



140 BROADWAY NEW YORK, NY 10005

**RAYMOND E. MOORE, CFA**  
**(212) 320-3065**

**Trading (212) 320-3001**

**October 7, 2009**

[ray.moore@shieldsandco.com](mailto:ray.moore@shieldsandco.com)

Research Note

FPL Group (FPL-53-Hold)  
Progress Energy (PGN-37-Hold)

Dow Jones Industrials - 9714  
Phil. 22 Electric - 392

## Florida Public Service Commission (FPSC)

### Governor Alters Commission Profile

On October 5, 2009, Governor Charlie Crist (and candidate for US Senate) asked for the resignations of FPSC Commissioners Matthew Carter and Katrina McMurrian, whose terms were to expire January 2, 2010. McMurrian resigned, Carter refused.

Crist, who opposes the base rate increases sought by Florida Power & Light (subsidiary of FPL Group) and Florida Power Corp. (subsidiary of Progress Energy), is seeking delays in both decisions beyond the scheduled December dates.

Crist recommended for appointment David Klement and Benjamin Stevens. Klement (69) is director of the Institute for Public Policy and Leadership at the University of South Florida's Sarasota-Manatee campus. Stevens (44) is part owner of a bar and package store in Cantonment and former chief financial officer for the Escambia County Sheriff's Office. The Legislature's Public Service Commission Nominating Council will send the Governor at least three nominees for appointment on an interim basis as required by state law. In 2010, the FPSC will contain all Crist-appointed members.

### Florida Public Service Commission Members

Commissioner	Appt.	Gov.
Nancy Argenziano	May 07	Crist
Lisa Edgar*	Jan 09	Crist
Nathan Skop	Jan 07	Crist
Matthew Carter	Jan 06	Bush
Katrina McMurrian	Jan 06	Bush

\*Originally a Bush Appointment

Carter has scheduled an October 27<sup>th</sup> hearing to discuss possible delays in the decisions.

See page 2 of report for Analyst's Certification, pages 2-3 for Important Disclosures and page 3 for Other Disclosures and Disclaimers

## Analyst's Certification

I Raymond E. Moore certify that the views expressed in this research report accurately reflect my personal views about the subject companies and their securities. I also certify that I have not been and will not be receiving direct or indirect compensation in exchange for expressing the specific recommendations in this report. Other FPL Group reports issued by me are: 1/9/06 (\$42) – Not Rated; 8/3/07 (\$56) – Not Rated; 8/9/07 (\$63) – Not Rated; 2/26/08 (\$64) – Hold; 10/20/08 (\$44) – Hold; 11/25/08 (\$48) – Hold; 1/28/09 (\$51) – Hold.

## Important Disclosures

### Guide to Investment Ratings:

**Buy** Total return is expected to exceed significantly the average total return of the analyst's industry coverage universe over the next 12 months.

**Market Perform & Hold** Total return is expected to equal the average total return of the analyst's industry coverage universe over the next 12 months.

**Sell** Total return is expected to significantly under perform (15% plus) the total return of the industry coverage universe over the next 12 months.

### Analyst's Ratings Distribution

		% Investment Banking
Buy	25%	0%
Hold	75%	0%
Sell	0%	0%

The principal risks to the achievement of our price targets include general market trends, disappointing earnings and lower energy prices and adverse regulatory developments.

Our target prices are based on projected earnings for the following calendar year, and an assumed price/earnings ratio in line with the company's historical valuation or those of other companies with similar businesses and prospects.



## Important Disclosures, continued



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