SERVICES  
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SENATOR THOMAS R. EATON  
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KEENE NH 03431-4339

BROOK DUPEE  
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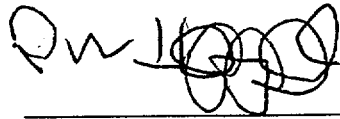
ROBERT L DEWEES JR.  
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SEABROOK TOWN OFFICE  
99 LAFAYETTE ROAD  
SEABROOK NH 03874

DIRECTOR OF NUCLEAR  
REACTOR REGULATION  
NUCLEAR REG COMM  
WASHINGTON DC 20555

PAUL J COREY  
BROWN RUDNICK RERLACK ISRAELS  
CITYPLACE 1  
HARTFORD CT 06103

Dated: *JUNE 24, 2002*

A handwritten signature in black ink, appearing to read "RW Hepper", written over a horizontal line.

---

Raymond W. Hepper, Esquire  
Attorney for FPL Energy  
Seabrook, LLC