AR-2007

LETTER OF COMMENT NO. 7

FPL Group, Inc., P.O. Box 14000, Juno Beach, Florida 33408-0420

October 16, 2007

Mr. Robert H. Herz, Chairman
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, Connecticut 06856-5116

Re: Request for deferral of FAS 157

Dear Mr. Herz:

FPL Group, Inc. (FPL Group) would like to encourage the Financial Accounting Standards Board (the Board) to consider a deferral of the effective date for Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" (FAS 157). FPL Group is a public utility holding company. Its operations are primarily conducted through Florida Power & Light Company, one of the largest investor-owned electric utility companies in the nation, serving about half the population of Florida. The Company also owns and operates independent power facilities through its non-rate regulated power generation subsidiary, FPL Energy, LLC.

FPL Group commends the Board for the principles-based nature of FAS 157 and realizes that implementation of such a standard will inherently require companies to understand the principles set forth and to formulate accounting policies to address issues that are subject to interpretation. We further appreciate that answers to all implementation questions will not be answered through the issuance of formal guidance. Our company has been working in earnest on implementation since the Spring of 2007 and has also been an active participant in industry implementation discussion groups. Despite that considerable lead time, we are finding that the further we move forward with our implementation, the more potential issues we identify. Many of these issues were articulated by Financial Executives International ("FEI") in a letter the organization sent to you dated October 1, 2007. The FEI letter also identified issues on which we have not yet focused. FPL Group supports the recommendation of FEI that the effective date for FAS 157 be deferred.

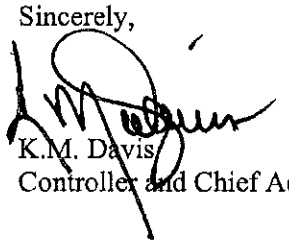
As noted earlier, we understand that in a principles-based environment, all of us will need to interpret and apply the standards without specific guidance for every circumstance. However, many of the issues recognized in the FEI letter are fundamental questions for which there appears to be no resolution at this time. At a minimum, these issues create significant risk of misapplication of the Board's intentions in FAS 157 and will likely result in a lack of consistency in treatment if companies are required to forge ahead with implementation. We are also concerned about inconsistencies between FAS 157 and FAS 141, "Business Combinations," particularly since the proposed revisions to FAS 141 will not be effective until 2009. Of note for our industry is the guidance in FAS 141 related to estimating the fair value of property, plant, and equipment and inventory.

In summary, FPL Group strongly recommends that the effective date of FAS 157 be deferred for at least one year (to fiscal years beginning after November 15, 2008). This delay will allow time for the resolution of fundamental questions, the issuance of further guidance (where deemed appropriate), and allow for a more consistent, reasoned, and controlled implementation of FAS 157.

We appreciate the opportunity to express our views. If you have any questions regarding our comments, please contact me at (305) 552-4327.

Thank you for your consideration of this very important issue.

Sincerely,



K.M. Davis
Controller and Chief Accounting Officer