



MAY 11 2005

L-2005-115
10 CFR 50.75

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

Re: St. Lucie Units 1 and 2
Docket Nos. 50-335, 50-389
Turkey Point Units 3 and 4
Docket Nos. 50-250, 50-251
Changes to KPB Financial Corporation Nonqualified Decommissioning Trust Agreement

The purpose of this letter is to request the Nuclear Regulatory Commission's (NRC) consent to proposed changes to the Non-Qualified Decommissioning Trust Agreement for Turkey Point and St. Lucie Nuclear Plants (the Trust Agreement) by KPB Financial Corporation (KPB), a wholly-owned subsidiary of Florida Power & Light Company (FPL). The proposed changes are explained below.

As background, by letter dated October 15, 2001, the NRC authorized the transfer of FPL's nonqualified decommissioning funds for FPL's St. Lucie Plant, Units 1 and 2, and Turkey Point Nuclear Plant, Units 3 and 4, to KPB, a wholly-owned subsidiary of FPL. A copy of the NRC's October 15, 2001 letter and Safety Evaluation is enclosed (Enclosure 1). FPL completed the transfer of the non-qualified decommissioning funds to KPB effective as of December 31, 2001 and notified the NRC that the transfer had taken place and provided a copy of the revised trust agreements by letter dated January 3, 2002 (FPL letter L-2002-006). In accordance with this transfer, KPB committed not to make material changes to the Trust Agreement without prior approval of the Director, Office of Nuclear Reactor Regulation.

KPB is now proposing to make changes to the Trust Agreement. KPB is proposing to change the trustee for the non-qualified decommissioning trust to Mellon Trust of Delaware, National Association. Mellon Trust is an indirect wholly-owned subsidiary of Mellon Financial Corporation. The financial qualifications of Mellon Financial Corporation are described in its 2004 annual report, a copy of which is enclosed (Enclosure 2). KPB is also proposing other minor changes to the Trust Agreement. Such changes are illustrated in a blacklined version of the revised trust document, a copy of which is enclosed herewith (Enclosure 3). A clean copy of the revised Trust Agreement is also enclosed (Enclosure 4).

A 001

U. S. Nuclear Regulatory Commission
Docket Nos. 50-335/389/250/251
FPL Letter L-2005-115
Page 2 of 2

In order to enable KPB to close this transaction on June 30, 2005, FPL requests NRC consent to the proposed changes to the Trust Agreement by no later than June 1, 2005. Should you have any questions concerning the proposed changes to the Trust Agreement, please contact Mitchell Ross, Managing Attorney, FPL, at 561-691-7126.

Sincerely yours,



J.A. Stall
Senior Vice President, Nuclear and
Chief Nuclear Officer

cc: NRC Regional Administrator – Region II Office
Senior Resident Inspector – St. Lucie Plant
Senior Resident Inspector – Turkey Point Plant
Eileen McKenna

Enclosures (4)

U. S. Nuclear Regulatory Commission
Docket Nos. 50-335/389/250/251
FPL Letter L-2005-115

Enclosure 1
NRC's October 15, 2001 Letter and Safety Evaluation



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

October 15, 2001

RECEIVED BY

OCT 23 2001

MITCHELL S. ROSS

Mr. J. A. Stall
Senior Vice President, Nuclear and
Chief Nuclear Officer
Florida Power and Light Company
P.O. Box 14000
Juno Beach, Florida 33408-0420

SUBJECT: ST. LUCIE, UNITS 1 AND 2, AND TURKEY POINT, UNITS 3 AND 4
SAFETY EVALUATION FOR THE PROPOSED TRANSFER OF THE
NONQUALIFIED DECOMMISSIONING TRUST FUNDS FROM FLORIDA
POWER AND LIGHT COMPANY TO KPB FINANCIAL CORPORATION
(TAC NOS. MB0978, MB0979, MB0980, AND MB0981)

Dear Mr. Stall:

By letter dated November 28, 2000, as supplemented December 22, 2000, and August 2, 2001, Florida Power and Light Company (FPL) notified the U.S. Nuclear Regulatory Commission (NRC) of a proposed transfer of FPL's nonqualified decommissioning funds for St. Lucie, Units 1 and 2, and Turkey Point, Units 3 and 4, to a wholly owned subsidiary of FPL, KPB Financial Corporation (KPB), a Delaware Corporation.

The NRC staff has completed its review of the above submittals. Based on its review, the staff finds that, as stated in the enclosed Safety Evaluation (SE), FPL will continue to provide reasonable assurance of decommissioning funding for the St. Lucie and Turkey Point facilities. Therefore, subject to the conditions modifying the decommissioning trust agreement for the nonqualified funds as specified in the enclosed SE, the staff has no objection to the transfer of the nonqualified decommissioning trust funds from FPL to KPB.

Sincerely,

A handwritten signature in cursive script that reads "Kahtan N. Jabbour".

Kahtan N. Jabbour, Senior Project Manager, Section 2
Project Directorate II
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket Nos. 50-335, 50-389, 50-250,
and 50-251

Enclosure: Safety Evaluation

cc w/encls: See next page

Mr. J. A. Stall
Florida Power and Light Company

cc:
Senior Resident Inspector
St. Lucie Plant
U.S. Nuclear Regulatory Commission
P.O. Box 6090
Jensen Beach, Florida 34957

Joe Myers, Director
Division of Emergency Preparedness
Department of Community Affairs
2740 Centerview Drive
Tallahassee, Florida 32399-2100

M. S. Ross, Attorney
Florida Power & Light Company
P.O. Box 14000
Juno Beach, FL 33408-0420

Robert J. Hovey, Site Vice President
Turkey Point Nuclear Plant
Florida Power and Light Company
9760 SW. 344th Street
Florida City, FL 33035

Douglas Anderson
County Administrator
St. Lucie County
2300 Virginia Avenue
Ft. Pierce, Florida 34982

Mr. R. G. West
Plant General Manager
St. Lucie Nuclear Plant
6351 South Ocean Drive
Jensen Beach, Florida 34957

Mr. Steve Franzone
Licensing Manager
Turkey Point Nuclear Plant
9760 SW. 344th Street
Florida City, FL 33035

Mr. William A. Passetti, Chief
Department of Health
Bureau of Radiation Control
2020 Capital Circle, SE, Bin #C21
Tallahassee, Florida 32399-1741

Donald E. Jernigan, Site Vice President
St. Lucie Nuclear Plant
6501 South Ocean Drive
Jensen Beach, Florida 34957

**ST. LUCIE PLANT
TURKEY POINT PLANT**

Attorney General
Department of Legal Affairs
The Capitol
Tallahassee, Florida 32304

Senior Resident Inspector
Turkey Point Nuclear Plant
U.S. Nuclear Regulatory Commission
9762 SW. 344th Street
Florida City, Florida 33035

T. O. Jones, Plant General Manager
Turkey Point Nuclear Plant
Florida Power and Light Company
9760 SW. 344th Street
Florida City, FL 33035

County Manager
Miami-Dade County
111 NW 1 Street, 29th Floor
Miami, Florida 33128

E. J. Weinkam
Licensing Manager
St. Lucie Nuclear Plant
6351 South Ocean Drive
Jensen Beach, Florida 34957

Mr. Don Mothena
Manager, Nuclear Plant Support Services
P.O. Box 14000
Juno Beach, FL 33408-0420

Mr. Rajiv S. Kundalkar
Vice President - Nuclear Engineering
Florida Power & Light Company
P.O. Box 14000
Juno Beach, FL 33408-0420

Mr. J. Kammel
Radiological Emergency
Planning Administrator
Department of Public Safety
6000 SE. Tower Drive
Stuart, Florida 34997



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

SAFETY EVALUATION BY THE OFFICE OF NUCLEAR REACTOR REGULATION
PROPOSED TRANSFER OF FLORIDA POWER & LIGHT COMPANY'S
NONQUALIFIED DECOMMISSIONING FUNDS TO KPB FINANCIAL CORPORATION
ST. LUCIE UNITS 1 AND 2
TURKEY POINT UNITS 3 AND 4
DOCKET NOS. 50-335, 50-389, 50-250 AND 50-251

1.0 INTRODUCTION

By submittal dated November 28, 2000, Florida Power & Light Company (FPL), notified the U.S. Nuclear Regulatory Commission (NRC) of a proposed transfer of FPL's "nonqualified" decommissioning funds for St Lucie, Units 1 and 2, and Turkey Point, Units 3 and 4, to a wholly owned subsidiary of FPL, KPB Financial Corporation (KPB), a Delaware corporation.

The submittal states that "KPB was formed by FPL in 1993 in order to provide a vehicle for financial holdings under Delaware law which provides advantageous tax treatment over Florida law in various circumstances. Transferring the nonqualified decommissioning funds would result in a reduced state tax expense that will increase the after-tax earnings of the funds, ultimately resulting in reduced decommissioning charges to FPL's customers."

2.0 DECOMMISSIONING FUNDING ASSURANCE

The NRC has determined that the requirements to provide assurance of decommissioning funding and provision of an adequate amount of decommissioning funding are necessary to ensure the adequate protection of public health and safety.

FPL, an electric utility as defined in Title 10, *Code of Federal Regulations* (10 CFR), Section 50.2, provides financial assurance for decommissioning St. Lucie, Units 1 and 2, and Turkey Point, Units 3 and 4, through a series of external sinking funds in the form of a trust into which deposits are made at least annually. The application states that "the trust agreement for the St. Lucie and Turkey Point plants was established in 1988. The agreement established a single trust for each nuclear unit that is 'qualified' under Section 468A of the Internal Revenue Code and IRS implementing regulations, and a single trust for all 4 units that contains funds that are not 'qualified' under Section 468A (the 'nonqualified trust'). All of the trusts are funded by collections from Florida customers as determined by the Florida Public Service Commission (FPSC)."

ENCLOSURE

The submittal provided the following table showing expected fund balances at the end of plant life:

	Adjusted Certification Amount	Projected Fund Balance w/ NonQualified Funds ¹	Excess/ (Deficiency)	Projected Fund Balance w/o NonQualified Funds ¹	Excess/ (Deficiency)
St. Lucie 1	297,939,168	759,352,127	461,412,959	643,847,296	345,908,128
St. Lucie 2	253,859,366	792,380,545	538,521,179	732,372,757	478,513,391
Turkey Pt. 3	287,320,032	460,386,811	173,066,779	349,282,147	61,962,115
Turkey Pt. 4	287,320,032	571,771,858	284,451,826	443,785,505	156,465,473

The last Decommissioning Fund Status Report was submitted by FPL on March 27, 2001. The amounts in the trusts as of December 31, 2000, were:

- St. Lucie 1 - \$313,953,154
- St. Lucie 2 - \$235,704,337 (for FPL's 85.2051% share)
- Turkey Point 3 - \$259,646,422
- Turkey Point 4 - \$277,986,428

The submittal states that the projected decommissioning fund balances at the expiration of the current license term for each unit (without counting the nonqualified funds) will exceed the adjusted minimum certification amount in Title 10, *Code of Federal Regulations* (10 CFR), Section 50.75(c). The amounts in each of the decommissioning trust funds meet the requirements of the "prepayment" decommissioning funding assurance mechanism in 10 CFR 50.75(e)(1)(i) using the generic formulas in 10 CFR 50.75(c). The current amount required for decommissioning each unit is listed in the table above under the heading "Adjusted Certification Amount." Taking the 2-percent credit in real-dollar terms for future earnings on the funds, each of the trusts could be considered to meet the prepaid funding assurance mechanism. The projected fund balances shown in the table above indicate that each of the funds will be well in excess of the adjusted certification amounts at the end of license dates, even without counting the non-certified funds. Staff calculations adding the 2-percent future earnings credit to the funds indicate that the decommissioning trust funds will be fully funded.

¹ Using a 2% real rate-of-return credit on earnings, as allowed pursuant to 10 CFR 50.75(e)(1)(i).

FPL states that "the proposed transfer of the nonqualified decommissioning funds to KPB will not have an adverse impact on FPL's ability to provide reasonable assurance that funds will be available to decommission St. Lucie and Turkey Point. Transferring the nonqualified decommissioning funds would result in a reduced state tax expense that will increase the after-tax earnings of the funds, ultimately resulting in reduced decommissioning charges to FPL's customers."

FPL states that in order to implement the new trust arrangement, "FPL will amend the current trust agreement to create a Qualified Trust Agreement, for which FPL will be the grantor, and a Nonqualified Trust Agreement, for which KPB will be the grantor." Once these new trust agreements are completed, FPL shall notify the NRC of completion and provide copies of the new trust agreements to the Director, Office of Nuclear Reactor Regulation.

In addition, FPL made the following commitments in the submittal in order to provide further assurance that the funds in the nonqualified trust will be available for decommissioning at the cessation of permanent operations. FPL committed to not sell any of the common stock of KPB without the prior approval of the Director of the Office of Nuclear Reactor Regulation. A commitment was also made that KPB will make no material changes to the Nonqualified Trust Agreement without the prior approval of the Director of the Office of Nuclear Reactor Regulation.

In response to a request from the NRC staff, FPL forwarded on December 22, 2000, a copy of the Corporate Resolutions of KPB Financial Corporation concerning the proposed transfer of the nonqualified decommissioning trust funds. The KPB board minutes dated December 13, 2000, included the following resolution:

RESOLVED, (i) that the Board of Directors authorizes and approves the transfer of FPL's nonqualified decommissioning trust funds (the "Funds") (for Turkey Point, Units 3 and 4, and St. Lucie Units, 1 and 2) to the Company, conditioned upon FPL's receipt of notice from the United States Nuclear Regulatory Commission ("NRC") that it does not object to said transfer; (ii) that each of the President, Vice-President or the Treasurer of the Company is hereby authorized, in the name and on behalf of the Company, to execute and deliver a nonqualified trust agreement (the "Nonqualified Trust Agreement") pursuant to which the Company shall be the grantor, and further to execute and deliver each of the other documents contemplated therein, or as may be necessary to carry out the purpose of this resolution, such execution and delivery to be conclusive evidence that the same has been authorized and approved by the Board of Directors; (iii) that the Funds may be used only for decommissioning purposes as provided in the Nonqualified Trust Agreement; (iv) that FPL shall be granted immediate access to the Funds upon satisfaction of the conditions in the Nonqualified Trust Agreement; (v) That the Company shall make no material changes to the Nonqualified Trust Agreement without prior written approval of the NRC Director, Nuclear Reactor Regulation; and (vi) that the terms of this resolution shall not be materially changed without prior written approval of the NRC Director, Nuclear Reactor Regulation. . . .

Based upon the commitments made by FPL, the KPB Board action, FPL's status as a rate-regulated electric utility as defined in 10 CFR 50.2, KPB's status as a wholly owned subsidiary of FPL, and the sufficiency of funds contained in the qualified decommissioning funds that will remain with FPL, the NRC staff concludes that upon transfer of the non-qualified

decommissioning trust to KPB, FPL will continue to provide reasonable assurance of decommissioning funding.

However, in view of the fact that KPB is not an NRC licensee, the following conditions are incorporated to meet NRC approval:

- (a) The transfer of decommissioning funds from FPL to KPB is limited to nonqualified funds amounts only. The "qualified" funds shall remain with FPL as the grantor.
- (b) FPL shall take all necessary steps to ensure that both the qualified and nonqualified decommissioning trusts are maintained in accordance or consistent with the submittal, this Safety Evaluation, and NRC's requirements.
- (c) FPL shall continue to report on the status of both its qualified and nonqualified funds pursuant to 10 CFR 50.75(f)(1).

3.0 CONCLUSION

Based on the foregoing analysis and FPL's commitments, the staff finds that FPL will continue to provide reasonable assurance of decommissioning funding. The staff has no objection to the transfer of the nonqualified decommissioning trust funds from FPL to KPB.

Principal Contributor: Michael J. Davis, NRR

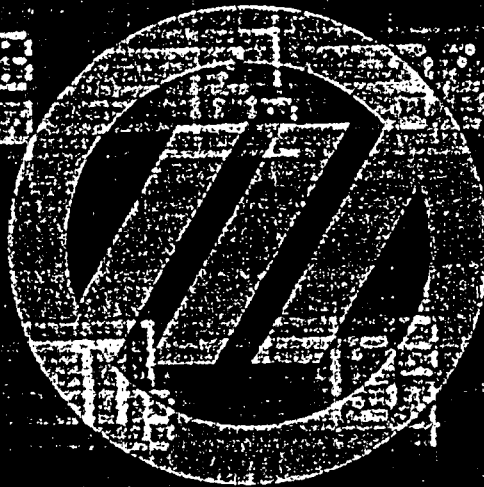
Date: **October 15, 2001**

U. S. Nuclear Regulatory Commission
Docket Nos. 50-335/389/250/251
FPL Letter L-2005-115

Enclosure 2
2004 Mellon Financial Corporation Annual Report



Mellon



Investing in Core Businesses

MELLON FINANCIAL CORPORATION

2004 SUMMARY ANNUAL REPORT

Profile

Mellon Financial Corporation is one of the world's leading providers of financial services and strives to become the best performing financial services company. To achieve this goal, Mellon focuses on a strategic mix of businesses that enables us to offer high quality services, enhanced by technology, designed to meet or exceed the expectations of our clients.

By year-end 2004, Mellon had more than 135 years of experience in the financial services industry, \$707 billion in assets under management, \$4.0 trillion in assets under management, administration or custody and return on equity of 21 percent. Income from continuing operations totaled \$800 million, or \$1.89 per share, compared with \$683 million, or \$1.59 per share, before the cumulative effect of a change in accounting principle in 2003.

Mellon pursues long-term success through exceptional quality service to clients, attention to organic revenue growth, expense management, successful integration of acquisitions and disciplined capital management. We provide the following products and services:

For corporations and institutions, Mellon delivers products and services involving investment management, trust and custody, foreign exchange, securities lending, performance analytics, investment management software, fund administration, transition management, employee benefits consulting, outsourcing services for benefits plans and financial institutions, stock transfer, proxy solicitation, treasury management, accounts payable outsourcing and banking services.

For individuals, Mellon provides wealth management, including asset management, private banking and credit products, such as jumbo mortgages. Mutual funds are offered through The Dreyfus Corporation, Founders Asset Management, and in the European market, Newton Investment Management.

Strategy

Mellon's strategy is to build an attractive mix of fee-based businesses focused on the institutional and high net worth markets, leverage technology and sales across those businesses to provide consistent low risk earnings, and aggressively manage capital for high returns. Our strategy is designed to deliver sustainable high quality revenue and earnings per share growth as well as superior total returns for shareholders.

Shared Values

Mellon employees are guided by our Shared Values:

Integrity Our reputation is defined by how we respect and treat with dignity our clients, shareholders, communities and each other. We are honest, fair, active listeners, open communicators and accountable.

Teamwork We work cooperatively and rely on each other for individual and shared success. We value individual differences, encourage new ideas, share information, always learn and recognize performance.

Excellence We are dedicated to producing the best results for our clients, shareholders, communities and ourselves. We are creative and innovative, flexible and adaptable, focused on high quality solutions, continually improving, and above all, winners.

INVESTING FOR EXCELLENCE

Mellon is committed to meeting or exceeding our clients' expectations. Powered by employees who leverage investments in core businesses, the Mellon Promise leads to industry leadership and high client satisfaction ratings.

No. 1

Global custodian vs. our peers in the industry surveys, based on client ratings.
- 2004 RIA/IDB Annual Custody Survey, Feb. 26, 2004; Mutual Fund Administration Survey, *Global Custodian*, June 1, 2004; 2004 Global Custody Survey, *Global Custodian*, Oct. 1, 2004

No. 1

Leading cash management provider in the United States, based on client ratings.
- 2004 Bank Leader Survey, Warabak Research, Sept. 1, 2004

No. 1

Best Unit Trust Provider 2004, Newton Investment Management, based on client ratings.
Money Observer; *Guardian Consumer Finance Awards*, Sept. 9, 2004

No. 1

CEO of the All-Star Banking Team, Martin G. McGinnis
- *US Banker*, Nov. 2, 2004

No. 2

America's most admired company, industry category.
- *Fortune*, March 5, 2004

No. 2

Overall group 2004, Mellon Global Investments - Standard & Poor's European Fund Awards, May 2004

No. 2

Financial institution on the All-Star Banking Team
- *US Banker*, Nov. 2, 2004

No. 2

Information technology innovator in the U.S. financial services industry.
InformationWeek, Sept. 20, 2004

No. 3

Largest 401(k) plan administrator, based on number of plan participants receiving services on an unbundled basis.
Business Insurance, Aug. 30, 2004

No. 4

U.S. money manager, based on worldwide institutional assets under management.
Pensions & Investments, May 31, 2004

No. 10

Largest U.S. mutual fund family based on assets - The Dreyfus Corporation
- *Strategic Insight*, November 2004

TO OUR SHAREHOLDERS AND FRIENDS:



At Mellon, 2004 was a year of strong investment performance by our businesses, key acquisitions and notable growth. We achieved a record \$707 billion in assets under management and a record \$4.0 trillion in assets under management, administration or custody. We exceeded our long-term goals of 11 percent to 14 percent earnings per share growth and 20+ percent return on equity. Return on equity was 21 percent, and earnings per share growth reached 19 percent in 2004, on a continuing operations basis. Navigating successfully through the economic and geopolitical challenges in the operating environment, we captured numerous top-five leading market positions and developed a robust pipeline of new business while continuing to serve our existing clients at the highest levels of quality. Our success also resulted from investing in our core businesses to benefit clients and produce short- and long-term growth for Mellon and tightly controlling our expenses.

In our Asset Management group, we grew assets under management from \$657 billion to \$707 billion and achieved enviable investment performance, particularly in international and emerging market equities and small cap strategies. Approximately 75 percent of our actively managed institutional investment products exceeded their one-year benchmarks. Together, our institutional asset management businesses increased net new business revenues by more than 125 percent and nearly doubled the sector's revenue retention rate.

Mellon's Institutional Asset Management sector significantly lengthened its list of alternative investment product offerings through the acquisition of EACM Advisors, whose products include fund-of-hedge-funds strategies. We became one of the world's largest currency management businesses when we acquired the 70 percent of Pareto Partners that we did not previously own. Pareto Partners is a London-based asset management company specializing in currency overlay and fixed-income products. Through Pareto, we help our clients manage the risks associated with currency fluctuations.

Dreyfus retained its standing as one of the leading U.S. mutual fund companies. The integrity of Dreyfus' employees, policies and procedures, and the quality of its products, continued to resonate in 2004 as Dreyfus expanded its mutual fund product line. We also gained more ground as a leader in the separate accounts business, becoming a top-10 provider of these services.

In our private wealth management business, we broadened our footprint in markets with attractive demographics by acquiring our seventh U.S. investment firm in less than four years, three in 2004 alone:

Safeco Trust Company of Seattle; Paragon Asset Management of Las Vegas; and The Providence Group Investment Advisory Company of Providence, R.I. Our focus on strong client satisfaction and retention rates led to a year of new business growth highlighted by charitable planned giving account sales that tripled over 2003 levels.

In the Asset Servicing sector, we made investments aimed at benefiting our core institutional constituents—tax-exempt and financial institutions. We continue to expand this business, deepening and broadening our focus on North America and Europe, while targeting Asia and the Pacific Rim for long-term growth. We also created Investment Manager Solutions to capitalize on our ability to service large financial institutions globally.

We expanded our cash management product line for institutional clients through the acquisition of SourceNet, a leading accounts payable business process outsourcing company. The purchase enhances Mellon's capability to help clients streamline their processes and reduce their operating costs.

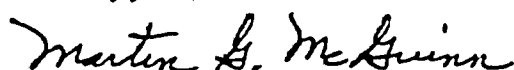
In the Human Resources & Investor Solutions business sector, the repositioning of this business was fully implemented in 2004, and the associated cost reduction was consistent with plan. Through relationships with 64 employer groups, the sector also earned a leading market position as a provider of health savings accounts that allow our clients' employees to pay today's medical costs while helping them to save for future health-related expenses.

For most Mellon businesses, Europe is a targeted region for growth where we are proving our long-term commitment. We consolidated 1,400 Mellon employees working in 10 offices in London to Mellon Financial Centre, our new European headquarters in London in mid 2004. Demonstrating the importance of Europe and the Investment Manager Solutions business to Mellon, Jack Klinck, chairman, Mellon Europe, was promoted to vice chairman and the Executive Management Group.

For the employees who contributed to Mellon's success, we continued our ongoing efforts to become the employer of choice in 2004 by establishing a series of mentoring programs. We further developed our employees through ongoing ethics, client service and diversity-related training. All of us at Mellon work hard every day to fulfill the Mellon brand promise to meet or exceed our customers' expectations.

Our achievements in 2004 have positioned Mellon for continued success in 2005. I welcome the insights of new board members Paul L. Cejas and Edmund F. "Ted" Kelly and thank Carol R. Brown and J. W. Connolly for their prudent stewardship on Mellon's board. I recognize our employees for demonstrating Mellon's Shared Values of integrity, teamwork and excellence. And, I thank you, our shareholders, for your continued confidence and investment in Mellon, which is well on its way to becoming the best performing financial services company.

Sincerely yours,



Martin G. McGuinn, *Chairman and Chief Executive Officer*

FINANCIAL HIGHLIGHTS

Mellon Financial Corporation (and its subsidiaries)	2004	2003
FINANCIAL RESULTS		
Income from continuing operations before cumulative effect of accounting change	\$ 800	\$ 683
Cumulative effect of accounting change, net of tax ^(a)	—	(7)
Income from continuing operations (in millions)	\$ 800	\$ 676
Income (loss) from discontinued operations (in millions)	(4)	25
Net income (in millions)	\$ 796	\$ 701
<i>Earnings per share—diluted</i>		
Continuing operations before cumulative effect of accounting change	\$ 1.89	\$ 1.59
Cumulative effect of accounting change ^(a)	—	(.01)
Continuing operations	\$ 1.89	\$ 1.58
Discontinued operations	(.01)	.05
Net income	\$ 1.88	\$ 1.63
CONTINUING OPERATIONS — KEY DATA		
Return on shareholders' equity ^(b)	20.9%	19.4%
Fee revenue as a percentage of fee and net interest revenue (FTE)	90%	86%
Pre-tax operating margin (FTE)	27%	25%
Assets under management at year end (in billions)	\$ 707	\$ 657
Assets under administration or custody at year end (in billions)	\$3,340	\$2,835
Standard & Poor's 500 Index— year end	1212	1112
Standard & Poor's 500 Index— daily average	1131	965

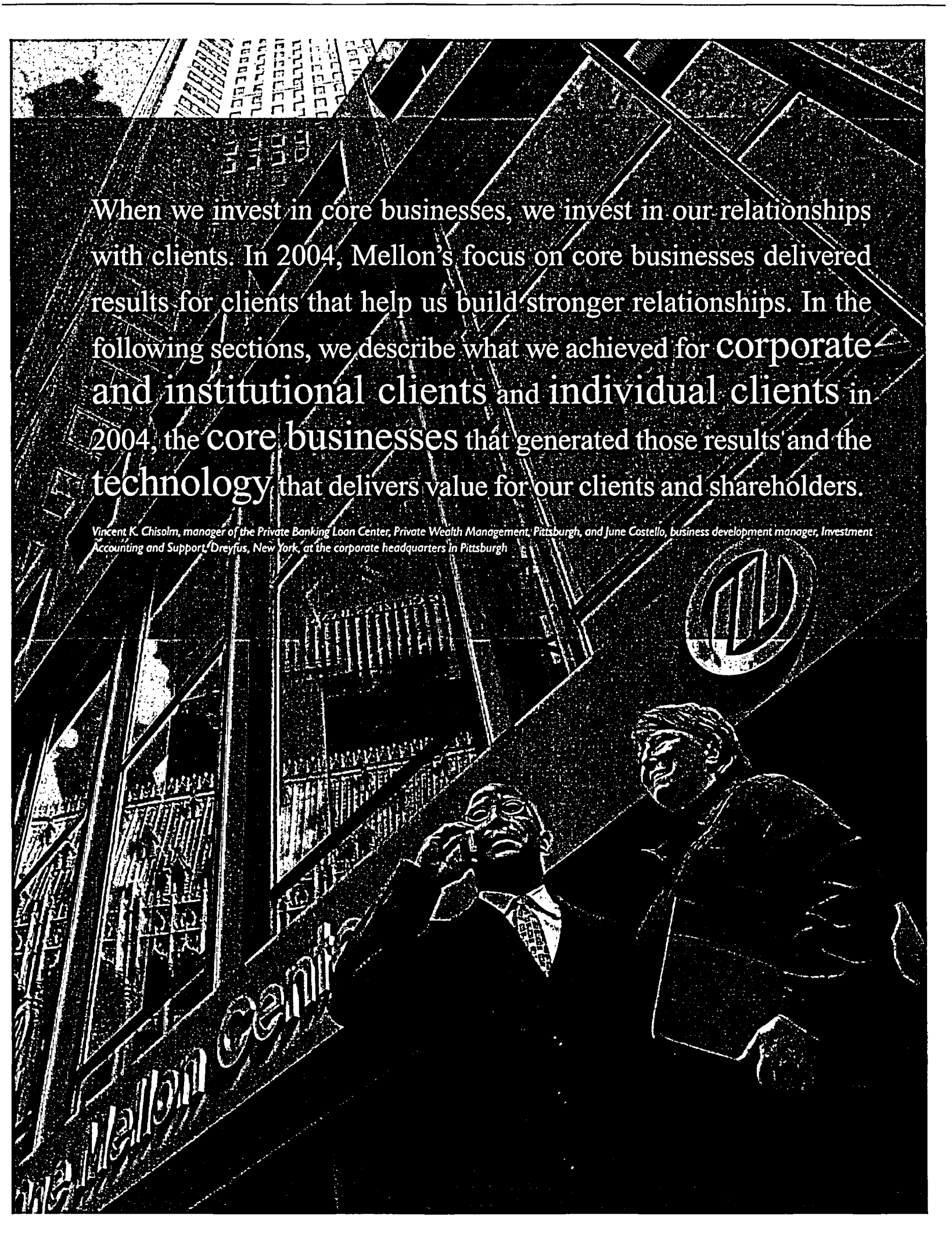
(a) Impact of adoption of SFAS No.143, "Accounting for Asset Retirement Obligations" on January 1, 2003.

(b) For 2003, excludes the cumulative effect of a change in accounting principle.

Note: FTE denotes presentation on a fully taxable equivalent basis.

CAUTIONARY STATEMENT

This Summary Annual Report contains "forward-looking statements." These statements relate to, among other things, future financial results of the Corporation. Reference is made to the Corporation's filings on Forms 10-K and 10-Q with the Securities and Exchange Commission for factors that could cause actual results to differ materially from those anticipated, including without limitation, changes in political and economic conditions and equity, fixed-income and foreign exchange market fluctuations.



When we invest in core businesses, we invest in our relationships with clients. In 2004, Mellon's focus on core businesses delivered results for clients that help us build stronger relationships. In the following sections, we describe what we achieved for **corporate and institutional clients** and **individual clients** in 2004, the **core businesses** that generated those results and the **technology** that delivers value for our clients and shareholders.

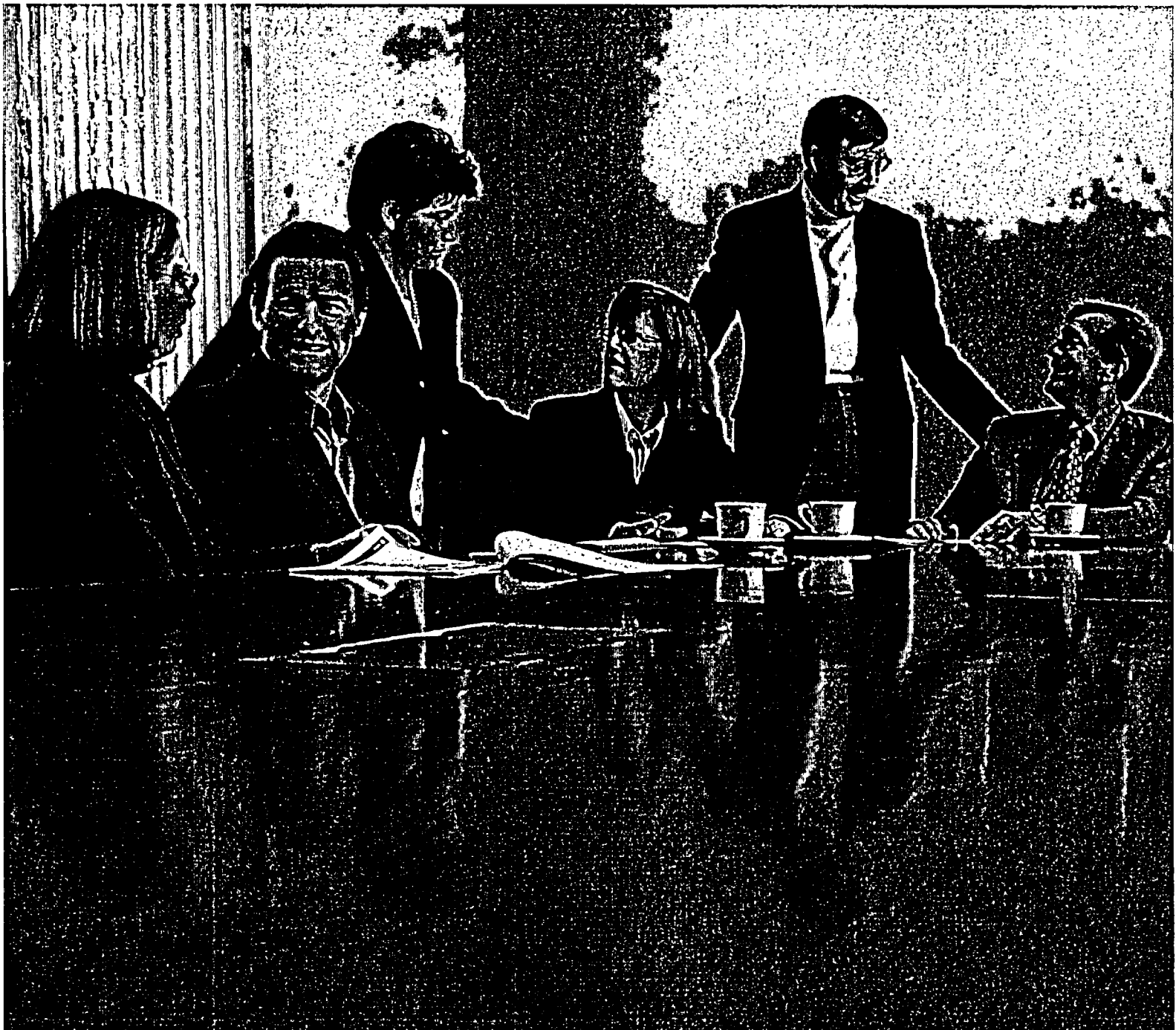
Vincent K. Chisolm, manager of the Private Banking Loan Center, Private Wealth Management, Pittsburgh, and June Costello, business development manager, Investment Accounting and Support, Dreyfus, New York, at the corporate headquarters in Pittsburgh

INVESTING IN CORPORATE AND INSTITUTIONAL CLIENTS

Listening to clients is our business. When we help clients pursue their goals, we enhance our value — to our clients and, ultimately, to all Mellon stakeholders. In 2004, we expanded and improved our product lines and services to create more options and better solutions to meet or exceed the expectations of our corporate and institutional clients. We invested in solutions ranging from institutional asset management, mutual funds and asset servicing to human resources and investor solutions, and treasury services.

In 2004, Mellon delivered strong investment performance and additional products and services to clients through our Asset Management group. Performance was especially notable in international and emerging market equities as well as small cap strategies. We also significantly lengthened the list of alternative product offerings to institutional clients by acquiring EACM Advisors of Norwalk, Conn. Part of the Institutional Asset Management sector, EACM Advisors helps satisfy clients' growing interest in alternative investments. The \$5 billion asset manager offers fund-of-hedge-funds strategies designed to produce consistent returns and low correlation to global equity and fixed-income markets, along with manager-of-managers investment strategies in which the entity selects and oversees diversified teams of long-only equity and fixed-income money managers. Fund-of-hedge-funds products represent one of the fastest growing areas among alternative investments over the last four years. We also underscored our commitment to giving our clients access to one of the world's largest currency management businesses by acquiring in September the 70 percent of Pareto Partners' currency management business and global fixed-income asset management business that we did not previously own. Pareto Partners is a London-based asset management boutique specializing in currency overlay and fixed-income products.

Managing approximately \$160 billion in mutual funds, separately managed accounts and institutional portfolios, Dreyfus augmented our growth in the separate accounts business. Dreyfus Separate Accounts provides individually managed accounts and related investment services through intermediary channels such as broker-dealers and financial planners. Dreyfus' business has been growing rapidly, topping \$10 billion in assets under management in only four years, placing us among the top 10 separate accounts providers. While currently offering nine equity investment strategies for high net worth individuals and institutional investors, the business leverages one of the largest distribution networks of any asset management firm in the financial services industry. As the 10th largest mutual fund company in the United States, Dreyfus also expanded its product offerings through selective acquisitions. In 2004, Dreyfus assumed management of approximately \$4.7 billion in certain mutual funds from Bear Stearns Asset Management Inc. Dreyfus also acquired Thompson Plumb Balanced Fund (now Dreyfus Premier Balanced Opportunity Fund), further enhancing our product line and ability to serve clients. Continued expansion of private labeling of Dreyfus investment products continues to be a successful strategic initiative. With approximately \$12 billion in assets under management and 12 different relationships in private labeling alone, Dreyfus has become an enviable model for expanding institutional distribution.



DELIVERING ON THE PROMISE

We're serious about listening to clients and learning about their expectations — which we then strive to meet or exceed. We ask clients to participate on advisory boards with the power to influence every aspect of the solutions we create, not only for today but for the future. Clients maximize opportunities to accomplish their companies' goals by participating on the Mellon Global Securities Services Client Advisory Board.

Several board members shown above with Maria Serra, director of client service, Mellon Global Securities Services, U.S. Trust Services (third from left), are (left to right) Teresa Mimms, assistant director of investments, Purdue University; Mark Angerame, chief financial officer, Central States Southeast and Southwest Areas Pension Fund; Karen Gershman, chief operating officer and chief financial officer, Pension Reserves Investment Management Board, Massachusetts; George Shicora, director of investments, assistant corporate treasurer, Exelon Corporation; and Michael Bishof, senior vice president and treasurer, Delaware Investments.

Mellon also launched an expansion of our asset servicing business in 2004 and established Investment Manager Solutions (IMS), a business focused on delivering solutions to investment managers and other financial institutions via outsourcing, fund services through Mellon European Fund Services, software through Eagle Investment Systems and performance analytics through Russell/Mellon. Among other actions, IMS will further integrate Eagle Investment Systems' innovative products into Mellon's array of solutions. Eagle PACE™ and Eagle STAR® are industry-leading portfolio management and investment accounting technology solutions in demand by clients in all of our target market segments. Asset Servicing sector clients benefit from a number of powerful products such as Workbench, which delivers Mellon-sourced data and portfolio-specific information to the client-user. Workbench is Internet-accessible and was enhanced in 2004 to provide critical portfolio information at a glance using flexible formats that clients can configure as needed. Called Dashboard, this new enhancement is an innovative reporting and charting tool. Clients can customize Dashboard to present multiple-window views of their reports to monitor and analyze their portfolio data rapidly and completely on one screen.

In 2004, we repositioned our Human Resources & Investor Solutions business sector. The business now designs, builds and operates end-to-end solutions for human resources departments, fusing our expertise in human capital with our deep roots and capabilities as a financial services firm. We combine our expertise in benefits administration and actuarial services with Mellon's asset management and servicing capabilities, for example, to create added value for our clients. Product-line enhancements in this business included a range of solutions currently in clients' hands or in development. Among Web-based solutions, Mellon has created Web experiences that operate like expert systems and are based on lifetime events in a plan participant's life or on a particular activity in a plan sponsor's work. To help employers reduce healthcare expenses, the sector launched health savings accounts that allow our clients' employees to pay today's medical costs, while helping them to save for future health-related expenses. Mellon quickly captured a leading market position in this business.

We also expanded our service offering through the Treasury Services sector to help our institutional clients pursue their goals by acquiring SourceNet Solutions Inc. of College Station, Texas. The purchase of this finance and accounting business process outsourcing company will help Mellon deliver a comprehensive array of accounts payable outsourcing solutions. SourceNet's achievements include a record of enabling clients to reduce direct operating costs and attaining continuous process improvement. Other measurable results delivered to more clients in 2004 included faster access to remittance information and an improved accounts receivable posting process. Through a new platform that will involve all seven Mellon Global Cash Management wholesale lockbox sites in the United States, clients who incorporate automated features into their receivables process can access the next generation of technology, processes and best practices. The technology allows for future growth and service enhancements and offers important new features including courtesy amount recognition, legal amount recognition, advanced image capabilities and accelerated event notification options.

SELECTED BUSINESS WINS OF 2004

Date Announced	Award
March 22	State of Wisconsin Investment Board Selects Mellon Global Securities Services to Service \$65 Billion in Assets Under Custody
May 11	Hofstetler and Wiley Outsources Investment Bank Office to Mellon Investment Manager Solutions
May 18	Boeing Daimler Contribution Plan Selects Dreyfus to Manage \$1.25 Billion in the Dreyfus Premier Technology Growth Fund
June 2	Mellon Investor Services Appointed Exchange Agent and Transfer Agent for Manulife Financial U.S. Shareholders
June 14	California Public Employees' Retirement System Selected Franklin Portfolio Associates to Manage \$250 Million in a Large Cap Core Equity Portfolio
June 16	Mellon Global Securities Services Named Custodian and Securities Lending Agent for \$19.5 Billion Texas Retirement School Fund
July 15	TVA-CREFF Appoints Mellon Global Securities Services to Provide Outsourcing and Custody Support for New Institutional Client
July 27	Mellon's Human Resources & Investor Solutions Awarded Processing of Microsoft's Special Dividend Payout to More Than 11,500 Shareholders
August 27	Louisiana State Employees' Retirement System Selected The Boston Company Asset Management to Manage \$260 Million in an International Small Capitalization Equity Portfolio
October 4	National Bank of Canada, Subsidiary Natcan Selects Eagle for Data Management, Performance Measurement and Reporting
November 16	P&G Asset Management Announces Operational Outsourcing Deal with Mellon Investment Manager Solutions for \$18 Billion in Assets Under Management



MAKING A SIGNIFICANT DIFFERENCE

Mellon's exceptional ability to manage wealth in an integrated, innovative, client-first fashion is one of many reasons that Mellon's high net worth clients continue to report high levels of satisfaction. As many of these clients prepare to transfer their wealth to younger family members, they have retained Mellon's expertise in wealth protection and transfer services including trust administration, tax-advantaged trusts, intergenerational wealth transfer and estate administration.



INVESTING IN INDIVIDUAL CLIENTS

Mellon enriches relationships with individual clients primarily through the practice of wealth management — combining the knowledge of our experts to meet individual client needs. Mellon began the practice of wealth management 135 years ago, at the same time we began building our reputation for client service. Since then, our talented professionals have established a tradition of superior service to families, family offices, charitable gift programs, endowments, foundations, attorneys, real estate professionals and entrepreneurs. We invest in solutions for individual clients ranging from asset management to wealth planning, private banking and credit strategies.

In 2004, we continued to expand our footprint through acquisition, our principal method of entering attractive new geographic markets. By partnering with financial organizations that are well established and respected in their communities, we are able to bring Mellon's broad capabilities to an established client base.

In April, we added to Mellon's presence in Seattle through the acquisition of Safeco Trust Company, formerly Safeco Corporation's high net worth investment management division. The firm provides investment, financial and estate planning services to individuals and families.



We enhanced our capability to serve clients in the Southwest by acquiring Paragon Asset Management in the Las Vegas metropolitan area in October, adding \$600 million in client assets to Mellon. The investment management firm specializes in the needs of high net worth individuals and local municipalities.

Our December acquisition of The Providence Group Investment Advisory Company of Providence, Rhode Island, allowed us to increase our focus on clients in that state and strengthen our position in the northeastern United States. The firm serves high net worth individuals and families.

Together, Mellon's team of private wealth management experts unites excellent and comprehensive wealth management practices, intimate insights into each client's unique goals and needs, and strategic thinking to achieve the right results for each client. Private Wealth Management professionals emphasize three proficiencies: know how (the industry's best practices), know you (intimate insights into each client's unique goals and needs) and know why (strategic thinking to achieve the right results for each client).



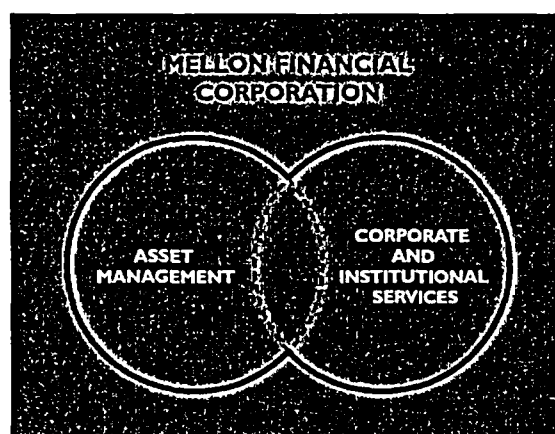
STRONG LEADERSHIP TEAM

Martin G. McGuinn, chairman and chief executive officer (right), and Steven G. Elliott, senior vice chairman (left), have served as the Mellon Leadership Team since 1999. During their tenure, Mellon has taken bold action to sharpen our strategic focus and position Mellon for continued success. This most significant evolutionary period in the Corporation's history is anchored by a strong constant: meeting or exceeding our clients' expectations.

MELLON BUSINESS GROUPS AND SECTORS

Knowing our clients is essential for Mellon's success. That is because an important part of our strategy is to build an attractive mix of businesses that serve our clients well and to invest wisely in those businesses for continued short- and long-term growth. Our business strategy, in turn, drives our technology strategy, which enhances the solutions we offer to clients across our organization.

Mellon's corporate and institutional clients and high net worth and other individuals may be served by one or a combination of our six business sectors. These sectors make up two groups: Asset Management and Corporate and Institutional Services. Asset Management includes the Institutional Asset Management, Mutual Funds and Private Wealth Management sectors. Corporate and Institutional Services includes the Asset Servicing, Human Resources & Investor Solutions, and Treasury Services sectors.



Asset Management

The Mellon Asset Management model is focused on excellent investment performance, product balance and scale. The model leverages strong brands and product breadth across multiple U.S. and international distribution channels to reach institutional, high net worth and retail clients. Concentrating on providing best-in-class investment products and performance, Mellon's unique entrepreneurial culture rewards investment performance, organic growth, profitability and client retention.

Corporate and Institutional Services

Mellon delivers industry-leading outsourcing solutions involving asset servicing, employee benefits and treasury services to meet or exceed the expectations of institutions worldwide. Built around an extensive breadth of products, a reputation for quality, operational efficiency, scalable technology and strong relationships, Mellon's Corporate and Institutional Services businesses consistently earn high client satisfaction ratings and maintain leadership positions in key global markets.



RONALD P. O'HANLEY
 Vice Chairman of Mellon
 Financial Corp. and President
 of Mellon Institutional Asset
 Management



STEPHENIE GANTER
 Vice Chairman of Mellon
 Financial Corp. and Chairman
 and Chief Executive Officer
 of The Dreyfus Corporation



DAVID F. LAMERE
 Vice Chairman of Mellon
 Financial Corp., President of
 Private Wealth Management and
 Chairman and Chief Executive
 Officer of Mellon New England



ALLAN P. WOODS
 Vice Chairman and Chief
 Information Officer of Mellon
 Financial Corp.

A range of investment disciplines, a focus on performance and the complete spectrum of equity, fixed income, hedge and liquidity management products for institutions - available in the United States and globally

**Institutional
 Asset
 Management**

Mutual funds in virtually every asset class and investment style and multiple distribution channels that deliver quality investment products to institutional, retail and high net worth clients

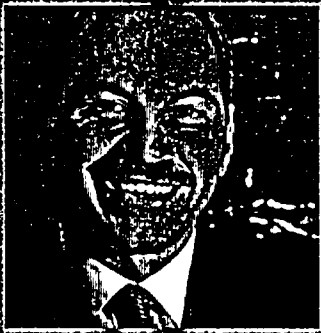
**Mutual
 Funds**

**ASSET
 MANAGEMENT**

Investment management, wealth planning and financial management, including private banking and jumbo mortgages, for high net worth clients, family offices, charitable gift programs, entrepreneurs, professionals, endowments and foundations in the United States

**Private Wealth
 Management**

Techn



JAMES P. PALERMO
 Vice Chairman of Mellon
 Financial Corp., President of
 Mellon Global Securities
 Services and President of
 Mellon New England



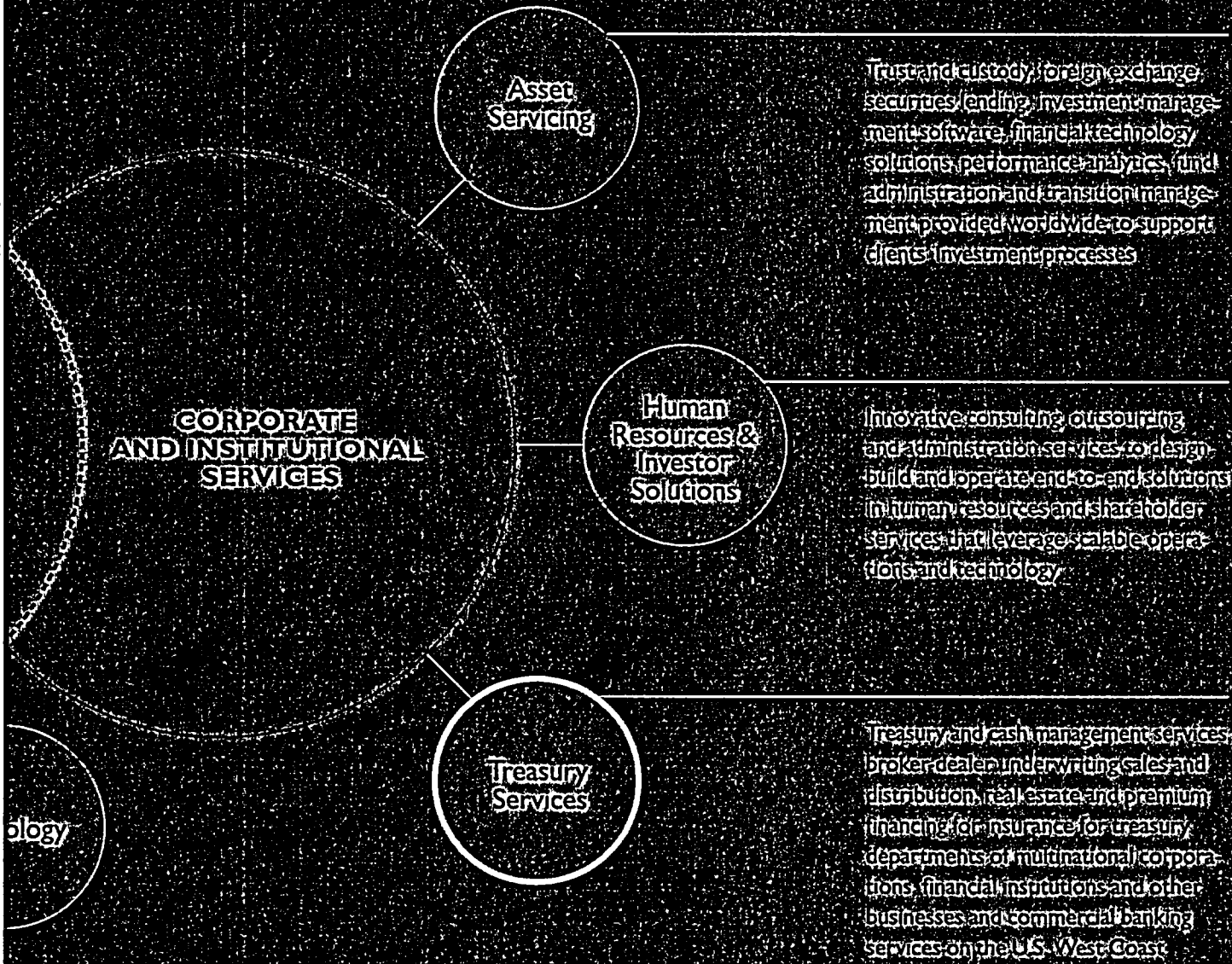
JOHN H. KLINGKE JR.
 Vice Chairman of Mellon
 Financial Corp., President
 of Investment Manager
 Solutions and Chairman of
 Mellon Europe



JAMES D. ARAMANDA
 Vice Chairman of Mellon
 Financial Corp. and Head of
 Human Resources & Investor
 Solutions Businesses



JOHN T. CHESKO
 Vice Chairman of Mellon
 Financial Corp.



ology

INVESTING IN TECHNOLOGY

In 2004, Mellon was again recognized by independent organizations and our clients as one of the top technological innovators in the financial services industry.

InformationWeek named Mellon No. 18 overall and No. 2 among financial services companies in its annual survey of America's largest and most innovative users of technology. Mellon Vice Chairman and Chief Information Officer Allan Woods was identified by *Bank Systems & Technology* as one of the six top financial technology executives who succeed at aligning their information technology organizations with enterprise-wide business goals. A survey of clients by *Global Custodian* found that the Mellon group of asset servicing businesses was first against its peer competitors in 11 categories, including our use of technology. And Greenwich Associates recognized iTelecash®, the Internet-based information reporting and transaction initiation service offered through Mellon Global Cash Management, as among the top Web-based cash management applications offered by leading U.S. financial institutions.

At Mellon, our technology strategy is driven by our business strategy, and our business strategy is driven by our clients' needs. We have developed and continuously improve upon a technology infrastructure designed to protect the information with which our clients have entrusted us. We have been both efficient and effective in our targeted infrastructure investments, enabling us to fund the development of innovative, powerful business applications that directly benefit our clients.

In 2004, we enhanced Workbench, the award-winning Web-based servicing platform offered by Mellon's asset servicing businesses to clients, investment managers and consultants. Workbench provides a comprehensive reporting engine; a real-time inquiry tool; a trade notification module; and access to news, research and Mellon market knowledge. Also in 2004, we expanded the use of Eagle PACE, the data hub and portfolio management system developed by Mellon subsidiary Eagle Investment Systems, to provide integrated market data and accounting information to our Institutional Asset Management, Private Wealth Management and Asset Servicing businesses.

Additionally, we upgraded iTelecash to support cross-border transaction initiation for one-stop U.S. and international cash management servicing and introduced enhanced character recognition technologies to further improve upon our state-of-the-art payment processing services.

Mellon continues to make strategic investments in technologies that expand the services we offer our clients and improve the ways our clients interact with our businesses.



A DISTINCT ADVANTAGE

Mellon technology helps achieve results for our clients through operations quality, reduced costs and increased service availability while enabling Mellon to execute our strategy and achieve a competitive advantage. Mellon employees across all businesses explore the latest award-winning technology at the Mellon Technology Expo. The annual event creates synergies among Mellon businesses and generates new ideas among employees for delivering better service to clients.

Christine Henney, planning and administrative consultant, Technology Delivery Department, observes a demonstration of Mellon Global Cash Management's Telecash service by Mark Persic, business unit architect for the Treasury Services business sector.



A BETTER PLACE TO LIVE AND WORK

Mellon invests in people — especially our employees and our neighbors. Whether training our employees to improve client service and develop in their careers or supporting a program that allows urban teenagers to learn valuable, marketable skills, Mellon shares our success.

A flagship initiative of Mellon New England's Charitable Giving Program is Mellon CityACCESS: An Investment in Youth, funded through the generosity of the Arthur F. Blanchard Trust. At the Boston Nature Center, one of six community partners in the program, Betania Oviedo (left) and Magdala Jean-Jules (right) are two of the program's 36 Teen Ambassadors who gain meaningful work experiences and are eligible for a college scholarship.

INVESTING IN EMPLOYEES AND COMMUNITIES

The people of Mellon work hard to form strong teams, businesses and communities. In turn, employees need opportunities to develop and grow. To continue this productive cycle, Mellon attracts, retains and rewards our employees and supports and supplements their work in our communities.

In 2004, as part of our ongoing commitment and initiatives to become the employer of choice, we established formal and informal mentoring programs and new online courses that enhance employees' understanding of ethical obligations and their professionalism and commitment to delivering on the Mellon Promise. We also began a host of new wellness initiatives ranging from health-risk appraisals to a highly popular campaign to promote walking.

Diversity-related training continued in 2004, and Mellon's Diversity Council sponsored the creation of three affinity networks, or groups of employees formed around a shared characteristic. Mellon's affinity networks include the Black/African-American Affinity Network, established to enhance business acumen, coaching, community involvement and networking; PRISM (Pride, Respect, Individuality and Support at Mellon), which strives to promote and support an inclusive environment at Mellon for gay, lesbian, bisexual and transgender employees; and HEART (Helping Each Ability by Respecting and Teaching), with a mission to provide support, education and networking opportunities for people with disabilities to enhance their business acumen and improve awareness of disability issues.

Mellon employees invest time, energy, talent and financial support that greatly improve our communities, especially when paired with Mellon's corporate charitable giving. In 2004, Mellon grants supported nonprofit organizations that addressed quality housing, business development and neighborhood revitalization. Mellon support fueled the development of qualified workforces, helped students become productive citizens in the 21st century and made the arts more accessible. Mellon employees in Brentwood, England, offered advice and support to young people who established and ran their own company as part of Young Enterprise, a program to help local youths learn and succeed through hands-on business experience. In California, Hawaii and Colorado, employees raised funds and volunteered their time for various community-based programs that served abused, neglected, underprivileged and blind children and at-risk teenage boys.



More than 5,000 disadvantaged children in Pittsburgh and Philadelphia received new, warm winter coats through Mellon's partnership with Operation Warm. Helping a child into his new coat is Maria Anderson, senior specialist, Corporate Affairs, Pittsburgh.

BUSINESS GROUPS / PRINCIPAL ENTITIES

ASSET MANAGEMENT

The Mellon Asset Management model is focused on excellent investment performance, product balance and scale. The model leverages strong brands and product breadth across multiple U.S. and international distribution channels to reach institutional, high net worth and retail clients. Concentrating on providing best-in-class products and investment performance, Mellon's unique entrepreneurial culture rewards investment performance, organic growth, profitability and client retention.

Institutional Asset Management

Leading global investment management provider of products and services through individual asset management companies offering a broad range of equity, fixed-income, hedge and liquidity management products.

Mellon Institutional Asset Management (MIAM)

MIAM is the umbrella organization for all of Mellon's institutional asset management businesses. These firms, listed below, are among the most highly regarded names in institutional money management.

www.melloninstitutional.com

The Boston Company Asset Management LLC

manages U.S. and non-U.S. equity and balanced portfolios for institutional clients using a bottom-up approach to stock selection that leverages comprehensive fundamental research.

www.thebostoncompany.com

(617) 722-7029

EACM Advisors LLC

offers fund-of-hedge-funds strategies, which are designed to produce consistent returns and low correlation to global equity and fixed-income markets, and manager-of-managers investment strategies, in which it selects and oversees diversified teams of long-only equity and fixed-income money managers.

www.eacm.com

(203) 854-7000

Franklin Portfolio Associates LLC

manages domestic equity portfolios for institutional clients and third-party mutual funds through quantitative, risk-controlled strategies.

www.franklinportfolio.com

(617) 248-4500

Mellon Capital Management Corporation

manages global quantitative-based investment strategies for institutional investors. Strategies include active global and U.S. asset allocation, active currency management, alternative investments, enhanced indexing, and equity and fixed-income indexing.

www.mcm.com

(415) 546-6056

Mellon Equity Associates LLP provides specialized quantitative equity and balanced investment management services to pension plans, not-for-profit and public fund markets.

www.mellonequity.com

(412) 234-7500

Mellon Global Alternative Investments Limited

implements a unique, disciplined, qualitative investment process providing a range of low-risk fund-of-hedge-funds solutions.

www.mgai.co.uk

+44 (0) 20 7163 4300

Mellon HBV Alternative Strategies LLC

offers single-manager investment vehicles in event-driven and relative value alternative strategies.

www.mellonhbv.com

(212) 808-3989 (United States)

+44 (0) 20 7163 6300 (United Kingdom)

Newton Investment Management

employs a distinctive global thematic approach to its active style of investing across multiple asset classes for institutions and high net worth clients.

www.newton.co.uk

+44 (0) 20 7163 9000

Pareto Partners, a global, quantitative asset manager for institutions, specializes in currency strategies.

www.paretopartners.com

+44 (0) 20 7163 1000 (United Kingdom)

(212) 527-1800 (United States)

Standish Mellon Asset Management Company LLC

one of the largest managers of fixed-income assets in the United States, provides a broad range of fixed-income strategies to institutional clients.

www.standishmellon.com

(617) 248-6000

Mellon Global Investments Limited is the international distributor of the investment products of the asset management subsidiaries of Mellon Financial Corporation. The company focuses on global distribution outside of North America.

www.mellonglobalinvestments.com

+44 (0) 20 7163 4300

Alliances with Non-U.S. Financial Institutions:

Hong Kong: Hamon Investment Group

Mutual Funds

Mutual funds in virtually every asset class and investment style through multiple distribution channels, managed by some of the world's leading mutual fund companies, including The Dreyfus Corporation and Founders Asset Management LLC. Mellon Global Investments also distributes mutual funds globally outside of North America.

The Dreyfus Corporation, one of the leading mutual fund companies in the United States, manages \$160 billion in assets as of Dec. 31, 2004, in approximately 200 mutual fund portfolios.

www.dreyfus.com

(212) 922-6000

Founders Asset Management LLC

is a manager of growth-oriented equity mutual funds.

www.founders.com

1 800 525-2440

Private Wealth Management

Offers investment management, wealth planning and comprehensive financial management services. Clients include high net worth individuals, families, family offices, charitable gift programs, endowments, foundations, attorneys, real estate professionals and entrepreneurs.

www.mellonprivatewealth.com

1 800 342-9546

CORPORATE AND INSTITUTIONAL SERVICES

Mellon delivers industry-leading outsourcing solutions involving asset servicing, employee benefits and treasury services to meet or exceed the expectations of institutions worldwide. Built around an extensive breadth of products, a reputation for quality, operational efficiency, scalable technology and strong relationships, Mellon's Corporate and Institutional Services businesses consistently earn high client satisfaction ratings and maintain leadership positions in key global markets.

Asset Servicing

An array of products and services that provide clients with the ability to enhance the management, administration and oversight of their investment process. Asset Servicing provides solutions worldwide for tax-exempt and financial institutions.

Investment Manager Solutions brings together Mellon's extensive and proven asset servicing capabilities to deliver a broad range of outsourcing and technology solutions to investment managers and other financial institutions.
www.mellon.com/assetservicing
1 800 597-1459 (United States)
+44 (0) 20 7163 5566 (United Kingdom)

Eagle Investment Systems Corp. provides Web-based investment management software solutions to money managers, plan sponsors, banks, corporate trusts, insurance companies, hedge funds and mutual funds.
www.eagleinvsys.com
(860) 561-4602

Mellon European Fund Services provides fund administration services to financial institutions operating in both the European and the offshore markets. These services include fund accounting, investment administration, transfer agency and defined contribution pensions administration.
www.mellon.com/assetservicing
+44 (0) 20 7163 5566 (United Kingdom)
+353 1 448 5000 (Ireland)

Russell/Mellon, a joint venture with Frank Russell Company, is the leading global provider of performance measurement, universe comparison and investment analysis services to nearly 3,000 institutional investors and investment managers responsible for more than \$4.5 trillion in assets worldwide.
www.russellmellon.com
1 800 944-3038

Mellon Global Securities Services is a leading provider of institutional trust, custody and value-added products for pension funds, foundations, mutual funds, insurance companies and investment managers, as well as highly complementary services in foreign exchange, securities lending, transition management, and performance measurement and analytics.
www.mellon.com/assetservicing
1 800 597-1459

ABN AMRO Mellon Global Securities Services B.V., a Dutch incorporated bank founded on the 50-50 capital commitment of its two parents, ABN AMRO Bank N.V. and Mellon Bank, N.A., is the only Europe-domiciled institution with a worldwide reach entirely dedicated to providing institutional global custody and related services. ABN AMRO Mellon Global Securities Services offers global custody, securities lending, transition management, multicurrency accounting, Internet reporting and information delivery,

and foreign exchange services to asset managers, central banks, insurance companies, multinationals and pension funds in major and emerging markets outside North America.
www.abnamromellon.com
+ (31 20) 628 7770 (Netherlands)
+ (49 69) 7593 7580 (Germany)
+44 (0) 20 7163 5800 (United Kingdom)

CIBC Mellon Global Securities Services Company, an institutional trust and custody joint venture between Canadian Imperial Bank of Commerce and Mellon, is one of Canada's largest and most sophisticated providers of domestic and global custody, subcustody services for foreign financial institutions, securities lending, multicurrency accounting, Internet reporting and information delivery, and foreign exchange services.
www.cibcmellon.com
(416) 643-5000

CIBC Mellon Trust Company, a joint venture between Canadian Imperial Bank of Commerce and Mellon, is one of Canada's largest corporate trust and transfer agents and debt trustees, providing stock transfer, registrar, debt trusteeship, investor services and related services, including Internet-based products, such as employee share purchase and stock option plans, distribution of issuer documentation and online proxy voting.
www.cibcmellon.com
(416) 643-5000

Human Resources & Investor Solutions

Provides innovative consulting, outsourcing and administration services to design, build and operate end-to-end solutions in human resources and shareholder services that leverage scalable operations and technology; is a leading provider of human resources consulting and administration and investor solutions; is the third-largest U.S. benefits outsourcing provider, delivering flexible outsourcing solutions to meet the most complex needs of plan sponsors in retirement, employee benefits, compensation and employee plan administration; is one of the largest U.S. employee benefits consultants, providing retirement and health and welfare services; and is one of the most experienced providers of investor services to corporations and shareholders.
www.mellon.com/hris
1-86MELLONHRIS (1 866 355-6647)

Treasury Services

Provides treasury services, cash management services, broker-dealer underwriting sales and distribution for the treasury departments of large U.S., Canadian and multinational corporations; U.S. and non-U.S. financial institutions and business firms.

AFCO Credit Corporation (in the United States except California), **AFCO Acceptance Corporation** (in California) and **CAFO Inc.** (in Canada) provide premium financing for business and commercial insurance through a network of regional offices in the United States and Canada.
www.afco.com and www.cafo.com
(412) 234-2472

Mellon 1ST Business Bank, N.A., provides full commercial banking services to businesses, professionals, entrepreneurs and business owners through its headquarters and five regional offices in the Southern California region.
www.mfbb.com
(213) 489-1000

Mellon Financial Markets LLC (MFM) is the full-service broker-dealer subsidiary of Mellon Financial Corporation. MFM structures, underwrites, distributes and trades the full range of fixed-income securities for clients throughout the United States.
www.mellon.com/corporatefinancing/financialmarkets/
(412) 234-5681

Mellon Global Cash Management is an industry leader in designing integrated solutions through a comprehensive line of cash management services to meet the specialized treasury needs of corporations, not-for-profit organizations and financial institutions.
www.mellon.com/gcm
1 800 424-3004

Mellon Real Estate Finance provides short- and intermediate-term financing to U.S. real estate developers and investors.
(412) 234-7560

SourceNet Solutions provides a broad range of accounting business process outsourcing services involving accounts payable, utility bill and other processes, with proven expertise in applying enhanced operating practices and complementary technology solutions to optimize process management.
www.sourcenetsolutions.com
(979) 691-7700

CONDENSED CONSOLIDATED INCOME STATEMENT

Mellon Financial Corporation (and its subsidiaries)

Year ended December 31,

<i>(in millions, except per share amounts)</i>		2004	2003	2002
NONINTEREST REVENUE	Trust and investment fee revenue:			
	Investment management	\$ 1,617	\$ 1,413	\$ 1,414
	Human resources and investor solutions	918	944	1,020
	Institutional trust and custody	503	437	453
	Securities lending revenue	76	69	75
	Total trust and investment fee revenue	3,114	2,863	2,962
	Cash management revenue	308	309	273
	Foreign exchange trading revenue	185	147	146
	Other revenue	449	288	219
	Total fee and other revenue	4,056	3,607	3,600
	Gains on sales of securities	8	62	59
	Total noninterest revenue	4,064	3,669	3,659
NET INTEREST REVENUE	Interest revenue	862	934	1,056
	Interest expense	404	364	445
	Net interest revenue	458	570	611
	Provision for credit losses	(11)	7	172
	Net interest revenue after provision for credit losses	469	563	439
OPERATING EXPENSE	Staff expense	1,977	1,883	1,830
	Professional, legal and other purchased services	449	431	391
	Net occupancy expense	284	265	245
	Equipment expense	209	226	214
	Business development	103	108	131
	Communications expense	106	106	110
	Amortization of intangible assets	21	18	14
	Other expense	227	199	166
	Total operating expense	3,376	3,236	3,101
INCOME	Income from continuing operations before income taxes and cumulative effect of accounting change	1,157	996	997
	Provision for income taxes	357	313	327
	Income from continuing operations before cumulative effect of accounting change	800	683	670
	Cumulative effect of accounting change, net of tax	-	(7)	-
	Income from continuing operations	800	676	670
	Discontinued operations:			
	Income (loss) from operations, net of tax	(9)	(7)	-
	Net gain on disposals, net of tax	5	32	12
	Income (loss) from discontinued operations (net of tax expense (credit) of \$(2), \$(17) and \$8)	(4)	25	12
	Net income	\$ 796	\$ 701	\$ 682
EARNINGS PER SHARE	Basic:			
	Income from continuing operations before cumulative effect of accounting change	\$ 1.91	\$ 1.60	\$ 1.54
	Cumulative effect of accounting change	-	(.02)	-
	Continuing operations	\$ 1.91	\$ 1.58	\$ 1.54
	Discontinued operations	\$ (.01)	\$.06	\$.02
	Net income	\$ 1.90	\$ 1.64	\$ 1.56
	Diluted:			
	Income from continuing operations before cumulative effect of accounting change	\$ 1.89	\$ 1.59	\$ 1.53
	Cumulative effect of accounting change	-	(.01)	-
	Continuing operations	\$ 1.89	\$ 1.58	\$ 1.53
	Discontinued operations	\$ (.01)	\$.05	\$.02
	Net income	\$ 1.88	\$ 1.63	\$ 1.55

CONDENSED CONSOLIDATED BALANCE SHEET

Mellon Financial Corporation (and its subsidiaries)

December 31,

(dollar amounts in millions)

	2004	2003
ASSETS		
Cash and due from banks	\$ 2,775	\$ 2,602
Money market investments	4,673	3,694
Trading account securities	262	266
Securities available for sale	13,376	10,690
Investment securities (approximate fair value of \$217 and \$308)	211	297
Loans, net of unearned discount of \$28 and \$30	6,754	7,467
Reserve for loan losses	(98)	(103)
Net loans	6,656	7,364
Premises and equipment	688	668
Goodwill	2,321	2,194
Other intangibles	145	100
Assets of discontinued operations	40	187
Other assets	5,968	5,921
Total assets	\$37,115	\$33,983
LIABILITIES		
Noninterest-bearing deposits in domestic offices	\$ 7,371	\$ 7,310
Interest-bearing deposits in domestic offices	10,170	8,099
Interest-bearing deposits in foreign offices	6,050	5,434
Total deposits	23,591	20,843
Short-term borrowings	915	1,084
Reserve for unfunded commitments	67	75
Other liabilities	2,801	2,861
Notes and debentures (with original maturities over one year)	4,567	4,209
Junior subordinated debentures	1,057	1,057
Liabilities of discontinued operations	15	152
Total liabilities	33,013	30,281
SHAREHOLDERS' EQUITY		
Common stock — \$.50 par value		
Authorized — 800,000,000 shares		
Issued 588,661,920 shares	294	294
Additional paid-in capital	1,931	1,901
Retained earnings	6,397	5,934
Accumulated unrealized gain, net of tax	49	26
Treasury stock of 165,308,079 and 161,629,563 shares, at cost	(4,569)	(4,453)
Total shareholders' equity	4,102	3,702
Total liabilities and shareholders' equity	\$37,115	\$33,983

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
and Shareholders of Mellon
Financial Corporation:

We have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Mellon Financial Corporation and subsidiaries as of Dec. 31, 2004 and 2003, and the related consolidated statements of income, changes in share-

holders' equity, and cash flows for each of the years in the three-year period ended Dec. 31, 2004 (not presented herein); and in our report dated Feb. 18, 2005, we expressed an unqualified opinion on those consolidated financial statements.

In our opinion, the information set forth in the accompanying condensed consolidated financial statements is fairly stated, in all material respects, in relation to the consolidated financial statements from which it has been derived.

As discussed in Note 10 to the consolidated financial statements (not presented herein), in 2002 the Corporation changed its method of accounting for goodwill and other intangibles resulting from business combinations in accordance with Statement of Financial Accounting Standards No. 142.

KPMG LLP

Pittsburgh, Pennsylvania
Feb. 18, 2005

DIRECTORS AND SENIOR MANAGEMENT COMMITTEE

Directors

Mellon Financial Corporation and Mellon Bank, N.A.

Ruth E. Bruch^(6,7)

Senior Vice President and Chief Information Officer
Lucent Technologies Inc.
Communications networking solutions

Paul L. Cejas

Chairman and Chief Executive Officer
PLC Investments Inc.
Investments

Jared L. Cohon^(2,4)

President
Carnegie Mellon University
Private coeducational research university

Steven G. Elliott⁽¹⁾

Senior Vice Chairman
Mellon Financial Corporation

Ira J. Gumberg^(1,2,3)

President, Chief Executive Officer and Director
J.J. Gumberg Co.
Real estate development and acquisition

Edmund F. Kelly

Chairman, President and Chief Executive Officer
Liberty Mutual Group
Multiline insurance company

Edward J. McAniff^(3,6)

Of Counsel
O'Melveny & Myers
Full-service law firm

Martin G. McGuinn⁽¹⁾

Chairman and Chief Executive Officer
Mellon Financial Corporation

Robert Mehrabian^(1,2,5,7)

Chairman, President and Chief Executive Officer
Teledyne Technologies Incorporated
Advanced industrial technologies

Seward Prosser Mellon

President and Chief Executive Officer
Richard K. Mellon and Sons
Investments
President and Trustee
Richard King Mellon Foundation
Philanthropy

Mark A. Nordenberg^(1,4,6)

Chancellor
University of Pittsburgh
Major public research university

James F. Orr III^(1,3,4)

Chairman
The Rockefeller Foundation
Philanthropy

David S. Shapira^(1,2,3,7)

Chairman, Chief Executive Officer and Director
Giant Eagle Inc.
Retail grocery store chain

William E. Strickland Jr.^(3,6)

President and Chief Executive Officer
Manchester Bidwell Corporation
Education of inner-city youth and economically disadvantaged individuals

John P. Surma^(2,5)

President, Chief Executive Officer and Director
United States Steel Corporation
Steel manufacturing

Wesley W. von Schack^(1,4,5,7)

Chairman, President and Chief Executive Officer
Energy East Corporation
Energy services company

All listings as of Jan. 30, 2005

- (1) Executive Committee
- (2) Audit Committee
- (3) Risk Committee
- (4) Corporate Governance and Nominating Committee
- (5) Human Resources Committee
- (6) Community Responsibility Committee
- (7) Technology Committee

Chairmen Emeriti

J. David Barnes
Frank V. Cahouet
William B. Eagleson Jr.

Subsidiary Boards

Mellon 1ST Business Bank, N.A.

John E. Anderson
W. Peter Bohn
David F. Lamere
Christopher D. Myers
Joseph P. Sanford
W. Scott Sanford
Thomas F. Savage

Mellon United National Bank

James Blosser
Pedro Jose Greer Jr.
Mark Kaplan
Gerald Katcher
David F. Lamere
David Lawrence Jr.
J. David Officer
Aaron S. Podhurst
Merrett R. Stierheim
Craig R. Sutherland
Mario Trueba
Sherwood M. Weiser

Senior Management Committee

Executive Management Group

Martin G. McGuinn*

Chairman and Chief Executive Officer

Steven G. Elliott*

Senior Vice Chairman

James D. Aramanda*

Vice Chairman

Stephen E. Canter*

Vice Chairman

John T. Chesko*

Vice Chairman

John L. Klinck Jr.*

Vice Chairman

David F. Lamere*
Vice Chairman

Ronald P. O'Hanley*
Vice Chairman

James P. Palermo*
Vice Chairman

Allan P. Woods*
Vice Chairman and Chief Information Officer

Senior Managers

Richard Arrington
Director
Mellon Institutional Banking

Michael E. Bleier
General Counsel

Michael A. Bryson*
Chief Financial Officer and Director
Finance and Corporate Strategy

Julian K.G. Clark
Managing Director, Investor Solutions
HR&IS

John R. Coker
Managing Director and Chief Operating
Officer, HR&IS, Shared Operating Services

Frank D. Dittrich
Director
Information Technology Services

Howard Fine
Managing Director, Retirement
HR&IS

Rose M. Gabbianelli
Director
Corporate Affairs

James M. Gockley
Chief Auditor

Corey A. Griffin
President and Chief Executive Officer
The Boston Company
Asset Management LLC

David R. Holst
National Director
Private Wealth Management

Lawrence Hughes
Chief Operating Officer
Private Wealth Management

Charles J. Jacklin
President
Mellon Capital Management

Gunjan Kedia
Director
Operations Strategy

David B. Kutch
Chairman, Mid-Atlantic Region

Jonathan M. Little
Chief Executive Officer
Mellon Global Investments

J. Robinson Lynch
Managing Director, Health & Welfare
HR&IS

Michael G. Millard
President, The Dreyfus Corporation

Patricia A. Milligan
Managing Director, Worldwide Markets
HR&IS

David R. Misch
Director
Corporate Strategy and Development

J. David Officer
Vice Chairman, The Dreyfus Corporation

Andrew F. Pace
Director
Global Institutional Sales and Marketing

Lisa B. Peters
Director
Human Resources

Timothy P. Robison*
Chief Risk and Compliance Officer

Richard A. Rua
Executive Director
Global Foreign Exchange

Kathy H. Rulong
Executive Director
Global Securities Lending

Vincent V. Sands
Executive Director
Global Securities Services

W. Scott Sanford
Chairman and Chief Executive Officer
Mellon West

Alex G. Sciulli
Director
Corporate Operations and Real Estate

Kevin L. Shearan
Director
Technology Delivery

Patrick J. Sheppard
Chief Operating Officer
Mellon Institutional Asset Management

Robert W. Stasik
Director
Mellon Global Cash Management

Craig R. Sutherland
National Director
Private Wealth Management

Corporate Controller
Michael K. Hughey*

Treasurer
Leo Y. Au*

Corporate Secretary
Carl Krasik

**Designated as an executive officer for
Securities and Exchange Commission
reporting purposes.*

Mellon Financial Corporation has included as Exhibit 31 to its Annual Report on Form 10-K for fiscal year 2004 filed with the Securities and Exchange Commission certificates of the Chief Executive Officer and Chief Financial Officer of the Corporation regarding the quality of the Corporation's public disclosure, and the Corporation has submitted to the New York Stock Exchange a certificate of the Chief Executive Officer of the Corporation certifying that he is not aware of any violation by the Corporation of New York Stock Exchange corporate governance listing standards.

CORPORATE INFORMATION

Annual Meeting

The Annual Meeting of Shareholders will be held on the 10th floor of Two Mellon Center, 501 Grant Street, Pittsburgh, Pennsylvania, at 10 a.m. on Tuesday, April 19, 2005.

Annual Report

The 2004 Annual Report consists of the 2004 Summary Annual Report and the 2004 Financial Annual Report.

Charitable Contributions

A report on Mellon's comprehensive community involvement, including charitable contributions, is available online at www.mellon.com or by calling (412) 234-8680.

Corporate Communications/ Media Relations

Members of the media should direct inquiries to media@mellon.com or (412) 234-7157.

Direct Stock Purchase and Dividend Reinvestment Plan

The Direct Stock Purchase and Dividend Reinvestment Plan provides a way to purchase shares of common stock directly from Mellon at the current market value. Nonshareholders may purchase their first shares of Mellon's common stock through the Plan, and shareholders may increase their shareholding by reinvesting cash dividends and through optional cash investments. Plan details are in a prospectus, which may be obtained from Mellon Investor Services by e-mailing shrrelations@melloninvestor.com or by calling 1 800 205-7699.

Dividend Payments

Subject to approval of the board of directors, dividends are paid on Mellon's common stock on or about the 15th day of February, May, August and November.

Electronic Deposit of Dividends

Registered shareholders may have quarterly dividends paid on Mellon's common stock deposited electronically to their checking or savings account, free of charge. To have your dividends deposited electronically, send a written request by e-mail to shrrelations@melloninvestor.com or by mail to Mellon Investor Services, P.O. Box 3315, South Hackensack, NJ 07606. For more information, call 1 800 205-7699.

Elimination of Duplicate Mailings

To eliminate duplicate mailings and help your company reduce expenses, submit, with your full name and address the way it appears on your account, a written request by e-mail to shrrelations@melloninvestor.com or by mail to Mellon Investor Services, P.O. Box 3315, South Hackensack, NJ 07606. For more information, call 1 800 205-7699.

Exchange Listing

Mellon's common stock is traded on the New York Stock Exchange under the trading symbol MEL. Our transfer agent and registrar is Mellon Investor Services, P.O. Box 3315, South Hackensack, NJ 07606. For more information, visit www.melloninvestor.com or call 1 800 205-7699.

Form 10-K and Shareholder Publications

For a free copy of Mellon's Annual Report on Form 10-K or the quarterly earnings news release on Form 8-K, as filed with the Securities and Exchange Commission, send a written request by e-mail to mellon_10-K/8-K@mellon.com or by mail to the Secretary of Mellon, One Mellon Center, Room 4826, Pittsburgh, PA 15258-0001.

The 2004 Summary and Financial Annual Reports, as well as Forms 10-K, 8-K and 10-Q, and quarterly earnings and other news releases can be viewed and printed at www.mellon.com.

Internet Access

Mellon: www.mellon.com

Mellon Investor Services:

www.melloninvestor.com

Also see Internet access for Business Groups/
Principal Entities, pp. 20-21.

Investor Relations

Visit www.mellon.com/investorrelations/ or call (412) 234-5601.

Publication Requests/ Securities Transfer Agent

To request the Annual Report or quarterly information or to address issues regarding stock holdings, certificate replacement/transfer, dividends and address changes, visit www.melloninvestor.com or call 1 800 205-7699.

Stock Prices

Current prices for Mellon's common stock can be viewed at www.mellon.com.

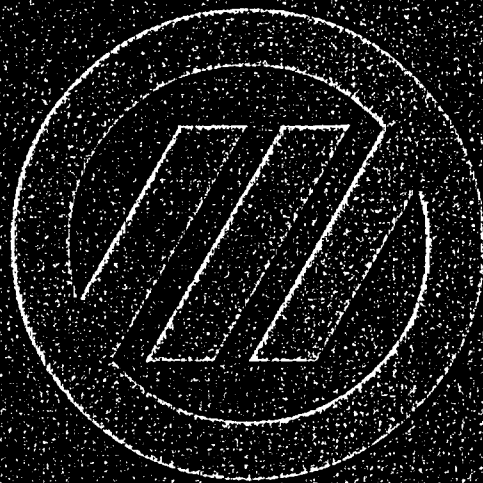
Telecommunications Device for the Deaf (TDD) Lines

Mellon Investor Services TDD lines are 1 800 231-5469 (within the United States) and (201) 329-8354 (outside the United States).

The contents of the listed Internet sites are not incorporated into this Annual Report.

Mellon entities are Equal Employment Opportunity/Affirmative Action employers. Mellon is committed to providing equal employment opportunities to every employee and every applicant for employment, regardless of, but not limited to, such factors as race, color, religion, sex, national origin, age, familial or marital status, ancestry, sexual orientation, veteran status or being a qualified individual with a disability.

Mellon undertakes no obligation to update any statement in this Summary Annual Report or the 2004 Financial Annual Report to reflect events or circumstances after the date on which such statement is made. Information in this Summary Annual Report is as of January 30, 2005.





Mellon

The difference is measurable.®

Mellon Financial Corporation
One Mellon Center
Pittsburgh, PA 15258-0001
(412) 234-5000

www.mellon.com

U. S. Nuclear Regulatory Commission
Docket Nos. 50-335/389/250/251
FPL Letter L-2005-115

Enclosure 3
Blacklined Version of the Revised Trust Document

KPB FINANCIAL CORP. AMENDMENT TO AND RESTATEMENT
OF
NON-QUALIFIED DECOMMISSIONING TRUST AGREEMENT
FOR TURKEY POINT AND ST. LUCIE
NUCLEAR PLANTS

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ATTACHMENT A – Form of Certificate for Disbursements, etc.

ATTACHMENT B – Cross-Trading Information

ATTACHMENT C – Customer Identification Notice

**AMENDMENT TO AND RESTATEMENT OF
NON-QUALIFIED DECOMMISSIONING TRUST AGREEMENT
FOR TURKEY POINT AND ST. LUCIE
NUCLEAR PLANTS**

~~AGREEMENT originally made the 5th day of January, 1988, as amended on December 31, 1994 and October 10, 1996, and amended and restated on the date set forth above~~ This Amendment and Restatement is entered into as of the _____ day of _____, 2005, by and between Florida Power & Light Company, a Florida corporation (the "Company"), and ~~State Street Bank and Trust Company, a Massachusetts corporation having trust powers (the "Trustee") and now applicable to the Company's assignee~~ corporation duly organized and existing under the laws of the State of Florida and having its principal office at 9250 W. Flagler Street, Miami, Florida 33174 (the "Company"), KPB Financial Corp., a Delaware Corporation ("KPB") corporation duly organized and existing under the laws of the State of Delaware, and a wholly-owned subsidiary of the Company ("KPB"), Mellon Bank, N.A., and Mellon Trust of Delaware, National Association, a wholly-owned subsidiary of Mellon Bank, N.A., as Trustee (the "Trustee").

RECITALS OF THE COMPANY

WHEREAS, the Company is the owner of: (1) a 100 percent undivided interest in Unit Three of the Turkey Point Plant; (2) a 100 percent undivided interest in Unit Four of the Turkey Point Plant; (3) a 100 percent undivided interest in Unit One of the St. Lucie Plant; and (4) an 85.10 percent undivided interest in Unit Two of the St. Lucie Plant; and

WHEREAS, the Company is subject to regulation by the Florida Public Service Commission (the "FPSC"), an agency of the State of Florida created and existing pursuant to subsection 1 of Section 366.05 of Florida Statutes, and by the Federal Energy Regulatory Commission (the "FERC") and the Nuclear Regulatory Commission (the "NRC"), both agencies of the United States government created and existing pursuant to 42 U.S.C. §§ 7134 and 7171, and 42 U.S.C. § 5841, respectively; and

WHEREAS, the FPSC and FERC have permitted the Company to include in its cost of service for ratemaking purposes certain amounts to be used by the Company for

decommissioning costs with respect to the Turkey Point Plant and the St. Lucie Plant (the “Plants”); and

~~WHEREAS, the Company wishes to establish and KPB wishes to continue a non-qualified nuclear decommissioning reserve trust (“Trust”) to hold monies for decommissioning the Plants; and~~

~~WHEREAS, the assets of the Trust shall be held hereunder for the benefit of such trust.~~

RECITALS OF TRUSTEE

WHEREAS, the Company and The State Street Bank and Trust Company have entered into that certain Amended and Restated Decommissioning Trust Agreement for the Plants dated January 5, 1988, and amended on December 31, 1994 and October 10, 1996 (the "Agreement"), pursuant to which, among other things, the Company established trusts for the exclusive purpose of providing for the decommissioning of the Plants which trusts consist of qualified nuclear decommissioning reserve funds (the "Qualified Trusts") under section 468A of the Internal Revenue Code of 1986, as amended (the "Code") and a single trust that does not so qualify (the "Non-Qualified Trust");

WHEREAS, on December 31, 2001, the Agreement was amended and restated into two separate agreements, to provide for a Non-Qualified Trust Agreement and a Qualified Trust Agreement (together, the "Decommissioning Trust Agreements");

WHEREAS, by Addendum dated November 12, 2003 to the Decommissioning Trust Agreements, an additional provision was added to both of the two separate agreements to comply with the requirements of the Nuclear Regulatory Commission;

WHEREAS, pursuant to Section 6.01 of the Non-Qualified Trust Agreement, ~~KPB has removed The State Street Bank and Trust Company is a Massachusetts corporation with trust powers; and~~ appointed Mellon Trust of Delaware, National Association as successor Trustee;

WHEREAS, Mellon Trust of Delaware, National Association is a national banking association with trust powers;

WHEREAS ~~State Street Bank and~~ Mellon Trust Company of Delaware, National Association is willing to serve as trustee to the Trust on the terms and conditions herein set forth; and

WHEREAS, pursuant to Section 2.08 of the Non-Qualified Trust Agreement, the parties wish to amend and restate the Non-Qualified Trust Agreement to reflect the appointment of the Trustee as successor Trustee;

NOW, THEREFORE, in consideration of the mutual promises herein contained, the parties hereby agree to amend and restate the Agreement as follows:

The Company hereby agrees to deliver to the Trustee and the Trustee hereby agrees to receive contributions of monies to the Trust beginning on the date first written above; and

TO HAVE AND TO HOLD such assets; and

TO INVEST AND REINVEST the assets of the Trust as provided herein; and

TO PAY OR DISTRIBUTE from the Trust as provided herein;

IN TRUST NEVERTHELESS, for the uses and purposes and upon the terms and conditions, as hereinafter set forth.

I. DEFINITIONS

1.01 Definitions. As used in this ~~Non-qualified-Decommissioning~~Qualified Trust Agreement, the following terms shall have the following meanings:

- (1) "Agreement" shall mean and include this ~~Non-qualified-Decommissioning~~Qualified Trust Agreement as the same may from time to time be amended, modified, or supplemented.
- (2) "Authorized Representative" shall mean the President, any Vice President, the Treasurer, or any Assistant Treasurer of KP.B.
- (3) "Certificate" shall mean a document properly completed and executed by an Authorized Representative and substantially in the form of Attachment A hereto.
- (4) "Code" shall mean the Internal Revenue Code of 1986, as the same may be amended from time to time.
- (5) "Company" shall mean Florida Power & Light Company or its successor.
- (6) "Contribution" shall mean any contribution, cash or otherwise, made to the Trust.
- (7) "Decommissioning Collections" shall mean all monies collected by the Company from its customers to be used for Decommissioning Costs associated with the Plants.

(8) "Decommissioning Costs" shall mean the expenses incurred in decommissioning the Plants.

(9) "Excess Contribution" shall have the meaning set forth in Section 3.04 hereof.

(10) "Fair Market Value" for any security held by the Trust shall be determined as follows:

(a) securities listed on the New York Stock Exchange, the American Stock Exchange or any other recognized U.S. exchange shall be valued at their last sale price on the exchange on which securities are principally traded on the valuation date (NYSE-Composite Transactions or AMEX-Composite Transactions prices to prevail on any security listed on either of these exchanges as well as on another exchange); and where no sale is reported for that date, the last quoted sale price shall be used;

(b) all other securities and assets shall be valued at their market values as fixed by the Trustee's staff regularly engaged in such activities;

provided, however, that at the request of the Trustee, an Investment Manager shall determine the value of any securities or other property held in an Investment Account managed by that Investment Manager and such determination shall be regarded as a direction binding upon the Trustee for purposes of the Fair Market Value of such securities.

(11) "FERC" shall mean the Federal Energy Regulatory Commission created and existing pursuant to 42 U.S.C. §§ 7134 and ~~7171-7171~~7171.

(12) "FPSC" shall mean the Florida Public Service commission, as defined in Subsection 1 of Section 366.05 of Florida Statutes.

(13) "Investment Account" shall have the meaning set forth in Section 7.01 hereof.

(14) "Investment Manager(s)" shall be designated from time to time by KPB and may be, to the extent permissible by applicable law: (i) an investment counselor(s) who is an employee(s) of KPB or its affiliated companies; or (ii) a fiduciary appointed in an Investment Manager Agreement(s).

(15) "Investment Manager Agreement(s)" shall mean an agreement(s) between KPB and a fiduciary selected by KPB which agreement(s) governs the management of the Investment Account(s).

(16) "KPB" shall mean KPB Financial Corp. or its successors.

(17) "~~Non-qualified~~Qualified Trust" shall mean the Trust established for Decommissioning Costs with respect to the Company's interests in the Plants which Trust is not a Qualified Trust which shall consist of Contributions designated by the Company and/or KPB for decommissioning the Plants plus earnings on such Contributions.

(18) "Order" shall mean any order relating to or including Decommissioning Costs of the Plants issued by the FPSC or the FERC.

(19) "Plants" shall mean the Turkey Point Plant and the St. Lucie Plant, collectively.

(20) "Qualified Trusts" shall mean the trusts established by the Company for Decommissioning Costs with respect to the Company's interests in the Plants which trusts satisfy the requirements of Code section 468A.

(21) "Schedule of Ruling Amounts" shall have the meaning set forth in section 468A of the Code.

(22) "Service" shall mean the Internal Revenue Service.

(23) "St. Lucie Plant" consists of St. Lucie Unit No. 1 and St. Lucie Unit No. 2.

(24) "St. Lucie Unit No. 1" shall mean Unit One of the St. Lucie Plant.

(25) "St. Lucie Unit No. 2" shall mean the Company's ownership interest in Unit Two of the St. Lucie Plant.

(26) "Successor Trustee" shall mean any entity appointed as a successor to the Trustee pursuant to Section 6.01 hereof.

(27) "Trust" shall mean the ~~Non-qualified~~Qualified Trust established under this Agreement.

(28) "Trustee" shall mean ~~State Street Bank and~~Mellon Trust Company of Delaware, National Association, or any Successor Trustee.

(29) "Turkey Point Plant" consists of Turkey Point Unit No. 3 and Turkey Point Unit No. 4.

(30) "Turkey Point Unit No. 3" shall mean Unit Three of the Turkey Point Plant.

(31) "Turkey Point Unit No. 4" shall mean Unit Four of the Turkey Point Plant.

II. TRUST PURPOSES, NAME AND ADMINISTRATIVE MATTERS

2.01 Trust Purposes. The exclusive purposes of the Trust are to hold funds for the contemplated decommissioning of the Plants, to constitute a non-qualified nuclear decommissioning reserve trust for Plants and to comply with any Order.

2.02 Establishment of Trust: By execution of this Agreement, the Company and KPB:

(a) ~~establish~~amend and restate the Trust, which shall consist of Contributions designated by the Company and/or KPB for such Trust, plus earnings on such Contributions less expenses and disbursements; and

(b) appoint ~~State Street Bank and Trust Company~~the Trustee as Trustee of the Trust.

2.03 Acceptance of Appointment. Upon the terms and conditions herein set forth, ~~State Street Bank and Trust Company~~Trustee accepts the appointment as the Trustee of the Trust. The Trustee shall receive any Contributions transferred to it by the Company and/or KPB

and shall hold, manage, invest and administer such Contributions, plus earnings on such Contributions, in accordance with this Agreement.

2.04 Name of Trust. The Contributions received by the Trustee from the Company and/or KPB plus earnings on such Contributions shall constitute the “KPB Financial Corp. Non-qualified Decommissioning Trust for Turkey Point and St. Lucie Nuclear Plants.”

2.05 Segregation of Trust. The Trustee shall maintain such records as are necessary to maintain this Trust separately from any other trust. The Trustee shall maintain such subaccounts within the Trust as agreed to from time to time by the Trustee and KPB.

2.06 Designation of Trusts. Upon (i) the initial Contribution to the Trust as specified in Section 3.01; (ii) any additional Contribution to the Trust pursuant to Section 3.02; (iii) any adjustment to the ~~Non-qualified~~Qualified Trust pursuant to Section 3.04; or (iv) any withdrawal from the Trust for Decommissioning Costs pursuant to Section 4.01 or for extraordinary administrative expenses pursuant to Section 4.03, where necessary ~~KBP~~KPB shall designate the appropriate subaccount for such Contribution, addition, adjustment, or withdrawal, and the Trustee shall credit or debit the Trust in accordance with such designation.

2.07 Duties of Authorized Representatives. KPB has empowered the Authorized Representatives to act for KPB in all respects hereunder. The Authorized Representatives may act as a group or may designate one or more Authorized Representative(s) to perform the duties described in the foregoing sentence. KPB shall provide the Trustee with a written statement setting forth the names and specimen signatures of the Authorized Representatives. Until otherwise notified in writing by KPB, the Trustee may rely upon any written notice, instruction, direction, certificate or other communication believed by it to be genuine and to be signed or certified by any one or more Authorized Representatives, and the Trustee shall be under no duty to make any investigation or inquiry as to the truth or accuracy of any statement contained therein.

2.08 Alterations and Amendments. The Trustee and KPB understand and agree that modifications or amendments may be required to this Agreement from time to time to effectuate the purpose of the Trust and to comply with any Order, any changes in tax laws, regulations or rulings (whether published or private) of the Service and any similar state taxing

authority, and any other changes in the laws applicable to the Company, KPB or the Plants. The Trustee and KPB may alter or amend this Agreement to the extent necessary or advisable to effectuate such purposes or to comply with such Order or changes. The Trustee and KPB also may alter or amend this Agreement to encompass decommissioning collections with respect to other nuclear power plants owned now or in the future by the Company. Any alteration or amendment to this Agreement must be in writing and signed by KPB and the Trustee. The Trustee shall have no duty to inquire or make any investigation as to whether any proposed amendment, modification or alteration is consistent with this section 2.08. All such amendments, modifications or alterations shall be approved by all required governmental agencies, including the NRC and the FERC, if applicable, or shall be accompanied by an opinion of counsel provided by the Company that no such approval is required.

2.09 No Authority to Conduct Business. The purposes of the Trust are limited specifically to the matters set forth in Section 2.01 hereof, and there is no objective to carry on any business unrelated to the purposes of the Trust set forth in Section 2.01 hereof, or divide the gains therefrom.

2.10 Revocability of Non-qualifiedQualified Trust. KPB hereby reserves the sole right to revoke the Non-qualifiedQualified Trust.

III. CONTRIBUTIONS AND INCOME

3.01 Initial Contribution. Upon the establishment of the Trust on the date first written above, the Company shall cause to be delivered to the Trustee an initial Contribution which ~~contribution~~ shall consist of all amounts previously held in a Non-qualifiedQualified Trust with respect to the Company's interest in the Plants.

3.02 Additional Contributions. From time to time after the initial Contribution to the Trust and prior to the termination of the Trust, KPB may make, and the Trustee shall accept, additional Contributions to the Trust to satisfy the purposes of the Trust as set forth in Section 2.01.

3.03 Pooling of Assets. [Intentionally left blank.]

3.04 Subsequent Adjustments. The Trustee and KPB understand and agree that the Contributions made by the Company to any Qualified Trust from time to time may exceed the amount permitted to be paid into such Trust(s) pursuant to section 468A of the Code and any Treasury Regulations thereunder, based upon changes in estimates, subsequent developments or any other event or occurrence which could not reasonably have been foreseen by the Company at the time such Contribution was made ("Excess Contribution"). Upon receipt of a written statement from the Company setting forth the amount of an Excess Contribution and stating that such Excess Contribution should be transferred to the Non-qualified~~Qualified~~ Trust or paid to any person or entity, including the Company or KPB, the Trustee (as Trustee of the Qualified Trust) shall transfer or pay such Excess Contribution, as the case may be, to the Non-qualified Trust, or to the person or entity specified by the Company in the written statement which statement shall be in accordance with the terms of the respective Qualified Trust(s). Such written statement shall affirm that the Company has either (i) obtained an opinion of legal counsel stating that such distribution will not lead to disqualification of any of the Qualified Trusts from the application of section 468A of the Code and that such distribution will not constitute a violation of any Order; or (ii) determined that no such legal opinion is required.

The Trustee, the Company and KPB further understand and agree that a transfer of assets among the Qualified Trusts or between the Qualified Trusts and the Non-qualified~~Qualified~~ Trust may be necessary to effectuate the purposes of this Agreement and the Agreement governing the Qualified Trusts.

IV. DISTRIBUTIONS

4.01 Payment of Decommissioning Costs. Upon receipt of a Certificate, the Trustee shall make payments of Decommissioning Costs to any person (including the Company or KPB) for goods provided or labor or other services rendered in connection with the decommissioning of the Plants.

4.02 Payment of Expenses of Administration. Upon the direction of KPB, the Trustee shall make payments of all reasonable administrative costs (including reasonable out-of-pocket expenses and trustees' fees as specified in the fee schedule referred to in Section 4.05 hereof) in connection with the operation of the Trust pursuant to this Agreement. All such

administrative costs and incidental expenses which relate to both the Non-qualified~~Qualified~~ Trust and the Qualified Trusts shall be allocated among the Non-qualified~~Qualified~~ Trust and the Qualified Trusts in accordance with generally accepted accounting principles and any applicable Treasury Regulations or rulings. The Trustee shall maintain such records as are necessary to reflect the proper allocation of costs and expenses in accordance with this Section 4.02.

4.03 Payment of Extraordinary Expenses. Upon receipt of a Certificate, the Trustee shall make payments of all reasonable extraordinary administrative costs (including reasonable legal and engineering expenses) in connection with the operation of the Trust pursuant to this Agreement. Any such Certificate shall not be unreasonably withheld or delayed by KPB.

4.04 Distributions from Non-qualified~~Qualified~~ Trust. Upon receipt of written instructions from KPB, the Trustee shall distribute all or a portion of the Non-qualified~~Qualified~~ Trust to KPB in accordance with said instructions.

4.05 Fees. The Trustee shall receive as exclusive compensation for its services pursuant to this Agreement those amounts (including reasonable out-of-pocket expenses) specified in the fee schedule as may from time to time be agreed upon in writing by the Trustee and KPB.

4.06 Liquidation of Investments. At the direction of KPB or any Investment Manager, the Trustee shall sell or liquidate such investments of the Trust as may be requested or required in order to make any payment or distribution, and shall, until disbursement, restore the proceeds to the Trust.

4.07 NRC Notice. Notwithstanding anything herein to the contrary, except for withdrawals being made under 10 C.F.R. § 50.82(a)(8) or for payments of ordinary administrative costs (including taxes) and other incidental expenses of the Trust (including legal, accounting, actuarial, and Trustee expenses) in connection with the operation of the Trusts, no disbursements or payments from the Trusts shall be made: (1) unless 30 working days prior written notice of such disbursement or payment has been made to the NRC by the Company or its designee or (2) if the Trustee or the Company receives written notice of an objection from the

NRC's Director of the Office of Nuclear Reactor Regulation or the Director of the Office of Nuclear Material Safety and Safeguards, as applicable.

V. TERMINATION

5.01 Termination of Non-qualified~~Qualified~~ Trust. KPB may terminate all or a portion of the Non-qualified~~Qualified~~ Trust upon written notice to the Trustee.

5.02 Distribution of Trust Upon Termination. Upon termination of all or a portion of the Trust established hereunder, the Trustee shall assist the Investment Manager in liquidating assets of the respective Trust (if so directed by KPB), and distributing the then-existing assets of the Trust (either the liquidation proceeds or the Trust assets in-kind, including accrued, accumulated and undistributed net income) less final Trust administration expenses (including accrued taxes paid directly to a taxing authority) to KPB provided, however, that no such distribution shall be made unless the Trustee has received from the Company an opinion of legal counsel ~~of KPB~~ stating that such distribution does not violate any Order.

VI. TRUSTEES

6.01 Designation and Qualification of Successor Trustee(s). At any time during the term of the ~~Trusts~~Trust, KPB shall have the right to remove the Trustee (at KPB's sole discretion) acting hereunder and appoint another qualified entity as a Successor Trustee upon thirty (30) days' notice in writing to the Trustee, or upon such shorter notice as may be acceptable to the Trustee. In this event, KPB shall represent to the Trustee that the Successor Trustee is qualified to act as a trustee hereunder. In the event that the Trustee or any Successor Trustee shall: (a) become insolvent or admit in writing its insolvency; (b) be unable or admit in writing its inability to pay its debts as such debts mature; (c) make a general assignment for the benefit of creditors; (d) have an involuntary petition in bankruptcy filed against it; (e) commence a case under or otherwise seek to take advantage of any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation law, statute, or proceeding; or (f) resign, KPB shall appoint a Successor Trustee as soon as practicable. In the event of any such removal or resignation, the Trustee or Successor Trustee shall have the right to have its accounts settled as provided in Section 6.05 hereof.

Any Successor Trustee shall qualify by a duly acknowledged acceptance of the Trust, delivered to KPB. Upon acceptance of such appointment by the Successor Trustee, the Trustee shall assign, transfer and pay over to such Successor Trustee the assets then constituting the Trust. Any Successor Trustee shall have all the rights, powers, duties and obligations herein granted to the ~~original~~ Trustee.

6.02 Exoneration from Bond. No bond or other security shall be exacted or required of any Trustee or Successor Trustee appointed pursuant to this Agreement.

6.03 Resignation. The Trustee or any Successor Trustee hereof may resign and be relieved as Trustee at any time without prior application to or approval by or order of any court by a duly acknowledged instrument, which shall be delivered to KPB by the Trustee no less than sixty (60) days prior to the effective date of the Trustee's resignation or upon such shorter notice as may be acceptable to KPB. If for any reason KPB cannot or does not act in the event of the resignation of the Trustee, the Trustee may apply to a court of competent jurisdiction for the appointment of a Successor Trustee.

6.04 Transactions With Third Parties. No person or organization dealing with the Trustee hereunder with respect to this Trust shall be required to inquire into or to investigate its authority for entering into any transaction or to see to the application of the proceeds of any such transaction.

6.05 Accounts and Reports. The Trustee shall keep accurate and detailed accounts of all investments, receipts and disbursements and other transactions hereunder as agreed to by KPB and the Trustee, and all accounts, books and records relating thereto shall be open to inspection and audit at all reasonable times by any person designated by KPB. The Trustee shall be entitled to reimbursement from the Trust for any extraordinary expenses reasonably incurred in complying with such inspection and audit. Within ~~30~~ 30 days following the close of each month, the Trustee shall file with KPB a written report setting forth all investments, receipts and disbursements and other transactions effected by it during the month and identifying all Contributions, purchases, sales or distributions and the cost or net proceeds of sale, and showing all cash, securities and other investments held at the end of such month and the cost and Fair Market Value of each item thereof ~~as carried on the books of the Trustee~~. In addition, the

Trustee shall consolidate the monthly reports each year into a certified annual report which shall be provided to KPB within 60 days following the end of the calendar year. All such accounts and reports shall be based on the accrual method of reporting income and expenses and shall identify all disbursements made to pay for expenses of administration of the Trust.

~~Upon the expiration of one year from the date of the filing of the certified annual report with KPB, the Trustee shall be forever released and discharged from all liability or accountability to anyone with respect to all acts and transactions shown in such report, except such acts or transactions as to which KPB shall take exception by notice to the Trustee within such one year period; provided however, that nothing contained herein shall be deemed to relieve the Trustee of any liability which may be imposed pursuant to Section 6.07 hereof. In the event that any exception taken by KPB cannot be amicably adjusted, KPB may file the written report in a court having jurisdiction and upon the audit thereof any and all such exceptions which may not have been amicably settled shall be heard and adjudicated.~~

All certified annual reports and supporting records maintained by the Trustee with respect to the Trusts shall be preserved for a period of six ~~six~~seven years. Upon the expiration of this period, the Trustee shall have the right to destroy such reports after first notifying KPB in writing of its intention and transferring to KPB any reports requested by KPB.

6.06 Tax Returns and Other Reports. The Trustee shall prepare and submit to KPB in a timely manner all information requested by KPB regarding the Trust required to be included in Federal, state and local income tax returns or other reports (including estimated tax returns and information returns) required to be filed by the Company or KPB.

Subject to the limitations contained in section 8.05 hereof, the Trustee may employ independent certified public accountants or other tax counsel to prepare or review such informational reports.

The Trustee agrees, as directed by the Company, to sign any tax returns or other reports where required by law to do so or arising out of the Trustee's responsibilities hereunder, and to remit from the Trust appropriate payments or deposits of Federal, state and local income or franchise taxes as they relate to the income of the Non-qualifiedQualified Trust either to KPB or directly to the taxing agencies or authorized depositories in a timely manner.

The Trustee further agrees to provide KPB with any additional information in its possession regarding the Trust which may be reasonably requested by KPB to be furnished in an audit of Federal, state, or local tax returns of KPB or the Company.

6.07 Liability. The Trustee shall not be liable for any acts, omissions or defaults of any agent (other than its officers and employees) ~~or depository~~ appointed or selected with reasonable care or for any acts taken or not taken at the direction of or upon instructions of KPB or an Investment Manager. The Trustee shall be liable only for such Trustee's own acts or omissions (and those of its officers and employees) occasioned by the willfulness or negligence of such Trustee (or that of its officers and employees). The Trustee shall not be liable for the use or application of any monies held in the Trust when disbursed by the Trustee in accordance with this Agreement. The Trustee may rely upon the written opinion(s) of legal counsel to KPB or the Company with respect to any question(s) arising hereunder and shall not be liable for any action taken in good faith in accordance with the advice of such counsel. The Trustee shall not be responsible or liable for any losses or damages suffered by the Trust arising as the result of the insolvency of any subcustodian, except to the extent the Trustee was negligent in its selection or continued retention of such entity. Settlements of transactions may be effected in trading and processing practices customary in the jurisdiction or market where the transaction occurs. The Company acknowledges that this may, in certain circumstances, require the delivery of cash or securities (or other property) without the concurrent receipt of securities (or other property) or cash and, in such circumstances, the Company shall have sole responsibility for nonreceipt of payment (or late payment) by the counterparty. Under no circumstances shall the Trustee be liable for any consequential or special damages with respect to its role as Trustee.

The Company shall indemnify and hold harmless the Trustee from all claims, liabilities, losses, damages and expenses, including reasonable attorneys' fees and expenses, incurred by the Trustee in connection with this Agreement, except as a result of the Trustee's own acts or omissions (and those of its officers and employees) caused by the negligence or willful misconduct of the Trustee (or its officers or employees).

Notwithstanding anything in this Agreement to the contrary contained herein, the Trustee shall not be responsible or liable for its failure to perform under this Agreement or for

any losses to the Account resulting from any event beyond the reasonable control of the Trustee, its agents or subcustodians.

This Section 6.07 shall survive the termination of this Agreement.

VII. INVESTMENTS

7.01 Appointment of Investment Manager(s). KPB may appoint one or more Investment Managers (including one or more employee(s) of KPB or its affiliated companies), to the extent permissible by applicable law or regulations, to direct the investment of all or part of the Trust. KPB also shall have the right to remove any such Investment Manager(s). Whenever such appointment is made, KPB shall provide written notice of such appointment to the Trustee, shall specify the portion of the Trust with respect to which an Investment Manager has been designated, and shall instruct the Trustee to segregate into a separate investment account ("Investment Account") those assets with respect to which that specific Investment Manager has been designated. Except as otherwise provided in Section 8.02 hereof, to the extent that KPB appoints an Investment Manager to direct the investment of an Investment Account, the Trustee shall be released and relieved of all investment duties, responsibilities and liabilities customarily or statutorily incident to a trustee with respect to the Investment Account, and as to such Investment Account, the Trustee shall act as custodian. Any Investment Manager which is not an employee of KPB or its affiliated companies shall certify in writing to the Trustee that it is qualified to act in the capacity provided under an Investment Manager Agreement, shall accept its appointment as Investment Manager, shall certify the identity of the person or persons authorized to give instructions or directions to the Trustee on its behalf, including specimen signatures, and shall undertake to perform the duties imposed on it under an Investment Manager Agreement. The Trustee may rely upon all such certifications unless otherwise notified in writing by KPB or an Investment Manager, as the case may be.

7.02 Direction by Investment Manager(s). An Investment Manager shall have authority to manage and to direct the acquisition and disposition of the assets of the Trust, or a portion thereof, as the case may be, and the Trustee shall exercise the powers set forth in Section 8.02 hereof ~~only when, if, and~~ in the manner directed by KPB in writing, and shall not be under any obligation to invest or otherwise manage any assets in the Investment Account. The Trustee

recognizes the authority of an Investment Manager to manage, invest and reinvest the assets of an Investment Account as provided in this Article VII, and the Trustee agrees to cooperate with any Investment Manager as deemed necessary to accomplish these tasks. An Investment Manager shall have the power and authority, exercisable in its sole discretion at any time, and from time to time, to issue and place orders for the purchase or sale of portfolio securities directly with qualified brokers or dealers. The Trustee, upon proper notification from an Investment Manager, shall settle the transaction in accordance with the appropriate trading authorizations. Written notification of the issuance of each such authorization shall be given promptly to the Trustee by an Investment Manager, or in the case where such Investment Manager is an employee(s) of KPB, by an Authorized Representative, and such Investment Manager shall cause the settlement of such transaction to be confirmed in writing to the Trustee, and KPB by the broker or dealer. An Investment Manager may cause brokers and dealers to confirm trades to the Trustee through the "Institutional Delivery System" or equivalent system and the Trustee shall be entitled to rely upon such confirmations to settle purchases or sales of securities, provided that such confirmations are consistent with written trading instructions from an Investment Manager, or in the case where such Investment Manager is an employee(s) of KPB, by an Authorized Representative. Such notification, when consistent with written trading instructions from an Investment Manager or Authorized Representative, shall be proper authority for the Trustee to pay for portfolio securities purchased and to deliver portfolio securities sold in accordance with the customary and established procedures for such securities transactions. All directions to the Trustee by an Investment Manager shall be in writing and shall be signed by an Authorized Representative of KPB or by a person who has been certified by such Investment Manager pursuant to Section 7.01 hereof as authorized to give instructions or directions to the Trustee.

Should an Investment Manager at any time elect to place security transactions directly with a broker or dealer, the Trustee shall not recognize such transaction unless and until it has received instructions or confirmation of such fact from an Investment Manager. Should an Investment Manager direct the Trustee to utilize the services of any person with regard to the assets under its management or control, such instructions shall be in writing and shall specifically set forth the actions to be taken by the Trustee as to such services. In the event that an Investment Manager places security transactions directly or directs the utilization of a service,

such Investment Manager shall be solely responsible for the acts of such persons. The sole duty of the Trustee as to such transactions shall be incident to its duties as custodian.

The authority of an Investment Manager and the terms and conditions of the appointment and retention of an Investment Manager(s) shall be the responsibility solely of KPB, and the Trustee shall not be deemed to be a party or to have any obligations under any agreement with an Investment Manager. Any duty of supervision or review of the acts, omissions or overall performance of the Investment Manager(s), shall be the exclusive responsibility of KPB, and the Trustee shall have no duty to review any securities or other assets purchased by an Investment Manager, or to make suggestions to an Investment Manager or to KPB with respect to the exercise or nonexercise of any power by an Investment Manager.

VIII. TRUSTEE'S GENERAL POWERS

The Trustee shall have, with respect to the Trust, the following powers, all of which powers are fiduciary powers to be exercised in a fiduciary capacity and in the best interests of the Trust and the purposes hereof, namely:

8.01 Extension of Obligations and Negotiation of Claims. To renew or extend the time of payment of any obligation, secured or unsecured, payable to or by the Trust, for as long a period or periods of time and on such terms as KPB shall determine, and to adjust, settle, compromise, and arbitrate claims or demands in favor of or against the Trust, including claims for taxes imposed upon the income of the ~~Non-qualified~~Qualified Trust, upon such terms as KPB ~~may deem advisable~~shall determine.

8.02 Investment of Trusts. To the extent that the assets of the Trust have not been invested by an Investment Manager on any given day, to invest such uninvested assets of the Trust as KPB may direct in writing. No portion of the Fund shall be invested in any direct interest in real property, leaseholds or mineral interests. The Trustee may settle transactions for foreign exchange or foreign exchange contracts, and may invest in any collective, common or pooled trust fund operated or maintained exclusively for the commingling and collective investment of monies or other assets including any such fund operated or maintained by the Trustee or its affiliates, as permitted by applicable law or regulations. Notwithstanding the

provisions of this Agreement which place restrictions upon the actions of the Trustee or an Investment Manager, to the extent monies or other assets are utilized to acquire units of any collective trust, the terms of the collective trust indenture shall solely govern the investment duties, responsibilities and powers of the trustee of such collective trust and, to the extent required by law, such terms, responsibilities and powers shall be incorporated herein by reference and shall be part of this Agreement. For purposes of valuation, the value of the interest maintained by the Fund in such collective trust shall be the fair market value of the collective fund units held, determined in accordance with generally recognized valuation procedures. The Company expressly understands and agrees that any such collective fund may provide for the lending of its securities by the collective fund trustee and that such collective fund's trustee will receive compensation from such collective fund for the lending of securities that is separate from any compensation of the Trustee hereunder, or any compensation of the collective fund trustee for the management of such collective fund. The Trustee is authorized to invest in a collective fund which invests in Mellon Financial Corporation stock in accordance with the terms and conditions of the Department of Labor Prohibited Transaction Exemption 95-56 (the "Exemption") granted to the Trustee and its affiliates and to use a cross-trading program in accordance with the Exemption. The Company acknowledges receipt of the notice entitled "Cross-Trading Information", a copy of which is attached to this Agreement as Attachment B;

8.03 Registration of Securities. To hold any stocks, bonds, securities, and/or other property in the name of a nominee, in a street name, or by other title-holding device, without indication of trust; provided however, the Trustee shall not be liable for any losses resulting from the deposit or maintenance of securities or other property (in accordance with market practice, custom, or regulation) with any recognized foreign clearing facility, book-entry system, centralized custodial depository, or similar organization.

8.04 Borrowing. To borrow money in such amounts and upon such terms as KPB may authorize in writing as necessary to carry out the purposes of the Trust, and to pledge any securities or other property for the repayment of any such loan as KPB may direct.

8.05 Retention of Professional and Employee Services. To employ attorneys, accountants, custodians, engineers, contractors, clerks, and agents, as reasonably necessary to carry out the purposes of the Trust.

8.06 Delegation of Ministerial Powers. To delegate to other persons such ministerial powers and duties as the Trustee may deem to be advisable.

8.07 Powers of Trustee to Continue Until Final Distribution. To exercise any of such powers after the date on which the principal and income of the Trust shall have become distributable and until such time as the entire principal of, and income from, the Trust shall have been actually distributed by the Trustee. It is intended that distribution of the Trust will occur as soon as possible upon termination of the Trust, subject, however, to the limitations contained in Article V hereof.

8.08 Discretion in Exercise of Powers. To do any and all other acts which the Trustee shall deem proper to effectuate the powers specifically conferred upon it by this Agreement: provided, however, that the Trustee may not do any act or participate in any transaction which the Trustee knew or should have known would contravene any provision of this Agreement.

8.09 Settlement of Authorized Transactions. The Trustee may take all action necessary to pay for, and settle, authorized transactions, including exercising the power to borrow or raise monies on an arm's length basis from the Trustee in its corporate capacity or an affiliate. To secure expenses and advances made to settle or pay for authorized transactions, including payment for securities and disbursements, the Company grants to the Trustee a first priority security interest in the account, all property therein, all income, substitutions and proceeds, whether now owned or hereafter acquired (the "Collateral"); provided that the Company does not grant the Trustee a security interest in any securities issued by an affiliate of the Trustee (as defined in Section 23A of the Federal Reserve Act). The parties intend that as the securities intermediary with respect to the Collateral, the Trustee's security interest shall automatically be perfected when it attaches. To the extent the Trustee advances funds to the Trust for disbursements or to effect the settlement of purchase transactions, the Trustee shall be entitled to collect from the Trust reasonable charges established under the Trustee's standard overdraft terms, conditions and procedures.

IX. MISCELLANEOUS

9.01 Headings. The section headings set forth in this Agreement and the "Table of Contents" are inserted for convenience of reference only and shall be disregarded in the construction or interpretation of any of the provisions of this Agreement.

9.02 Particular Words. Any word contained in the text of this Agreement shall be read as the singular or plural and as the masculine, feminine, or neuter as may be applicable or permissible in the particular context. Unless otherwise specifically stated, the word "person" shall be taken to mean and include an individual, partnership, association, trust, company, or corporation.

9.03 Severability of Provisions. If any provision of this Agreement or its application to any person or entity or in any circumstances shall be invalid and unenforceable, the application of such provision to persons and in circumstances other than those as to which it is invalid or unenforceable and the other provisions of this Agreement, shall not be affected by such invalidity or unenforceability.

9.04 Delivery of Notices Under Agreement. Any notice required by this Agreement to be given to KPB or the Trustee shall be deemed to have been properly given when mailed, postage prepaid, to the person to be notified as set forth below:

If to KPB:

KPB FINANCIAL CORP. C/O CORPORATION TRUST COMPANY
1209 Orange Street
Wilmington, Delaware 19801

If to the Trustee by regular mail:

~~STATE STREET BANK AND TRUST COMPANY~~
~~Master Trust Services Division~~
~~P.O. Box 1992~~
~~Boston, Massachusetts 02101~~
~~Attention: Florida Power & Light Fund Manager~~

If to the Trustee by express mail:

~~STATE STREET BANK AND TRUST COMPANY
Master Trust Services Division
One Enterprise Drive
N. Quincy, Massachusetts 02171
Attention: Florida Power & Light Fund Manager~~

KPB or the Trustee may change the above address by delivering notice thereof in writing to the other party.

9.05 Successors and Assigns. Subject to the provisions of Sections ~~2.10~~2.10, 5.01 and 6.01, this Agreement shall be binding upon and inure to the benefit of KPB, the Trustee and their respective successors and assigns.

9.06 Governing Jurisdiction. All questions pertaining to the validity, construction, and administration of this Agreement shall be determined in accordance with the laws of the ~~Commonwealth of Massachusetts~~Delaware, without regard to conflict of law provisions, to the extent not superceded by Federal law. KPB expressly reserves the right to unilaterally amend this Section 9.06.

9.07 Accounting Year. The Trusts shall operate on an accounting year which coincides with the calendar year, January 1 through December 31.

9.08 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

9.09 Guarantee. Mellon Bank, N.A. hereby guarantees the prompt payment and performance by the Trustee of all of the liabilities and obligations of Trustee contained in this Agreement.

9.10 Representations. Each party represents and warrants to the other that it has full authority to enter into this Agreement upon the terms and conditions hereof and that the individual executing this Agreement on its behalf has the requisite authority to bind the Company or the Trustee to this Agreement. The Company has received and read the "Customer Identification Program Notice", a copy of which is attached to this Agreement as Attachment C.

IN WITNESS WHEREOF, KPB and the Trustee have set their hands to this Agreement as of the day and year first above written.

KPB FINANCIAL CORP.

By: _____
Treasurer Title

Attest: _____
Title

~~STATE STREET BANK AND TRUST COMPANY~~

MELLON TRUST OF DELAWARE, NATIONAL ASSOCIATION

By: _____
Title

Attest: _____
Title

Agreed to:

Florida Power & Light Company

By: _____
Title

Attest: _____
Title

Mellon Bank, N.A.

By: _____
Title

Attest: _____
Title

ATTACHMENT A

CERTIFICATE NO.

The undersigned Authorized Representative of KPB Financial Corp., a Delaware corporation ("KPB"), being duly authorized and empowered to execute and deliver this Certificate, hereby certifies to the trustee of the KPB Financial Corp. ~~Non-qualified~~Qualified Decommissioning Trust for Turkey Point and St. Lucie Nuclear Plants (the "Trust"), pursuant to Sections 4.01 and 4.03 of that certain KPB Financial Corp. ~~Non-qualified~~Qualified Decommissioning Trust Agreement, originally dated January 5, 1988 and subsequently amended on December 31, 1994 and October 10, 1996, and amended and restated on [insert date] (the "Agreement"), between the KPB and ~~State Street Bank and~~Mellon Trust Company of Delaware, National Association as follows:

- (1) Exhibit 1, attached hereto, sets forth the amounts either invoiced to, incurred by, or to be incurred by KPB or the Trust that are/will be due and owing to each payee listed ("Payees") for:
 - (a) goods or services provided or to be provided in connection with decommissioning the Plants;
 - (b) administrative costs of the Trust (excluding administrative costs arising from KPB's furnishing of goods, services, or facilities to the Trusts and excluding compensation which is excessive or unnecessary to carry out the purposes of the Trust) as evidenced by the invoice(s), contracts, or agreements attached hereto;
- (2) all such amounts constitute Decommissioning Costs or Administrative Expenses as described in Sections 4.01 and 4.03 of the Agreement; and
- (3) all conditions precedent to the making of this withdrawal and disbursement set forth in any agreement between such Payees and KPB, if applicable, have been fulfilled or will be fulfilled by the payment date specified in Exhibit 1.

Accordingly, direction is hereby given that the Trustee provide for the withdrawal of \$_____ from the Trust in order to permit payment of such sum to be made to the Payees. You are further directed to disburse such sum, once withdrawn, directly to such Payees in the following manner:

[DESCRIBE: CHECK, WIRE TRANSFER, ETC.] on or before the date specified in Exhibit 1.

WITNESS my hand this ____day of _____, 20__.

KPB FINANCIAL CORP.

By: _____
Authorized Representative

CROSS-TRADING INFORMATION

As part of the cross-trading program covered by the Exemption for the Trustee and its affiliates, the Trustee is to provide to each affected Trust the following information:

I. The existence of the cross-trading program

The Trustee has developed and intends to utilize, wherever practicable, a cross-trading program for Indexed Accounts and Large Accounts as those terms are defined in the Exemption.

II. The “triggering events” creating cross-trade opportunities

In accordance with the Exemption three “triggering events” may create opportunities for cross-trading transactions. They are generally the following (see the Exemption for more information):

A change in the composition or weighting of the index by the independent organization creating and maintaining the index;

A change in the overall level of investment in an Indexed Account as a result of investments and withdrawals on the account’s opening date, where the account is a bank collective fund, or on any relevant date for non-bank collective fund; provided, however, a change in an Indexed Account resulting from investments or withdrawals of assets of the Trustee’s own plans (other than the Trustee’s defined contribution plans under which participants may direct among various investment options, including Indexed Accounts) are excluded as a “triggering event”; or

A recorded declaration by the Trustee that an accumulation of cash in an Indexed Account attributable to interest or dividends on, and/or tender offers for, portfolio securities equal to not more than 0.5% of the account’s total value has occurred.

III. The pricing mechanism utilized for securities purchased or sold

Securities will be valued at the current market value for the securities on the date of the crossing transaction.

Equity securities - the current market value for the equity security will be the closing price on the day of trading as determined by an independent pricing service; unless the security was added to or deleted from an index after the close

of trading, in which case the price will be the opening price for that security on the next business day after the announcement of the addition or deletion.

Debt securities - the current market value of the debt security will be the price determined by the Trustee as of the close of the day of trading according to the Securities and Exchange Commission's Rule 17a-7(b)(4) under the Investment Company Act of 1940. Debt securities that are not reported securities or traded on an exchange will be valued based on an average of the highest current independent bids and the lowest current independent offers on the day of cross trading. The Trustee will use reasonable inquiry to obtain such prices from at least three independent sources that are brokers or market makers. If there are fewer than three independent sources to price a certain debt security, the closing price quotations will be obtained from all available sources.

IV. The allocation methods

Direct cross-trade opportunities will be allocated among potential buyers or sellers of debt or equity securities on a prorata basis. With respect to equity securities, please note the Trustee imposes a trivial share constraint to reduce excessive custody ticket charges to participating accounts.

V. Other procedures implemented by the Trustee for its cross-trading practices

The Trustee has developed certain internal operational procedures for cross-trading debt and equity securities. These procedures are available upon request.



CUSTOMER IDENTIFICATION PROGRAM NOTICE

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT

To help the government fight the funding of terrorism and money laundering activities, all financial institutions are required by law to obtain, verify and record information that identifies each individual or entity that opens an account.

What this means for you: When you open an account, we will ask you for your name, address, taxpayer or other government identification number and other information, such as date of birth for individuals, that will allow us to identify you. We may also ask to see identification documents such as a driver's license, passport or documents showing existence of the entity.

Rev. 09/03

**ADDENDUM TO
DECOMMISSIONING TRUST AGREEMENTS**

This ADDENDUM is entered into as of the ___st day of _____, 2003, by and between Florida Power & Light Company, a corporation duly organized and existing under the laws of the State of Florida and having its principal office at 9250 W. Flagler Street, Miami, Florida 33174 (the "Company"), KPB Financial Corp., a corporation duly organized and existing under the laws of the State of Delaware, and a wholly-owned subsidiary of the Company ("KPB") and State Street Bank and Trust Company, as Trustee, having its principal office at One Enterprise Drive, North Quincy, Massachusetts 02171 (the "Trustee").

WHEREAS, the Company and the Trustee have entered into that certain Decommissioning Trust Agreement for Turkey Point and St. Lucie Nuclear Plants (the "Plants") dated January 5, 1988 and amended on December 31, 1994 and October 10, 1996 (the "Agreement"), pursuant to which, among other things, the Company established trusts (the "Trusts") for the exclusive purpose of providing for the decommissioning of the Plants which Trusts consist of qualified nuclear decommissioning reserve funds (the "Qualified Trusts") under section 468A of the Internal Revenue Code of 1986, as amended (the "Code") and a single trust that does not so qualify (the "Non-qualified Trust");

WHEREAS, on December 31, 2001 the Agreement was amended and restated into two separate agreements, to read and provide as set forth in Exhibit I attached as to the Non-qualified Trust, and Exhibit II attached as to the Qualified Trust; and

WHEREAS, the parties desire to add an additional provision to both of the two separate agreements (attached as Exhibits I and II) to comply with the requirements of the Nuclear Regulatory Commission.

NOW THEREFORE, the parties hereby agree as follows:

1. Both agreements are hereby amended to include the following provision:

"Notwithstanding anything herein to the contrary, except for withdrawals being made under 10 C.F.R. 50.82(a)(8) or for payments of ordinary administrative costs (including taxes) and other incidental expenses of the Trust(s) (including legal, accounting, actuarial, and Trustee expenses) in connection with the operation of the Trust(s), no disbursements or payments from

the Trust(s) shall be made: (1) unless 30 working days prior written notice of such disbursement or payment has been made to the NRC or (2) if the Trustee receives written notice of an objection from the NRC's Director of the Office of Nuclear Reactor Regulation or the Director of the Office of Nuclear Material Safety and Safeguards, as applicable."

2. This Amendment and Restatement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

3. This Amendment and Restatement shall be governed by and construed under the laws of the Commonwealth of Massachusetts to the extent not superseded by Federal law.

IN WITNESS WHEREOF, the parties hereto, each intending to be legally bound hereby, have executed this Amendment and Restatement as of the date first above written.

FLORIDA POWER & LIGHT COMPANY

By: _____
Title

Attest: _____
Title

STATE STREET BANK AND TRUST COMPANY

By: _____
Title

Attest: _____
Title

KPB FINANCIAL CORP.

By: _____
Title

Attest: _____

Title

U. S. Nuclear Regulatory Commission
Docket Nos. 50-335/389/250/251
FPL Letter L-2005-115

Enclosure 4
Clean Copy of Revised Trust Agreement

AMENDMENT TO AND RESTATEMENT
OF
NON-QUALIFIED DECOMMISSIONING TRUST AGREEMENT
FOR TURKEY POINT AND ST. LUCIE
NUCLEAR PLANTS

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AMENDMENT TO AND RESTATEMENT OF
DECOMMISSIONING TRUST AGREEMENT
FOR TURKEY POINT AND ST. LUCIE
NUCLEAR PLANTS

This Amendment and Restatement is entered into as of the ___ day of _____, 2005, by and between Florida Power & Light Company, a corporation duly organized and existing under the laws of the State of Florida and having its principal office at 9250 W. Flagler Street, Miami, Florida 33174 (the "Company"), KPB Financial Corp., a corporation duly organized and existing under the laws of the State of Delaware, and a wholly-owned subsidiary of the Company ("KPB"), Mellon Bank, N.A., and Mellon Trust of Delaware, National Association, a wholly-owned subsidiary of Mellon Bank, N.A., as Trustee (the "Trustee").

WHEREAS, the Company is the owner of: (1) a 100 percent undivided interest in Unit Three of the Turkey Point Plant; (2) a 100 percent undivided interest in Unit Four of the Turkey Point Plant; (3) a 100 percent undivided interest in Unit One of the St. Lucie Plant; and (4) an 85.10 percent undivided interest in Unit Two of the St. Lucie Plant; and

WHEREAS, the Company is subject to regulation by the Florida Public Service Commission (the "FPSC"), an agency of the State of Florida created and existing pursuant to subsection 1 of Section 366.05 of Florida Statutes, and by the Federal Energy Regulatory Commission (the "FERC") and the Nuclear Regulatory Commission (the "NRC"), both agencies of the United States government created and existing pursuant to 42 U.S.C. §§ 7134 and 7171, and 42 U.S.C. § 5841, respectively; and

WHEREAS, the FPSC and FERC have permitted the Company to include in its cost of service for ratemaking purposes certain amounts to be used by the Company for decommissioning costs with respect to the Turkey Point Plant and the St. Lucie Plant (the "Plants"); and

WHEREAS, the Company and The State Street Bank and Trust Company have entered into that certain Amended and Restated Decommissioning Trust Agreement for the Plants dated January 5, 1988, and amended on December 31, 1994 and October 10, 1996 (the "Agreement"), pursuant to which, among other things, the Company established trusts for the exclusive purpose of providing for the decommissioning of the Plants which trusts consist of qualified nuclear decommissioning reserve funds (the "Qualified Trusts") under section 468A of the Internal Revenue Code of 1986, as amended (the "Code") and a single trust that does not so qualify (the "Non-Qualified Trust");

WHEREAS, on December 31, 2001, the Agreement was amended and restated into two separate agreements, to provide for a Non-Qualified Trust Agreement and a Qualified Trust Agreement (together, the "Decommissioning Trust Agreements");

WHEREAS, by Addendum dated November 12, 2003 to the Decommissioning Trust Agreements, an additional provision was added to both of the two separate agreements to comply with the requirements of the Nuclear Regulatory Commission;

WHEREAS, pursuant to Section 6.01 of the Non-Qualified Trust Agreement, KPB has removed The State Street Bank and Trust Company and appointed Mellon Trust of Delaware, National Association as successor Trustee;

WHEREAS, Mellon Trust of Delaware, National Association is a national banking association with trust powers;

WHEREAS Mellon Trust of Delaware, National Association is willing to serve as trustee to the Trust on the terms and conditions herein set forth; and

WHEREAS, pursuant to Section 2.08 of the Non-Qualified Trust Agreement, the parties wish to amend and restate the Non-Qualified Trust Agreement to reflect the appointment of the Trustee as successor Trustee;

NOW, THEREFORE, in consideration of the mutual promises herein contained, the parties hereby agree to amend and restate the Agreement as follows:

The Company hereby agrees to deliver to the Trustee and the Trustee hereby agrees to receive contributions of monies to the Trust beginning on the date first written above; and

TO HAVE AND TO HOLD such assets; and

TO INVEST AND REINVEST the assets of the Trust as provided herein; and

TO PAY OR DISTRIBUTE from the Trust as provided herein;

IN TRUST NEVERTHELESS, for the uses and purposes and upon the terms and conditions, as hereinafter set forth.

I. DEFINITIONS

1.01 Definitions. As used in this Non-Qualified Trust Agreement, the following terms shall have the following meanings:

(1) "Agreement" shall mean and include this Non-Qualified Trust Agreement as the same may from time to time be amended, modified, or supplemented.

(2) "Authorized Representative" shall mean the President, any Vice President, the Treasurer, or any Assistant Treasurer of KP&L.

(3) "Certificate" shall mean a document properly completed and executed by an Authorized Representative and substantially in the form of Attachment A hereto.

(4) "Code" shall mean the Internal Revenue Code of 1986, as the same may be amended from time to time.

(5) "Company" shall mean Florida Power & Light Company or its successor.

(6) "Contribution" shall mean any contribution, cash or otherwise, made to the Trust.

(7) "Decommissioning Collections" shall mean all monies collected by the Company from its customers to be used for Decommissioning Costs associated with the Plants.

(8) "Decommissioning Costs" shall mean the expenses incurred in decommissioning the Plants.

(9) "Excess Contribution" shall have the meaning set forth in Section 3.04 hereof.

(10) "Fair Market Value" for any security held by the Trust shall be determined as follows:

(a) securities listed on the New York Stock Exchange, the American Stock Exchange or any other recognized U.S. exchange shall be valued at their last sale price on the exchange on which securities are principally traded on the valuation date (NYSE-Composite Transactions or AMEX-Composite Transactions prices to prevail on any security listed on either of these exchanges as well as on another exchange); and where no sale is reported for that date, the last quoted sale price shall be used;

(b) all other securities and assets shall be valued at their market values as fixed by the Trustee's staff regularly engaged in such activities;

provided, however, that at the request of the Trustee, an Investment Manager shall determine the value of any securities or other property held in an Investment Account managed by that Investment Manager and such determination shall be regarded as a direction binding upon the Trustee for purposes of the Fair Market Value of such securities.

(11) "FERC" shall mean the Federal Energy Regulatory Commission created and existing pursuant to 42 U.S.C. §§ 7134 and 7171.

(12) "FPSC" shall mean the Florida Public Service commission, as defined in Subsection 1 of Section 366.05 of Florida Statutes.

(13) "Investment Account" shall have the meaning set forth in Section 7.01 hereof.

(14) "Investment Manager(s)" shall be designated from time to time by KPB and may be, to the extent permissible by applicable law: (i) an investment counselor(s) who is an employee(s) of KPB or its affiliated companies; or (ii) a fiduciary appointed in an Investment Manager Agreement(s).

(15) "Investment Manager Agreement(s)" shall mean an agreement(s) between KPB and a fiduciary selected by KPB which agreement(s) governs the management of the Investment Account(s).

(16) "KPB" shall mean KPB Financial Corp. or its successors.

(17) "Non-Qualified Trust" shall mean the Trust established for Decommissioning Costs with respect to the Company's interests in the Plants which Trust is not a Qualified Trust which shall consist of Contributions designated by the Company and/or KPB for decommissioning the Plants plus earnings on such Contributions.

(18) "Order" shall mean any order relating to or including Decommissioning Costs of the Plants issued by the FPSC or the FERC.

(19) "Plants" shall mean the Turkey Point Plant and the St. Lucie Plant, collectively.

(20) "Qualified Trusts" shall mean the trusts established by the Company for Decommissioning Costs with respect to the Company's interests in the Plants which trusts satisfy the requirements of Code section 468A.

(21) "Schedule of Ruling Amounts" shall have the meaning set forth in section 468A of the Code.

(22) "Service" shall mean the Internal Revenue Service.

(23) "St. Lucie Plant" consists of St. Lucie Unit No. 1 and St. Lucie Unit No. 2.

(24) "St. Lucie Unit No. 1" shall mean Unit One of the St. Lucie Plant.

(25) "St. Lucie Unit No. 2" shall mean the Company's ownership interest in Unit Two of the St. Lucie Plant.

(26) "Successor Trustee" shall mean any entity appointed as a successor to the Trustee pursuant to Section 6.01 hereof.

(27) "Trust" shall mean the Non-Qualified Trust established under this Agreement.

(28) "Trustee" shall mean Mellon Trust of Delaware, National Association, or any Successor Trustee.

(29) "Turkey Point Plant" consists of Turkey Point Unit No. 3 and Turkey Point Unit No. 4.

(30) "Turkey Point Unit No. 3" shall mean Unit Three of the Turkey Point Plant.

(31) "Turkey Point Unit No. 4" shall mean Unit Four of the Turkey Point Plant.

II. TRUST PURPOSES, NAME AND ADMINISTRATIVE MATTERS

2.01 Trust Purposes. The exclusive purposes of the Trust are to hold funds for the contemplated decommissioning of the Plants, to constitute a non-qualified nuclear decommissioning reserve trust for Plants and to comply with any Order.

2.02 Establishment of Trust. By execution of this Agreement, the Company and KPB:

(a) amend and restate the Trust, which shall consist of Contributions designated by the Company and/or KPB for such Trust, plus earnings on such Contributions less expenses and disbursements; and

(b) appoint the Trustee as Trustee of the Trust.

2.03 Acceptance of Appointment. Upon the terms and conditions herein set forth, Trustee accepts the appointment as the Trustee of the Trust. The Trustee shall receive any Contributions transferred to it by the Company and/or KPB and shall hold, manage, invest and

administer such Contributions, plus earnings on such Contributions, in accordance with this Agreement.

2.04 Name of Trust. The Contributions received by the Trustee from the Company and/or KPB plus earnings on such Contributions shall constitute the “KPB Financial Corp. Non-qualified Decommissioning Trust for Turkey Point and St. Lucie Nuclear Plants.”

2.05 Segregation of Trust. The Trustee shall maintain such records as are necessary to maintain this Trust separately from any other trust. The Trustee shall maintain such subaccounts within the Trust as agreed to from time to time by the Trustee and KPB.

2.06 Designation of Trusts. Upon (i) the initial Contribution to the Trust as specified in Section 3.01; (ii) any additional Contribution to the Trust pursuant to Section 3.02; (iii) any adjustment to the Non-Qualified Trust pursuant to Section 3.04; or (iv) any withdrawal from the Trust for Decommissioning Costs pursuant to Section 4.01 or for extraordinary administrative expenses pursuant to Section 4.03, where necessary KPB shall designate the appropriate subaccount for such Contribution, addition, adjustment, or withdrawal, and the Trustee shall credit or debit the Trust in accordance with such designation.

2.07 Duties of Authorized Representatives. KPB has empowered the Authorized Representatives to act for KPB in all respects hereunder. The Authorized Representatives may act as a group or may designate one or more Authorized Representative(s) to perform the duties described in the foregoing sentence. KPB shall provide the Trustee with a written statement setting forth the names and specimen signatures of the Authorized Representatives. Until otherwise notified in writing by KPB, the Trustee may rely upon any written notice, instruction, direction, certificate or other communication believed by it to be genuine and to be signed or certified by any one or more Authorized Representatives, and the Trustee shall be under no duty to make any investigation or inquiry as to the truth or accuracy of any statement contained therein.

2.08 Alterations and Amendments. The Trustee and KPB understand and agree that modifications or amendments may be required to this Agreement from time to time to effectuate the purpose of the Trust and to comply with any Order, any changes in tax laws, regulations or rulings (whether published or private) of the Service and any similar state taxing

authority, and any other changes in the laws applicable to the Company, KPB or the Plants. The Trustee and KPB may alter or amend this Agreement to the extent necessary or advisable to effectuate such purposes or to comply with such Order or changes. The Trustee and KPB also may alter or amend this Agreement to encompass decommissioning collections with respect to other nuclear power plants owned now or in the future by the Company. Any alteration or amendment to this Agreement must be in writing and signed by KPB and the Trustee. The Trustee shall have no duty to inquire or make any investigation as to whether any proposed amendment, modification or alteration is consistent with this section 2.08. All such amendments, modifications or alterations shall be approved by all required governmental agencies, including the NRC and the FERC, if applicable, or shall be accompanied by an opinion of counsel provided by the Company that no such approval is required.

2.09 No Authority to Conduct Business. The purposes of the Trust are limited specifically to the matters set forth in Section 2.01 hereof, and there is no objective to carry on any business unrelated to the purposes of the Trust set forth in Section 2.01 hereof, or divide the gains therefrom.

2.10 Revocability of Non-Qualified Trust. KPB hereby reserves the sole right to revoke the Non-Qualified Trust.

III. CONTRIBUTIONS AND INCOME

3.01 Initial Contribution. Upon the establishment of the Trust on the date first written above, the Company shall cause to be delivered to the Trustee an initial Contribution which shall consist of all amounts previously held in a Non-Qualified Trust with respect to the Company's interest in the Plants.

3.02 Additional Contributions. From time to time after the initial Contribution to the Trust and prior to the termination of the Trust, KPB may make, and the Trustee shall accept, additional Contributions to the Trust to satisfy the purposes of the Trust as set forth in Section 2.01.

3.03 Pooling of Assets. [Intentionally left blank.]

3.04 Subsequent Adjustments. The Trustee and KPB understand and agree that the Contributions made by the Company to any Qualified Trust from time to time may exceed the amount permitted to be paid into such Trust(s) pursuant to section 468A of the Code and any Treasury Regulations thereunder, based upon changes in estimates, subsequent developments or any other event or occurrence which could not reasonably have been foreseen by the Company at the time such Contribution was made ("Excess Contribution"). Upon receipt of a written statement from the Company setting forth the amount of an Excess Contribution and stating that such Excess Contribution should be transferred to the Non-Qualified Trust or paid to any person or entity, including the Company or KPB, the Trustee (as Trustee of the Qualified Trust) shall transfer or pay such Excess Contribution, as the case may be, to the Non-qualified Trust, or to the person or entity specified by the Company in the written statement which statement shall be in accordance with the terms of the respective Qualified Trust(s). Such written statement shall affirm that the Company has either (i) obtained an opinion of legal counsel stating that such distribution will not lead to disqualification of any of the Qualified Trusts from the application of section 468A of the Code and that such distribution will not constitute a violation of any Order; or (ii) determined that no such legal opinion is required.

The Trustee, the Company and KPB further understand and agree that a transfer of assets among the Qualified Trusts or between the Qualified Trusts and the Non-Qualified Trust may be necessary to effectuate the purposes of this Agreement and the Agreement governing the Qualified Trusts.

IV. DISTRIBUTIONS

4.01 Payment of Decommissioning Costs. Upon receipt of a Certificate, the Trustee shall make payments of Decommissioning Costs to any person (including the Company or KPB) for goods provided or labor or other services rendered in connection with the decommissioning of the Plants.

4.02 Payment of Expenses of Administration. Upon the direction of KPB, the Trustee shall make payments of all reasonable administrative costs (including reasonable out-of-pocket expenses and trustees' fees as specified in the fee schedule referred to in Section 4.05 hereof) in connection with the operation of the Trust pursuant to this Agreement. All such

administrative costs and incidental expenses which relate to both the Non-Qualified Trust and the Qualified Trusts shall be allocated among the Non-Qualified Trust and the Qualified Trusts in accordance with generally accepted accounting principles and any applicable Treasury Regulations or rulings. The Trustee shall maintain such records as are necessary to reflect the proper allocation of costs and expenses in accordance with this Section 4.02.

4.03 Payment of Extraordinary Expenses. Upon receipt of a Certificate, the Trustee shall make payments of all reasonable extraordinary administrative costs (including reasonable legal and engineering expenses) in connection with the operation of the Trust pursuant to this Agreement. Any such Certificate shall not be unreasonably withheld or delayed by KPB.

4.04 Distributions from Non-Qualified Trust. Upon receipt of written instructions from KPB, the Trustee shall distribute all or a portion of the Non-Qualified Trust to KPB in accordance with said instructions.

4.05 Fees. The Trustee shall receive as exclusive compensation for its services pursuant to this Agreement those amounts (including reasonable out-of-pocket expenses) specified in the fee schedule as may from time to time be agreed upon in writing by the Trustee and KPB.

4.06 Liquidation of Investments. At the direction of KPB or any Investment Manager, the Trustee shall sell or liquidate such investments of the Trust as may be requested or required in order to make any payment or distribution, and shall, until disbursement, restore the proceeds to the Trust.

4.07 NRC Notice. Notwithstanding anything herein to the contrary, except for withdrawals being made under 10 C.F.R. § 50.82(a)(8) or for payments of ordinary administrative costs (including taxes) and other incidental expenses of the Trust (including legal, accounting, actuarial, and Trustee expenses) in connection with the operation of the Trusts, no disbursements or payments from the Trusts shall be made: (1) unless 30 working days prior written notice of such disbursement or payment has been made to the NRC by the Company or its designee or (2) if the Trustee or the Company receives written notice of an objection from the

NRC's Director of the Office of Nuclear Reactor Regulation or the Director of the Office of Nuclear Material Safety and Safeguards, as applicable.

V. TERMINATION

5.01 Termination of Non-Qualified Trust. KPB may terminate all or a portion of the Non-Qualified Trust upon written notice to the Trustee.

5.02 Distribution of Trust Upon Termination. Upon termination of all or a portion of the Trust established hereunder, the Trustee shall assist the Investment Manager in liquidating assets of the respective Trust (if so directed by KPB), and distributing the then-existing assets of the Trust (either the liquidation proceeds or the Trust assets in-kind, including accrued, accumulated and undistributed net income) less final Trust administration expenses (including accrued taxes paid directly to a taxing authority) to KPB provided, however, that no such distribution shall be made unless the Trustee has received from the Company an opinion of legal counsel stating that such distribution does not violate any Order.

VI. TRUSTEES

6.01 Designation and Qualification of Successor Trustee(s). At any time during the term of the Trust, KPB shall have the right to remove the Trustee (at KPB's sole discretion) acting hereunder and appoint another qualified entity as a Successor Trustee upon thirty (30) days' notice in writing to the Trustee, or upon such shorter notice as may be acceptable to the Trustee. In this event, KPB shall represent to the Trustee that the Successor Trustee is qualified to act as a trustee hereunder. In the event that the Trustee or any Successor Trustee shall: (a) become insolvent or admit in writing its insolvency; (b) be unable or admit in writing its inability to pay its debts as such debts mature; (c) make a general assignment for the benefit of creditors; (d) have an involuntary petition in bankruptcy filed against it; (e) commence a case under or otherwise seek to take advantage of any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation law, statute, or proceeding; or (f) resign, KPB shall appoint a Successor Trustee as soon as practicable. In the event of any such removal or resignation, the Trustee or Successor Trustee shall have the right to have its accounts settled as provided in Section 6.05 hereof.

Any Successor Trustee shall qualify by a duly acknowledged acceptance of the Trust, delivered to KPB. Upon acceptance of such appointment by the Successor Trustee, the Trustee shall assign, transfer and pay over to such Successor Trustee the assets then constituting the Trust. Any Successor Trustee shall have all the rights, powers, duties and obligations herein granted to the Trustee.

6.02 Exoneration from Bond. No bond or other security shall be exacted or required of any Trustee or Successor Trustee appointed pursuant to this Agreement.

6.03 Resignation. The Trustee or any Successor Trustee hereof may resign and be relieved as Trustee at any time without prior application to or approval by or order of any court by a duly acknowledged instrument, which shall be delivered to KPB by the Trustee no less than sixty (60) days prior to the effective date of the Trustee's resignation or upon such shorter notice as may be acceptable to KPB. If for any reason KPB cannot or does not act in the event of the resignation of the Trustee, the Trustee may apply to a court of competent jurisdiction for the appointment of a Successor Trustee.

6.04 Transactions With Third Parties. No person or organization dealing with the Trustee with respect to this Trust shall be required to inquire into or to investigate its authority for entering into any transaction or to see to the application of the proceeds of any such transaction.

6.05 Accounts and Reports. The Trustee shall keep accurate and detailed accounts of all investments, receipts and disbursements and other transactions hereunder as agreed to by KPB and the Trustee, and all accounts, books and records relating thereto shall be open to inspection and audit at all reasonable times by any person designated by KPB. The Trustee shall be entitled to reimbursement from the Trust for any extraordinary expenses reasonably incurred in complying with such inspection and audit. Within 3 days following the close of each month, the Trustee shall file with KPB a written report setting forth all investments, receipts and disbursements and other transactions effected by it during the month and identifying all Contributions, purchases, sales or distributions and the cost or net proceeds of sale, and showing all cash, securities and other investments held at the end of such month and the cost and Fair Market Value of each item thereof. In addition, the Trustee shall consolidate the monthly

reports each year into a certified annual report which shall be provided to KPB within 60 days following the end of the calendar year. All such accounts and reports shall be based on the accrual method of reporting income and expenses and shall identify all disbursements made to pay for expenses of administration of the Trust.

All certified annual reports and supporting records maintained by the Trustee with respect to the Trusts shall be preserved for a period of seven years. Upon the expiration of this period, the Trustee shall have the right to destroy such reports after first notifying KPB in writing of its intention and transferring to KPB any reports requested by KPB.

6.06 Tax Returns and Other Reports. The Trustee shall prepare and submit to KPB in a timely manner all information requested by KPB regarding the Trust required to be included in Federal, state and local income tax returns or other reports (including estimated tax returns and information returns) required to be filed by the Company or KPB.

Subject to the limitations contained in section 8.05 hereof, the Trustee may employ independent certified public accountants or other tax counsel to prepare or review such informational reports.

The Trustee agrees, as directed by the Company, to sign any tax returns or other reports where required by law to do so or arising out of the Trustee's responsibilities hereunder, and to remit from the Trust appropriate payments or deposits of Federal, state and local income or franchise taxes as they relate to the income of the Non-Qualified Trust either to KPB or directly to the taxing agencies or authorized depositories in a timely manner.

The Trustee further agrees to provide KPB with any additional information in its possession regarding the Trust which may be reasonably requested by KPB to be furnished in an audit of Federal, state, or local tax returns of KPB or the Company.

6.07 Liability. The Trustee shall not be liable for any acts, omissions or defaults of any agent (other than its officers and employees) appointed or selected with reasonable care or for any acts taken or not taken at the direction of or upon instructions of KPB or an Investment Manager. The Trustee shall be liable only for such Trustee's own acts or omissions (and those of its officers and employees) occasioned by the willfulness or negligence

of such Trustee (or that of its officers and employees). The Trustee shall not be liable for the use or application of any monies held in the Trust when disbursed by the Trustee in accordance with this Agreement. The Trustee may rely upon the written opinion(s) of legal counsel to KPB or the Company with respect to any question(s) arising hereunder and shall not be liable for any action taken in good faith in accordance with the advice of such counsel. The Trustee shall not be responsible or liable for any losses or damages suffered by the Trust arising as the result of the insolvency of any subcustodian, except to the extent the Trustee was negligent in its selection or continued retention of such entity. Settlements of transactions may be effected in trading and processing practices customary in the jurisdiction or market where the transaction occurs. The Company acknowledges that this may, in certain circumstances, require the delivery of cash or securities (or other property) without the concurrent receipt of securities (or other property) or cash and, in such circumstances, the Company shall have sole responsibility for nonreceipt of payment (or late payment) by the counterparty. Under no circumstances shall the Trustee be liable for any consequential or special damages with respect to its role as Trustee.

The Company shall indemnify and hold harmless the Trustee from all claims, liabilities, losses, damages and expenses, including reasonable attorneys' fees and expenses, incurred by the Trustee in connection with this Agreement, except as a result of the Trustee's own acts or omissions (and those of its officers and employees) caused by the negligence or willful misconduct of the Trustee (or its officers or employees).

Notwithstanding anything in this Agreement to the contrary contained herein, the Trustee shall not be responsible or liable for its failure to perform under this Agreement or for any losses to the Account resulting from any event beyond the reasonable control of the Trustee, its agents or subcustodians.

This Section 6.07 shall survive the termination of this Agreement.

VII. INVESTMENTS

7.01 Appointment of Investment Manager(s). KPB may appoint one or more Investment Managers (including one or more employee(s) of KPB or its affiliated companies), to the extent permissible by applicable law or regulations, to direct the investment of all or part of

the Trust. KPB also shall have the right to remove any such Investment Manager(s). Whenever such appointment is made, KPB shall provide written notice of such appointment to the Trustee, shall specify the portion of the Trust with respect to which an Investment Manager has been designated, and shall instruct the Trustee to segregate into a separate investment account ("Investment Account") those assets with respect to which that specific Investment Manager has been designated. Except as otherwise provided in Section 8.02 hereof, to the extent that KPB appoints an Investment Manager to direct the investment of an Investment Account, the Trustee shall be released and relieved of all investment duties, responsibilities and liabilities customarily or statutorily incident to a trustee with respect to the Investment Account, and as to such Investment Account, the Trustee shall act as custodian. Any Investment Manager which is not an employee of KPB or its affiliated companies shall certify in writing to the Trustee that it is qualified to act in the capacity provided under an Investment Manager Agreement, shall accept its appointment as Investment Manager, shall certify the identity of the person or persons authorized to give instructions or directions to the Trustee on its behalf, including specimen signatures, and shall undertake to perform the duties imposed on it under an Investment Manager Agreement. The Trustee may rely upon all such certifications unless otherwise notified in writing by KPB or an Investment Manager, as the case may be.

7.02 Direction by Investment Manager(s). An Investment Manager shall have authority to manage and to direct the acquisition and disposition of the assets of the Trust, or a portion thereof, as the case may be, and the Trustee shall exercise the powers set forth in Section 8.02 hereof only in the manner directed by KPB in writing, and shall not be under any obligation to invest or otherwise manage any assets in the Investment Account. The Trustee recognizes the authority of an Investment Manager to manage, invest and reinvest the assets of an Investment Account as provided in this Article VII, and the Trustee agrees to cooperate with any Investment Manager as deemed necessary to accomplish these tasks. An Investment Manager shall have the power and authority, exercisable in its sole discretion at any time, and from time to time, to issue and place orders for the purchase or sale of portfolio securities directly with qualified brokers or dealers. The Trustee, upon proper notification from an Investment Manager, shall settle the transaction in accordance with the appropriate trading authorizations. Written notification of the issuance of each such authorization shall be given promptly to the Trustee by an Investment Manager, or in the case where such Investment Manager is an employee(s) of KPB, by an

Authorized Representative, and such Investment Manager shall cause the settlement of such transaction to be confirmed in writing to the Trustee and KPB by the broker or dealer. An Investment Manager may cause brokers and dealers to confirm trades to the Trustee through the "Institutional Delivery System" or equivalent system and the Trustee shall be entitled to rely upon such confirmations to settle purchases or sales of securities, provided that such confirmations are consistent with written trading instructions from an Investment Manager, or in the case where such Investment Manager is an employee(s) of KPB, by an Authorized Representative. Such notification, when consistent with written trading instructions from an Investment Manager or Authorized Representative, shall be proper authority for the Trustee to pay for portfolio securities purchased and to deliver portfolio securities sold in accordance with the customary and established procedures for such securities transactions. All directions to the Trustee by an Investment Manager shall be in writing and shall be signed by an Authorized Representative of KPB or by a person who has been certified by such Investment Manager pursuant to Section 7.01 hereof as authorized to give instructions or directions to the Trustee.

Should an Investment Manager at any time elect to place security transactions directly with a broker or dealer, the Trustee shall not recognize such transaction unless and until it has received instructions or confirmation of such fact from an Investment Manager. Should an Investment Manager direct the Trustee to utilize the services of any person with regard to the assets under its management or control, such instructions shall be in writing and shall specifically set forth the actions to be taken by the Trustee as to such services. In the event that an Investment Manager places security transactions directly or directs the utilization of a service, such Investment Manager shall be solely responsible for the acts of such persons. The sole duty of the Trustee as to such transactions shall be incident to its duties as custodian.

The authority of an Investment Manager and the terms and conditions of the appointment and retention of an Investment Manager(s) shall be the responsibility solely of KPB, and the Trustee shall not be deemed to be a party or to have any obligations under any agreement with an Investment Manager. Any duty of supervision or review of the acts, omissions or overall performance of the Investment Manager(s), shall be the exclusive responsibility of KPB, and the Trustee shall have no duty to review any securities or other assets purchased by an Investment

Manager, or to make suggestions to an Investment Manager or to KPB with respect to the exercise or nonexercise of any power by an Investment Manager.

VIII. TRUSTEE'S GENERAL POWERS

The Trustee shall have, with respect to the Trust, the following powers, all of which powers are fiduciary powers to be exercised in a fiduciary capacity and in the best interests of the Trust and the purposes hereof, namely:

8.01 Extension of Obligations and Negotiation of Claims. To renew or extend the time of payment of any obligation, secured or unsecured, payable to or by the Trust, for as long a period or periods of time and on such terms as KPB shall determine, and to adjust, settle, compromise, and arbitrate claims or demands in favor of or against the Trust, including claims for taxes imposed upon the income of the Non-Qualified Trust, upon such terms as KPB shall determine.

8.02 Investment of Trusts. To the extent that the assets of the Trust have not been invested by an Investment Manager on any given day, to invest such uninvested assets of the Trust as KPB may direct in writing. No portion of the Fund shall be invested in any direct interest in real property, leaseholds or mineral interests. The Trustee may settle transactions for foreign exchange or foreign exchange contracts, and may invest in any collective, common or pooled trust fund operated or maintained exclusively for the commingling and collective investment of monies or other assets including any such fund operated or maintained by the Trustee or its affiliates, as permitted by applicable law or regulations. Notwithstanding the provisions of this Agreement which place restrictions upon the actions of the Trustee or an Investment Manager, to the extent monies or other assets are utilized to acquire units of any collective trust, the terms of the collective trust indenture shall solely govern the investment duties, responsibilities and powers of the trustee of such collective trust and, to the extent required by law, such terms, responsibilities and powers shall be incorporated herein by reference and shall be part of this Agreement. For purposes of valuation, the value of the interest maintained by the Fund in such collective trust shall be the fair market value of the collective fund units held, determined in accordance with generally recognized valuation procedures. The Company expressly understands and agrees that any such collective fund may provide for the

lending of its securities by the collective fund trustee and that such collective fund's trustee will receive compensation from such collective fund for the lending of securities that is separate from any compensation of the Trustee hereunder, or any compensation of the collective fund trustee for the management of such collective fund. The Trustee is authorized to invest in a collective fund which invests in Mellon Financial Corporation stock in accordance with the terms and conditions of the Department of Labor Prohibited Transaction Exemption 95-56 (the "Exemption") granted to the Trustee and its affiliates and to use a cross-trading program in accordance with the Exemption. The Company acknowledges receipt of the notice entitled "Cross-Trading Information", a copy of which is attached to this Agreement as Attachment B;

8.03 Registration of Securities. To hold any stocks, bonds, securities, and/or other property in the name of a nominee, in a street name, or by other title-holding device, without indication of trust; provided however, the Trustee shall not be liable for any losses resulting from the deposit or maintenance of securities or other property (in accordance with market practice, custom, or regulation) with any recognized foreign clearing facility, book-entry system, centralized custodial depository, or similar organization.

8.04 Borrowing. To borrow money in such amounts and upon such terms as KPB may authorize in writing as necessary to carry out the purposes of the Trust, and to pledge any securities or other property for the repayment of any such loan as KPB may direct.

8.05 Retention of Professional and Employee Services. To employ attorneys, accountants, custodians, engineers, contractors, clerks, and agents, as reasonably necessary to carry out the purposes of the Trust.

8.06 Delegation of Ministerial Powers. To delegate to other persons such ministerial powers and duties as the Trustee may deem to be advisable.

8.07 Powers of Trustee to Continue Until Final Distribution. To exercise any of such powers after the date on which the principal and income of the Trust shall have become distributable and until such time as the entire principal of, and income from, the Trust shall have been actually distributed by the Trustee. It is intended that distribution of the Trust will occur as soon as possible upon termination of the Trust, subject, however, to the limitations contained in Article V hereof.

8.08 Discretion in Exercise of Powers. To do any and all other acts which the Trustee shall deem proper to effectuate the powers specifically conferred upon it by this Agreement: provided, however, that the Trustee may not do any act or participate in any transaction which the Trustee knew or should have known would contravene any provision of this Agreement.

8.09 Settlement of Authorized Transactions. The Trustee may take all action necessary to pay for, and settle, authorized transactions, including exercising the power to borrow or raise monies on an arm's length basis from the Trustee in its corporate capacity or an affiliate. To secure expenses and advances made to settle or pay for authorized transactions, including payment for securities and disbursements, the Company grants to the Trustee a first priority security interest in the account, all property therein, all income, substitutions and proceeds, whether now owned or hereafter acquired (the "Collateral"); provided that the Company does not grant the Trustee a security interest in any securities issued by an affiliate of the Trustee (as defined in Section 23A of the Federal Reserve Act). The parties intend that as the securities intermediary with respect to the Collateral, the Trustee's security interest shall automatically be perfected when it attaches. To the extent the Trustee advances funds to the Trust for disbursements or to effect the settlement of purchase transactions, the Trustee shall be entitled to collect from the Trust reasonable charges established under the Trustee's standard overdraft terms, conditions and procedures.

IX. MISCELLANEOUS

9.01 Headings. The section headings set forth in this Agreement and the "Table of Contents" are inserted for convenience of reference only and shall be disregarded in the construction or interpretation of any of the provisions of this Agreement.

9.02 Particular Words. Any word contained in the text of this Agreement shall be read as the singular or plural and as the masculine, feminine, or neuter as may be applicable or permissible in the particular context. Unless otherwise specifically stated, the word "person" shall be taken to mean and include an individual, partnership, association, trust, company, or corporation.

9.03 Severability of Provisions. If any provision of this Agreement or its application to any person or entity or in any circumstances shall be invalid and unenforceable, the application of such provision to persons and in circumstances other than those as to which it is invalid or unenforceable and the other provisions of this Agreement, shall not be affected by such invalidity or unenforceability.

9.04 Delivery of Notices Under Agreement. Any notice required by this Agreement to be given to KPB or the Trustee shall be deemed to have been properly given when mailed, postage prepaid, to the person to be notified as set forth below:

If to KPB:

KPB FINANCIAL CORP. C/O CORPORATION TRUST COMPANY
1209 Orange Street
Wilmington, Delaware 19801

If to the Trustee by regular mail:

If to the Trustee by express mail:

KPB or the Trustee may change the above address by delivering notice thereof in writing to the other party.

9.05 Successors and Assigns. Subject to the provisions of Sections 2.10, 5.01 and 6.01, this Agreement shall be binding upon and inure to the benefit of KPB, the Trustee and their respective successors and assigns.

9.06 Governing Jurisdiction. All questions pertaining to the validity, construction, and administration of this Agreement shall be determined in accordance with the laws of Delaware, without regard to conflict of law provisions, to the extent not superceded by Federal law. KPB expressly reserves the right to unilaterally amend this Section 9.06.

9.07 Accounting Year. The Trusts shall operate on an accounting year which coincides with the calendar year, January 1 through December 31.

9.08 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

9.09 Guarantee. Mellon Bank, N.A. hereby guarantees the prompt payment and performance by the Trustee of all of the liabilities and obligations of Trustee contained in this Agreement.

9.10 Representations. Each party represents and warrants to the other that it has full authority to enter into this Agreement upon the terms and conditions hereof and that the individual executing this Agreement on its behalf has the requisite authority to bind the Company or the Trustee to this Agreement. The Company has received and read the "Customer Identification Program Notice", a copy of which is attached to this Agreement as Attachment C.

IN WITNESS WHEREOF, KPB and the Trustee have set their hands to this Agreement as of the day and year first above written.

KPB FINANCIAL CORP.

By: _____
Title

Attest: _____
Title

MELLON TRUST OF DELAWARE, NATIONAL ASSOCIATION

By: _____
Title

Attest: _____
Title

Agreed to:

Florida Power & Light Company

By: _____
Title

Attest: _____
Title

Mellon Bank, N.A.

By: _____
Title

Attest: _____
Title

ATTACHMENT A

CERTIFICATE NO.

The undersigned Authorized Representative of KPB Financial Corp., a Delaware corporation ("KPB"), being duly authorized and empowered to execute and deliver this Certificate, hereby certifies to the trustee of the KPB Financial Corp. Non-Qualified Decommissioning Trust for Turkey Point and St. Lucie Nuclear Plants (the "Trust"), pursuant to Sections 4.01 and 4.03 of that certain KPB Financial Corp. Non-Qualified Decommissioning Trust Agreement, originally dated January 5, 1988 and subsequently amended on December 31, 1994 and October 10, 1996, and amended and restated on [insert date] (the "Agreement"), between the KPB and Mellon Trust of Delaware, National Association as follows:

- (1) Exhibit 1, attached hereto, sets forth the amounts either invoiced to, incurred by, or to be incurred by KPB or the Trust that are/will be due and owing to each payee listed ("Payees") for:
 - (a) goods or services provided or to be provided in connection with decommissioning the Plants;
 - (b) administrative costs of the Trust (excluding administrative costs arising from KPB's furnishing of goods, services, or facilities to the Trusts and excluding compensation which is excessive or unnecessary to carry out the purposes of the Trust) as evidenced by the invoice(s), contracts, or agreements attached hereto;
- (2) all such amounts constitute Decommissioning Costs or Administrative Expenses as described in Sections 4.01 and 4.03 of the Agreement; and
- (3) all conditions precedent to the making of this withdrawal and disbursement set forth in any agreement between such Payees and KPB, if applicable, have been fulfilled or will be fulfilled by the payment date specified in Exhibit 1.

Accordingly, direction is hereby given that the Trustee provide for the withdrawal of \$_____ from the Trust in order to permit payment of such sum to be made to the Payees. You are further directed to disburse such sum, once withdrawn, directly to such Payees in the following manner:

[DESCRIBE: CHECK, WIRE TRANSFER, ETC.] on or before the date specified in Exhibit 1.

WITNESS my hand this _____ day of _____, 20__.

KPB FINANCIAL CORP.

By: _____
Authorized Representative

CROSS-TRADING INFORMATION

As part of the cross-trading program covered by the Exemption for the Trustee and its affiliates, the Trustee is to provide to each affected Trust the following information:

I. The existence of the cross-trading program

The Trustee has developed and intends to utilize, wherever practicable, a cross-trading program for Indexed Accounts and Large Accounts as those terms are defined in the Exemption.

II. The “triggering events” creating cross-trade opportunities

In accordance with the Exemption three “triggering events” may create opportunities for cross-trading transactions. They are generally the following (see the Exemption for more information):

A change in the composition or weighting of the index by the independent organization creating and maintaining the index;

A change in the overall level of investment in an Indexed Account as a result of investments and withdrawals on the account’s opening date, where the account is a bank collective fund, or on any relevant date for non-bank collective fund; provided, however, a change in an Indexed Account resulting from investments or withdrawals of assets of the Trustee’s own plans (other than the Trustee’s defined contribution plans under which participants may direct among various investment options, including Indexed Accounts) are excluded as a “triggering event”; or

A recorded declaration by the Trustee that an accumulation of cash in an Indexed Account attributable to interest or dividends on, and/or tender offers for, portfolio securities equal to not more than 0.5% of the account’s total value has occurred.

III. The pricing mechanism utilized for securities purchased or sold

Securities will be valued at the current market value for the securities on the date of the crossing transaction.

Equity securities - the current market value for the equity security will be the closing price on the day of trading as determined by an independent pricing service; unless the security was added to or deleted from an index after the close

of trading, in which case the price will be the opening price for that security on the next business day after the announcement of the addition or deletion.

Debt securities - the current market value of the debt security will be the price determined by the Trustee as of the close of the day of trading according to the Securities and Exchange Commission's Rule 17a-7(b)(4) under the Investment Company Act of 1940. Debt securities that are not reported securities or traded on an exchange will be valued based on an average of the highest current independent bids and the lowest current independent offers on the day of cross trading. The Trustee will use reasonable inquiry to obtain such prices from at least three independent sources that are brokers or market makers. If there are fewer than three independent sources to price a certain debt security, the closing price quotations will be obtained from all available sources.

IV. The allocation methods

Direct cross-trade opportunities will be allocated among potential buyers or sellers of debt or equity securities on a prorata basis. With respect to equity securities, please note the Trustee imposes a trivial share constraint to reduce excessive custody ticket charges to participating accounts.

V. Other procedures implemented by the Trustee for its cross-trading practices

The Trustee has developed certain internal operational procedures for cross-trading debt and equity securities. These procedures are available upon request.



CUSTOMER IDENTIFICATION PROGRAM NOTICE

**IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW
ACCOUNT**

To help the government fight the funding of terrorism and money laundering activities, all financial institutions are required by law to obtain, verify and record information that identifies each individual or entity that opens an account.

What this means for you: When you open an account, we will ask you for your name, address, taxpayer or other government identification number and other information, such as date of birth for individuals, that will allow us to identify you. We may also ask to see identification documents such as a driver's license, passport or documents showing existence of the entity.

Rev. 09/03