



July, 2005

Changes

From Previous Proposal

Wages

- Additional 1% pension credit in 2006 and 2007 of the contract in addition to general wage increase

Retro Pay

- Combination of lump sum payment and pension credit provides hour for hour retro for all hours worked

Pension

- Increased Lump sum contribution to employees pension accounts

Sick Time

- Increased annual sick time bank replenishment from 8 days to 10 days
- Added provisions for employees with chronic health conditions

Per diem Increases

- Applies to all business units

Operator Compensation

- Compensation changes for Nuclear Operators

Contract Proposal Summary

This summary has been developed to assist you in understanding what is contained in the latest contract proposal coming to the field. The contract proposal has been unanimously recommended for acceptance by the Negotiating Committee. The proposal packages for the Membership will be provided to the Local Union Presidents at the special called System Council Meeting on July 6, 2005.

2005 Contract Proposal Highlights

Wages:

- Increased wages by 14.6% (compounded) over 4 years
- Wage increase in Year 4 is one of the highest in the industry

Business Unit Specific:

- Paid day off during storm / emergency restoration
- Power Systems
- Increased Welding Premium
- Nuclear & Power Generation

Other Highlights:

- Safety Recognition Program
- Job posting changes
- 12 month job protection
- for loss of driving privilege
- for loss of CDL
- Lump sum wage increases
- for injured employees
- Recoverable expenses
- for canceled vacations
- Vacation use for suspension
- Prescription safety glasses
- Increased allowances

Benefits: New

- Vision Plan
- Flexible Spending Accounts
Tax-free spending accounts for:
 - Health Care
 - Dependent Care

- Short Term Disability - STD

- Home & Auto Insurance
- Discount program

Benefits: Enhanced

- Life Insurance
- Increased coverage
- Long Term Disability – LTD
Cost of Living Adjustment - COLA
- Thrift maximum employee contribution increasing from 20% to 50% of base pay

Benefits: Medical

- Lower premiums in 2006
- for the majority of our employees, through medical plan options
- Decision support tools for Health Care (My Health Manager)
- Lower family contributions

See Proposal for Details



Wages

See Proposal for Details

Continued Increase of Wages Over 4 Year Contract

- Negotiated wage increases of 14.6% compounded over 4 years
- Increased biannual wage increases by adding an additional 1% basic pension credit in 2006 and 2007 of the contract
- In Year 4, our 4% wage increase is one of the highest wage increases in the industry
- Wages are higher than the 5th District average

Example

Line Specialist - Line Rate Increase:
 2004 = 27.30
 2008 = \$31.28, a 14.6% increase



Increased Wages for injured employees

- Lump sum wage increases have been negotiated for our injured employees



Retro Pay: *Combination of lump sum payment and pension credit provides hour for hour retro for all hours worked*

Previous Proposal	New Proposal
<p>Wage rates below \$23.00 p/h \$400</p> <p>Wage rates above \$23.00 p/h \$800</p>	<p>Straight Time</p> <ul style="list-style-type: none"> • Hour for hour base wages <ul style="list-style-type: none"> ✓ Up to \$800 upon ratification ✓ Above \$800 deferred to January, 2006 <p>Overtime</p> <ul style="list-style-type: none"> • All employees 1% Basic Pension Credit (BPC) • Hour for hour in addition to 1% BPC for all hours in excess of 1% BPC. Cash payment in January, 2006

Wages – Pension

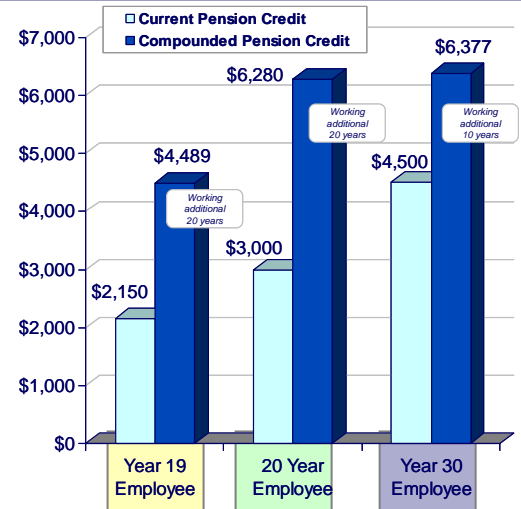
See Proposal for Details

Pension Credits

Combination of All Pension Credits

2006 Pension Credit		
30 Years Seniority & Above	20 to 29 Years Seniority	New Hire to 19 Years Seniority
would receive \$3,000 Pension Credit	would receive \$1,500 Pension Credit	would receive \$650 Pension Credit
Wage-based Pension Credit & Signing Bonus		
2006 - All Employees		2007 - All Employees
1% Additional Basic Credit + 1% Additional Basic Credit for OT portion of Retro Pay	+	1% Additional Basic Credit
Example: \$50,000 annual base salary = \$1,000 pension credit		
Example: \$50,000 annual base salary = \$500 pension credit		
= (Total of 2006 + 2007)		
Example: \$1,500		
1	2006 Pension Credit	+ 2 (Total of 2006 + 2007) = 3
Total Pension Credits		
New Hire to 19 Years Seniority	20 to 29 Years Seniority	30 Years Seniority & Above
would receive \$2,150 in total Pension Credits	would receive \$3,000 in total Pension Credits	would receive \$4,500 in total Pension Credits

Example of Pension Credits Compounded Over Time



Assumptions

- Example based on Employee with \$50,000 base pay
- Assumes 4% growth

19 year employee works additional 20 years

19 year employee with \$2,150 grows to \$4,489

20 year employee works additional 20 years

20 year employee with \$3,000 grows to \$6,280

30 year employee works additional 10 years

30 year employee with \$4,500 grows to \$6,377

Other Highlights

Safety Recognition Program

- ✓ Employees will be eligible for awards up to \$500 for making contributions to improving workplace safety

Vacation

- ✓ New provision for recovering expenses when vacations are canceled by the Company
- ✓ Employees who are on suspension may use vacation to offset loss of wages

Loss CDL (Commercial Driver's License)

- Presently employees are removed from their classification after 6 months when a driver's license is revoked.
- ✓ This new provision will allow employees to remain in classification for 12 months.

Prescription Safety Glasses

- ✓ Reimbursement annually for prescription safety glasses
 - Single Vision: \$35.59
 - Bifocal: \$49.00
 - Trifocal: \$66.00

Benefits

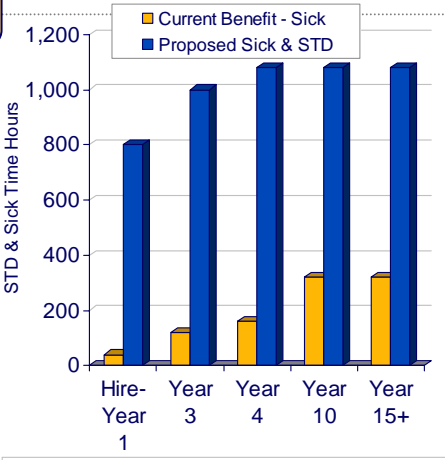
See Proposal for Details

New Benefits Short Term Disability - STD

Works with your sick leave time to continue part or all of your income during an extended non-work related illness or injury.

Beginning in the year of:	Current	Proposed			Total		
	Sick Time	Sick Time Bank ^①	STD @ 100%	STD @ 80%	STD @ 60%	Current ^①	Sick & STD
Hire at 6 months	40 hours	80 hours	0	120	640	40 hours	800 hours
3 rd Anniversary	120 hours	240 hours	120	120	520	120 hours	1000 hours
4 th Anniversary	160 hours	320 hours	120	120	520	160 hours	1080 hours
10 th Anniversary	320 hours	320 hours	120	120	520	320 hours	1080 hours
15 th Anniversary (or greater)	320 hours	320 hours	240	240	280	320 hours	1080 hours

① Hours shown are maximum hours and may vary by employee



- Sick bank replenished at 10 days per calendar year
- Sick bank may be different by individual usage
- STD at various rates (%) of pay

Flexible Spending Accounts

Health Care Account:
 ✓ Pretax dollars can be deducted biweekly and can be used for medical, dental, prescription drug, vision and other qualifying health care out-of-pocket costs

Dependent Care Account:
 ✓ Pretax dollars can be deducted biweekly and can be used for baby sitting and day care for dependents under certain conditions.

Vision Plan

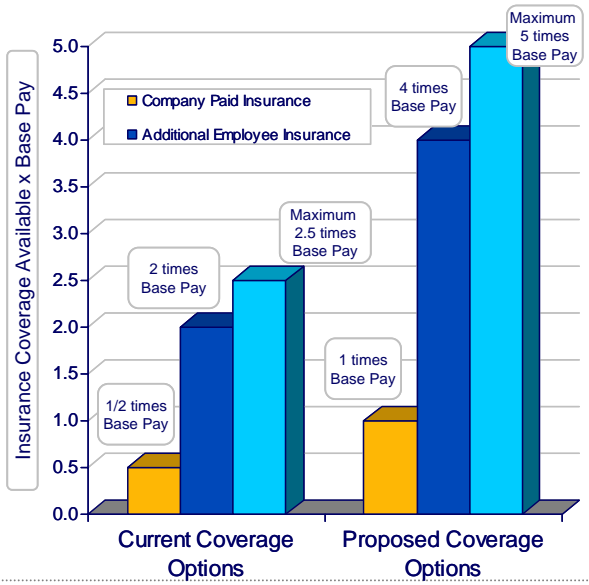
- ✓ Yearly Eye Exams & Lenses covered at 100%
- ✓ Frames covered up to \$100 every 24 months
- ✓ Contact Lenses up to \$120

Home & Auto Insurance

- ✓ A group purchasing program through MetLife for Home & Auto Insurance offering discounts to FPL employees

Enhanced Benefits Increased Coverage in:

- Company-paid Employee Life Insurance
- Increased Employee Coverage Options



- Company Paid Insurance**
 - Increasing from half (1/2) times base pay to one times base pay
- Additional Employee Insurance** (paid for by employee)
 - Increasing from of 2.0 times base pay to 4.0 times base pay
- Total Coverage Available** (paid for by company & employee)
 - Increasing from maximum of 2.5 times base pay to maximum of 5.0 times base pay

LTD – Cost Of Living Increase (COLA)

- ✓ LTD (Long Term Disability): Employees will have an additional option to purchase LTD with COLA (yearly cost of living increases) Presently employees have LTD coverage at 60% of base pay.

Benefits - Medical

See Proposal for Details

Medical Plan Comparisons – Cigna Healthcare

See Proposal for Details

Deductible/Year
Individual
Family

Office Visits
Primary Care Provider (PCP)
Specialist
Lab, X-Ray

Hospital/Surgical Center
In-Patient hospital, semi-private room <i>(including maternity)</i>
Out-patient facility/surgery
Hospital physician

Emergency
Urgent Care

Plan Comparisons

General Comments

Bargaining OA POS	
In-Network	Out-of-Network
\$250	\$600
\$750	\$1,800
In-Network	Out-of-Network
\$20 copay	55% of allowable charges
\$30 copay	55% of allowable charges
No additional copay*	55% of allowable charges
<small>* if done at doctor's office</small>	
In-Network	Out-of-Network
80% of allowable charges	55% of allowable charges + \$250 copay/admission
80% of allowable charges	55% of allowable charges
80% of allowable charges	55% of allowable charges
In-Network	Out-of-Network
\$100 copay	\$100 copay
\$35 copay	\$35 copay
Some Cost Savings	
In-Network Deductible (except for office visits)	
Moderate out-of-pocket (OOP) maximum	
No Primary Care Provider (PCP) required	
Can go directly to any network provider	
Best benefit when you use the POS network	

Bargaining POS	
In-Network	Out-of-Network
NONE	\$300
NONE	\$900
In-Network	Out-of-Network
\$15 copay	55% of allowable charges
\$25 copay	55% of allowable charges
No additional copay*	55% of allowable charges
<small>* if done at doctor's office</small>	
In-Network	Out-of-Network
\$100/day, days 1-5; then 100% paid	55% of allowable charges + \$300 copay/admission
\$100 copay	55% of allowable charges
No copay	55% of allowable charges
In-Network	Out-of-Network
\$50 copay	\$50 copay
\$35 copay	\$35 copay
More Cost Savings	
No In-Network Deductible	
Low OOP maximum	
Should use PCP but can go out-of-network	
Should get referrals but can go out-of-network	
Best benefit when you use the POS network	

Bargaining HMO
In-Network
NONE
NONE
In-Network
\$15 copay
\$25 copay
No additional copay*
<small>* if done at doctor's office</small>
In-Network
\$100/day, days 1-5; then 100% paid
\$100 copay
No copay
In-Network
\$50 copay
\$35 copay
Most Cost Savings
No Deductible
Lowest OOP maximum
Must use PCP
Must get referrals
No out-of-network benefit

- Plans differ by cost and choice. In general they are on a continuum from the HMO (*being the least expensive but also the most limited in terms of provider freedom*) to the OA POS (*which is more expensive but also the least restrictive in terms of seeing providers*).
- Plans do NOT differ in what services they cover.
- All offer comprehensive coverage for physician, hospital ancillary services and prescription drugs.
- All plans meet quality standards of provider credentialing and office procedures.
- Almost 97% of the doctors in the POS network also participate in the HMO network. Remember that the Open Access POS plan uses the POS network.

Single Choice Network

Available only to employees who live in areas where the PPO plan is the only option available because the managed care options are not offered due to a lack of network doctors. The Single Choice PPO is similar to the PPO plan with a \$275 deductible and 20% coinsurance.

Business Unit Specific

See Proposal for Details

Memorandums Of Understanding (MOUs)

Nuclear

- Significant compensation for operators who waive bidding rights from PTN
- Commitment from Company to begin posting jobs
- PSL Job Posting will allow movement at a managed rate from PTN to PSL
- Significant increases to RO and SRO bonuses at PSL; matches PTN bonus
- Compensation to PTN maintenance employees whose job award dates are delayed
- Significant wage increases to licensed operators
50¢ / hour wage increases per year until they reach top of bracket

Memorandums Of Agreement (MOAs)

Power Systems

- Paid day off during storm or emergency restoration

Power Generation & Nuclear

- Increase to welding premium - 85¢/hour in 2005 and \$1.00/hour in 2007

Per Diem Increases – All Employees

Paragraph 41(h)(2): Lodging - Transportation

Existing Option 1

Upon Ratification	2007	2008
\$10 increase In North Region	\$5 increase All Regions	\$5 increase All Regions

Existing Option 2

- Increase from \$38.00 to \$43.00 per day for meals and incidentals
- For employees attending out-of-state schools: Increase from \$30.00 to \$43.00 per day for meals and incidentals