UPDATE TO APPLICATION FOR PRE-QUALIFICATION SUBMITTAL FOR DESIGNATED ENTITY STATUS

Pre-Qualification Identification Number Q13-18

Submitted to:

September 27, 2018

Prepared by:
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NextEra Energy Transmission MidAtlantic Holdings, LLC
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1. INTRODUCTION (UPDATED)

Consistent with PJM Interconnection's ("PJM") Amended and Restated Operating Agreement ("PJM OA"), NextEra Energy Transmission MidAtlantic Holdings, LLC ("NEET MidAtlantic Holdings") is pleased to submit this Updated Application for Designated Entity Status to PJM, as an annual update to the previously submitted Pre-Qualification for Designated Entity Status Applications of NextEra Energy Transmission, LLC ("NEET") and NextEra Energy Transmission MidAtlantic, LLC ("NEET MidAtlantic") collectively "Updated Application". NEET is a wholly-owned indirect subsidiary of its parent NextEra Energy, Inc. NEET MidAtlantic Holdings is a direct subsidiary of NEET, and NEET MidAtlantic is a direct subsidiary of NEET MidAtlantic Holdings.

NEET MidAtlantic Holdings' qualifications for Designated Entity status are identical to those of NEET and NEET MidAtlantic. Accordingly, NEET MidAtlantic Holdings is submitting NEET's 2013 Pre-Qualification Application (2013 Pre-Qualification Application), NEET MidAtlantic's 2015 Pre-Qualification Application (2015 Update Document), and NEET's 2017 Update (2017 Update Document), as appendices to this Updated Application. NEET's 2013 Pre-Qualification Request for Designated Entity status was approved by PJM in January 2014 under Pre-Qualification Identification Number 13-18. On September 29, 2015, NEET MidAtlantic submitted the 2015 Update Document to NEET's Pre-Qualification Application, requesting pre-qualification for Designated Entity Status for NEET MidAtlantic. In a letter dated December 30, 2015, PJM found that NEET and NEET MidAtlantic satisfied the pre-qualification requirements for Designated Entity status. Additionally, in a letter dated November 1, 2017, PJM found that NEET and NEET MidAtlantic also satisfied the pre-qualification requirements for Designated Entity status upon its review of the 2017 Update Document submitted on September 22, 2017.

The PJM OA provides that, in the event the information on which an entity's pre-qualification is based changes, such entity must submit to PJM all updated information during the annual thirty-day pre-qualification window. Besides requesting that NEET MidAtlantic Holdings pre-qualify as eligible to be a Designated Entity, this Updated Application serves to inform PJM of changes to the information on which NEET's and NEET MidAtlantic's pre-qualification were based. NEET's and NEET MidAtlantic's qualifications have not changed in any material way, and, accordingly, the information in this Updated Application that relates to NEET's and NEET MidAtlantic is intended merely to supplement NEET's and NEET MidAtlantic's previous application. The information provided in this Updated Application by NEET MidAtlantic Holdings to qualify for Designated Entity Status also applies to NEET and NEET MidAtlantic.

To facilitate PJM's review, the chart below identifies which sections have been updated, and what has been updated. As stated above, this update primarily seeks to pre-qualify NEET MidAtlantic Holdings, LLC as eligible to be a Designated Entity.

Updated Section Number	Question Text	Corresponding PJM OA Schedule 6 Section Number	Update Provided
2, 3	Name and address of the entity including a point of contact	1.5.8(a)(i)	Included reference to NEET MidAtlantic Holdings
4	The technical and engineering qualifications of the entity or its affiliate, partner, or parent company	1.5.8(a)(ii)	Included reference to NEET MidAtlantic Holdings
5	The demonstrated experience of the entity or its affiliate, partner, or parent company to develop, construct, maintain, and operate transmission facilities, including a list or other evidence of transmission facilities the entity, its affiliate, partner, or parent company previously developed, constructed, maintained, or operated	1.5.8(a)(iii)	Included reference to NEET MidAtlantic Holdings
6	The previous record of the entity or its affiliate, partner, or parent company regarding construction, maintenance, or operation of transmission facilities both inside and outside of the PJM Region	1.5.8(a)(iv)	Included reference to NEET MidAtlantic Holdings
7	The capability of the entity or its affiliate, partner, or parent company to adhere to standardized construction, maintenance and operating practices	1.5.8(a)(v)	Included reference to NEET MidAtlantic Holdings
8	The financial statements of the entity or its affiliate, partner, or parent company for the most recent fiscal quarter, as well as the most recent three fiscal years, or the period of existence of the entity, if shorter, or such other evidence demonstrating an entity's current and expected financial capability acceptable to the Office of the Interconnection	1.5.8(a)(vi)	Included reference to NEET MidAtlantic Holdings, Updated Financials
9	Commitment by the entity to execute the Consolidated Transmission Owners Agreement, if the entity becomes a Designated Entity	1.5.8(a)(vii)	Included reference to NEET MidAtlantic Holdings
10	Evidence demonstrating the ability of the entity to address and timely remedy failure of facilities	1.5.8(a)(viii)	Included reference to NEET MidAtlantic Holdings
11	A description of the experience of the entity in acquiring rights of way	1.5.8(a)(ix)	Included reference to NEET MidAtlantic Holdings
12	Such other supporting information that the Office of Interconnection requires to make the pre-qualification determinations consistent with this Section	1.5.8(a)(x)	Included reference to NEET MidAtlantic Holdings

2. NAME AND ADDRESS OF THE ENTITY INCLUDING POINT OF CONTACT (UPDATED)

Parent Company
NextEra Energy, Inc.
700 Universe Boulevard
Juno Beach, Florida 33408

Direct Subsidiary of NextEra Energy Transmission Holdings, LLC;
NextEra Energy Transmission MidAtlantic, LLC
700 Universe Boulevard, UST/JB
Juno Beach, FL 33408

Indirect Subsidiary
NextEra Energy Transmission, LLC
700 Universe Boulevard, UST/JB
Juno Beach, FL 33408

Direct Subsidiary of NextEra Energy Transmission, LLC
NextEra Energy Transmission MidAtlantic Holdings, LLC
700 Universe Boulevard, UST/JB
Juno Beach, FL 33408

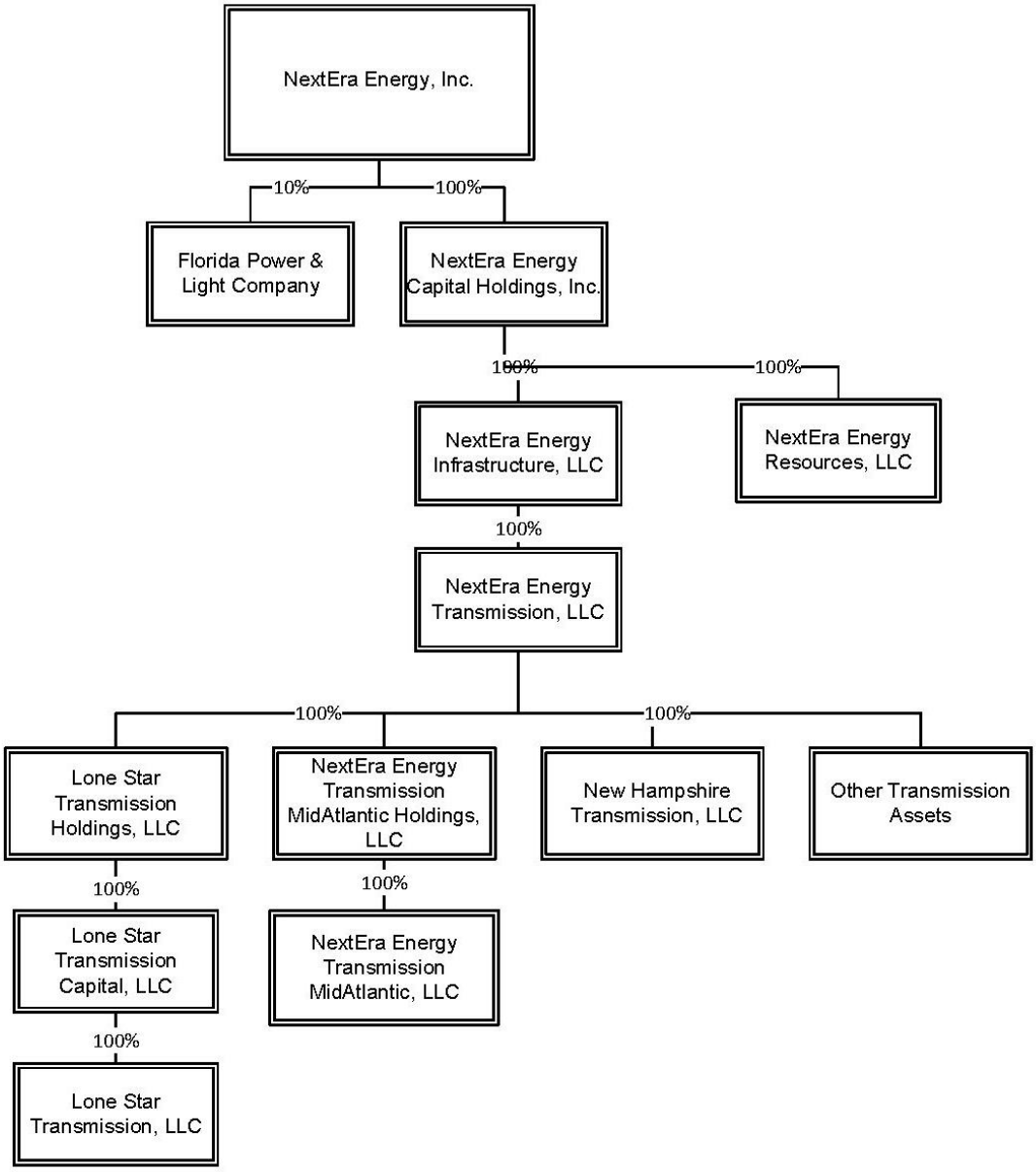
	Primary Contact	Secondary Contact
Contact Name:	**Brian Duncan** **Executive Director, Development** **NextEra Energy Transmission, LLC**	**Johnbinh Vu** **Director, Development** **NextEra Energy Transmission, LLC**
Address:	700 Universe Boulevard, UST/JB Juno Beach, Florida 33408	700 Universe Boulevard, UST/JB Juno Beach, FL 33408
Telephone:	(561) 304-5641	(561) 694-4831
Email:	Brian.Duncan@nexteraenergy.com	Johnbinh.Vu@nexteraenergy.com

3. COMPANY OVERVIEW (UPDATED)

NEET's and NEET MidAtlantic's previously submitted information has not materially changed.

NEET MidAtlantic Holdings is a direct subsidiary of NEET and benefits from the resources and experiences of the NextEra Energy, Inc. ("NextEra") family of companies. See Figure 1 and 2 of Attachment A for a summary of NextEra Energy and its subsidiaries.

Figure 1. Organization Chart



4. TECHNICAL AND ENGINEERING QUALIFICATIONS (UPDATED)

NEET's and NEET MidAtlantic's previously submitted information has not materially changed.

As noted above, NEET MidAtlantic Holdings is a direct subsidiary of NEET, which has been pre-qualified for Designated Entity Status by PJM. The information and statements relied upon by NEET and NEET MidAtlantic demonstrating its qualifications and experience are identical to the information and statements relied upon by NEET MidAtlantic Holdings. Therefore, NEET MidAtlantic Holdings incorporates by reference the information and statements made by NEET and NEET MidAtlantic in the 2013 Pre-

Qualification Application and the 2015 Update Document, copies of which are provided in Attachments A (Section 4) and Attachment B.

5. DEMONSTRATED TRANSMISSION EXPERIENCE (UPDATED)

NEET's and NEET MidAtlantic's previously submitted information has not materially changed.

The information and statements relied upon by NEET and NEET MidAtlantic are identical to the information and statements relied upon by NEET MidAtlantic Holdings. Therefore, NEET MidAtlantic Holdings incorporates by reference the information and statements made by NEET and NEET MidAtlantic in the 2013 Pre-Qualification Application and the 2015 Update Document, copies of which are provided in Attachments A (Section 5) and B.

6. PREVIOUS TRANSMISSION RECORD (UPDATED)

NEET's and NEET MidAtlantic's previously submitted information has not materially changed.

The information and statements relied upon by NEET and NEET MidAtlantic are identical to the information and statements relied upon by NEET MidAtlantic Holdings. Therefore, NEET MidAtlantic Holdings incorporates by reference the information and statements made by NEET and NEET MidAtlantic in the 2013 Pre-Qualification Application and the 2015 Update Document, copies of which are provided in Attachments A (Section 6) and B.

7. STANDARDIZED CONSTRUCTION, MAINTENANCE AND OPERATING PRACTICES (UPDATED)

NEET's and NEET MidAtlantic's previously submitted information has not materially changed.

The information and statements relied upon by NEET and NEET MidAtlantic are identical to the information and statements relied upon by NEET MidAtlantic Holdings. Therefore, NEET MidAtlantic Holdings incorporates by reference the information and statements made by NEET and NEET MidAtlantic in the 2013 Pre-Qualification Application and the 2015 Update Document, copies of which are provided in Attachments A (Section 7) and B.

8. FINANCIAL STATEMENTS (UPDATED)

NEET, NEET MidAtlantic, and NEET MidAtlantic Holdings benefit from the extensive, enterprise-wide financial resources of NextEra. A Fortune 200 company, NextEra's year-end 2017 balance sheet included approximately $98 billion of total assets and $28 billion of shareholder equity, with approximately 70% of NextEra's $17 billion in 2017 revenues derived from regulated utility sources. Consequently, NEET, NEET MidAtlantic, and NEET MidAtlantic Holdings through their parent holding companies, have the financial capacity to finance, develop, construct, operate, and maintain projects over the long-term. NextEra has access to and regularly secures financing in public debt and equity markets, and it is committed to supporting NEET, NEET MidAtlantic, and NEET MidAtlantic Holdings at the outset, with plans for NEET, NEET MidAtlantic and/or NEET MidAtlantic Holdings to subsequently access

the capital markets to raise long-term project financing as a stand-alone entity once projects pass major milestones. Further, NEET, NEET MidAtlantic, and NEET MidAtlantic Holdings have access to substantial credit lines, which can be readily accessed.

Current and historical financial information related to NextEra, including Annual Reports and financial statements filed with the Securities and Exchange Commission can be obtained from the following links:

- NextEra-Annual Reports[1]
- NextEra-Financial Statements[2]

NextEra Energy Capital Holdings

NextEra Energy Capital Holdings, Inc. ("NEECH") is a wholly-owned subsidiary of NextEra which holds ownership interests in and provides funding for NextEra's operating subsidiaries other than FPL. NEET, NEET MidAtlantic, and NEET MidAtlantic Holdings plan to finance projects from development through operations with corporate parent funding, both equity and debt, received from NEECH. NEECH maintains a strong investment grade credit rating and has access to and regularly secures financing in public debt and equity markets on behalf of NextEra and affiliates, which include NEET, NEET MidAtlantic, and NEET MidAtlantic Holdings. At some point in the future, after construction and during operation, potential projects could benefit from a portfolio financing of multiple assets that could be undertaken by NEET, NEET MidAtlantic, NEET MidAtlantic Holdings, or another NextEra affiliate. Projects by NEET, NEET MidAtlantic, and NEET MidAtlantic Holdings will be supported by NEECH's over $7.7 billion of net available liquidity, primarily consisting of bank revolving line of credit facilities and cash equivalents, less letters of credit issued under the credit facilities, and commercial paper outstanding. Consequently, NEET, NEET MidAtlantic, and NEET MidAtlantic Holdings, through NextEra and its financial affiliate NEECH, have the financial capacity to finance, develop, construct, operate, and maintain projects over the long-term.

NEECH's credit ratings as of December 31, 2017:

Company	Moody's	S&P	Fitch
NEECH	Baa1	A-	A-

During development, permitting and construction, and operation, projects will be supported 100% through corporate parent funding, which will consist of both equity and debt. Therefore, ratepayers will receive the benefit of a project constructed with strong equity support, without any risk of project-level leverage. Further, corporate parent funding benefits ratepayers by avoiding unnecessary and costly third-party transaction costs and providing the flexibility to complete projects under a range of possible scenarios (e.g., construction delays, regulatory interventions, etc.).

On or around the date of commercial operation, NEET, NEET MidAtlantic, or NEET MidAtlantic Holdings, as relevant, will seek to convert its short-term debt into long-term permanent financing, provided by

[1] Link references www.investor.nexterenergy.com

[2] Link references www.investor.nexterenergy.com

NEECH which could include a series of multiple long-term debt issuances that align with the forecasted declining net investment of the company's assets.

In addition to the capital markets, NextEra often looks to the bank market for attractive financing opportunities. Banks can sometimes provide greater flexibility with respect to our financing needs, but generally speaking, bank loans are considered an equivalent source of financing to the capital markets, and the two are used interchangeably to support the company's development pipeline. Strong demand exists from banks to lend to good quality credit borrowers with stable cash flow at attractive rates. Through NEECH, NEET, NEET MidAtlantic, and NEET MidAtlantic Holdings have access to a balanced and well-diversified lending group that can support bank financing.

9. COMMITMENT TO EXECUTE THE CONSOLIDATED TRANSMISSION OWNERS AGREEMENT (UPDATED)

NEET and NEET MidAtlantic each commit to execute the Consolidated Transmission Owners Agreement ("CTOA") if it becomes a Designated Entity in the PJM region.[3]

NEET MidAtlantic Holdings commits to execute the Consolidated Transmission Owners Agreement if it becomes a Designated Entity in the PJM region.

10. TIMELY REMEDY FAILURE OF FACILITIES (UPDATED)

NEET's and NEET MidAtlantic's previously submitted information has not materially changed.

The information and statements relied upon by NEET and NEET MidAtlantic are identical to the information and statements relied upon by NEET MidAtlantic Holdings. Therefore, NEET MidAtlantic Holdings incorporates by reference the information and statements made by NEET and NEET MidAtlantic in the 2013 Pre-Qualification Application and the 2015 Update Document, copies of which are provided in Attachments A (See specifically, Section 10) and B.

11. EXPERIENCE ACQUIRING RIGHTS OF WAY (UPDATED)

NEET's and NEET MidAtlantic's previously submitted information has not materially changed.

The information and statements relied upon by NEET and NEET MidAtlantic are identical to the information and statements relied upon by NEET MidAtlantic Holdings. Therefore, NEET MidAtlantic Holdings incorporates by reference the information and statements made by NEET and NEET MidAtlantic in the 2013 Pre-Qualification Application and the 2015 Update Document, copies of which are provided in Attachments A (See specifically, Section 11) and B.

[3] NEET MidAtlantic filed revisions to PJM's CTOA, which have been accepted at the Federal Energy Regulatory Commission, to reflect NEET MidAtlantic as a Transmission Owner in connection with its acquisition of the Rochelle Municipal Utilities Transmission System. NEET MidAtlantic will reflect that it is a party to the CTOA in a future update to its Pre-Qualifications.

ATTACHMENT A

NEET's Previously Submitted Application for Designated Entity Status, dated December 27, 2013

NEXTera™ ENERGY TRANSMISSION MIDATLANTIC

Pre-Qualification Submittal for Designated Transmission Entity Status

Submitted to PJM on December 27, 2013

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1. Introduction

NextEra Energy Transmission, LLC ("NEET") is pleased to submit this qualification registration under the terms of the PJM Amended and Restated Operating Agreement in Section 1.5.8(a) (FERC acceptance pending). We appreciate the opportunity to discuss our experience and expertise in transmission and energy infrastructure development, design, construction and operations. We are confident that NEET can support the region's growth by successfully delivering transmission projects throughout PJM's territory. We will do so using proven strategies and techniques using qualified personnel that have enabled NEET to deliver transmission projects in a timely, cost-effective manner. This application highlights NEET's significant experience, capabilities and resources to successfully deliver transmission projects. It also demonstrates how NEET is able to successfully leverage its parent company's, NextEra Energy, Inc. ("NextEra"), expertise and financial strength to deliver transmission projects in a timely and cost-effective manner. Our organizational and individual experience and expertise in developing, designing, building, financing and operating major infrastructure assets, including electrical transmission lines, make NEET a qualified company for completing and operating projects in the PJM region.

In summary, the information in this application will demonstrate that NextEra and its subsidiaries have the following qualifications:

- A leader in the development and operation of transmission assets;
- Ability to deliver electric infrastructure solutions, safely and reliably;
- Well established reputation for excellence;
- Extensive regulated and unregulated transmission experience;
- Top-quartile reliability as an operator of generation and transmission assets;
- Familiarity with operating challenges in all climates and environments;
- Extensive and long-standing vendor relationships; and
- Demonstrated ability to finance and effectively manage major projects.

2. Name and Address of the Entity Including Point of Contact

Parent:
NextEra Energy, Inc.
700 Universe Blvd.
Juno Beach, FL 333408

Indirect Subsidiary:
NextEra Energy Transmission, LLC
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Primary Contact:
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President, NextEra Energy Transmission
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Alternate Contact
Cheryl Dietrich
Director Business Management, NextEra Energy Transmission
561-691-7222 (office)
561-281-0923 (cell)
Cheryl.dietrich@nexteraenergy.com

3. Company Overview

3.1 Corporate Structure:

NEET is an indirect subsidiary of NextEra. Headquartered in Juno Beach, Florida, NextEra is a leading clean-energy company with revenues of approximately $14.3 billion, more than 42,000 megawatts of generating capacity, and nearly 15,000 employees in 26 states and Canada as of year-end 2012. See **Appendix 1** for a summary profile of NextEra and its subsidiaries.

NextEra's principal subsidiaries are Florida Power & Light Company ("FPL"), which serves approximately 4.6 million customer accounts in Florida and is one of the largest rate-regulated electric utilities in the United States, and NextEra Energy Resources, LLC ("NEER") which, together with affiliated entities, is the largest generator in North America of renewable energy from the wind and sun.

To provide clarity in the relationships between NEET and its affiliates and parent company as we refer to these companies throughout this submission, we have included a figure with affiliate company relationships in **Appendix 2.**

3.2 Overview of NEET

NEET is a wholly-owned indirect subsidiary of NextEra that was formed in 2007 to develop, own, and operate large transmission facilities across the United States and Canada. NEET's assets include transmission projects in Texas, New Hampshire, and Ontario.

Lone Star Transmission, LLC

Lone Star Transmission, LLC ("Lone Star") is a wholly-owned subsidiary of NEET located in Texas, which constructed and operates approximately 293 miles of double circuit and 35 miles of

single circuit 345 kV transmission line of 345- kilovolt ("kV") transmission line from eastern Scurry County to south central Navarro County, bringing renewable energy from the wind-rich areas of West Texas to the population centers.

New Hampshire Transmission, LLC

New Hampshire Transmission, LLC ("NHT") owns a 345 kV gas-insulated substation located in Seabrook, New Hampshire. The Seabrook Substation is critical to the ISO New England Inc. transmission network, connecting the Seabrook Nuclear Generating Station to the New England transmission grid, as well as interconnecting three 345 kV transmission lines in New England.

Upper Canada Transmission, Inc.

Upper Canada Transmission, Inc. ("UCT") is an indirect subsidiary of NextEra Energy Resources, LLC. On August 7, 2013, the Ontario Energy Board ("OEB") issued a decision selecting UCT as the designated developer for the East-West Tie, which involves construction of a new, approximately 250-mile long double circuit high-voltage electrical transmission line adjacent to an existing transmission line running between Thunder Bay and Wawa, Ontario which, in conjunction with the existing line, will increase capacity and reliability of electrical transmission between northeast and northwest Ontario.

Please see Appendix 3 which provides a summary overview of NEET, including its technical, operational, and financial capabilities.

4. Technical and engineering qualifications of the entity or its affiliates, partner, or parent company (Section 1.5.8(a)(ii))

4.1 Overview of Qualifications:

NextEra has over 50 years of North American and global experience in designing, building, financing and operating large-scale infrastructure assets (over $64 billion in aggregate). NEET benefits from the extensive, enterprise-wide resources of NextEra. Consequently, NEET is well-positioned and committed to becoming a long-term and significant participant in PJM's transmission infrastructure. NextEra's technical, managerial and financial qualifications include:

- Extensive high-voltage transmission development experience throughout North America;
- Superior technical and project management capabilities in development, design and construction, and operations & maintenance in a variety of geographic regions and challenging environments;
- Long-standing experience in operating transmission infrastructure while delivering the highest levels of reliability;
- Committed to a culture of safety and environmental and regulatory compliance;
- Wide-ranging experience consulting with landowners, and affected communities; and
- Demonstrated ability to finance and effectively manage major projects.

NextEra has over 50 years of technical expertise in engineering, constructing and operating large infrastructure projects, including transmission systems. NextEra owns and maintains more than 66,000 miles of distribution lines, approximately 8,200 circuit miles of transmission lines between 69 kV and 500 kV, and 750 substations across North America. Additionally, NextEra is a nationally-recognized company which has a reputation for completing large transmission projects in a timely and cost-effective manner.

4.2 Florida Power & Light Company

FPL is the largest rate-regulated electric utility in Florida, and one of the largest in the United States. At December 31, 2012, FPL's assets totaled approximately $34.9 billion, and FPL's generating resources for serving load consisted of 26,060 MW, of which 24,057 MWs were from FPL-owned facilities. FPL serves approximately 4.6 million customer accounts in Florida and is a leading employer in the state with approximately 10,000 employees. FPL operates and maintains approximately 1,106 miles of 500 kV transmission lines, including 4,624 structures and ten 500 kV substations, which is discussed in further detail in Section 5 below.

Due to FPL's ongoing investment in smart, cost-effective and efficient technologies, FPL is able to provide the most affordable electric service in Florida. For example, FPL's typical residential customer bills continue to be lowest of the state's 55 electric utilities (based on a 1,000 KWh typical bill) and 26% lower than national average in 2012.

In addition, FPL's reliability was the best among Florida's investor-owned utilities during the last five years. In 2012, FPL achieved its best-ever overall reliability performance as measured by the System Average Interruption Duration Index ("SAIDI"), which measures the average time a customer is without power.

4.3 NextEra Energy Resources

NEER is primarily a competitive wholesale power generator, which operates a portfolio of facilities, totaling over 18,000 megawatts, from power plants in 24 states and Canada. Its electric output is sold to companies and businesses with an interest in clean energy, including utilities, retail electricity providers, power cooperatives, municipal electric providers and large industrial customers. It has earned a strong reputation in power plant development, construction, and operations based on standardized processes, best practices and superior execution.

Additionally, NEER leads the power industry through its focus on clean and renewable energy. For example:

- Approximately 96 percent of its electricity comes from clean or renewable sources, including wind, solar, nuclear, gas and hydro.
- NEER is the No. 1 generator of solar and wind power in North America. *(Source: American Wind Energy Association and National Renewable Energy Laboratory)*
- NEER uses clean-burning fossil fuel with natural gas facilities in five states.

- NEER has the third largest nuclear fleet in the country, which produces no greenhouse gases.

4.4 NextEra Energy Transmission, LLC.

NEET currently owns and operates transmission utilities in New Hampshire and Texas, and is developing transmission projects throughout North America. Most recently, on August 7, 2013, the Ontario Energy Board issued a decision selecting Upper Canada Transmission Inc. (UCT), a partnership of NextEra Energy Canada ULC, Enbridge Transmission Holdings Inc., and Borealis EWT Inc. as the designated developer for the East-West Tie, which involves construction of a new, approximately 250-mile long double circuit high-voltage electrical transmission line adjacent to an existing transmission line running between Thunder Bay and Wawa, Ontario which, in conjunction with the existing line, will increase capacity and reliability of electrical transmission between northeast and northwest Ontario. UCT prevailed in a competitive proceeding involving six applicants who submitted detailed proposals for the project.

In addition, Lone Star, a wholly-owned subsidiary of NEET, includes 293 miles of double circuit and 35 miles of single circuit 345 kV transmission line, using spun concrete and tubular steel monopoles with braced post insulators. The project traverses various terrains and geological conditions requiring multiple specialized foundation types. Each phase consisted of horizontal double bundled 1590 ACSS TW Falcon conductor. The project also required the construction of three large greenfield switching stations and two series compensation stations.

Lone Star's primary and backup energy management system ("EMS") is in Florida, and primary and back-up control centers are located in Austin, Texas for system operations. In addition to its Texas operations team, Lone Star relies on shared NextEra transmission and substation personnel, processes and procedures, and benefits from the operational efficiencies of a well-established shared services organization.

4.5 Managerial Qualifications

NEET draws from its affiliate organizations to establish a project organization composed of a Management Team and a dedicated Technical Team with relevant subject matter experts. The Project Director, who is a member of the Management Team, oversees the Technical Team consisting of work streams with engineers, technicians, and other professional staff members to form the project organization. Technical team members are drawn from the deep and experienced talent pools of each affiliate organization, based on particular strengths. Ultimate responsibility for managing projects rests with the Project Director.

Project Director: The Project Director is responsible for all aspects of a project. The Project Director is the spokesperson for a project and interfaces directly with key external and internal stakeholders. The Project Director has authority to oversee all technical team leads and project resources. Once in the operations phase, the Project Director will be replaced by an operational executive of the project, to reflect the operational nature of the role.

Technical Team: The Technical Team reports to the Project Director and comprises five key subject matter experts who are Technical Team Leads ("Leads") for the following key project activities:

1. Route Development, Environment, Consultation and Relationship Management;
2. Financing;
3. Design;
4. Construction; and
5. Operations and Maintenance.

The Technical Team has the capability to call upon other key management personnel and support staff from across the NextEra organizations on a full or part-time basis, as needed.

Leads: Each workstream is managed by Leads who are seasoned subject matter experts currently working within NEET affiliate organizations, and who have past experience delivering similar projects. These individuals lead the day-to-day activities of their respective work streams. The Leads and their staff members remain active throughout the development and construction phases of a project.

NEET has access to hundreds of experts and professionals across NextEra's business organizations who can provide NEET with design, engineering, construction, licensing, financial, legal, regulatory, environmental, land and procurement expertise.

In addition, at appropriate stages throughout a project's lifecycle, NEET typically engages key third party contractors with local or subject expertise in areas such as environmental licensing and permitting, land services, engineering and construction, and operations and maintenance. Specific vendors are selected by way of a competitive bidding process.

4.6 Design Management Experience

NextEra has well-established engineering departments, which are involved in all phases of a project. NEET leverages NetxEra's engineering management experience and capabilities to engage third party firms. Specific design and engineering capabilities beneficial to a project, include:

- In-house expertise in transmission line and substation engineering and design; civil and structure engineering; protection and control and communications systems expertise;
- Experienced transmission line designers and subject-matter experts who will develop the scope of work documents for the construction plan, including structure drawings, plan and profile drawings and construction specifications;
- Experienced project management and construction management personnel, using robust project management processes and tools;

- Long-standing, collaborative relationships with many of the most experienced engineering firms in the power industry– firms that are already supporting our wind, solar, fossil, and transmission projects in development – bringing cost certainty and execution confidence.

NEET believes that NextEra's experience in designing infrastructure projects that meet strict regulations and reliability standards is invaluable in successfully delivering a project.

4.7 Construction Management Experience

Sequencing, scheduling, and logistics

NEET coordinates all activities through project management organizations and all activities are included in a detailed schedule maintained by the project team. Of particular importance to scheduling and transportation logistics is the procurement, construction tracking, and delivery of large power auto-transformers. These units require very long lead times and have complex transportation logistics due to their very large size and extreme weight. Specialized transport vessels and vehicles need to be scheduled and coordinated with manufacturers and vendors as well as project construction schedules to ensure seamless execution and successful commissioning once on site. NEET uses internal logistics teams along with its supply chain organization to ensure successful delivery of these key assets to our projects.

Experience with labor relations issues

NextEra has extensive experience working with both union and non-union contractors, including on Lone Star's recent Competitive Renewable Energy Zones ("CREZ") Project. NEET has a thorough understanding of labor agreements and how specific terms affect cost, schedule and project risk. Additionally, NextEra affiliate FPL's internal labor force is part of the International Brotherhood of Electrical Workers ("IBEW") and operates under a collective bargaining agreement. NextEra, therefore, has extensive knowledge and experience in managing activities under these labor arrangements.

Health and safety performance

NEET's safety vision is predicated on establishing and promoting the message that zero injuries is the only acceptable safety goal. NextEra`s "Zero Today!" safety program focuses on a zero-injury environment both at home and at work. This is a testament to NextEra's commitment to safety, and, above all, to our customers, employees and the community. NEET has a long track record of using safety programs for its employees and contractors, and benchmarks its safety indicators against industry standards to enable continuous improvement. NEET's goal is to have no incidents and to cause no harm to the environment and the public. In order to achieve this, NEET consults openly with our customers, neighbors, our contractors, employees; works with regulators, industry peers, and other partners to promote responsible health and safety

performance; and strives for continuous improvement. Please see Section 7 below for further discussion regarding NextEra's standardized safety policies and procedures.

5. Demonstrated experience of the entity or its affiliates, partner, or parent company to develop, construct, maintain, and operate transmission facilities, including a list or other evidence of transmission facilities the entity, its affiliate, partner, or parent company previously developed, constructed, maintained, or operated (Section 1.5.8(a)(1)(iii))

NextEra has over 50 years of experience developing, constructing, maintaining, and operating transmission facilities. NextEra's transmission lines and other infrastructure assets have been built in a wide range of geographies, from southern Florida to Alberta, Canada and their construction entailed working with a variety of stakeholders—from governments, Aboriginal groups in Canada and other landowners, to strategic and equity partners. Collectively, these projects have given NextEra a wealth of experience in designing for and building in challenging environments, as well as in managing complex stakeholder relationships and governance of partnership agreements.

NextEra's success with past projects has helped to amass a significant body of knowledge in many relevant areas, including project management, engineering, construction and operations. That knowledge, in turn, provides a foundation for developing innovative solutions, including: route optimization, use of new construction materials and technologies and flexible designs, which will increase project value for customers.

Drawing on NextEra's knowledge and experience, NEET has energized or is actively developing transmission projects in many areas, including in Texas, New England, New York, Hawaii, and Ontario, Canada among other locations. The Texas and Ontario projects were won pursuant to the first competitive processes and were the first competitive transmission project tenders in these jurisdictions. Further, NextEra's team has a proven history of meeting budgets and schedules, and demonstrating superior capabilities in designing, building, commissioning and operating large, complex infrastructure projects.

NEET's key management personnel have a history of successfully working together on major capital projects representing billions of dollars in investment. Key individuals who will be involved in future projects include professionals who have collaborated in the development, design, construction and operation of prior transmission and other major infrastructure projects. We plan to draw on the capabilities and collaborative effort of these key individuals and their existing relationships to successfully deliver projects.

5.1 Expertise in Transmission Projects

NextEra's team has proven capabilities in constructing and managing extra high voltage ("EHV") transmission line projects, which is considered to be transmission lines over 230 kV. Completed projects across North America comply with the design, reliability, and operational standards of a number of different authorities across the region.

5.1.1 FPL EHV Experience

NextEra's Florida rate-regulated utility, FPL, designed, constructed and currently operates and maintains approximately 1,106 miles of 500 kV transmission lines, including 4,624 structures and ten 500 kV substations. This system traverses the state of Florida, from the Florida/Georgia state border to the Miami area in the southernmost part of the state, a distance of over 370 miles. The majority of construction of the 500 kV System occurred from the 1970's through the 1990's. FPL continues to operate, maintain and make ongoing capital improvements to this day.

FPL's transmission system is of vital importance to the state, providing bulk power transfers and ensuring reliability. Additionally, FPL's 500 kV System is designed to provide excellent reliability in challenging environments, which includes:

- High lightning density and aggressive salt contamination environments, requiring specific approaches to line insulation and steel corrosion protection; wetland environments requiring roadless construction methods, and
- Environmental conservation areas, river crossings, and geographically diverse terrain.

Between 2006 and 2012, FPL, invested approximately $1.52 billion in Florida transmission infrastructure. These projects included building new transmission lines (overhead and underground), rebuilding/upgrading existing lines, and associated addition and modifications to substations. Between 2013 and 2016, FPL is planning to complete transmission projects totaling more than $1.26 billion

There are several areas where FPL continues to implement initiatives to improve the overall reliability of the transmission system. The FPL System Control Center ("SCC") is a state-of-the-art facility that plays a key role in the efficient operation of FPL's transmission and substation systems. The quality and availability of tools and information on the status of FPL's system are hallmarks of FPL's SCC. Coordination among FPL and other members of the Florida Reliability Coordinating Council to improve system management demonstrates FPL's continuous commitment to the reliable operation of the electric system. FPL operates its transmission system in full compliance with all applicable standards. Another example of a major transmission reliability initiative is the creation of a Transmission Performance and Diagnostic Center ("TPDC"). The TPDC is a center for monitoring the critical operating parameters of transmission equipment and performing analyses. Current and near-future assessment methods provide early prediction of asset failures by monitoring and using real-time statistical analysis of equipment performance to identify abnormal conditions. The health of transmission and

substation equipment is continuously monitored through the use of dashboards and other informational displays. The TPDC also provides analyses of system events and acts as a transmission and substation support team.

5.1.2 Lone Star EHV Experience

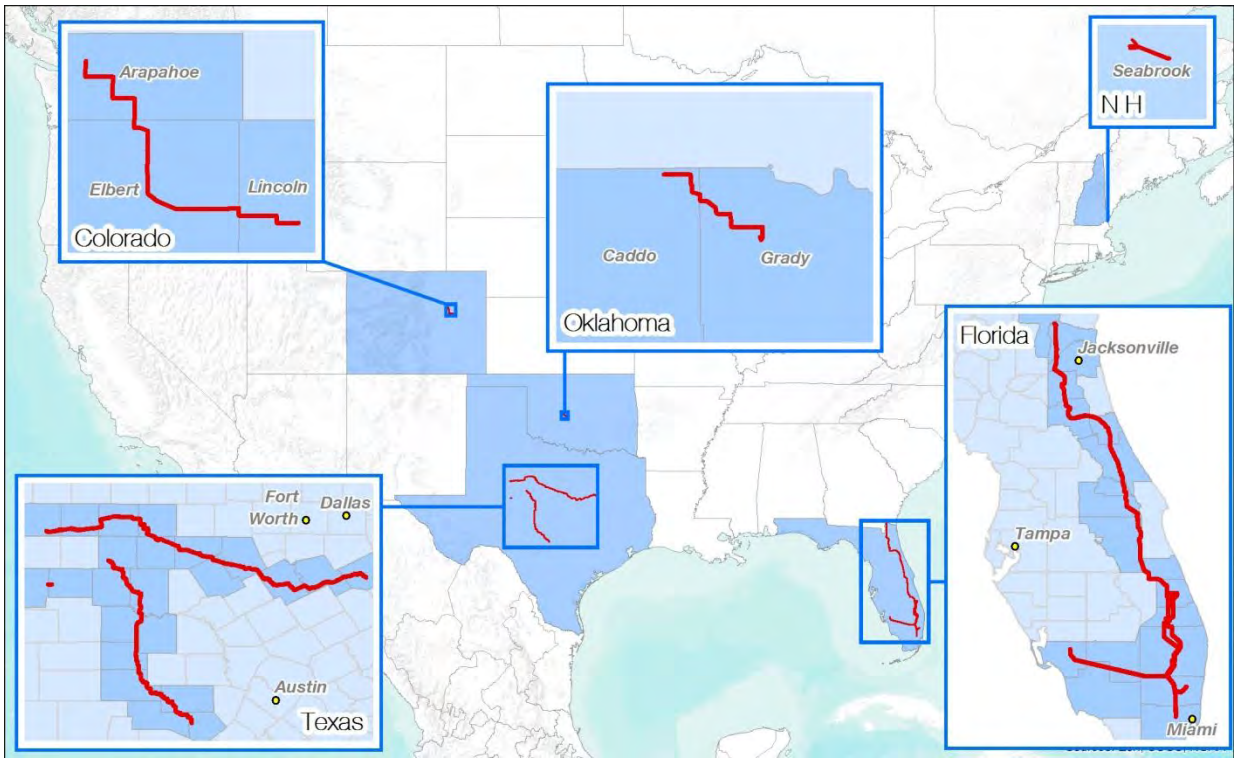
Other NextEra companies have exhibited the ability to design, construct and energize EHV lines on accelerated time frames. For example, Lone Star recently completed construction and energized its CREZ Project on schedule and for tens of millions of dollars less than the original budget. This included starting a utility from scratch to develop, construct and operate 329 miles of 345 kV lines, five 345 kV substations and associated facilities.

5.1.3 NEER EHV Experience

NEER, an affiliate of NEET, built a 214 mile, 345 kV transmission line project, including two 345 kV and six 138 kV substations, to interconnect several of its wind generation sites in Texas. This project was completed on a very aggressive schedule—only 16 months from project conception to commercial operation.

5.1.4 NextEra's Extensive EHV System

The figure below provides a view of NextEra's extensive EHV system:



5.2 NEET EHV Capabilities

In addition to the EHV project examples outlined above, below is a description of NEET's general capabilities with EHV transmission:

- **Design & Engineering:** NEET has access to EHV expertise through experienced in-house engineering resources, processes, systems and tools, and through a number of external third party organizations that are presently operating EHV transmission facilities. This includes:

  - In-house expertise in transmission line and substation engineering and design, including 500 kV civil and structural engineering, protection and control, as well as communications systems expertise.
  - Experienced transmission line designers and subject-matter experts that will develop the scope of work documents for the engineering and construction plan including: structure and conductor selection; structure and equipment specifications and drawings; plan and profile drawings; and construction specifications.
  - Long-standing, collaborative relationships with many of the most experienced engineering firms in the power industry, which are already being used to support wind, solar, fossil, and transmission projects in development. This shared and collaborative experience from other projects allows us to be more efficient and effective in working with partners and supplier, particularly from a budgeting and implementation management perspective.

- **Construction:** NEET brings depth of experience in construction of transmission and substation facilities. Our completed projects across North America comply with the design, reliability, and operational standards of applicable authorities across the respective region.

- **Operations and Maintenance:** NEET will leverage in-house and third-party resources for the safe, reliable and efficient operation and maintenance of its transmission assets.

  - Well-established operating practices and standardized processes, which are already being used at NextEra's EHV transmission facilities.
  - Access to over 180 power system professionals, including technicians and other staff, with expertise in all aspects of transmission and substation equipment installation, maintenance and repair. Many of these personnel will provide support to NEET through our Transmission Performance & Diagnostic Center ("TPDC"). This center serves as a hub for technical knowledge, as well as remote condition assessment and field asset health information, in support of operations.
  - Ongoing experience managing and successfully delivering a significant number of projects annually, including major system upgrades and maintenance initiatives at operating facilities.

- Additionally, experience supporting O&M services to NextEra subsidiaries in 24 U.S. states and four Canadian provinces.
- An excellent record of transmission and substation reliability, built on robust design and O&M programs that incorporate condition assessment, diagnostics, and asset management for effective and efficient investment of resources and capital.
- Experience addressing a wide variety of operating challenges ranging from hurricanes, tornadoes, and other high wind conditions, to salt spray contamination, avian interaction, and lightning. For example, every outage in the FPL transmission system, as well as the Lone Star system, is followed up by an Event Response Process in which NextEra uses diagnostic techniques to identify the root cause of a problem to prevent reoccurrence. Solutions to transmission O&M problems include new designs, new conditions assessment processes, and/or new products. NextEra often works directly with equipment manufacturers to develop these solutions in order to continually improve the reliability of its transmission systems. This has prepared us well to manage extreme geographic and climate conditions that NEET is likely to face in future projects.

Appendix 4 provides a detailed list of various past projects that showcase NextEra's relevant experience and demonstrate its breadth of experience.

6. Previous record of the entity or its affiliates, partner, or parent company regarding construction, maintenance, or operation of transmission facilities both inside and outside of the PJM Region (Section 1.5.8(a)(1)(iv))

6.1 Design Experience: FPL

As a regulated utility, NEET's affiliate, FPL, has over 50 years ofexperience in the design of high voltage transmission line facilities, including over 1,100 miles at the 500 kV voltage level. FPL's expansive 500 kV System was designed and built from the 1970s through the 1990s and has continued to grow, with additions to the system in the past decade. NextEra transmission engineers also continue to design and execute reliability improvement projects including a comprehensive insulator replacement project, structure replacements and foundation analysis and repair projects.

The FPL 500 kV system has performed remarkably well through numerous extreme weather events, including several Atlantic hurricanes. Additionally, Nextera has been designing 500 kV structures and systems to allow for bare hand maintenance work practices, and FPL has crews that have performed energized bare hand maintenance on its circuits since the 1980s, including approximately 20 high-voltage line specialists certified that are active today. The overall FPL EHV system has been designed using a variety of structures and materials from steel lattice to tubular steel to state-of-the-art spun concrete steel reinforced monopoles.

6.2 Design Experience: Lone Star

In the early stage of Lone Star's CREZ Project, employees worked with an engineering consultant to develop design criteria, initiate studies required to define equipment and reactive compensation requirements, and to determine the station layouts and structure/conductor selection. The team worked to develop the scope for these projects, addressing reliability and performance, corona, insulation coordination, and the development of a new series of breakers and other equipment capable of the 5,000 amp requirements for the CREZ project. New spun concrete monopoles and braced post insulator concepts were developed for the compact line design, while addressing concerns over longitudinal loads and failure containment (see picture below).

As the scope of the Lone Star CREZ project solidified, the team managed the engineering, material procurement, construction and commissioning efforts. The execution plan defined how the team intended to design and construct the line. Elements of the execution plan included the structure and conductor type, station layout and equipment requirements, milestone schedule, bid strategy (e.g., EPC or separate) and resource requirements.

7. Capability of the entity or its affiliate, partner, or parent company to adhere to standardized construction, maintenance and operating practices (Section 1.5.8(a)(1)(v))

Transmission is a heavily regulated sector of the electric utility industry. Under the direction of the Federal Energy Regulatory Commission ("FERC"), the North American Electric Reliability Corporation ("NERC") has developed and issued 116 reliability standards, of which 104 standards, containing 1,080 requirements and sub-requirements govern FPL's Transmission operation and maintenance of the Bulk Electric System ("BES"). NERC's purpose for

implementing these standards is to ensure the provision of reliable electric service while allowing for planned and unplanned contingencies.

7.1 Quality Control Processes

NEET employs quality control ("QC") and quality assurance ("QA") management procedures on projects. Accordingly, NextEra requires its consultants to have a QC/QA process that typically involves peer and supervisor level review of engineering work and review of material and equipment bids. To establish a firm foundation for design, the consultant is required to develop the design criteria. The design criteria is reviewed by internal subject matter experts to verify that the criteria is valid, correct and adequate. Subsequent deliverables are evaluated against the design criteria, and checked for consistency across all drawings and specifications. Much effort is put into due diligence when evaluating routes, soil conditions and other constraints.

7.2 Safety Rules and Regulations

The core of NextEra's safety culture is a robust risk assessment framework, which is applied to evaluate every safety risk associated with a particular job, with the objective of mitigating risks prior to beginning any work. This is supported and enhanced by a peer assessment program.
The success of such programs is evident in the fact that 24 of NextEra's generation and transmission operating sites have achieved STAR status in the Operational Safety Health Administration ("OSHA") Voluntary Protection Program ("VPP"). OSHA STAR status means that the worksite is exemplary in implementing comprehensive, successful safety and health management systems, having achieved injury and illness rates at or below the national average of their industry. Overall, NextEra's safety statistics are significantly better than national averages.

7.3 Remote Site Safety Plan

NextEra developed and implemented a remote site safety plan for remote site work, particularly during the initial field studies and environmental/cultural surveys. This plan ensures continuous monitoring of the safety status of NextEra and contractor personnel in the field, along with the use of work plans, field safety equipment, cell phone updates, SPOT GPS emergency devices and other procedures, which are all incorporated into the overarching safety plan for a project.

Ensuring a safe work environment ultimately leads to lower risk of workplace injuries and lower costs. All project field crews are trained and random internal audits are carried out to ensure that personnel are complying with the health, environmental and safety elements of the safety plan.

7.4 FPL Process to Respond to Storms

NextEra and its subsidiaries have developed project-specific plans to respond to large scale emergencies involving project facilities. For instance, FPL's service area is uniquely susceptible to impacts of severe weather systems such as tropical storms and hurricanes, and the organization has a comprehensive plan to respond safely and as quickly as possible when the electric infrastructure is damaged by a hurricane, tropical storm, or any other severe weather

event. It recognizes that the severity and nature of storm damage can vary widely and accounts for the fact that power restoration will be affected by the path and intensity of the storm, the storm's impact on other utilities and how quickly additional restoration workers and supplies can reach Florida. FPL updates its storm plan every year based on lessons learned from the previous year's storms across North America.

7.5 Event Response Process

Every outage in NextEra's transmission system is followed up by an Event Response Process in which NextEra uses diagnostic techniques to identify the root cause of a problem to prevent reoccurrence. Solutions to transmission O&M problems include new designs, new conditions assessment processes, and/or new products. NextEra often works directly with equipment manufacturers to develop these solutions in order to continually improve the reliability of its transmission systems. This approach has prepared us well to manage extreme geographic and climate conditions that the company is likely to face in future projects.

7.6 NERC Compliance Program

NextEra's Compliance & Responsibility Organization ("CRO") is responsible for comprehensive oversight and management of regulatory compliance activities. The CRO oversees FERC compliance activities, including Standards of Conduct and Market Manipulation as well as NERC Reliability Standards. CRO provides functional oversight, guidance, and training, for various compliance execution programs. NEET's compliance program leverages existing CRO oversight processes and the centralized management of regulatory updates, internal auditing support and coordination with regional regulatory groups and NERC. NextEra currently operates in all eight NERC regions, and as such, has an enterprise-level NERC Internal Compliance Program ("ICP") which consists of:

- Compliance processes and procedures;
- Effective training and education for roles and responsibilities;
- Monitoring compliance and enforcement for violations; and
- Corrective actions.

The results of the CRO's efforts to date have been externally recognized by Ethisphere magazine. Ethisphere magazine provides third-party verification of compliance programs and ethical cultures. It conducted a review of NextEra's compliance program against federal guidelines and designated it with "Compliance Leader Verification" through Dec. 31, 2013. According to Ethisphere, this designation recognizes companies with "best-in-industry compliance programs," and those that "proactively invest resources in compliance, sending a clear signal to key stakeholders that your company takes compliance and ethics seriously."

7.7 Reliability Program

NextEra's asset development and maintenance approach is based on an ownership mindset, whereby we take pride in ownership and focus on optimizing asset life, condition and value. This mindset is embedded in our culture and is reflected in the attitudes of our leaders, managers and staff.

NextEra continuously implements asset management strategies to ensure long-term safety, reliability and economic operation of all of its transmission assets. The focus is always on extending the useful life of equipment through monitoring or proactive maintenance activities, or outright reliability replacements.

As long-term owners and operators of all of our transmission assets, we ensure their maintenance and continued performance for the benefit of our customers and our company's long term financial success.

NextEra's transmission reliability programs include the following:

- Facility/System Assessments,
- Targeted Maintenance,
- Prevention through Prediction,
- Prevention of Recurrence,
- Vegetation Management, and
- Smart Grid Technology.

These programs utilize diagnostic tools to assess equipment and facility conditions. The information obtained from these assessments is used to develop a plan for maintenance and replacement. Resulting processes and initiatives are executed in a cost-effective manner that maintains grid reliability and reduces the frequency and duration a customer is without electricity due to transmission and substation events.

8. Financial statements of the entity or its affiliates, partner, or parent company for the most recent fiscal quarter, as well as the most recent three fiscal years, or the period of existence of the entity, if shorter, or such other evidence demonstrating an entity's current and expected financial capability acceptable to the Office of the Interconnection (Section 1.5.8(a)(1)(vi))

Current and historical financial information related to NextEra, including Annual Reports and financial statements filed with the Securities and Exchange Commission can be obtained from the following links:

NextEra- Annual Reports[1]

NextEra- Financial Statements[2]

NEET benefits from the extensive, enterprise-wide financial resources of NextEra. A Fortune 200 company, NextEra's year-end 2012 balance sheet included over $64 billion of assets and $16 billion of shareholder equity, with more than 70% of NextEra's $14 billion in 2012 revenues derived from regulated utility sources. Consequently, NEET, through its parent company, has the financial capacity to finance, develop, construct, operate and maintain projects over the long-term. NextEra has access to and regularly secures financing in public debt and equity markets, and it is committed to supporting NEET at the outset with plans to subsequently access the capital markets to raise long-term project financing as a stand-alone entity once projects pass major milestones. Further, NEET has access to substantial credit lines, which can be readily accessed.

8.1 NextEra Energy Capital Holdings

NextEra Energy Capital Holdings, Inc. ("NEECH") is a wholly-owned subsidiary of NextEra which holds ownership interests in and provides funding for NextEra's operating subsidiaries other than FPL. As of September 30, 2013, NEECH had over $4.4 billion of net available

[1] Link references www.investor.nexterenergy.com

[2] Link references www.investor.nexterenergy.com

liquidity, primarily consisting of bank revolving line of credit facilities and cash equivalents, less letters of credit issued under the credit facilities, and commercial paper outstanding.

NEECH relies on access to credit and capital markets as significant sources of liquidity for capital requirements, and other operations that are not satisfied by operating cash flows. NEECH's current credit ratings are as follows

Company	Moody's	S&P	Fitch
NEECH	Baa1	A-	A-

9. Commitment by the entity to execute the Consolidated Transmission Owners Agreement, if the entity becomes a designated entity (Section 1.5.8(a)(1)(vii))

NEET commits to execute the Consolidated Transmission Owners Agreement if it becomes a Designated Entity in the PJM region.

10. Evidence demonstrating the ability of the entity to address and timely remedy failure of facilities (Section 1.5.8(a)(1)(viii))

10.1 Responding to Emergencies and Equipment Failures

NEET has effective processes and procedures in place to allow it to quickly respond to all emergencies and equipment failures on its high voltage transmission systems utilizing a variety of solutions depending on the circumstances. The event response plan, supported by a comprehensive spare strategy and emergency plans, ensures an appropriate response to catastrophic events. NEET augments the process and strategies in the emergency plan to account for the effects of a project's unique environmental, weather and topography conditions. In particular, NEET incorporates specific weather operating plans and experiences from NextEra, which currently operates assets throughout North America.

NEET leverages the extensive experience of NextEra affiliates, such as FPL, to develop project-specific plans to respond to large scale emergencies involving project facilities. For instance, FPL's service area is uniquely susceptible to impacts of severe weather systems such as tropical storms and hurricanes, and the organization has a comprehensive plan to respond safely and as quickly as possible when the electric infrastructure is damaged by a hurricane, tropical storm, or any other severe weather event. It recognizes that the severity and nature of storm damage can vary widely and accounts for the fact that power restoration will be affected by the path and intensity of the storm, the storm's impact on other utilities and how quickly additional restoration workers and supplies can reach Florida. FPL updates its storm plan every year based on lessons

learned from the previous year's storms across North America. Although each project can be in a much different operating climate and geography, NEET uses equivalent processes for organization and response to severe weather and system events in the project area. These plans are adjusted as necessary to apply to the facilities and coordinate with applicable regional emergency processes.

10.2 Spare Parts Policy

NEET develops a specific spare equipment and parts strategy for project facilities based on system needs, which is available at the time the transmission facilities become operational. This spare strategy is based on final station and line design and leverages existing mutual assistance agreements in the region. Further, NEET establishes outage coordination processes and procedures, which are applied to support planned and emergency maintenance activities, in accordance with the applicable ISO operating procedures and requirements. NEET also maintains a comprehensive plan for all facility maintenance and outage requirements and coordinates with the applicable ISO and other transmission operators as required on all planned and un-planned outages and maintenance requests.

10.3 Safety Management

NextEra has created a behavior-based safety and hazard/risk assessment culture that is focused on the elimination of work place injuries through programs such as "Zero Today!". This has yielded an enviable safety record that NEET is very proud of and intends to replicate for future projects. Future projects will adopt and be integrated into the established safety processes, procedures and tools of NextEra affiliates. NEET's safety management includes a comprehensive safety program including:

- Incorporation of and adherence to a safety rule book for field operations;
- Incorporating staff and systems into our Safety Information Management System and Near-Miss Program;
- Establishing a Switching Manual for use on planned and emergency switching processes on facilities;
- Incorporating Human Involvement Event prevention through NextEra Human Performance Tools for prevention, detection and correction of at-risk behaviors and conditions;
- Leveraging safety reporting processes for sharing lessons learned and mitigation plans across the enterprise; and
- Driving to achieve OSHA Voluntary Protection Program STAR recognition or equivalent for the project.

10.4 Maintenance Plan

NEET establishes a comprehensive operations and maintenance plan for project facilities, in particular, NEET leverages FPL's practices for:

- **Condition Assessment**: proactive line and substation evaluations to prevent future outages or equipment failures;
- **Event Response:** responding to power outages or equipment failure to minimize exposure and customer impacts, and prevent recurrence through root cause identification and countermeasure deployment;
- **Work Management:** maintaining components of the system while optimizing capacity, reliability, resource deployment, and operational efficiency; and
- **Vegetation Management:** using an Integrated Vegetation Management process based on ANSI A300 Part 7 and fully compliant with NERC FAC-003 Reliability Standard and applicable regional standards.

Together, these main processes and comprehensive approach to asset management ensures that assets perform within the required reliability and availability performance criteria specified by the applicable reliability standards and requirements. These plans and processes are also designed to support the continued health and reliability of project facilities throughout their life.

10.5 Availability Requirements Plan

NEET establishes transmission operations personnel both in the project area and in support functions throughout the NextEra affiliate company organizations to ensure availability in response to emergency operating conditions. NextEra field operations personnel, directly and through applicable contracts with third-party vendors in the project area, respond to any and all operating events during normal and emergency conditions. Through its real time monitoring and coordination with the applicable ISO and neighboring entities, NextEra transmission operations personnel coordinate responses to emergency conditions for the facilities. In addition to proven event response processes, NEET also establishes a comprehensive emergency operations plan, which outlines individual roles and responsibilities, and is incorporated into applicable emergency plans at the applicable ISO. The emergency operations plan also address applicable NERC and ISO compliance requirements, including, as applicable, black start coordination and critical asset recovery plans.

11. Description of the experience of the entity in acquiring rights of way (Section 1.5.8(a)(1)(ix))

NextEra and its subsidiaries, including NEET, have decades of experience in acquiring rights-of-way for energy infrastructure across North America. In constructing a transmission project, many of NextEra's business organizations, such as Land Services, Legal, and Environmental Services, are involved and responsible for negotiating and acquiring the necessary land interests

for a project, as well as providing an active field presence through the corridor and route selection process and the Environmental Assessment phase in support of regulatory applications. This effort includes active involvement in various open houses, coffee talks and individual consultation with stakeholders that are directly impacted, directly adjacent, and within a prescribed radius of a project. Following the routing process, the responsible NextEra business organization engages in discussions with directly impacted landowners to negotiate and acquire the necessary land interests to support project execution and completion. The schedule to complete acquisition is typically 8-12 months, with potential right of entry processes following receipt of primary permit. Right of entry processes typically takes 18-20 weeks.

11.1 Example NextEra Transmission Projects Requiring Rights of Way

FPL's 500 kV System

FPL's 500 kV system is the backbone of its bulk power electric grid. With an original investment of more than $950 million, the 500 kV system spans over 1,780 circuit miles, with 4,624 structures interconnecting ten substation sites, across the entire FPL service territory, running through forests, farmland, agricultural and wetland areas. Initial design and construction of the FPL 500kV network began in the 1970's and continued through the 1990's. The network traverses the state of Florida, from the Florida/Georgia state border to the Miami area, in the southernmost part of the state. As such, the system is of vital importance to the state, providing bulk power transfers and ensuring reliability.

Lone Star Transmission

The Lone Star's transmission project was constructed over a two year period (2011-2013) and includes 293 miles of double circuit and 35 miles of single circuit 345 kV transmission line, using spun concrete and tubular steel monopoles in a braced post insulator framing scheme. The project traversed various terrains and geological conditions requiring multiple specialized foundation types. The route passes through three eco-regions and three watersheds in central and eastern Texas.

Several environmental concerns were present on the Lone Star Project. For example, endangered bird species were encountered along the line route, which required that any clearing of habitat be performed outside of breeding and nesting seasons. In many cases this limited or eliminated the ability for ROW clearing. Mitigation measures included design alteration, strategically timed construction activities, and development and implementation of segment specific Environmental Management Plans.

Texas Clean Energy Express

The Texas Clean Energy Express Transmission project was constructed over a nine month period (2008-2009) by NEER, an affiliate of NEET, to interconnect several of its wind generation sites

which were being curtailed due to congestion on the ERCOT system. The project includes a 214 miles, 345 kV transmission line with two 345 kV and six 138 kV substations. The project was constructed in flat to rugged ranch land in West Central Texas. Endangered species were encountered along the line route, which required clearing to be performed after migration. This required multiple resources to be staged in multiple locations along the route to allow timely clearing completion. In addition, where possible, NEER used taller structures to span habitat to minimize disturbance.

Blythe Transmission Line

The 67 mile, single and double circuit 230 kV Blyth Transmission Line was built by NEER in 2010 to interconnect NEER's 520MW natural gas-fired Blythe Energy Plant into the Southern California Edison ("SCE") 230kV transmission grid at the Julian Hines Substation. The line paralleled existing 161kV and 500kV lines for 30% of the route and was constructed in a 33 yard right-of-way. The project was constructed through a remote area of the Mojave Desert in Southeastern California on primarily Bureau of Land Management ("BLM"). Due to the location, NEER was required to mitigate for encountered endangered species along the line route. Additionally, the company addressed cultural and archaeological issues, requiring Native American support and inspection compliance.

Crystal Lake Gen-Tie

Constructed by NEER in 2008, this is a 38 mile, 161 kV transmission line which connects NEER's Crystal Lake Wind Energy Centers (416 MWs), located in Hancock and Winnebago Counties in Iowa, into the 230 kV transmission grid at the Interstate Power Substation. Certain sections of this project were constructed over sensitive environmental areas, including wetlands. Additionally, NEER was required to construct the transmission line only on one side of the road, which required significant coordination with various municipalities and electric companies in order to co-locate their equipment.

Peetz Logan Gen-Tie

Constructed in 2007 by NEER, Peetz Logan Interconnect is an approximately 100 mile 230 kV line which connects four NextEra wind farms with a total installed nameplate capacity of 574.3 MW in Logan County, Colorado to Public Service Company of Colorado's Pawnee Substation near Brush, Colorado. The line traverses primarily ranch land using predominantly private right of way and includes crossings of Interstate 70 and the South Platte River.

Limon Wind Gen-Tie

Constructed between 2011-2012 by NEER, the Limon Wind Gen-Tie is a 42 mile 345 kV transmission line built to connect Limon Wind Energy Center (400 MWs) located in Limon County, Colorado to Excel Energy's Missile Site substation. The majority of this project was

constructed on private ranch land consisting of rolling hills, desert flatlands and several mesas, which are characteristic to the terrain of the eastern plains. The topography created a few construction challenges, which were mitigated by acquiring a 150' right of way easement for construction. Additionally, the company addressed environmental and endangered species concerns along the route.

Please see **Appendix 4** for further discussion regarding specific projects in which NextEra acquired rights-of-way.

11.2 Land Acquisition Milestones

The following table summarizes NextEra's key land acquisition milestones.

LAND ACQUISITION MILESTONES

Milestone	Activity	Deliverable
Key Resources Contracted	• Land agent firm and appraisal contract in place; • Key internal supporting roles established	• Acquisition team established
Team Orientation	• Document control protocol established • Review of routing process and regulatory application to identify commitments and define follow up plans • Review of key messaging and communication plan, engineering and design parameters and constraints and environmental constraints or requirements • Acquisition documents developed for the various land interests to be acquired • Initiation of pattern of dealings report	• Acquisition plan and approach clearly defined
Land Acquisition Kick off	• Survey access obtained and field surveys completed • Base line testing for electromagnetic field and telecommunication devices completed • Finalization of compensation structure based on appraisal • First contact as part of the acquisition phase with directly impacted landowners	• Individual Ownership Plans ("IOP's") created showing right of way, temporary work spaces and accesses including snub sites and staging areas • Compensation package finalized

Milestone	Activity	Deliverable
Negotiations with Directly Impacted Landowners	• Acquisition package to be provided to landowner including; IOP, Offer of Compensation, acquisition documents, design and engineering parameters, and activities to expect through construction • Itemization of issues identified by landowner in hearing process reviewed and responded to • Identification and consultation of proposed structure locations through design optimization	• Acquisition completed following several discussions or; • Right of Entry process initiated
Land Interests Secured	• Finalization of negotiations or Right of Entry Proceedings completed	• Right of Way or Right of Entry obtained for purposes of construction

11.3 Developing Plan to Obtain Rights-of-Way

In developing a plan for obtaining land use rights and rights-of-way, NEET considers numerous factors, such as:

- Landscape for linear development and associated challenges;
- Engineering, siting and constructability; legislative requirements for land acquisition;
- Land ownership and land use (private, agricultural, traditional use, acreage/recreational property, forestry, industrial operations);
- Land acquisition approach and required resources;
- Identifying land and rights-of-way activities that will occur throughout a project;
- The schedule and budget for project execution; appraisal reports to quantify highest and best use and fair market value of any given property; current pattern of dealings and existing precedent for compensation; and
- Landowner and stakeholder questions and concerns and the ability to adequately respond and mitigate those questions and concerns.

11.4 Landowner Relations

NEET is committed to building and maintaining respectful relationships with landowners, municipalities and local communities engaged in, and affected by, its projects. We implement projects and operate facilities ethically and responsibly, supporting the needs of stakeholder communities, investors, governments, and employees. NEET is committed to using design and construction techniques that avoid impact on endangered species and habitat, and to restoring the construction sites of our projects. We understand the issues related to the routing of linear projects in general and our priority is to support the strength and vibrancy of affected stakeholder communities.

As it relates to compensation, this process is coordinated in an equitable and consistent manner specific to the subject ownership, use and type of land. This involves the development of a fairness letter that is issued to all landowners indicating that similarly situated landowners will receive the same compensation, on a per acre basis, for the acquisition of land rights. This approach has been successfully employed by NEET on past projects, as it optimizes landowner harmony and enhances our long-term relationship with affected landowners.

The Lone Star project provides a good example of the type of measures NEET has in place to manage and mitigate potential land rights issues before and after acquisition. During the Lone Star project NEET ensured:

- An active field presence on the project throughout construction and restoration;
- Continuity of agents throughout the project to establish relationships with landowners; and
- Implementation of standardized reporting practices to ensure transparent communications and to document commitments.

11.5 Overview of Land Rights Management and Stewardship of Lands

NextEra operates a variety of programs to safeguard the communities in which company facilities are located, such as an environmental compliance tracking program, a corporate environmental audit program to ensure use of best management practices for environmental compliance, and a local complaint resolution program to immediately respond to community concerns during construction and operation. Due to the success of these proactive environmental programs, NextEra has been awarded numerous distinctions, such as selection as one of the Global 100 most sustainable large corporations in the world, and being named on the Carbon Disclosure Leadership Index and as a TreeLine USA utility.

11.6 NEET's Land Management Experience

The Lone Star project provides a good example of NEET's experience in conducting land rights management activities. Lone Star was the only electric transmission project named an International Right of Way Association ("IRWA") Top Ten Project of the Year in October 2013. IRWA's Project of the Year Competition was instituted to showcase the role of right of way professionals in bringing leadership proficiency and innovative cost-saving measures to the infrastructure projects they oversee. Some highlights of the Lone Star experience include:

- Land acquisition efforts acquired unrestricted construction access, via easement or possession and use agreement, to more than 670 parcels in eleven counties in 58 weeks - more than 1,700 parcels were "touched" to one degree or another on the way to selecting the route that was eventually built;
- Implemented an aggressive plan to better manage the acquisition and construction of the project by dividing the entire project into smaller segments, identifying every step in the life of a parcel and developing an integrated schedule for each of the segments that incorporated

land acquisition, environmental, surveying, title, legal, engineering, construction, appraisal – overlapping work on segments concurrently so that the overall schedule was met;

- Maintained positive relations with county judges, county commissioners, district judges, volunteer fire departments, and other key stakeholders in eleven counties;
- Hired trusted and reliable third party land services companies through a competitive bidding process and established a project management office to coordinate the complex interactions among land agents, surveyors, environmental experts, engineering, title experts, accounts payable, appraisers, construction experts, landowners, legal counsel, district judges, and special commissioners engaged in the land acquisition effort;
- Worked with landowners, and where necessary, the courts, to successfully obtain rights to perform the needed endangered species surveys on time for 23 miles of the line, on 42 parcels, in 4 different counties;
- Managed the schedule and budget impact of a new law expanding condemnation timelines that was enacted two months before access to the first segment of parcels was to be delivered by engaging adequate ROW acquisition, appraisal and project management resources; retaining law firms with extensive condemnation experienced and entering into Possession and Use Agreements whenever reasonably possible; and
- Worked with dozens property owners to address "*more than minor"* deviations, as ordered by Public Utility Commission of Texas, and carefully coordinated all efforts related to re-routes to lessen impacts to landowners and ensure the project remained on schedule and came in under budget;

11.7 Route Selection and Facility Siting

NEET typically develops a preliminary constraints map to assist with early assessment of high level constraints or opportunities. Field reconnaissance and project area/route fly overs are used to evaluate potential routes and to confirm constraints and opportunities as per the preliminary mapping. Use of remote sensing technology is being used to identify environmental features and terrain in difficult to access areas. Routing and siting is based on the project area's regulatory requirements and is informed by regional and land use plans and environmental and cultural sensitive areas. High level considerations when planning routing and facility siting include:

- Other proximal linear infrastructure corridors including rail, road, other electric transmission corridors and pipeline rights-of-way; and
- Potential critical issues such as proximity of park lands, reserve lands, sensitive environmental features, protected species and watercourse crossings.

Whenever possible, routing is optimized to minimize environmental, cultural and economic impacts. Route justification and analysis of route alternatives is often required as part of the regulatory process, which is often supported by third-party consultants.

11.8 Environmental Assessment:

NEET's environmental team has dozens of years of experience in managing environmental assessments at both the federal and provincial levels of government. This experience spans a diverse array of projects, including linear rights-of-way projects, conventional and renewable power generation facilities and other energy facility projects in a variety of habitats, land use types and regulatory settings.

NEET often draws on the expertise of local third-party consulting firms early in the development phase of a project to identify project specific environmental assessment requirements and to develop field programs that allow timely data collection in all seasons. NEET also conducts extensive outreach with stakeholders to ensure environmental issues and concerns are addressed.

As part of the environmental assessment and regulatory application process, NEET typically develops project specific studies to support work in the project area. Environmental assessment programs are developed to ensure that these supplemental plans can be created in conjunction with other application documents. These assessments often involve multi-season scheduling to ensure that all regulatory requirements are met. NextEra has completed hundreds of environmental assessments in diverse areas across the United States and Canada.

APPENDIX

NEXTera® ENERGY

Delivering For You

The 43 giant wind turbines at NextEra Energy's Mower Wind Energy Center in southeastern Minnesota can generate enough electricity to power 33,000 homes. The company is the largest generator in North America of renewable energy from the wind and sun.

Delivering Leadership

FORTUNE WORLD'S MOST ADMIRED COMPANIES® 2013
#1 ELECTRIC AND GAS UTILITIES

Next Era Energy was named No. 1 overall among electric and gas utilities on *Fortune* magazine's 2013 list of the World's Most Admired Companies. The company was named tops in its industry for an unprecedented seventh straight year. Only six other companies – Northwestern Mutual, General Electric, Procter & Gamble, Berkshire Hathaway, Walt Disney and Nestlé – have been named No. 1 in their industries longer than NextEra Energy has in the electric power sector.

Dow Jones Sustainability Indexes
Member 2012/13

For the fourth straight year, NextEra Energy in 2012 was named to the Dow Jones Sustainability index (DJSI) of the leading companies in North America for corporate sustainability. The DJSI North America selects the top 20 percent of companies in sustainability performance from the 600 largest companies in North America.

ServiceOne
AWARDED BY PA Consulting Group

For an industry-record ninth consecutive year, Florida Power & Light Company (FPL) earned the ServiceOne Award, which is presented annually by PA Consulting Group. The honor is based on criteria that compare utilities across the United States and cover nearly all the areas typically found within utility customer service operations.

NextEra Energy Highlights (2012):

Operating revenues	$14.3 billion
Net income	$1.9 billion
Earnings Per Share (assuming dilution)	$4.56
Adjusted Earnings Per Share (assuming dilution)	$4.57
Cash Flows from Operating Activities	$4.0 billion
Total Assets	$64.4 billion
Total Generating Capacity	42,179 MW
Employees (year end)	14,800

Reconciliation of Adjusted Earnings Per Share to GAAP Earnings Per Share

	2011	2012
Earnings Per Share (assuming dilution)	$4.59	$4.56
Adjustments:		
Net unrealized mark-to-market (gains) losses associated with non-qualifying hedges	(0.45)	0.08
Loss on sale of natural gas-fired generating assets	0.24	—
Loss (income) from other than temporary impairment losses – net	0.01	(0.07)
Adjusted Earnings Per Share	$4.39	$4.57

ENVIRONMENTAL ATTRIBUTES
The environmental or green attributes attributable to the electric generation from NextEra Energy facilities have been or likely will be sold or transferred to third parties, who are solely entitled to the reporting rights to all renewable energy credits, emissions reductions, offsets, allowances and the avoided emission of greenhouse gas pollutants that contribute to the actual or potential threat of altering the Earth's climate by trapping heat in the atmosphere (collectively, "Environmental Attributes"). In disclosing the information herein, NextEra Energy is not claiming ownership of any Environmental Attributes for any purpose, including compliance with any federal or state law or reporting to any federal or state agency, or for any other present or future federal, state, local, international, foreign or voluntary emissions trading program.

On the cover: Preparing for another day of safely maintaining wind turbines at the Mower Wind Energy Center in Mower County, Minn., are (left to right): wind technicians Brian Churchill, David Merritt and Edward Kellogg.

NextEra Energy, Inc.

Delivering Strong Performance

NextEra Energy, Inc. (NYSE: NEE) is a leading clean-energy company with 2012 consolidated revenues of approximately $14.3 billion, more than 42,000 megawatts (MW) of generating capacity, and nearly 15,000 employees in 26 states and Canada as of year-end 2012. Headquartered in Juno Beach, Fla., NextEra Energy's principal subsidiaries are Florida Power & Light Company (FPL), which serves approximately 4.6 million customer accounts in Florida and is one of the largest rate-regulated electric utilities in the United States, and NextEra Energy Resources, LLC which, together with its affiliated entities (NextEra Energy Resources), is the largest generator in North America of renewable energy from the wind and sun. Through its subsidiaries, NextEra Energy also generates clean, emissions-free electricity from eight commercial nuclear power units in Florida, New Hampshire, Iowa and Wisconsin.

In the five years through 2012, NextEra Energy has invested more than $31 billion in capital projects. These investments, in turn, delivered jobs that are a key ingredient for economic growth and prosperity. NextEra Energy also makes tax payments to counties and municipalities around the nation that help fund local needs such as education, health care and emergency services.

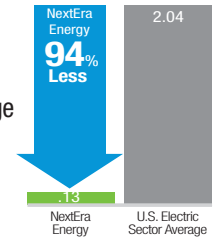
Delivering Strong Financial Performance

- Achieved record adjusted earnings per share[1] of $4.57 in 2012 – a 4.1 percent increase over 2011
- Generated a total shareholder return over the 10 years ended Dec. 31, 2012 of 228 percent, compared with 170 percent for the S&P 500 Utilities Index
- Ranked 172 on the 2012 Fortune 500, the annual ranking of America's largest corporations

Delivering Clean Energy

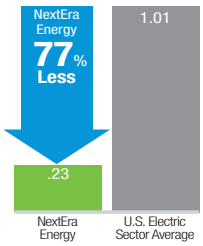
- No. 1 wind energy generator in the United States
- A leading generator of solar power in the United States
- One of the lowest emissions profiles among U.S. electric power companies
- FPL's demand-side management programs have saved the company from having to build 14 medium-sized power plants since 1981

NextEra Energy's SO_2 Emissions Rate*
94 Percent Lower than Industry Average
Lbs per megawatt-hour
2012



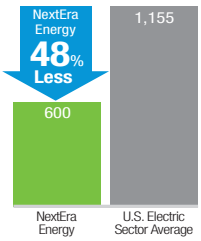
Source for Electric Sector: U.S. Department of Energy

NextEra Energy's NOx Emissions Rate*
77 Percent Lower than Industry Average
Lbs per megawatt-hour
2012



Source for Electric Sector: U.S. Department of Energy

NextEra Energy's CO_2 Emissions Rate*
48 Percent Lower than Industry Average
Lbs per megawatt-hour
2012



Source for Electric Sector: U.S. Department of Energy

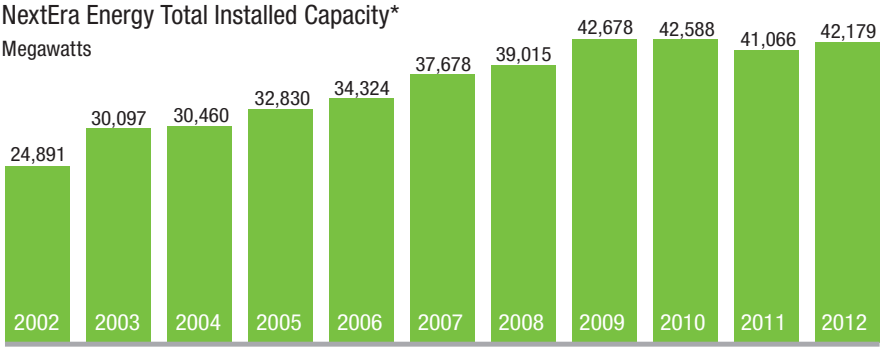
NextEra Energy Power Generation*
2012

Fuel Type	MWhs	% of Total
Natural Gas	100,883,004	58.9
Nuclear	36,924,025	21.6
Wind	25,795,610	15.1
Coal	4,984,859	2.9
Hydro	1,593,432	.9
Solar	524,380	.3
Oil	522,065	.3
TOTAL	171,227,375	100

*See inside front cover for discussion of Environmental Attributes. Excludes purchased power.

[1]See inside front cover for Reconciliation of Adjusted Earnings per Share to GAAP Earnings per Share.

NextEra Energy Total Installed Capacity*
Megawatts



*NextEra Energy's 2010 through 2012 generating capacity summary includes certain plant assets either retired for modernization or sold

Florida Power & Light Company

Delivering Affordable, Reliable, Clean Energy

FPL is the largest rate-regulated electric utility in Florida and one of the largest in the United States. FPL serves approximately 4.6 million customer accounts in Florida and is a leading employer in the state with approximately 10,000 employees.

Most Affordable Electric Service in Florida

Because we have invested in smart, cost-efficient technologies and worked hard to keep operating costs down, FPL's typical residential customer bills continued to be the lowest of the state's 55 electric utilities in 2012, and 26 percent lower than the latest national average. Our business customers also had lower-than-average bills.

Since 2006, FPL's typical residential customer bill has decreased 13 percent as a result of investments in more efficient power generation, the beneficial impact of lower fuel prices, and the company's strong cost controls.

We have improved the fuel efficiency of FPL's fossil power plant fleet by 20 percent since 2001. Our fossil fleet uses an average of 7,669 British Thermal Units (BTUs) of heat from fuel to produce one kilowatt-hour (kWh) of electricity, or approximately 24 percent less than the fossil industry average of 10,040 BTUs in 2011, the latest data available. Since 2001 alone, FPL's investments in making its power plants more efficient have saved its customers an estimated $6 billion in fuel costs.

The Best Reliability in the State

FPL continued to deliver reliable service to its 4.6 million customers in 2012, achieving its best-ever overall reliability performance as measured by the System Average Interruption Duration Index (SAIDI) – which measures the average time a customer is without power. In addition, FPL's reliability was the best among Florida investor-owned utilities during the five years ended in 2012.

One of the Cleanest Utilities

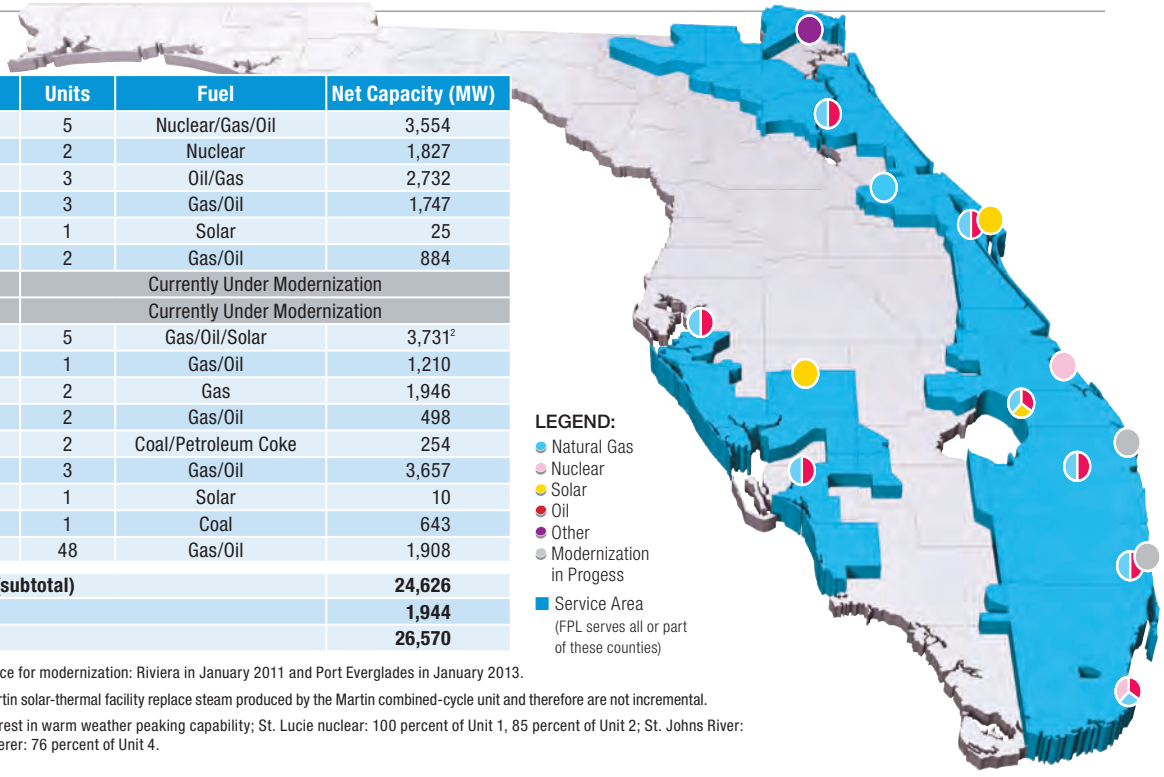
FPL uses a diverse mix of fuels at its power plants to generate reliable electricity and has one of the lowest emissions profiles among U.S. utilities. In 2012, 78 percent of the electricity generated by FPL was produced from clean natural gas. Nuclear power, which produces no greenhouse gas emissions, was responsible for another 16 percent of power production. FPL also operates three commercial-scale solar generation facilities in the Sunshine State.

A Leader in Demand-Side Management

Since FPL launched its first demand-side management (DSM) program in 1981, the company has avoided the need to build 14 medium-sized power plants, more than all but one other utility in the country.

FPL Power Generation

As of May 1, 2013	Units	Fuel	Net Capacity (MW)
Turkey Point	5	Nuclear/Gas/Oil	3,554
St. Lucie*	2	Nuclear	1,827
Manatee	3	Oil/Gas	2,732
Fort Myers	3	Gas/Oil	1,747
Desoto	1	Solar	25
Lauderdale	2	Gas/Oil	884
Port Everglades[1]	Currently Under Modernization		
Riviera[1]	Currently Under Modernization		
Martin	5	Gas/Oil/Solar	3,731[2]
Cape Canaveral	1	Gas/Oil	1,210
Sanford	2	Gas	1,946
Putnam	2	Gas/Oil	498
St. Johns River*	2	Coal/Petroleum Coke	254
West County	3	Gas/Oil	3,657
Space Coast	1	Solar	10
Scherer (in Ga.)*	1	Coal	643
Gas Turbines	48	Gas/Oil	1,908
FPL Generation Resources (subtotal)			**24,626**
Purchased Power			**1,944**
System Total			**26,570**



[1] These units were removed from service for modernization: Riviera in January 2011 and Port Everglades in January 2013.

[2] The MWs generated by the 75-MW Martin solar-thermal facility replace steam produced by the Martin combined-cycle unit and therefore are not incremental.

* Represents FPL's net ownership interest in warm weather peaking capability; St. Lucie nuclear: 100 percent of Unit 1, 85 percent of Unit 2; St. Johns River: 20 percent of each of two units; Scherer: 76 percent of Unit 4.

These programs help residential and business customers reduce their energy consumption and save energy and money on their monthly electric bill. Through 2012 the company has:

- » Performed over 3 million residential home energy surveys;
- » Enrolled more than 800,000 residential customers in its load-management program, On Call®;
- » Conducted 178,000 business energy evaluations;
- » Provided 1.5 million rebates for high-efficiency air-conditioning systems; and
- » Installed upgraded lighting systems for over 20,000 business customers and high-efficiency air-conditioning systems for nearly 17,000 business customers.

In 2011, the most recent year for which data are available, FPL avoided more than four times the electricity through energy efficiency than would be expected for a utility its size. That year, FPL accounted for 2 percent of the country's peak electricity demand, yet was responsible for 9 percent of the electric demand avoided through energy efficiency.

Delivering Modernized Power Plants

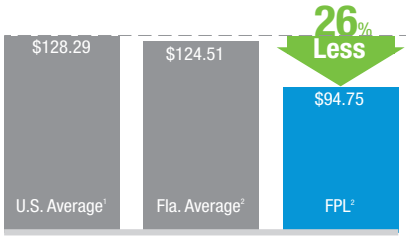
FPL's investments in recent years to modernize its power plant fleet – phasing out older, oil-fired units with cleaner, more efficient natural gas-fired generating capacity – are helping keep FPL's typical customer bill the lowest in the state.

FPL is currently investing to modernize three old, oil and gas-fired power plants into high-efficiency natural gas energy centers that will be approximately 33 percent more efficient and 90 percent cleaner than the facilities they replace. The three new plants being built are projected to effectively pay for themselves over their operational lifetimes with more than $1 billion in net customer savings compared with any other available generation options to meet future needs. The net customer savings reflect the expected savings from the plants' advanced fuel efficiency.

Over the past decade, FPL has reduced its use of oil by 98 percent by investing in new, highly efficient power plants that use clean, U.S.-produced natural gas as a fuel to produce electricity. In 2001, FPL used more than 40 million barrels of imported oil to power customers; in 2012, the company used less than one million barrels.

Cape Canaveral and Riviera Beach - The iconic 1960s-era stacks at the company's Cape Canaveral power plant in Cocoa, Fla., were taken down in August 2010, and FPL's Riviera Beach power plant was demolished in June 2011. These demolitions cleared the way for construction of FPL's Cape Canaveral Next Generation Clean Energy Center, which was commissioned in late

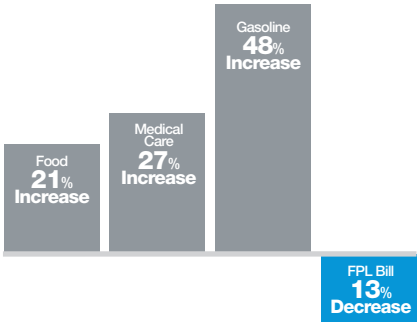
FPL's Typical Residential Customer Bill Is 26 Percent Below the National Average



[1] Based on a typical 1,000 kWh residential bell as reported in the Edison Electric Institute (EEI) Typical Bills and Average Rates Report for Summer 2012.

[2] Average of typical 1,000 kWh January through December 2012 monthly bill data compiled from the Florida Public Service Commission, Florida Municipal Electric Association, Reedy Creek Improvement District, Florida Electric Cooperatives Association and Jacksonville Electric Authority.

Cost Changes 2006 - 2013



Based on FPL's typical 1,000-kWh residential customer bill and Consumer Price Index data for gasoline, medical care and food, January 2006 vs. January 2013.

FPL Power Generation*
2012

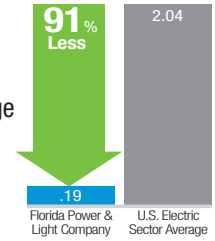
Fuel Type	MWhs	% of Total
Natural Gas	80,470,112	78.2
Nuclear	16,920,786	16.4
Coal	4,893,700	4.8
Oil	466,099	0.5
Solar	159,268	0.2
TOTAL	102,909,964	100**

* Certain power plants owned by FPL generate renewable energy attributes, and those renewable attributes are for the benefit of FPL customers.

** Reflects rounding.

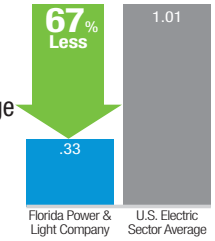
Excludes purchased power.

FPL's SO_2 Emissions Rate
91 Percent Lower than Industry Average
Lbs per megawatt-hour
2012



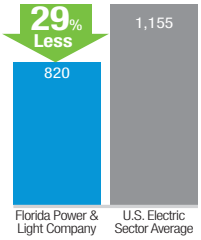
Source for Electric Sector: U.S. Department of Energy

FPL's NOx Emissions Rate
67 Percent Lower than Industry Average
Lbs per megawatt-hour
2012



Source for Electric Sector: U.S. Department of Energy

FPL's CO_2 Emissions Rate
29 Percent Lower than Industry Average
Lbs per megawatt-hour
2012



Source for Electric Sector: U.S. Department of Energy

April 2013, more than a month ahead of schedule; and FPL's Riviera Beach Next Generation Clean Energy Center, slated for June 2014. When completed, this combined investment of more than $2 billion will produce enough power for approximately 500,000 homes and businesses, using about 33 percent less fuel per megawatt of power generated.

Port Everglades – FPL also has been moving forward in modernizing its 1960s-era Port Everglades power plant in Broward County into a high-efficiency, natural gas-fired energy center. The plant's four 350-foot stacks are scheduled to be demolished in the summer of 2013, and the plant is expected to be in service by June 2016. Once operational, the new energy center is expected to produce about 1,280 MW of power, which is enough electricity for about 260,000 FPL customers. Major technological advances in fuel efficiency, environmental performance and reliability will benefit customers for decades.

Delivering Additional Nuclear Power Capacity

FPL in 2013 completed a multi-billion dollar upgrade of its St. Lucie and Turkey Point nuclear plants to expand their combined generating capacity by more than 500 MW, which is the equivalent of building a new medium-sized power plant. Over the operating lifetime of this added capacity, FPL customers are expected to save billions of dollars in fossil fuel costs. In addition, FPL is also pursuing the licenses for two new nuclear units at the existing Turkey Point site. FPL projects these units would save customers approximately $58 billion in fossil fuel costs over their lifetimes.

Investing in the Smart Grid

FPL's smart grid investments include the installation of more than 10,000 intelligent devices on the electric grid, enhancements to centers that monitor the performance of the grid, and the installation of about 4.5 million smart meters for residential and business customers. These advanced technologies are already enabling important customer benefits, while laying the foundation for additional benefits in the future.

A Leading "Green" Vehicle Fleet

FPL also has one of the largest "green" vehicle fleets in the nation. It was the first company in the United States to put a medium-duty hybrid bucket truck into service in 2006. All told, it has nearly 1,750 biodiesel-powered vehicles and more than 500 hybrid and plug-in electric vehicles on the road.

FPL Average Monthly Energy Usage Per Customer (kWh)

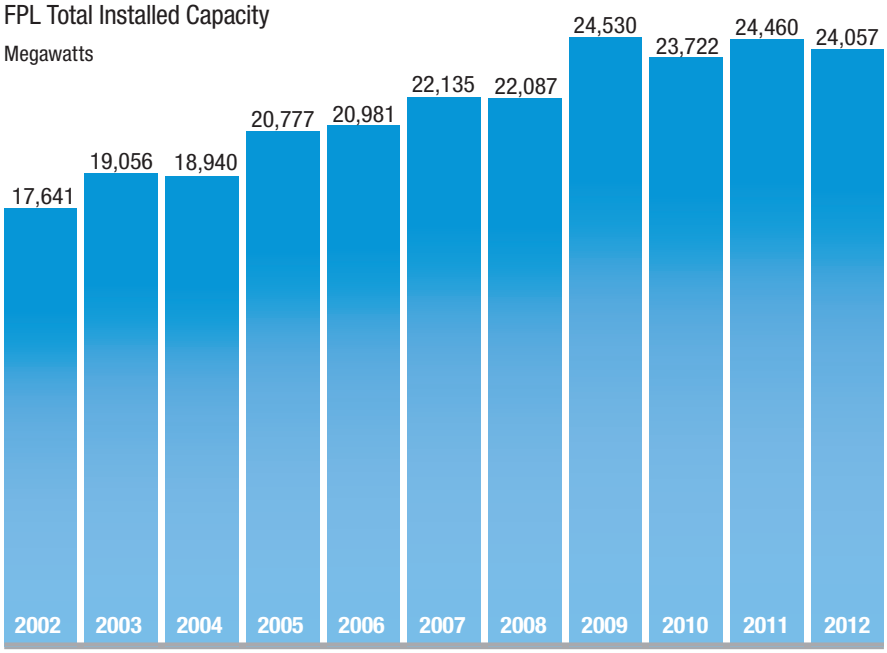
Year	Residential	Commercial	Industrial
2012	1,099	7,362	28,821
2011	1,131	7,390	29,591
2010	1,173	7,372	29,269

FPL All-Time Peak Customer Demand

Season	Date	MW
Summer	Aug. 17, 2005	22,361
Winter	Jan. 11, 2010	24,346

FPL Total Installed Capacity

Megawatts



NextEra Energy Resources

Delivering Clean Energy for the United States and Canada

As North America's leading producer of renewable energy from the wind and the sun, NextEra Energy Resources had a portfolio of facilities with 18,122 MW of generating capacity as of Dec. 31, 2012. In 2012, more than 99 percent of the electricity it produced was generated by clean or renewable sources – natural gas, nuclear, wind, hydro and solar. Primarily a wholesale power generator, NextEra Energy Resources operates power plants and sells the output and Environmental Attributes* to utilities, retail electricity providers, power cooperatives, municipal electric providers and large industrial companies.

NextEra Energy Resources' fleet of generating assets as of March 1, 2013 included more than 125 operating projects in 24 states and Canada (see map on Page 6). Operations diversified by fuel source and geographic region help the company manage its power generation business more economically. NextEra Energy Resources has a solid track record of leadership in renewable energy. Headquartered in Florida, the company began investing in renewable projects in 1989 and has since grown into the leading generator in North America of renewable energy from the wind and sun.

No. 1 in Wind Energy

NextEra Energy Resources remained the largest owner and operator of wind generating facilities in the United States in 2012. At year end, the company had 100 wind facilities (approximately 9,600 wind turbines) in operation in 19 states and four Canadian provinces, with an installed capacity of more than 10,000 MW of electricity. NextEra Energy Resources added roughly 1,500 MW of wind generation in the U.S. during 2012, more than any other company had ever done before.

A Leader in Solar Energy

NextEra Energy Resources co-owns and operates seven solar plants in California's Mojave Desert. In all, NextEra Energy Resources operates 360 MW of solar power, which is capable of meeting the energy needs of more than 230,000 homes at peak production. The company expects to bring roughly 900 MW of new solar projects into service from 2012 through 2016. This includes its 50 percent portion of the Desert Sunlight project and 100 percent of the Genesis solar thermal project, both in California, and the Termosol Solar Project in Spain.

Clean Natural Gas

Natural gas, the cleanest burning fossil fuel, is used to power NextEra Energy Resources' generating units in five states. The company often installs combined-cycle technology, which captures waste

NextEra Energy Resources at a Glance*

$3.9 billion in operating revenues
$27.1 billion in total assets
4,700 employees

* As of Dec.31, 2012; operating revenues for the 12 months ended Dec. 31, 2012.

NextEra Energy Resources Power Generation*
2012

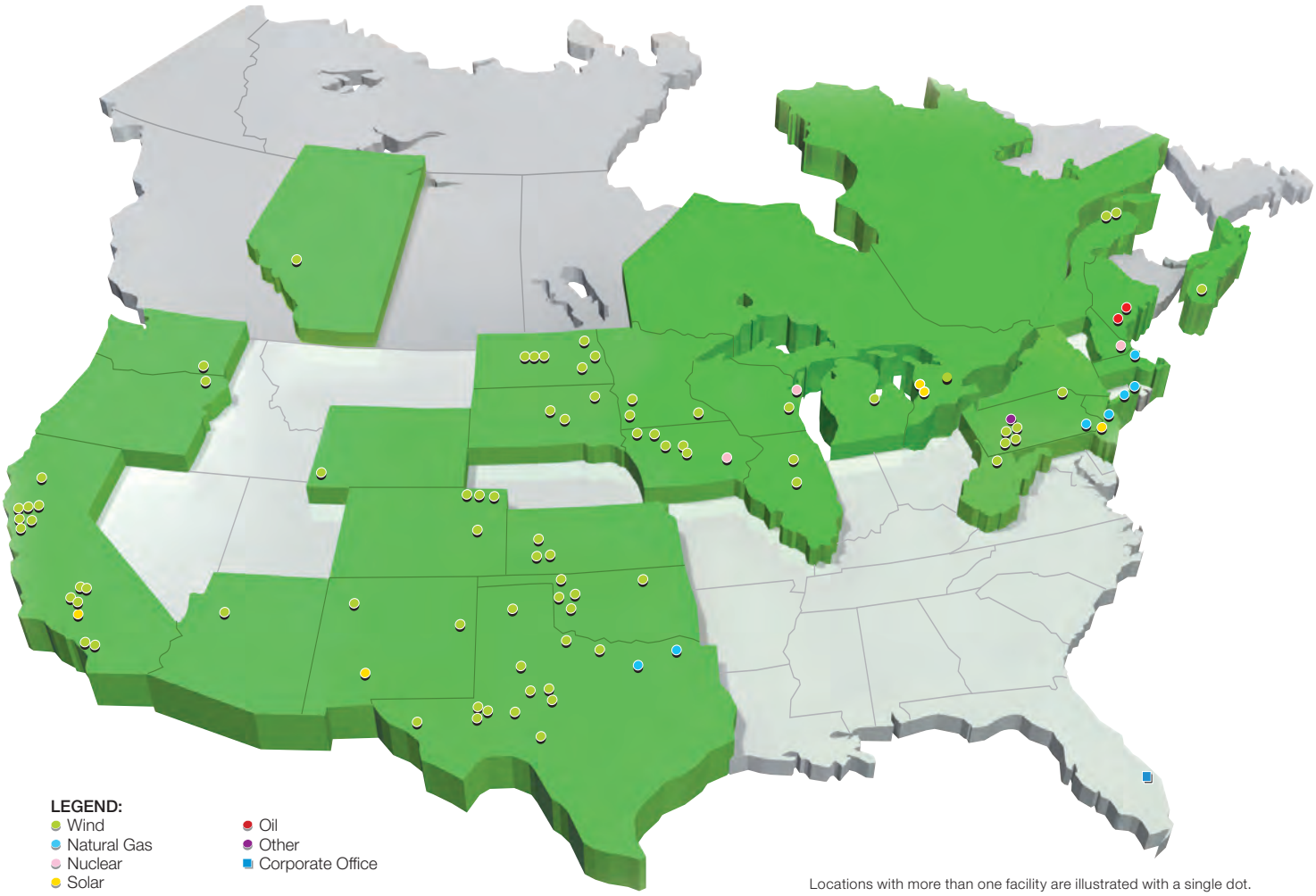
Fuel Type	MWhs	% of Total
Wind	25,795,610	37.8
Natural gas	20,412,893	29.9
Nuclear	20,003,239	29.3
Hydro	1,593,432	2.3
Solar	365,112	0.5
Coal	91,159	0.1
Oil	55,966	0.1
Total	**68,317,410**	**100**

*See inside front cover for discussion of Environmental Attributes

On March 1, 2013, the company announced it had completed the sale of its hydro generating assets.

NextEra Energy Resources Total Installed Capacity

Megawatts



Locations with more than one facility are illustrated with a single dot.

NextEra Energy Resources

Generation Facilities as of March 1, 2013

United States		
Facility	**City/County**	**State**
Perrin Ranch	Coconino	AZ
Cabazon	Riverside	CA
Diablo	Alameda	CA
Green Power	Riverside	CA
Green Ridge Power	Alameda, Contra Costa	CA
High Winds	Solano	CA
Mojave 3, 4 & 5	Kern	CA
Mojave 16, 17 & 18	Kern	CA
Montezuma	Solano	CA
Montezuma II	Solano	CA
North Sky River	Kern	CA
Sky River	Kern	CA
TPC Windfarms	Kern	CA
Vasco	Contra Costa	CA
Victory Garden IV	Kern	CA
Windpower Partners 1990	Alameda, Contra Costa	CA
Windpower Partners 1991	Alameda, Riverside	CA
Windpower Partners 1991–92	Alameda, Contra Costa	CA
Windpower Partners 1992	Alameda, Contra Costa	CA
Windpower Partners 1993	Riverside	CA
SEGS III–IX	Kramer Junction, Harper Lake	CA
Limon I	Lincoln, Elbert, Arapahoe	CO
Limon II	Lincoln, Elbert and Arapahoe	CO
Logan	Logan	CO
Northern Colorado	Logan	CO

United States		
Facility	**City/County**	**State**
Peetz Table	Logan	CO
Lee/DeKalb	Lee, DeKalb	IL
White Oak	McLean	IL
Cerro Gordo	Cerro Gordo	IA
Crystal Lake I	Hancock	IA
Crystal Lake II	Winnebago	IA
Crystal Lake III	Winnebago	IA
Endeavor	Osceola	IA
Endeavor II	Osceola	IA
Hancock County	Hancock	IA
Story County	Story	IA
Story County II	Story, Hardin	IA
Duane Arnold	Cedar Rapids	IA
Cimarron	Gray	KS
Ensign	Gray	KS
Gray County	Gray	KS
Wyman, Cape	Yarmouth, S. Portland	ME
Wyman 4	Yarmouth	ME
Bellingham	Bellingham	MA
Tuscola Bay	Tuscola Bay, Saginaw	MI
Lake Benton II	Pipestone	MN
Mower County	Mower	MN
Buffalo Ridge	Lincoln	MN
Seabrook	Seabrook	NH
Sayreville	Sayreville	NJ
Paradise Solar	West Deptford	NJ
Hatch Solar	Hatch	NM
New Mexico	Quay, DeBaca	NM
Red Mesa	Cibola	NM
Bayswater	Far Rockaway	NY
Jamaica Bay	Far Rockaway	NY
Ashtabula	Barnes	ND
Ashtabula II	Griggs, Steele	ND
Ashtabula III	Barnes	ND

United States		
Facility	**City/County**	**State**
Baldwin	Burleigh	ND
Langdon	Cavalier	ND
Langdon II	Cavalier	ND
North Dakota	LaMoure	ND
Oliver County	Oliver	ND
Oliver County II	Oliver	ND
Wilton	Burleigh	ND
Wilton II	Burleigh	ND
Blackwell	Kay	OK
Elk City	Roger Mills, Beckham	OK
Elk City II	Roger Mills, Beckham	OK
Minco	Grady	OK
Minco II	Grady, Caddo	OK
Minco Wind III	Grady, Caddo and Canadian	OK
Oklahoma	Harper, Woodward	OK
Weatherford	Custer, Washita	OK
Vansycle	Umatilla	OR
Vansycle II	Umatilla	OR
Stateline	Umatilla, Walla Walla	OR, WA
Green Mountain	Somerset	PA
Meyersdale	Somerset	PA
Mill Run	Fayette	PA
Somerset	Somerset	PA
Waymart	Wayne	PA
Marcus Hook 50	Marcus Hook	PA
Marcus Hook 750	Marcus Hook	PA
Ebensburg	Ebensburg	PA
South Dakota	Hyde	SD
Wessington Springs	Jerauld	SD
Day County	Day	SD
Blue Summit	Wilbarger	TX
Callahan Divide	Taylor	TX
Capricorn Ridge	Sterling, Coke	TX

United States		
Facility	**City/County**	**State**
Capricorn Ridge Expansion	Sterling, Coke	TX
Delaware Mountain	Culberson	TX
Horse Hollow	Taylor	TX
Horse Hollow II	Taylor, Nolan	TX
Horse Hollow III	Nolan	TX
Indian Mesa	Pecos	TX
King Mountain	Upton	TX
Majestic	Carson	TX
Majestic Wind II	Carson, Potter	TX
Red Canyon	Borden, Garza, Scurry	TX
Southwest Mesa	Upton, Crockett	TX
Windpower Partners 1994	Culberson	TX
Wolf Ridge	Cooke	TX
Woodward Mountain	Upton, Pecos	TX
Forney	Forney	TX
Lamar Power Partners	Paris	TX
Mountaineer	Preston, Tucker	WV
Butler Ridge	Dodge	WI
Point Beach	Two Rivers	WI
Wyoming	Uinta	WY

Canada		
Facility	**Town/City**	**Prov.**
Ghost Pine	Trochu	AB
Pubnico Point	Yarmouth	NS
Conestogo	Drayton	ON
Moore Solar	Moore	ON
Sombra Solar	Sombra	ON
Mount Copper	Murdochville	QC
Mount Miller	Murdochville	QC

heat to drive an additional turbine generator for increased energy efficiency and lower emissions than conventional fossil-fueled units. This type of power plant is about 30 percent more efficient than a traditional steam plant.

Safe Nuclear Power

With its full ownership of Point Beach Nuclear Plant in Wisconsin and its majority interests in the Duane Arnold Energy Center in Iowa and Seabrook Station in New Hampshire, NextEra Energy Resources has about 2,720 MW of nuclear energy capacity. Of the more than 2,700 MW, approximately 170 MW were brand new in 2012 after Point Beach completed upgrades in late 2011 that increased its generation capacity. Nuclear power plants produce no greenhouse gas emissions during operation.

Marketing Wholesale Energy

NextEra Energy Power Marketing, LLC is one of the nation's leading electricity and natural gas marketers and a key participant in energy and Environmental Attributes* markets in the United States and Canada. The company is also responsible for energy management for NextEra Energy Resources' power generation fleet. NextEra Energy Power Marketing provides a wide range of electricity and gas commodity products and marketing and trading services to electric and gas utilities, municipalities and cooperatives, as well as to owners of electric generation facilities. In 2012, Platts, a leading industry publisher, ranked NextEra Energy Power Marketing as one of the top 10 power marketers in the United States.

In addition, NextEra Energy Resources is licensed for retail operations in 14 states and the District of Columbia with a commitment to the highest level of customer service.

Using Scientific Analysis to Support Renewables

NextEra Energy Resources subsidiary WindLogics, based in St. Paul, Minn., provides renewable energy consulting services, using industry-leading scientific analysis for planning, siting and forecasting renewable energy projects. Besides being the lead wind and solar advisor to NextEra Energy Resources, WindLogics also serves the renewable energy and electric utility industries throughout North America and around the globe. The company employs meteorologists, computing experts and other industry specialists.

Top North America Wind Plant Owners

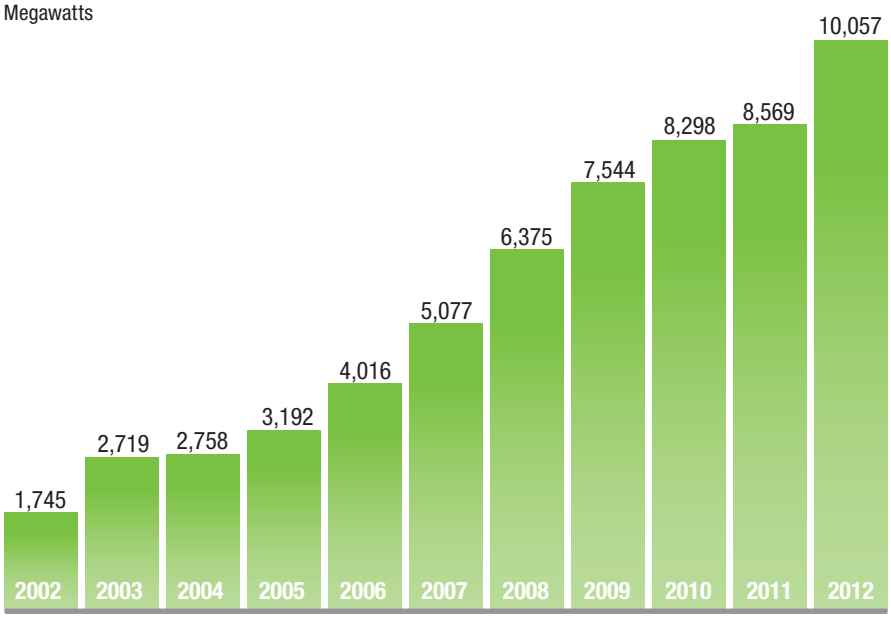
Cumulative capacity in megawatts — **2012**

NextEra Energy Resources	10,057
Iberdrola Renewables	5,650
MidAmerican Energy Holdings Co.	3,697
EDP Horizon Wind Energy	3,554
E.ON Climate & Renewables	2,723
Invenergy	2,403
EDF-RE / EDF–EN	1,789
Edison Mission Group	1,687
Duke Energy Renewables	1,625
BP Wind Energy	1,584

Source: For other companies, IHS Emerging Energy Research

Cumulative Wind Energy Portfolio at NextEra Energy Resources

Megawatts



*See inside front cover for discussion of Environmental Attributes.

NextEra Energy Transmission

Delivering Power to Customers

As new power generation facilities become operational, it's important to deliver that electricity to where it's needed. NextEra Energy Transmission is pursuing opportunities to develop, build and operate new transmission facilities.

Lone Star Transmission, LLC (Lone Star), a rate-regulated transmission service provider in Texas and an indirect wholly owned subsidiary of NextEra Energy, owns and operates approximately 330 miles of high-voltage transmission lines and associated equipment. Lone Star's transmission facilities stretch from Scurry County, northwest of Abilene, to Navarro County, just south of Dallas. These facilities bring wind power from West Texas to Central Texas, further strengthen the electric grid in the Electric Reliability Council of Texas (ERCOT) region, and enhance the reliable transmission of electricity from all generation sources. The Lone Star facilities were added as part of the Competitive Renewable Energy Zone (CREZ) process in Texas.

New Hampshire Transmission, LLC (NHT) is an independent owner of regulated transmission in New England. NHT is the majority owner of the Seabrook substation in ISO-NE, a 345-kilovolt (kV) facility located in Seabrook, N.H., which interconnects the Seabrook Nuclear Generating Station to the grid as well as interconnecting three critical 345-kV transmission lines in the New England system. As a New England transmission owner, NHT also participates in regional reliability planning studies as well as looks for further opportunities for transmission development in the region. NHT is a subsidiary of NextEra Energy Transmission.

Cautionary Statements and Risk Factors That May Affect Future Results

This profile contains "forward-looking statements" within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not statements of historical facts, but instead represent the current expectations of NextEra Energy, Inc. (together with its subsidiaries, NextEra Energy) regarding future operating results and other future events, many of which, by their nature, are inherently uncertain and outside of NextEra Energy's control. In some cases, you can identify the forward-looking statements by words or phrases such as "will," "will result," "expect," "anticipate," "believe," "intend," "plan," "seek," "aim," "potential," "projection," "forecast," "predict," "goals," "target," "outlook," "should," "would" or similar words or expressions. You should not place undue reliance on these forward-looking statements, which are not a guarantee of future performance. The future results of NextEra Energy are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward-looking statements. These risks and uncertainties include, but are not limited to, the following: effects of extensive regulation of NextEra Energy's business operations; inability of NextEra Energy to recover in a timely manner any significant amount of costs, a return on certain assets or an appropriate return on capital through base rates, cost recovery clauses, other regulatory mechanisms or otherwise; impact of political, regulatory and economic factors on regulatory decisions important to NextEra Energy; risks of disallowance of cost recovery based on a finding of imprudent use of derivative instruments; effect of any reductions to or elimination of governmental incentives that support renewable energy projects; impact of new or revised laws, regulations or interpretations or other regulatory initiatives on NextEra Energy; effect on NextEra Energy of potential regulatory action to broaden the scope of regulation of over-the-counter (OTC) financial derivatives and to apply such regulation to NextEra Energy; capital expenditures, increased operating costs and various liabilities attributable to environmental laws, regulations and other standards applicable to NextEra Energy; effects on NextEra Energy of federal or state laws or regulations mandating new or additional limits on the production of greenhouse gas emissions; exposure of NextEra Energy to significant and increasing compliance costs and substantial monetary penalties and other sanctions as a result of extensive federal regulation of its operations; effect on NextEra Energy of changes in tax laws and in judgments and estimates used to determine tax-related asset and liability amounts; impact on NextEra Energy of adverse results of litigation; effect on NextEra Energy of failure to proceed with projects under development or inability to complete the construction of (or capital improvements to) electric generation, transmission and distribution facilities, gas infrastructure facilities or other facilities on schedule or within budget; impact on development and operating activities of NextEra Energy resulting from risks related to project siting, financing, construction, permitting, governmental approvals and the negotiation of project development agreements; risks involved in the operation and maintenance of electric generation, transmission and distribution facilities, gas infrastructure facilities and other facilities; effect on NextEra Energy of a lack of growth or slower growth in the number of customers or in customer usage; impact on NextEra Energy of severe weather and other weather conditions; risks associated with threats of terrorism and catastrophic events that could result from terrorism, cyber attacks or other attempts to disrupt NextEra Energy's business or the businesses of third parties; risk of lack of availability of adequate insurance coverage for protection of NextEra Energy against significant losses; risk of increased operating costs resulting from unfavorable supply costs necessary to provide

Other NextEra Energy Businesses

Delivering Exceptional Customer Value

FPL FiberNet Services New Markets

A subsidiary of NextEra Energy, FPL FiberNet delivers wholesale and enterprise telecommunications services throughout most major metropolitan areas in Florida and several in Texas, with additional connectivity to Atlanta, Ga., and the south-central United States, including Arkansas, Louisiana and Oklahoma. A key driver of FPL FiberNet's success is the transportation of data/information from cell towers and businesses to telecommunications locations and data centers. Demand for this service has increased with the proliferation of mobile connectivity and the increased need for bandwidth.

Where Proven Meets Possible®

Today perhaps more than ever before, private and public institutions are looking for ways to save energy and money while becoming better stewards of the environment. With a strong commitment to excellence, NextEra Energy entities FPL Services (FPLS) and FPL Energy Services (FPLES) have a long history of developing, designing and building comprehensive, sustainable energy solutions.

All told, these businesses have helped deliver to customers savings of more than $126 million using 1,089,000 MWh less electricity and 2.9 billion gallons less water. That's enough electricity to power more than 90,750 homes for one year and enough water to fill more than 4,800 Olympic-size swimming pools.

Operating within FPL's service territory, FPLS serves a variety of customer segments including federal and state governments, municipalities, universities, schools, hospitals and airports.

FPLES is an Energy Services Company (ESCO) that serves customers outside of FPL's service territory, and is accredited by the National Association of Energy Services Companies (NAESCO). It holds indefinite delivery/indefinite quantity (ID/IQ) energy services performance contracts (ESPCs) from the U.S. Department of Energy and the U.S. Army Corps of Engineers.

FPLES has also served commercial and industrial customers such as manufacturers, hospitals, hotels, condominiums and restaurants for more than 14 years with a reliable supply of natural gas at competitive rates, along with sophisticated industry analysis and custom consulting services.

full energy and capacity requirement services; inability or failure to hedge effectively assets or positions against changes in commodity prices, volumes, interest rates, counterparty credit risk or other risk measures; potential volatility of NextEra Energy's results of operations caused by sales of power on the spot market or on a short-term contractual basis; effect of reductions in the liquidity of energy markets on NextEra Energy's ability to manage operational risks; effectiveness of NextEra Energy's hedging and trading procedures and associated risk management tools to protect against significant losses; impact of unavailability or disruption of power transmission or commodity transportation facilities on sale and delivery of power or natural gas; exposure of NextEra Energy to credit and performance risk from customers, hedging counterparties and vendors; risks of failure of counterparties to perform under derivative contracts or of requirement for NextEra Energy to post margin cash collateral under derivative contracts; failure or breach of NextEra Energy's information technology systems; risks to NextEra Energy's retail businesses of compromise of sensitive customer data; risks to NextEra Energy of volatility in the market values of derivative instruments and limited liquidity in OTC markets; impact of negative publicity; inability to maintain, negotiate or renegotiate acceptable franchise agreements; increasing costs of health care plans; lack of a qualified workforce or the loss or retirement of key employees; occurrence of work strikes or stoppages and increasing personnel costs; NextEra Energy's ability to successfully identify, complete and integrate acquisitions; environmental, health and financial risks associated with ownership of nuclear generation facilities; liability of NextEra Energy for significant retrospective assessments and/or retrospective insurance premiums in the event of an incident at certain nuclear generation facilities; increased operating and capital expenditures at nuclear generation facilities resulting from orders or new regulations of the Nuclear Regulatory Commission; inability to operate any owned nuclear generation units through the end of their respective operating licenses; liability for increased nuclear licensing or compliance costs resulting from hazards posed to owned nuclear generation facilities; risks associated with outages of owned nuclear units; effect of disruptions, uncertainty or volatility in the credit and capital markets on NextEra Energy's ability to fund its liquidity and capital needs and meet its growth objectives; inability to maintain current credit ratings; risk of impairment of liquidity from inability of creditors to fund their credit commitments or to maintain their current credit ratings; poor market performance and other economic factors that could affect NextEra Energy's defined benefit pension plan's funded status; poor market performance and other risks to the asset values of nuclear decommissioning funds; changes in market value and other risks to certain of NextEra Energy's investments; effect of inability of NextEra Energy subsidiaries to upstream dividends or repay funds to NextEra Energy or of NextEra Energy's performance under guarantees of subsidiary obligations on NextEra Energy's ability to meet its financial obligations and to pay dividends on its common stock; and effect of disruptions, uncertainty or volatility in the credit and capital markets of the market price of NextEra Energy's common stock. NextEra Energy discusses these and other risks and uncertainties in its annual report on Form 10-K for the year ended December 31, 2012 and other SEC filings, and this profile should be read in conjunction with such SEC filings made through the date of this profile. The forward-looking statements made in this profile are made only as of the date of this profile and NextEra Energy and FPL undertake no obligation to update any forward-looking statements.

NextEra Energy, Inc.
700 Universe Boulevard, Juno Beach, Florida 33408

For more information, go to:
www.NextEraEnergy.com
www.FPL.com
www.NextEraEnergyResources.com

MIXED SOURCE
FPO

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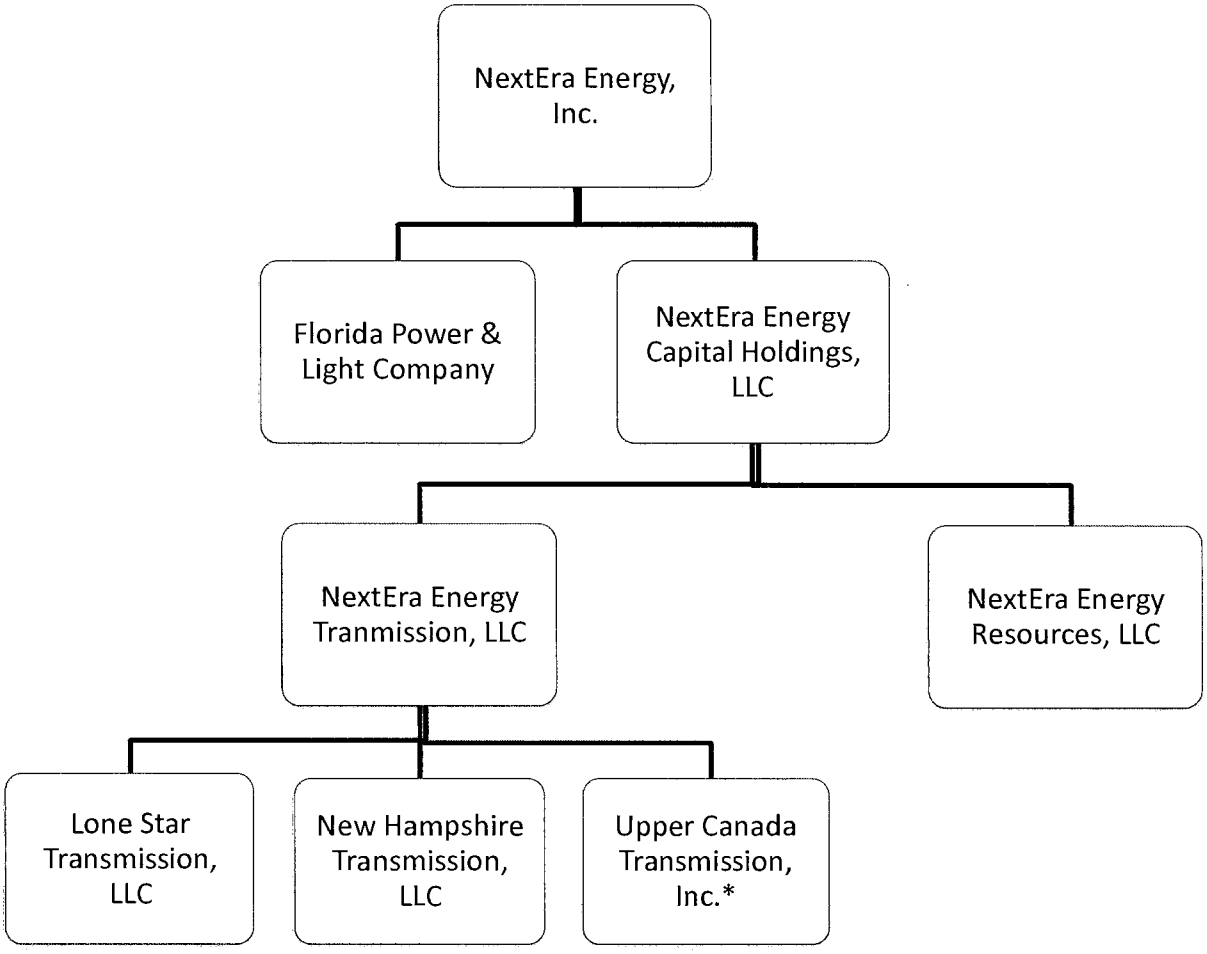
Appendix 2

NextEra Energy, Inc.
Corporate Structure



* Upper Canada Transmission, Inc. is an indirect subsidiary of NextEra Energy Resources, LLC that is managed by, and reports up through, NextEra Energy Transmission, LLC.

NEXTera™ ENERGY TRANSMISSION

www.NextEraEnergy.com

Building tomorrow's energy infrastructure

NextEra Energy Transmission has extensive transmission experience, successfully completing projects in different regulatory and geographic environments.

Proven transmission developer and operator

As the U.S. power transmission system ages, new electric transmission infrastructure is required to meet the energy demands of homes and businesses. This critical responsibility should be managed by companies experienced in transmission. An indirect wholly-owned subsidiary of NextEra Energy, Inc., NextEra Energy Transmission has the capability to develop, finance, license, construct, operate and maintain transmission facilities.

Our reputation for excellence is well established, as demonstrated through our parent and affiliate companies. NextEra Energy, Inc. owns and maintains in North America more than 8,200 circuit miles of transmission lines between 69 kilovolts and 500 kilovolts and nearly 750 substations. We have successfully completed transmission projects in different regulatory and geographic environments, including the United States, Canada and Spain.

Offering significant advantages to our customers

The relative size and technical and financial capabilities of NextEra Energy companies can provide significant benefits to NextEra Energy Transmission customers. One important advantage is our full access to the capabilities of our affiliate, Florida Power & Light Company, which is one of the largest U.S. utility franchises with an extensive transmission and distribution network.

Our strengths in executing large and complex transmission projects include:

Technical Expertise – NextEra Energy Transmission has the technical experience in development, engineering, procurement, construction, operations and maintenance of transmission systems. We have successfully applied different technologies (above ground, buried, and submarine) and a variety of designs in transmission line construction, in a safe and timely manner.

A reputation for excellence

- A leader in the development and operation of transmission assets
- Unrivalled ability to deliver electric infrastructure solutions, safely and reliably
- Extensive regulated and unregulated transmission experience
- Top-quartile reliability as an operator of generation and transmission assets
- Familiarity with operating challenges in all climates and environments
- Extensive and long-standing vendor relationships

NextEra Energy Transmission has the technical expertise, operational excellence and financial capabilities to support large transmission projects.

Operational Excellence – We operate and maintain complex transmission and distribution grids to ensure safe and reliable operations as well as uninterrupted and efficient electric service. Extensive diagnostics are used to assess facility conditions, forming the basis to develop plans for asset maintenance and replacement. Our state-of-the-art control centers allow our team to maintain grid reliability in a cost effective manner.

Financial Capabilities – Our parent company, NextEra Energy, Inc., is a leading clean energy company with revenues of more than $14.3 billion in 2012; strong investment grade credit ratings; and experience in financing large electric infrastructure construction projects. These strong financial credentials also support NextEra Energy Transmission as a reliable partner with the ability to finance large projects. This lowers costs and allows for earlier commercial operation dates.

Demonstrating our capabilities

NextEra Energy Transmission's assets include projects in Texas and New Hampshire, which provide a showcase for our capabilities.

Lone Star Transmission – Our regulated Texas transmission subsidiary has built approximately 330 miles of 345-kilovolt transmission line from eastern Scurry County to south central Navarro County, bringing wind power from the wind rich areas of West Texas to other areas of Texas. The transmission line is transporting enough energy to power over 2.5 million homes. Lone Star owns and operates this transmission line and associated facilities. The development of these facilities has further strengthened the electric grid in the Electric Reliability Council of Texas (ERCOT) and enhanced the reliable transmission of electricity from all generation sources.

New Hampshire Transmission – New Hampshire Transmission, LLC, owns the Seabrook Substation, a 345-kilovolt gas-insulated switch gear facility located In Seabrook, NH. The Seabrook Substation is critical in the Independent System Operator (ISO)-New England grid, connecting the Seabrook Nuclear Generating Station to the New England transmission grid, as well as interconnecting three 345-kilovolt transmission lines in New England. Operational control of the Seabrook Substation is under the authority of ISO-NE. Visit the New Hampshire Transmission's Standards of Conduct postings at www.oasis.oati.com/NHT/index.html.

NextEra Energy, Inc. – At A Glance

- Leading clean energy company with 2012 revenues of more than $14.3 billion, a generating capacity of more than 42,000 megawatts and nearly 15,000 employees in 26 states and Canada
- Largest generator of wind and solar power in North America
- Operates and maintains an extensive network of distribution and transmission lines as well as substations
- Holds an A-rated investment grade credit rating and has experience in financing large electric infrastructure projects

Contact Us

For more information, send an email to: Ask-NEET@NextEraEnergy.com or call 888-512-2446

You can also visit these websites:
www.NextEraEnergy.com and **www.lonestar-transmission.com**

APPENDIX 4

NextEra Energy, Inc.
Past Transmission Experience

Below is a sampling of various past projects that showcase NextEra's relevant experience. These projects demonstrate the breadth of experience, including experience with EHV transmission lines. They also illustrate how NEET has successfully managed challenges. The projects, summarized below, are described in detail the tables provided herein.

1. **FPL 500 kV System:** NextEra's Florida rate-regulated utility, FPL is one of the largest in the U.S., serving 4.6 million customer accounts, owning 6,649 circuit miles of transmission, over 24,000 MW of generation and over 68,351 circuit miles of distribution. A vital part of FPL's transmission systems is its approximately 1,102 miles network of 500 kV lines and ten 500 kV substations. FPL designed, constructed, operates and maintains this system.

2. **Lone Star Transmission**: NEET's subsidiary, Lone Star, was awarded a Certificate of Convenience and Necessity from the State of Texas to become a new-entrant regulated public utility to develop, construct and operate 293 miles of double circuit 345 kV transmission and 35 miles of single circuit 345 kV line, three large switching stations and two series compensation stations. In early 2013, Lone Star completed construction, and energized the project on time, for tens of millions of dollars less than its initial cost estimate, for this $700+ million project.

3. **Texas Clean Energy Express**: NEET's affiliate constructed the Texas Clean Energy Express as a generation tie-line. The project includes a 214 mile, 345 mile transmission line with two 345 kV and six 138 kV substations. From conception to commercial operation, this project took only 16 months to complete. Work included permitting, land acquisition, design, engineering, procurement, and construction. NEET's affiliate negotiated 270 landowner and 504 crossing agreements without access to expropriation. The project is an example of excellent project execution under a tight delivery schedule.

4. **Ontario East-West Tie Line**: On August 7, 2013, the Ontario Energy Board ("OEB") issued a decision selecting Upper Canada Transmission ("UCT") as the designated developer for the East-West Tie ("EWT") line. It involves development of a new, approximately 249 mile long double-circuit 230 kV electrical transmission line, adjacent to an existing transmission line running between Thunder Bay and Wawa, Ontario. Together the new and existing lines will increase capacity and reliability of electrical transmission between northeast and northwest Ontario. UCT is a partnership of NextEra Energy Canada, Enbridge Inc., and an Ontario-based pension fund. UCT was selected as the best choice among six developers that competed for this project, including incumbent applicants. The decision criteria considered by the OEB included:

- Organization structure and strengths;
- Aboriginal (First Nations and Métis) participation;
  Technical capability;
- Financial capability;
- Proposed design;
- Schedule for development and construction phases;
- Cost of development, construction, operation and maintenance phases; and
- Landowner, municipal, community, as well as First Nations and Métis consultation.

According to the OEB, "UCT either ranked first or was tied for first in seven of the nine decision criteria."

5. **Blythe Transmission Line**: NextEra's affiliate developed and constructed a 67 mile, 230 kV transmission line to connect Blythe Energy, a 520 MW natural gas power plant, to a new interconnection point. The original cost estimate was $85 million with an 18 month construction schedule. It was completed 15% under budget and 6 weeks early.

6. **New Hampshire Transmission Seabrook 345 kV GIS Upgrade**: New Hampshire Transmission ("NHT") initiated a high priority major project to upgrade the 1,244 MW Seabrook Nuclear Plant 345 kV gas-insulated substation, a crucial component of the New England bulk electrical system. Following 14 months of preparation, two months of construction began in proximity of energized systems, significantly increasing the complexity of the project. The final changeover was completed during a nuclear refueling outage, which imposed a strict, non-negotiable 30 day schedule for completion.

7. **FPL Generation Fleet Modernization**: FPL's Generation Fleet Modernization is an initiative by FPL to modernize three of its existing power plants. The original units have been demolished and are being replaced with new state of the art combined cycle plants. The plants included in the modernization effort are Cape Canaveral (1,250 MW), Riviera Beach (1,250 MW), and Port Everglades (1,277 MW) at an estimated cost of $3.4 billion. The project involves FPL system planning to assess the need for generation, rate-recovery approval procedures through Florida's Public Service Commission (regulatory body who must approve need, cost/scope estimates, and recovery), as well as design, engineering, construction, and hand-over to operations. The project includes extensive transmission system upgrades to accommodate the new equipment and significant expansion in generation from an existing location. The Cape Canaveral project was the first completed and was placed in service more than one month ahead of schedule and approximately $146 million under budget.

8. **Ontario Feed-in-Tariff Wind Projects**: NextEra's affiliate is constructing eight wind farms in Ontario totaling over 600 MW of generation and 62 miles of associated transmission between 115 kV and 500 kV and a total investment of over $1.5 billion. This project utilizes NextEra's capabilities in Aboriginal relations, land acquisition, permitting, regulatory processes and technical capabilities.

9. **Ghost Pine Wind Energy Center**: This is a greenfield 82 MW wind energy project developed by a NextEra affiliate in Kneefield County, Alberta. The project includes 51 GE 1.6 MW wind turbines. The site is approximately 12,960 acres with 81 parcels of land and 35 land owners. The project started commercial operations in 2011.

Project Details

1. Florida Power & Light 500 kV System

Item	Description
Name of project	**Florida Power & Light 500 kV System**
Location of project	Florida Power & Light's (FPL) 500kV System includes over 1,106 miles of 500 kV transmission lines and 10 substations, stretching from the Florida/Georgia state border in the north, to the Miami area in the southernmost part of the state, over 373 miles
Client organization	Florida Power & Light, Company (FPL)
Contract period	• The majority of construction of the 500 kV System occurred from the 1970's through the 1990's. • For the Corbett to Conservation line, design began in 1993 and the line was placed in-service in 1996. • FPL continues to operate, maintain and make ongoing capital improvements to this day. For instance, in 2000 FPL began its Reliability Improvement Project which focused on re-insulation, foundation mitigation, cross beam replacements and entire structure replacements, this initiative continues today.
Description of project	FPL's 500 kV system is the backbone of its bulk power electric grid. With an original investment of more than $950 million, the 500 kV system spans over 1,106 miles, with 4,624 structures interconnecting ten substation sites, across the entire FPL service territory. Initial design and construction of the FPL 500kV network began in the 1970's and continued through the 1990's. FPL regularly makes capital improvements and performs maintenance activities to ensure reliable, long-term operation of the system. The network traverses the state of Florida, from the Florida / Georgia state border to the Miami area, in the southernmost part of the state – a distance of over 373 miles. As such, the system is of vital importance to the state, providing bulk power transfers and ensuring reliability. Due to the vast geographical distance that the network spans, the terrain and soil conditions are diverse across the system. This required different structure and foundation design solutions depending on the specific conditions. A significant portion of the network was constructed on undrained surfaces with poor soil conditions. One of the specific 500 kV projects built on

Item	Description
	undrained land was the Corbett – Conservation transmission project. The project entailed development of a new 60 mile, 500 kV line, built on tubular steel, H-frame structures with concrete pier foundations. The line was redesigned to eliminate construction roads. Structures had to be redesigned to accommodate the use of helicopters for construction and methods of installation for foundations and anchors in the wetlands of Florida. In addition to the initial design and construction, a comprehensive condition assessment and pro-active maintenance program was put in place for all of the 500 kV facilities, to ensure their continued reliability. As part of this program, since 2000, FPL has invested an average of over $8 million annually on capital and O&M activities, including a multi-year insulator replacement strategy, foundation and structure inspections, and improvements to extend the useful life of these important transmission assets. As a result of its industry-leading processes and capabilities, FPL exhibited top-decile transmission reliability performance in a recent, well-recognized benchmarking study involving utilities from across the United States (*2011 SGS Transmission Reliability Benchmarking Study, by SGS Statistical Services*). More recently FPL identified several components of the system which are reaching the end of their useful life. Over the last decade, condition assessments have identified the need for a long-range reliability replacement program for the 500 kV system. Six-sigma projects were initiated to improve inspection processes, with the integration of condition-based maintenance and useful life prediction. In addition, engineering solutions were used to remove failure modes, extending the life of the structure in an economic manner.
Current status of project	The project is in-service and operating today, with ongoing maintenance.
Contract Model	Regulated Transmission Assets
Project Setting	FPL's 1,780 circuit miles of 500 kV transmission lines and ten substations cover a geographically diverse area, including forests, farmland, agricultural and wetland areas.
Time/Budget	As mentioned above, the majority of construction of the 500 kV system occurred from the 1970's through the 1990's. The original investment was $950 million. Over the last ten years, the re-insulate portion of the 500 kV Infrastructure Reliability Improvement Project budget has been approximately $4 million annually.
Personnel	Over the last 40 years, the FPL team has planned, designed, constructed,

Item	Description
	and operated its 500kV transmission system. FPL's extensive in-house capabilities allowed significant latitude to either in-source or outsource technical and labor resources, as appropriate, to deliver the best quality and cost-of-service for customers throughout the project. For the Conservation-Corbett 500 kV Line, engineering was performed by FPL employees along with construction supervision. Construction of the line was outsourced to third party contractors.
Procurement and Materials	Effective procurement and material logistics management was a key competency on the 500kV re-insulate portion of the project. It entailed the movement of approximately 130,000 material items over a 100 mile section, within a 40 day time period. Excellent planning and coordination between inventory storeroom and technical groups led to cost avoidance and productivity improvements. The project team organized material delivery by creating crated assembly package kits that included all the hardware (except insulators) required for each structure. This in turn improved the accuracy of material orders and increased crew productivity. Material logistics were also managed and scheduled by having vendors deliver materials at various points throughout the project timeframe. This was a departure from traditional approaches entailing deliveries to a centralized storeroom. Finally, to address fluctuations in the porcelain insulators market, alternate glass-type insulators were used, which in turn drove down the cost of porcelain insulators.
Safety	FPL's safety initiatives seek to foster a culture of behavior-based safety practices, as well as risk and hazard assessments. The goal of these initiatives is to eliminate work place injuries and to maintain a long-standing record of safety.
Environmental Issues	The Conservation-Corbett 500 kV Line was installed in the pristine wetlands of the Florida Everglades. Portions of the route were in the flight path of endangered Wood Storks and in endangered Snail Kite nesting habitat. To address these habitat issues, FPL developed Environmental Management Plans "(EMP") that outlined the environmental protection measures to be used during the O&M portion. The measures outlined in the EMP aimed to reduce or eliminate potentially adverse environmental effects. The plan incorporates comprehensive spill prevention and mitigation strategies; management plans for specialty gases such as SF6; wetlands and other sensitive lands management plans; right of way management plans; and wildlife management plans.

Item	Description
Issues/Mitigations/Creative Solutions	In addition to the environmental issues outlined above, complications on the Conservation-Corbett 500 kV line included endangered species habitat, and poor soil conditions with muck on top of limestone beneath 3 to 10 feet of water. As part of the FPL 500kV Infrastructure Reliability Improvement Project, such complications were addressed by integrating condition-based maintenance and economic life prediction processes into our inspection program. One of the inspections entailed using ultrasonic technology (Ultrasonic-Thickness or "UT") for measurement devices to determine the condition of our structures. Engineering solutions were developed to repair structure legs instead of entire poles. This solution avoided $100 million in replacement costs.
Unique Features	Road-less construction of the Conservation-Corbett 500 kV line was required and foundations had to be installed in rock, above which rested several feet of muck and water. Special drill rigs on tracked pontoons were used to drill holes, and concrete was pumped to the holes from distant, accessible sites. Helicopters were used to set the steel tubular H-frame structures on the foundations.
Unique Successes	The Conservation-Corbett 500 kV Line project was featured in T&D Magazine, and the engineering team won the Southeastern Electric Exchange ("SEE") 1996 Excellence in Engineering Award.
Other information	None

2. Lone Star Transmission

Item	Description
Name of project	**Lone Star Transmission**
Location of project	Texas, USA (Counties of Scurry, Fisher, Jones, Shackleford, Eastland, Callahan, Erath Bosque and Navarro)
Client organization	Lone Star Transmission, LLC, a NextEra Energy affiliated rate-regulated transmission utility located in Texas
Contract period	Construction Commencement Date: 8/1/2011 End of construction date: 2/22/13 Commissioning and Energization: 3/28/13
Time period of	The project team worked on various aspects of the Lone Star

Item	Description
involvement	transmission project from January, 2010 until March 2013.
Description of project	Lone Star was awarded a Certificate of Convenience and Necessity from the State of Texas to become a new-entrant regulated public utility to develop, construct and operate 293 miles of double circuit and 35 miles of single circuit 345 kV lines, five 345 kV substations, and associated facilities. In early 2013, Lone Star completed construction and energized the project on-time and for tens of millions of dollars less than its initial cost estimate for the $700+ million project. This project is part of the Electric Reliability Council of Texas' ("ERCOT") CREZ transmission grid improvement program, mandated by the Texas Legislature. Some innovative features of the project included the use of newly designed 345 kV, 5000A, 63 kA circuit breakers and 100 kVA station service voltage transformers ("SSVTs"). Prior to the Lone Star project, there were very limited suppliers of 5000 A, 63 kA circuit breakers at 345 kV. The SSVTs were sized to accommodate the station power requirements in the Lone Star substations. By using these advanced technologies, Lone Star was able to avoid paying higher costs for more equipment at a lower rating, or purchasing oversized equipment at a higher rating. New SSVTs were designed and manufactured in order to optimize Lone Star's specific requirements at a lower cost. Additional advanced technology used in Lone Star's CREZ project included 345 kV braced post polymer insulators that were unique for the application. Lone Star individually tested the insulator manufacturers' products to ensure they met the required static and dynamic loading requirements. Further, the 43m high capacity single piece spun concrete poles used by Lone Star were the first of their kind. These poles were designed and fabricated in a newly re-tooled plant in Texas. Plant modifications were required to accomplish this advancement of the spun concrete pole technology. The project includes 293 miles of double circuit and 35 miles of single circuit 345kV transmission line, using spun concrete and tubular steel monopoles in a braced post insulator framing scheme. The project traversed various terrains and geological conditions requiring multiple specialized foundation types. Each phase consisted of horizontal double bundled 1590 ACSS TW Falcon conductor. The project also required the construction of three large greenfield switching stations and two series compensation stations. Lone Star's primary and backup energy management system ("EMS") is in Florida, and primary and back-up control centers are located in Austin, Texas for system operations. In addition to its Texas operations team, Lone Star relies on shared FPL transmission and substation personnel, processes and procedures, and benefits

Item	Description
	from the operational efficiencies of a well-established shared services organization.
Current status of project	The project went into service in March 2013
Contract Model	Regulated Transmission Asset
Project Setting	The Lone Star transmission line traverses a geographically diverse area. The route passes through three eco-regions and three watersheds in central and eastern Texas. The western terrain consists of prairie with scattered residential communities. The central area terrain consists of prairie and woody hills with more densely populated areas in the eastern section. The eastern area terrain transitions from woody hills to rolling hills mostly made up of agricultural land.
Time/Budget	The project was completed ahead of schedule and well under the initial $700 million budget
Personnel	Lone Star is an excellent example of how NextEra Energy strategically staffs its transmission function by engaging a combination of dedicated operations talent augmented by experienced support from affiliate FPL. All physical construction activities were performed by third-party contractors. Lone Star had no issues staffing the project.
Procurement and Materials	Lone Star procured only the large equipment and materials items, where true cost savings could be recognized. Procurement contracts were structured to include liquidated damages for failure to deliver equipment and materials on schedule. This was done to ensure lack of materials would not slow down construction progress. The transmission structure contract was drafted to provide a reserve of poles prior to project start. Conductor contracts were executed in advance, to assure productions slot availability, as well as adequate supplies. QA/QC consultants were hired to observe production and material quality on a frequent basis to assure quality.
Safety	Safety is of the utmost importance on all NextEra projects. Very stringent safety requirements are spelled out in every contract document. All contractor agreements require safety oversight, safety reporting and meeting requirements. In addition the RFP packages require contractors to provide certified documents identifying current EMR ratings. If the ratings are above an Experience Modifier Rate of 1, a letter from the VP of the E&C organization is required before the bid is considered. Contractors are required to provide a job-specific safety plan for every project. This plan is reviewed by corporate safety and

Item	Description
	suggested edits are incorporated until all parties agree. Corporate Safety performs monthly site audits and provides reports identifying violations, improvements opportunities and good practices. Contractors are required to demonstrate actions taken to address issues noted. The target goal set forth by NEER Corporate Safety is a Reportable Incident Rate ("RIR") of .8 or less in which is well below the industry average. The Lone Star project was completed with a .8 RIR.
Environmental Issues	Several environmental concerns were present on the Lone Star Project. The Black Capped Vireo and Golden Cheeked Warbler were threatened and endangered species along the line route. Both required that any clearing of habitat be performed outside of breeding and nesting seasons. In many cases this limited or eliminated the ability for ROW clearing. Mitigation measures included design alteration, strategically timed construction activities, and development and implementation of segment specific Environmental Management Plans.
Issues/Mitigations/Creative Solutions	Highly expansive clays were found along route, which required the design and development of belled foundations to resist uplift forces.
Unique Features	First application of double circuit 345 kV concrete monopoles. Line and substations were designed to a 5000 amp rating.
Unique Successes	First ever double circuit 345 kV on concrete monopoles installed in Texas. First non-incumbent to complete a Texas Competitive Renewable Energy Zone project.

3. Texas Clean Energy Express

Item	Description
Name of project	**Texas Clean Energy Express**
Location of project	US, Texas
Client organization	NextEra Energy Resources ("NEER")
Contract period	Development on the project commenced in June 2008 and the project was commissioned and placed into service October 2009.
Time period of involvement	The project team listed below worked on the project from conception in June 2008 to completion in October 2009
Description of project	The Texas Clean Energy Express project is an example of NextEra

Item	Description
	and its affiliate's ability to complete a large project with a very aggressive schedule. A NEER subsidiary launched this transmission project to interconnect several of its wind generation sites, which were being curtailed due to congestion on the ERCOT system. The project includes a 214 mile, 345 kV transmission line with two 345 kV and six 138 kV substations. Project conception to commercial operation took only 16 months to complete. This included design, development and construction of transmission lines on extremely short timeframes, while completing appropriate processes for evaluation, land acquisition, material and equipment procurement, geotechnical and ground-based surveying, environmental permitting, and pipeline mitigation.
Current status of project	The project is in operation
Contract Model	The transmission line was constructed for use by NEER
Project Setting	Rural – West Central Texas. Flat to rugged ranch land
Time/Budget	Entire construction project was completed on-time and in less than nine months
Personnel	All physical construction activities were completed by third-party contractors. There were no issues staffing the construction of project. Multiple contractors were used complete the project in a timely manner.
Procurement and Materials	NEER procured nearly all material for the transmission line and major equipment for the substations. The transmission structures for the project were sourced from multiple plants in order to meet scheduling requirements. All other material was pre-sourced and delivered in bulk to multiple staging areas, where the various materials were kitted by structure type and delivered for use on the construction site. Large substation equipment (circuit breakers, switches, reactors, autotransformers and series compensations was procured by NEER. All other materials were procured by the EPC contractor. The main autotransformer and circuit breakers were pre-sourced and delivered to the substation sites.
Safety	Safety is of utmost importance on all NextEra projects. Very stringent safety requirements are spelled out in every contract document. All contractor agreements require safety oversight, safety reporting and meeting requirements. In addition the RFP packages require contractors to provide certified documents identifying current EMR ratings. If the ratings are above an Experience Modifier Rate of 1, a letter from the VP of the E&C organization is required before the bid is considered.

Item	Description
	Contractors are required to provide a job-specific safety plan for every project. This plan is reviewed by corporate safety and suggested edits are incorporated until all parties agree. Corporate Safety performs monthly site audits and provides reports identifying violations, improvements opportunities and good practices. Contractors are required to demonstrate actions taken to address issues noted. The target goal set forth by NEER's Corporate Safety is a RIR of .8 or less in which is well below the industry average. The Texas Clean Energy Express project was completed with a .8 RIR.
Environmental Issues	The primary environmental concern for the project was endangered species habitat. The transmission line route contained multiple Black Capped Vireo habitat locations. Clearing was only allowed to be performed after migration. This required multiple resources to be staged in multiple locations along the route to allow timely clearing completion prior to the Black Capped Vireo's return. In addition, where possible, taller structures were used to span habitat to minimize disturbance.
Issues/Mitigations/Creative Solutions	The project schedule required large volumes of concrete and steel poles to be produced in a short period of time. In order to streamline the production process, hybrid poles, consisting of concrete bottoms and steel tops were used. This allowed for the use of separate steel pole and spun concrete vendors, reducing steel pole lead times and facilitating the project schedule.
Unique Features	The entire construction was completed in less than nine months
Unique Successes	The project ultimately reduced the curtailment of > 600 MW of generation.

4. Ontario East-West Tie Line

Item	Description
Name of project	**Ontario East-West Tie Line**
Location of project	New 230kV double circuit transmission line to be constructed between Wawa and Thunder Bay, Ontario
Client organization	Ontario Energy Board / IESO, Province of Ontario
Contract period	Once the East-West Tie Line is constructed, UTC, a NEER affiliate will be a rate-regulated transmission operator in the Province of Ontario governed by the Ontario Energy Board. The Operations

Item	Description
	Period begins with the commencement of operations in Q1 2018 and will continue for at least 25 years.
Time period of involvement	UTC was granted a conditional power transmitter license by the Ontario Energy Board in 2011. During 2011 – 2012, NEET's UCT entered into a partnership with Enbridge Inc. and Borealis Infrastructure (an affiliate of the Ontario Municipal Employees Retirement System) for the purpose of bidding on the right to develop and construct the East-West Tie Line. Selection process: February 2012 – August 2013 Development Period: August 2013 – Q1 2015 Estimated Construction Period: Q1 2015 – Q1 2018
Description of project	NextBridge Infrastructure, a partnership between affiliates of NEER, Enbridge and Borealis, was selected in August 2013 to undertake the development of the East-West Tie Line ("EWT") through a highly competitive international solicitation and selection proceeding conducted by the Ontario Energy Board. The line will be approximately 249 mile, 230 kV double circuit running from Wawa to Thunder Bay in Ontario. The construction estimate for the project is $430 Million.
Current status of project	At present, we are actively developing the project under order from the OEB. During this period, we are conducting final route selection, environmental studies and approvals, land optioning, detailed design and engineering, negotiations with aboriginal communities, stakeholder consultations, finalizing cost estimates, and detailed discussions with the OEB. The next step will be to file a Leave to Construct application to the OEB, which we anticipate to occur by Q1 2015.
Contract Model	The NextBridge partnership has been given a license under Order from the OEB to develop the line. NextBridge therefore is a utility in the Province of Ontario.
Project Setting	The proposed 249 mile route of the transmission line, between Wawa and Thunder Bay in Ontario, traverses areas of woods and rock. It is remote and Northern in climate. The proposed route also passes through towns and Aboriginal communities and ancestral lands.
Time/Budget	NextBridge has proposed a Development Phase budget of approximately $22 million and a construction budget of $430

Item	Description
	million for the "reference case" presented to the IESO, excluding certain activities.
Personnel	Our organization structure is similar to that proposed in this AESO process. We have a Board of Directors representing the consortium partners, a Project Director who oversees all aspects of the project, Operations Committee, Aboriginal Advisory Board and Team Leads for all the major work streams. The Team Leads will have third party consultants working with them on critical areas. Upon commencement of commercial operations, the project company will have in place a President and an O&M contract with a NextEra affiliate to operate and manage the facilities. Our organization structure was highlighted by the OEB in its selection order as the best among all competitors.
Procurement and Materials	Procurement is being managed much the same manner as has been proposed for the Project. The project is phased, and appropriate procurement is undertaken within each phase. All major contracts for construction and materials will be competitively bid. Due to the size of our partner organizations, we will be able obtain attractive pricing.
Safety	NextBridge's goal is to ensure a behavior based safety and hazard/risk assessment culture focused on the elimination of work place injuries, drawing on safety practices and processes within its partner organizations, including NextEra and Enbridge.
Environmental Issues	Effective transmission siting is critical to minimize environmental impacts. The routes under consideration cross numerous waterways and wetland areas along with Pukaskwa National Park, other Provincial Parks and sensitive areas. Agency and stakeholder group meetings have provided important input and considerations for line siting. Key protected species, such as the Woodland Caribou and important bird and other wildlife species, have also been identified and will be assessed during planned field studies. A "carbon neutral" merchantable tree replacement program is also being initiated.
Issues/Mitigations/Creative Solutions	We proposed a unique tower structure design – a double-circuit guyed-Y tower that we believe is optimal for the terrain and application. The OEB in its designation order, cited our creative solution as a contributing factor in the selection of NextBridge as the successful applicant.

Item	Description
Unique Features	• Unique and creative proposal for a double-circuit guyed-Y tower design • Clearly defined accountabilities for work streams • O&M contract with a NextEra affiliate during operations • Using internal technical capabilities for all phases of the project, supplemented by third-party contractors and consultants • Carefully structured schedule for development and construction that allows for parallel path activities • Lowest cost alternative of all the competitors • Clear stakeholder communications plans • Clear Aboriginal consultations plan
Unique Successes	The OEB in its designation order noted that NextBridge ranked first or second of all the competitors in 7 of the 9 decision criteria, including the items highlighted above.

5. Blythe Transmission Line

Item	**Description**
Name of project	**Blythe Transmission Line**
Location of project	Blythe power plant and the start of the Blythe Transmission Line is located in the City of Blythe, Riverside County, California, just north of Interstate 10 (I-10), approximately 7 miles west of the California and Arizona border.
Client organization	Blythe Energy, LLC, NextEra Energy Resources (this was a self-build project)
Contract period	The Blythe power plant project was initiated with the California Energy Commission ("CEC") in 2004. In a CEC Notice of Decision dated October 11, 2006, CEC approved an amendment to the license for the construction and operation of a 230-kV transmission line to allow for delivery of the full electrical output of the plant to the California Independent System Operator ("CAISO") controlled electrical transmission system (CEC 2006b). Western Area Power Authority and the Bureau of Land Management (BLM) served as co-lead federal agencies for review of the Blythe Energy petition pursuant to the National Environmental Policy Act ("NEPA") and issued a Finding of No Significant Impact ("FONSI") for the license amendment (Western and BLM 2007).
Time period of involvement	The team members listed below were involved with the project from 2008 through 2010. The transmission and substation engineering

Item	Description
	contract was awarded to Power Engineers in 2008. The transmission construction contract was awarded to Wilson Construction in February 2009 and the substation construction contract was awarded to Energy Erectors in June 2009. Transmission construction was completed in February 2010 and substation construction was completed in May 2010. The transmission line contract was completed in May 2010 and the substation contract was completed in June 2010.
Description of project	The 67 mile, single and double circuit 230 kV transmission line was built to interconnect NEER's 520MW natural gas-fired Blythe Energy Plant into the Southern California Edison ("SCE") 230kV transmission grid at the Julian Hines Substation. The line paralleled existing 161kV and 500kV lines for 30% of the route and was constructed in a 30 meter right-of-way. These lines provided existing access points along the route. The transmission line is configured as a single-circuit 230kV transmission line using both concrete and steel monopoles to support the three phases of tri-bundled 1033 ACSR/AW conductor in a delta configuration. 5 miles of the line was designed for double circuit 230kV to accommodate a future 230kV line to NextEra Energy's Genesis Thermal Solar plant. The transmission line was awarded a Power Purchase Agreement with SCE that commenced on Aug 1, 2010. It included daily penalties of $250k if the project energy was not delivered on time. The total construction budget for the Project was $85M. The project came in 15% below budget, early and with no Environmental violations.
Current status of project	Project has been in-service since June 2010.
Contract Model	All engineering and construction aspects of the project were competitively bid and awarded. The contract model was design-build. The transmission and substation project was designed and engineered by Power Engineers, bid and awarded to Wilson Construction (site improvements & transmission line) and Energy Erectors (substation). SCE was fully reimbursed through the Large Generator Interconnection Agreement for the interconnection at Julian Hines substation.
Project Setting	This project routes in an east to west direction through a remote area of the Mojave desert in Southeastern California, on primarily Bureau of Land Management (BLM). The project was built within environmentally sensitive Desert Tortoise and Mojave Fringe-Toed Lizard habitat. The BLM, working with United States Fish and Wildlife Services, issued an incidental take permit for the Desert

Item	Description
	Tortoise. However, there were no environmental violations or takes on the project.
Time/Budget	The project was expected to take 18 months from initiation of right-of-way clearing to energization, but was completed six weeks ahead of schedule and 15% under budget. The total construction budget for the Project was $85 Million.
Personnel	Engineering was performed under the supervision of NextEra Energy employees. Supervision of construction was conducted with NextEra Energy employees. Construction of the line was outsourced to third party contractors.
Procurement and Materials	NEER's Integrated Supply Chain ("ISC") bid and procured all major long lead materials and equipment, including the transmission line conductor, optical and static ground wire, insulators, anchor bolt cages, steel and concrete structures, high voltage breakers and disconnect switches. These long-lead time items were procured early and delivered to the site in order to ensure a timely start and to prevent any owner caused delays to the contractor.
Safety	Safety is priority one and NextEra requires all employees and contractors to abide by established safety policies. Failure to comply with our rigid safety standards will result in personnel being removed from the project or terminated. All personnel on site were required to take classes on the environmental conditions and comply with the strict requirements and could not go on-site without passing the required classes. Any new employees brought on site were subjected to the same rigorous requirements. The contractor was required to submit its safety plan and have it approved by NextEra safety personnel. Safety tailboards were held each day and safety inspections were carried out by NextEra and OSHA without notification. Due to the hot and dry conditions, work hours were varied to ensure personnel were properly hydrated. There was one safety incident but no OSHA recordables.
Environmental Issues	As noted previously this was Threatened and Endangered ("T&E") species habitat and appropriate mitigation (full time monitors) was put in place during all construction days. The line traversed 50 miles of Desert Tortoise habitat and 44 live tortoises were known to live along this route. In addition, construction was relocated on those occasions when native red tailed hawks were nesting. There were no significant construction delays due to prior planning and a pre-approved mitigation plan. Many California environmental compliance requirements were required to be met including spill containment, fire prevention, noise and vibration abatements, fugitive dust, hazardous materials management, etc. All compliance requirements were met.
Issues/Mitigations/Cre	Threatened and Endangered Species habitat requiring full time

Item	Description
ative Solutions	monitors, major gas pipelines parallel to and crossings throughout, multiple transmission line and Interstate Crossings, close coordination with various environmental agencies and California Compliance documentation. Agency representatives (i.e. inspectors, monitors,) were integrated into all facets of construction planning (including daily tailboards) to ensure the means and methods employed optimized compliance and minimized impact.
Unique Features	Desert terrain, high temperatures, very dry and remote location, T&E Species habitat, strict California Energy Commission compliance requirements, cultural and archaeological issues requiring Native American support and inspection compliance.
Unique Successes	The project was completed early, under budget and achieved environmental compliance.
Other information	Project related facilities were sold in 2011.

6. New Hampshire Transmission Seabrook 345 kV GIS Upgrade

Item	Description
Name of project	**New Hampshire Transmission Seabrook 345kV Gas Insulated Switchgear**
Location of project	The Seabrook 345kV Gas Insulated Switchgear ("GIS") substation located at Seabrook, New Hampshire is a major bulk power transmission system facility and a critical node on the ISO-New England ("ISONE") transmission grid.
Client organization	New Hampshire Transmission ("NHT"), LLC, a rate-regulated transmission utility affiliate of NEER located in New Hampshire
Contract period	In 2007, an assessment of the substation equipment and design arrangement was undertaken to determine what system improvements could be achieved to improve the reliability of the Seabrook 345kV Substation. Improvement recommendations were implemented from 2009 to 2011.
Time period of involvement	NextEra's involvement with this project is continuous and ongoing as this represents a major transmission asset of NHT.
Description of project	Reliability concerns at the Seabrook Substation necessitated a significant transmission upgrade. Since nearly all major

Item	Description
	maintenance at the Seabrook Substation must be performed only during a scheduled refueling outage at the Seabrook Nuclear Power Plant, which lasts approximately 30 days every 18 months, a detailed plan was developed to facilitate a rapid switchover during the outage. It was decided that the new station equipment would largely be put into place in and around the existing energized 345 kV equipment. Space restrictions required that a second story be built to house the new equipment. As the substation is associated with and partly behind the fence of a nuclear facility, all work was completed under nuclear plant procedures and security requirements. The complexity of this project was therefore significantly higher than that of a standard GIS substation. Permitting started in late 2008, and construction was initiated in early 2009 to allow for the first stage of cutover during the October 2009 Seabrook Plant refueling outage. Upgrades included: construction of an elevated equipment enclosure over an energized 345kV GIS switchyard in a compressed schedule and in a nuclear environment; addition of five new and removal of two existing 345kV GIS breakers and GIS bus; modification of the switchyard topology to meet ISO planning criteria while improving nuclear plant interconnection reliability; reconfiguration of the remote auxiliary transformer and generator step-up transformer bus interconnections; and designing of new breaker control cabinets, breaker failure relay panel, bus differential panel, and new relay room annunciator.
Current status of project	Project is complete and in service.
Contract Model	New Hampshire Transmission, LLC is a rate regulated, utility infrastructure improvement and long term major bulk power transmission system facility and a critical node on the ISONE transmission grid.
Project Setting	The Seabrook 345kV GIS substation located at Seabrook, New Hampshire.
Time/Budget	Project improvement recommendations were implemented from 2009 to 2011, at an approximate cost of $66.2M.
Procurement and Materials	The compressed schedule of the design, engineering and procurement activities with global suppliers required close

Item	Description
	coordination with all parties involved to ensure the successful completion of the project within the limited nuclear plant outage windows.
Safety	Our objective is to promote a behavior based safety and hazard/risk assessment culture focused on the elimination of work place injuries. Consequently, the NEER safety culture of *Zero Today!* has yielded an outstanding safety record.
Environmental Issues	NEET has Environmental Management Plans ("EMP") that describe the environmental protection measures that are used during the operation and maintenance life of the project. The measures described in the EMP serve to eliminate or reduce potential adverse environmental effects. The plan incorporates comprehensive spill prevention and mitigation plans, and management plans for specialty gases such as SF6.
Issues/Mitigations/Creative Solutions	Engineering package were developed to be compliant with NPCC, ISO-NE, NERC, and Nuclear Plant procedures and requirements, including redundancy, wind, seismic, QA/QC, procurement and safety. Nuclear plant outage times provided small windows of opportunity, so a design and sequence plan maximizing pre-outage work and limiting outage time was necessary. Competing priorities between ISO-NE and Nuclear schedules had to be carefully coordinated.
Unique Features	Construction occurred within the Protected Area of a Nuclear Plant, over an energized 345kV switchyard while Plant was on line.
Unique Successes	Project commissioning took place over two Plant Outages. All work was completed successfully, on time and in compliance with Nuclear Plant procedures and requirements.
Other information	None

7. Florida Power & Light Fleet Modernization

Item	Description
Name of project	**Florida Power & Light Fleet Modernizations**
Location of project	Cape Canaveral Energy Center is located in Cape Canaveral, Florida, Riviera Beach Energy Center is located in Riviera Beach, Florida, and Port Everglades Energy Center is located in Fort Lauderdale, Florida
Client organization	FPL, a subsidiary of NextEra
Contract period	The FPL Power Plant Modernizations included the demolition and construction of three regulated power generation assets. The dates for construction commencement and expected commercial operation are as follows: o Cape Canaveral: Construction Commencement – 2/2011, Commercial Operation – 4/2013 o Riviera Beach: Construction Commencement – 2/2012, Commercial Operation – 6/2014 o Port Everglades: Construction Commencement – 2/2014, Commercial Operation – 6/2016
Time period of involvement	Permitting of the initiative to "modernize" or tear down old plants and replace them with new, state-of-the-art plants started in 2008. Demolition and construction of the plants began in 2010 and is currently underway. The first plant came on-line in 2013 and the last plant is schedule for commercial operations in 2016.
Description of project	FPL's Power Plant Modernization is an initiative to modernize three of its existing power plants. The original units will be demolished and replaced with new state of the art combined cycle plants. The plants included in the modernization effort are: (i) Cape Canaveral (1,250 MW) (ii)Riviera Beach (1,250 MW) (iii) Port Everglades (1,277 MW) The estimated total cost for the modernization of all three plants $3.4 billion. The project involves FPL system planning to assess need for generation, rate-recovery approval procedures through the Florida Public Service Commission (regulatory body that must approve need, cost/scope estimates, and recovery), design,

Item	Description
	engineering, construction, start-up & commissioning, and turn-over to operations. These projects include extensive transmission system upgrades (transmission lines, switchyards and collection yards) to accommodate the new equipment and significant expansion in generation from an existing location.
Current status of project	The old Cape Canaveral plant was demolished in 2010 and the new plant was placed into service this year (2013). The project has been completed more than one month ahead of schedule and $140 million under budget. It has achieved its stated capability of 1,200 MW, or enough to power approximately 250,000 homes – roughly double that of the old plant. The old Riviera Beach plant was demolished in 2011. The new plant is currently under construction and scheduled to be online in 2014. Since it is located in an urban location, the project scope included over $100 million of transmission system upgrades. The plant will be very similar to the Cape Canaveral plant and is currently on schedule. The old Port Everglades plant was demolished in 2013. The new plant will begin construction in 2014 and is scheduled to be online in 2016. Completion of demolition, engineering, and mobilization for construction are on schedule.
Contract Model	FPL undertook its own design, build, own and operate model supported by a closely monitored third party engineering and construction provider.
Project Setting	All three facilities were original sited and built in the 1960s. Cape Canaveral is located in a commercial area; Riviera Beach is located in a heavy urban area and next to an industrial port; Port Everglades is located in a heavy industrial port and fuel storage area. The Riviera Beach and Port Everglades projects are being undertaken amidst heavy industrial and commercial traffic.
Time/Budget	All three plants are expected to be completed ahead of schedule and under budget.
Personnel	The personnel working on the project were mostly permanent FPL employees, with some subcontractors to support the construction phase. There has been minimal turnover of personnel during the project.
Procurement and	The procurement of the major equipment (e.g. combustion turbines,

Item	Description
Materials	heat recovery steam generators, steam turbines, main power transformers) was performed by FPL. The balance of plant equipment was procured by the engineering and construction contractor.
Safety	The engineering and construction contractor is required to maintain a safety program that meets FPL's specified safety requirements. Daily oversight by FPL of the engineering and construction contractor's adherence to safety requirements is conducted along with regular safety audits performed by FPL safety professionals.
Environmental Issues	Typical environmental issues associated with this project included stormwater management, dewatering discharge management, spill prevention control and countermeasure plans, dust and noise control, chemical and waste management plans, and environmental training plans for employees. These plants are located along environmentally sensitive waterways with requirements to provide thermal refuges for West Indian Manatees. As part of this project, each plant was required to install a heating system to provide a warm water refuge for the manatees during cold water events.
Issues/Mitigations/Creative Solutions	The old plants at each site were imploded, saving time and money for the demolition portion of the project
Unique Features	The modernization of the three plants had the following benefits: 1. Reuse of existing industrial property for new units 2. No increase in water use by all three plants 3. A new reduction in air emissions from all three plants
Unique Successes	All three new plants will be built on existing power plant sites. The old plants were demolished and new plants constructed in their place. The old Cape Canaveral plant was demolished and the new plan placed into service more than one month ahead of schedule and $140 million under budget.

8. Ontario Feed-in-Tariff Wind Projects

Item	Description
Name of project	**Ontario Feed-in-Tariff Wind Projects**
Location of project	**Canada, Ontario**
Client organization	**Ontario Power Authority**
Contract period	Conestogo – Construction period 8/2012 – 12/2012 Summerhaven – Construction period 8/2013 – 12/2013 Bluewater – Anticipated construction period 10/2013 – 6/2014 Bornish – Anticipated construction period 12/2013- 6/2014 Adelaide – Anticipated construction period11/2013 – 6/2014 East Durham – Anticipated construction period 12/2013 – 5/2014 Goshen – Anticipated construction 4/2014 – 12 /2014 Jericho – Anticipated construction 3/2014 – 10/2014
Time period of involvement	**August 2012 to October 2014**
Description of project	NextEra Energy Canada ("NEEC") subsidiaries have signed eight Power Purchase Agreements ("PPAs") with the Ontario Power Authority "(OPA") under the Province's Feed-in-Tariff "(FIT") program, to deliver over 600 MW of wind energy and resulting in approximately $1.5 billion of investment in the Province of Ontario. Two of the FIT projects, Conestogo (23MW) and Summerhaven (124MW), have been constructed and are operational, and six others are scheduled to achieve commercial operation ("COD") over the next 14 months as follows: • Bluewater 60 MW Expected COD 6/14 • Bornish 73 MW Expected COD 6/14 • Adelaide 60 MW Expected COD 6/14 • East Durham 22.4 MW Expected in Service 5/14 • Goshen 102 MW Expected COD 12/14 • Jericho 149 MW Expected COD 10/14
Current status of project	• Conestogo and Summerhaven achieved COD in 2013. • The Ontario Energy Board has granted a leave to construct for the Bluewater project. • Renewable Energy Approvals ("REA") for the Bluewater, Bornish and Adelaide projects have been successfully obtained. • All six of the projects are in late stage permitting and four are preparing for construction starts in late 2013. It is

Item	Description
	anticipated that the final two projects will commence construction in the spring of 2014.
Contract Model	Wind energy contracts under the Ontario Power Authority's FIT program
Project Setting	Various sites throughout Southwestern Ontario, NextEra has consulted with 14 First Nation and 3 Métis councils in connection with the projects.
Personnel	Other than NEER Project Management, all project personal including EPC Contract employees were Ontario residents as required by the terms of the OPA's Domestic Content Program. In addition, development consultants for environmental, permitting, engineering etc. were also Ontario-based.
Procurement and Materials	NEER procures and delivers all of the project materials as required by the construction schedule. NEER levers its ability to purchase wind farm equipment in bulk due to its large pipeline of wind projects in Canada and the US.
Safety	NEER has fulltime safety managers and requires all contractors to follow a strict safety program. The safety policies are based on proven practices developed by and in place at our affiliate companies.
Environmental Issues	Comprehensive environmental studies required as part of the REA process enabled NEEC to use a design philosophy that first avoids, then minimizes, and then mitigates for unavoidable impacts. NEEC has successfully addressed multiple endangered and sensitive species and habitats, archeological and cultural resource sites, wetlands and watercourses, and other environmental constraints while developing the projects and associated transmission lines.
Issues/Mitigations/Creative Solutions	Archeological resources identified by project studies required extensive consultation with First Nations. NEEC collaborated closely with the impacted First Nations and Métis communities to ensure transparency and accountability. In addition, NEEC has engaged extensively with various local and regional municipalities at every stage of each project lifecycle to ensure that local community members and their representatives are kept fully informed with respect to project development and that any potential impacts to residents are minimized while at the same time allowing the affected areas to enjoy the significant economic benefits of local wind development.

Item	Description
Unique Features	Working closely with the Ministry of Environment to simultaneously permit three of the FIT projects with common transmission connection infrastructure, a first for Ontario renewable energy projects
Unique Successes	NEEC and its affiliates were awarded more megawatts than any other company in connection with the FIT program.
Other information	Projects include a total of 62 miles of transmission and multiple substations, from 115 to 500 kV.

9. Ghost Pine Wind Energy Center

Item	Description
Name of project	**Ghost Pine Wind Energy Center**
Location of project	Canada, Alberta, Kneehill County approximately 75 miles Northeast of Calgary Alberta
Client organization	NextEra Energy Canada (merchant wind farm)
Contract period	Commercial Operations began in December 2010
Time period of involvement	Development, engineering and procurement started on October 2009. The Engineering Procurement Construction contract for the facility was awarded on April 2010. Construction commenced on August 2010
Description of project	Ghost Pine Energy Center is an 81.6 MW wind generation plant located 75 miles northeast of Calgary. 51 GE 1.6 MW wind turbines were built on the site – approximately 12,960 acres with 81 parcels of land and 35 land owners. The project construction included access roads, an underground collection system, an O&M building and a substation to interconnect to the local utility, ATCO Electric. Subsequent to commercial operations, a 10 year PA JP Morgan Commodities Canada Corporations has been signed.
Current status of project	The project was placed in service in December 2012 and is currently in operation
Contract Model	NEER performs all engineering and procurement with the exception of the roads and wind turbine foundations and contracted the construction through one general contractor.

Item	Description
Project Setting	Rural
Time/Budget	The Project was on time and under budget.
Personnel	EPC personnel on the project were hired through a Canadian firm (Borea). NEER construction oversight consisted of a Project Construction Manager, Project Site Admin, Electrical / Oversight Commissioning Manager, Turbine Commissioning Manager and Materials and Logistics Manager.
Procurement and Materials	Materials and equipment were procured through a bid process with vendors that have provided reliable services for previous projects, and delivered on a timely basis to adhere to project schedule. No material shortage or fabrication errors were encountered.
Safety	Safety is top priority, and we ensure that a site specific safety plan is generated for the project. Additionally, the EPC contractor is required to maintain a full time site safety manager with safety meetings held daily and safety audits are performed monthly by NEER safety manager.
Environmental Issues	Ghost Pine successfully achieved Section 3 (for Power Plants) and Section 7 (for Transmission Facilities) approvals under Section 11 of the Hydro and Electric Energy Act for the Ghost Pine Wind Farm Power Plant. In support of the approvals, a Historical Resource Impact Assessment was conducted and a Historical Resources Act clearance was obtained. Also, a noise impact assessments was completed under AUC Rule 012: Noise Control and accepted. Further, sign-off was obtained from Alberta Sustainable Resource Development ("ASRD"). Public consultation consisted of open house meetings and individual contact with all residents within 2000m of the project. A federal Environmental Impact Statement ("EIS") was also completed and approved and consisted of an in-depth assessment of potential effects to the geophysical, aquatic, terrestrial, atmospheric and socio-economic conditions. In support of the EIS, two years of wildlife assessment and monitoring was conducted which included wildlife, avian, and bat surveys. Regarding bats, Fortuna GP, Inc. was among the first wind farms to work with ASRD to develop bat monitoring protocols and an associated mitigation plan based on species mortality found during post-construction mortality searches.
Issues/Mitigations/Creative Solutions	The point of interconnect for Ghost Pines was part of a weak transmission system. The initial and subsequent energization of the GSU could result in unacceptable drop in the system voltage which could lead to system instability. NextEra initiated a "Magnetizing Inrush Study" to determine the effectiveness of using a point on wave breaker in lieu of a

Item	Description
	traditional gang operated circuit breaker to energize the GSU and keep the grid voltage fluctuations within the mandated tolerances. These initial studies revealed that the point on wave breaker along with its controller could be used to energize the GSU with close to zero inrush current. This would reduce significantly the voltage fluctuations on the already weak grid.
Unique Features	Construction took place on actively farmed lands; thus, care was needed to ensure minimal disruption to farming activities.
Unique Successes	Ghost Pine was the first wind project NEER has constructed in Canada.

ATTACHMENT B

NEET's Previously Updated Application dated September 29, 2015

NEXTera™ ENERGY TRANSMISSION MIDATLANTIC

NextEra Energy Transmission MidAtlantic, LLC

Application for Pre-Qualification for Designated Entity Status

Submitted to:

PJM

September 29, 2015

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Appendix A	NextEra Energy Transmission, LLC's ("NEET") submitted Application for Designated Entity Status, dated December 27, 2013
Appendix B	NEET's previously submitted Pre-Qualification Application 2015 Update

Introduction

Consistent with PJM Interconnection's ("PJM's") Amended and Restated Operating Agreement ("PJM OA"), NextEra Energy Transmission MidAtlantic, LLC ("NEET MidAtlantic") is pleased to submit this application for Designated Entity Status ("Application") to PJM. NEET MidAtlantic is a direct subsidiary of NextEra Energy Transmission, LLC ("NEET"). NEET was pre-qualified for Designated Entity Status by PJM in December 2013. NEET MidAtlantic's qualifications for Designated Entity status are identical to those of its parent company. Accordingly, NEET MidAtlantic is submitting NEET's 2013 Pre-Qualification Application and its 2015 update as appendices to this application.

The chart below details the sections of the PJM OA for which NEET MidAtlantic is providing information, either in this Application or its appendices. The chart is organized such that if a section is labeled "Application" in the "Citation" column of the following chart, the discussion of that section can be found in the short narrative further in this document. Additionally, if the "Citation" is labelled "Appendix A" or "Appendix B", that information can be found in the applicable appendix.

Updated Sections

PJM OA Section Number	Question Text	Citation
1.5.8(a)(i)	Name and address of the entity including a point of contact	Application, Page 2
1.5.8(a)(ii)	The technical and engineering qualifications of the entity or its affiliate, partner, or parent company	Appendix A, Page 6
1.5.8(a)(iii)	The demonstrated experience of the entity or its affiliate, partner, or parent company to develop, construct, maintain, and operate transmission facilities, including a list or other evidence of transmission facilities the entity, its affiliate, partner, or parent company previously developed, constructed, maintained, or operated;	Appendix A, Page 11
1.5.8(a)(iv)	The previous record of the entity or its affiliate, partner, or parent company regarding construction, maintenance, or operation of transmission facilities both inside and outside of the PJM Region	Appendix B, Page 3
1.5.8(a)(v)	The capability of the entity or its affiliate, partner, or parent company to adhere to standardized construction, maintenance and operating practices	Appendix A, Page 16
1.5.8(a)(vi)	The financial statements of the entity or its affiliate, partner, or parent company for the most recent fiscal quarter, as well	Appendix B, Page 5

	as the most recent three fiscal years, or the period of existence of the entity, if shorter, or such other evidence demonstrating an entity's current and expected financial capability acceptable to the Office of the Interconnection	
1.5.8(a)(vii)	Commitment by the entity to execute the Consolidated Transmission Owners Agreement, if the entity becomes a Designated Entity	Application, Page 3
1.5.8(a)(viii)	Evidence demonstrating the ability of the entity to address and timely remedy failure of facilities;	Appendix A, Page 21
1.5.8(a)(ix)	A description of the experience of the entity in acquiring rights of way; and	Appendix A, Page 23
1.5.8(a)(x)	Such other supporting information that the Office of Interconnection requires to make the pre-qualification determinations consistent with this Section	None provided

Name and address of the entity including a point of contact

Name and Address of the previous entity:

NextEra Energy Transmission MidAtlantic, LLC
700 Universe Boulevard, UST/JB
Juno Beach, FL 33408

Questions and comments regarding this document should be referred to:

David Davis
Executive Director, Development
NextEra Energy Transmission, LLC
700 Universe Boulevard, UST/JB
Juno Beach, FL 33408
Phone: 561-691-7941
Email: david.davis@nexteraenergy.com

Company Overview

NEET MidAtlantic is a direct subsidiary of NEET and benefits from the resources and experience of the NextEra Energy, Inc. ("NextEra") family of companies. A detailed discussion of NEET and the overall NextEra Energy family of companies can be found in Section 3 of Appendix A.

Technical and Engineering Qualifications; Demonstrated Transmission Experience; Previous Transmission Record; Standardized Construction, Maintenance and Operating Practices; Financial Qualifications; Timely Remediation of Facilities Failure; and Experience Acquiring Rights of Way

As noted above, NEET MidAtlantic is a direct subsidiary of NEET, which has been pre-qualified for Designated Entity Status by PJM. The information and statements relied upon by NEET demonstrating its qualifications and experience are identical to the information and statements relied upon by NEET MidAtlantic. Therefore, NEET MidAtlantic incorporates by reference the information and statements made by NEET in its 2013 Pre-Qualification Application and 2015 update, copies of which are provided in Appendices A and B. The particular pages of Appendices A and B relevant to the demonstrations required in Section 1.5.8 can be found in the table above.

Commitment to Execute the Consolidated Transmission Owners Agreement

NEET MidAtlantic commits to execute the Consolidated Transmission Owners Agreement with PJM if it is selected as the Designated Entity for a transmission project within the PJM region.

Appendix B

NEET's previously submitted Pre-Qualification Application 2015 Update

NextEra Energy Transmission, LLC

Application for Pre-Qualification for Designated Entity Status

Pre-Qualification Identification Number Q13-18 Update

Submitted to:

PJM

September 29, 2015

NEXTera™ ENERGY TRANSMISSION

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Attachment A	NEET's previously submitted Application for Designated Entity Status, dated December 27, 2013
Attachment B	NextEra Energy, Inc. 2014 Profile

NEXTera™ ENERGY TRANSMISSION

Introduction

Consistent with PJM Interconnection's ("PJM's") Amended and Restated Operating Agreement ("PJM OA"), NextEra Energy Transmission, LLC ("NEET") is pleased to submit this update to its previously submitted Pre-Qualification for Designated Entity Status Application ("Updated Application"). NEET was pre-qualified for Designated Entity Status by PJM in December 2013 pursuant to Schedule 6 to the PJM OA. The PJM OA provides that, in the event the information on which an entity's pre-qualification is based changes, such entity must submit to PJM all updated information during the annual thirty-day pre-qualification window. This Updated Application informs PJM of changes to the information on which NEET's pre-qualification was based. NEET's qualifications have not diminished in any material way, and, accordingly, the information included in this Updated Application is intended merely to supplement NEET's previous application.

To facilitate PJM's review, the chart below details the specific sections that NEET is providing supplemental information. A section labeled "NO" indicates that NEET's answer previously provided in its 2013 pre-qualification application has not materially changed.

Updated Sections

PJM OA, Schedule 6 Section Number	Question Text	Updated Information Provided?
1.5.8(a)(i)	Name and address of the entity including a point of contact	YES
1.5.8(a)(ii)	The technical and engineering qualifications of the entity or its affiliate, partner, or parent company	NO
1.5.8(a)(iii)	The demonstrated experience of the entity or its affiliate, partner, or parent company to develop, construct, maintain, and operate transmission facilities, including a list or other evidence of transmission facilities the entity, its affiliate, partner, or parent company previously developed, constructed, maintained, or operated	YES
1.5.8(a)(iv)	The previous record of the entity or its affiliate, partner, or parent company regarding construction, maintenance, or operation of transmission facilities both inside and outside of the PJM Region	NO
1.5.8(a)(v)	The capability of the entity or its affiliate, partner, or parent company to adhere to standardized construction, maintenance and operating practices	NO
1.5.8(a)(vi)	The financial statements of the entity or its affiliate, partner, or parent company for the most recent fiscal quarter, as well	YES

	as the most recent three fiscal years, or the period of existence of the entity, if shorter, or such other evidence demonstrating an entity's current and expected financial capability acceptable to the Office of the Interconnection	
1.5.8(a)(vii)	Commitment by the entity to execute the Consolidated Transmission Owners Agreement, if the entity becomes a Designated Entity	NO
1.5.8(a)(viii)	Evidence demonstrating the ability of the entity to address and timely remedy failure of facilities	NO
1.5.8(a)(ix)	A description of the experience of the entity in acquiring rights of way	NO
1.5.8(a)(x)	Such other supporting information that the Office of Interconnection requires to make the pre-qualification determinations consistent with this Section	NO

Contact Information (UPDATED)

Name and Address of the previous entity:

NextEra Energy Transmission, LLC
700 Universe Boulevard, UST/JB
Juno Beach, FL 33408

Questions and comments regarding this document should be referred to:

David Davis
Executive Director, Development
NextEra Energy Transmission, LLC
700 Universe Boulevard, UST/JB
Juno Beach, FL 33408
Phone: 561-691-7941
Email: david.davis@nexteraenergy.com

Company Overview

NEET's previously submitted information has not materially changed.

Technical and Engineering Qualifications

NEET's previously submitted information has not materially changed.

Demonstrated Transmission Experience (UPDATED)

NEET currently owns, operates, and maintains transmission utilities in New Hampshire and Texas, and is developing transmission projects throughout North America. In January 2015, the California Independent System Operator ("CAISO") selected NEET West, a subsidiary of NEET, as the developer for the Suncrest 230 kilowatt ("kV") 300 Mega Volt Amp ("MVA") dynamic reactive power support project under its 2013-2014 transmission plan. CAISO specifically cited NEET West's operational experience, which it draws from the NextEra Energy, Inc.'s ("NextEra") family of companies, as one of the factors in its selection. NEET West was the first non-incumbent to win a CAISO competitive solicitation transmission project. In March of 2015, CAISO, in another competitive solicitation, selected NEET West as the developer for the Estrella 230/70 kV substation located in Pacific Gas & Electric service territory, in San Luis Obispo County, California.

In addition, the following projects are examples of NextEra's ability to construct, maintain, and operate transmission projects in a variety of geographical locations. These transmisison projects range in capital addition costs from $2.5 million to over $700 million. None of these transmission projects have had their construction schedules suspended or terminated and, in fact, the majority of NextEra's large transmission projects have been completed ahead of schedule.

Project Summary	NextEra's Project Responsibility	Year project entered commercial operation
Blythe Transmission Voltage Level Line Purpose: Built to interconnect NextEra's 520 megawatt ("MW") natural gas-fired Blythe Energy Plant with the Southern California Edison 230 kV transmission grid at the Julian Hines Substation Voltage: 230 kV Capacity: 994 MVA Construction: Overhead Pole Material: Concrete and steel Pole Configuration: Monopole # of Circuits: 1 Mileage: 67.0	Financing, Design, Siting, Construction, Operation, Maintenance	2010
Genesis Transmission Voltage Level Line Purpose: Connection for 250 MW solar farm in California Voltage: 230 kV Construction: Overhead Pole Material: Steel and concrete Pole Configuration: Monopole	Financing, Design, Siting, Construction, Operation, Maintenance	2013

# of Circuits: 1 Mileage: 12.8		
Lone Star Transmission Purpose: CREZ project to transport wind power from West Texas Voltage: 345 kV Capacity: 2,988 MVA Construction: Overhead Pole Material: Concrete and steel Pole Configuration: Monopole # of Circuits: 2 Mileage: 624.0	Financing, Design, Siting, Construction, Operation, Maintenance	2013
North Sky River Transmission Voltage Level Line Purpose: Wind interconnection in California Voltage: 230 kV Construction: Overhead Pole Material: Steel Pole Configuration: Monopole and H-frame # of Circuits: 1 Mileage: 12	Financing, Design, Siting, Construction, Operation, Maintenance	2012
Elk City II Transmission Voltage Level Line Purpose: Wind interconnection in Oklahoma Voltage: 230 kV Construction: Overhead Pole Material: Wood Pole Configuration: Monopole # of Circuits: 1 Mileage: 18.0	Financing, Design, Siting, Construction, Operation, Maintenance	2010
Limon I Transmission Voltage Level Line Purpose: Wind interconnection in Colorado Voltage: 345 kV Construction: Overhead Pole Material: Wood Pole Configuration: H-frame # of Circuits: 1 Mileage: 40.0	Financing, Design, Siting, Construction, Operation, Maintenance	2012
Peetz Table Wind Transmission Voltage Level Line Purpose: Wind interconnection in Colorado Voltage: 230 kV Construction: Overhead Pole Material: Wood	Financing, Design, Siting, Construction, Operation, Maintenance	2007

Pole Configuration: H-frame and monopole # of Circuits: 1 Mileage: 82.5		
Texas Clean Energy Express Transmission Voltage Level Line Purpose: To interconnect wind generation sites Voltage: 345 kV Capacity: 1,271 MVA Construction: Overhead Pole Material: Concrete and steel Pole Configuration: Monopole # of Circuits: 1 Mileage: 214.0	Financing, Design, Siting, Construction, Operation, Maintenance	2009

Previous Transmission Record

NEET's previously submitted information has not materially changed.

Standardized Construction, Maintenance and Operating Practices

NEET's previously submitted information has not materially changed.

Financial Qualifications (UPDATED)

NEET benefits from the extensive, enterprise-wide financial resources of NextEra. A Fortune 200 company, NextEra's year-end 2014 balance sheet included over $74 billion of assets with more than 70% of NextEra's $17 billion in 2014 revenues derived from regulated utility sources. Consequently, NEET, through its parent company, has the financial capacity to finance, develop, construct, operate, and maintain projects over the long-term.

Current and historical financial information related to NextEra, including Annual Reports and financial statements filed with the Securities and Exchange Commission can be obtained from the following links:

NextEra- Annual Reports[1]

NextEra- Financial Statements[2]

[1] Link references www.investor.nexterenergy.com

[2] Link references www.investor.nexterenergy.com

NextEra Energy Capital Holdings

NextEra Energy Capital Holdings, Inc. ("NEECH") is a wholly-owned subsidiary of NextEra which holds ownership interests in and provides funding for NextEra's operating subsidiaries, other than FPL. NEET plans to finance the project from development through operations with corporate parent funding, both equity and debt, received from NEECH. NEECH maintains a strong investment grade credit rating and has access to and regularly secures financing in public debt and equity markets on behalf of NextEra and affiliates, including NEET. At some point in the future, after construction and during operation, potential projects could benefit from a portfolio financing of multiple assets that could be undertaken by NEET, or another NextEra affiliate. NEET's project will be supported by NEECH's over $3.6 billion of net available liquidity, primarily consisting of bank revolving line of credit facilities and cash equivalents, less letters of credit issued under the credit facilities, and commercial paper outstanding. Consequently NEET, through NextEra and its financial affiliate NEECH, has the financial capacity to finance, develop, construct, operate, and maintain projects over the long-term.

NEECH's current credit ratings are as follows:

Company	Moody's	S&P	Fitch
NEECH	Baa1	A-	A-

During development, permitting and construction, and operation, projects will be supported 100% through corporate parent funding, which will consist of both equity and debt. Therefore, ratepayers will receive the benefit of a project constructed with strong equity support, without any risk of project-level leverage. Further, corporate parent funding benefits ratepayers by avoiding unnecessary and costly third-party transaction costs and providing the flexibility to complete projects under a range of possible scenarios (*e.g.,* construction delays, regulatory interventions, etc.).

On or around the date of commercial operation, NEET will seek to convert its short-term debt into long-term permanent financing, provided by NEECH, which could include a series of multiple long-term debt issuances that align with the forecasted declining net investment of the company's assets.

Projects may further benefit from a portfolio financing post-construction that could include a series of multiple fixed rate debt issuances that align with the forecasted depreciable net book value of the project assets, when viewed as a diversified portfolio. Such a structure allows

ratepayers to benefit from a portfolio of debt terms and rates which minimize the overall financing cost.

NEET's affiliate, Lone Star Transmission, LLC ("Lone Star"), recently utilized a similar permanent financing structure for its recently energized transmission assets. Lone Star was able to issue its debt, excluding issuance costs, at a blended weighted average long-term cost of 3.46%, which was lower than the 3.59% weighted average cost of debt for A-rated utility debt of the same weighted average life as Lone Star debt. Additionally, comparable transaction analysis indicated that such financing carries the lowest credit spreads of any private placement, and the lowest coupon rate for a 30-year debt issuance in recent history for a regulated utility in Texas. As a result of this financing, Lone Star has the lowest cost of debt and the lowest cost of capital of any investor-owned utility in Texas.

Another NEET affiliate, New Hampshire Transmission, LLC ("NHT"), owner and operator of the Seabrook Substation in New Hampshire, recently refinanced its long-term debt with NEECH. The 30-year debt issuance, approved by both state and federal regulators, comes with the right to borrow commercially attractive financings of up to $20 million dollars, when needed, without incurring unnecessary or costly transaction fees. This structure allows NHT to access competitive financing rates without altering its FERC mandated capital structure. Similar NEECH financing structures could be used by NEET with respect to any transmission projects approved by PJM.

In addition to the capital markets, NextEra often looks to the bank market for attractive financing opportunities. Banks can sometimes provide greater flexibility with respect to our financing needs, but generally speaking, bank loans are considered an equivalent source of financing and the two are used interchangeably to support the company's development pipeline. Strong demand exists from banks to lend to good quality credit borrowers with stable cash flow at attractive rates. Through NEECH, NEET has access to a balanced and well-diversified lending group that can support bank financing.

Commitment to Execute the Consolidated Transmission Owners Agreement

NEET's previously submitted information has not materially changed. Thus, NEET again commits to execute the Consolidated Transmission Owners Agreement with PJM, if it is selected as the Designated Entity for a transmission project within the PJM region.

Timely Remediation of Facilities Failure

NEET's previously submitted information has not materially changed.

Experience Acquiring Rights of Way

NEET's previously submitted information has not materially changed.

ATTACHMENT C

NEET's Previously Updated Application dated September 22, 2017

NEXTera™ ENERGY TRANSMISSION MIDATLANTIC

UPDATE TO APPLICATION FOR PRE-QUALIFICATION SUBMITTAL FOR DESIGNATED ENTITY STATUS

Pre-Qualification Identification Number Q13-18

Submitted to:

September 22, 2017

Prepared by:
NextEra Energy Transmission MidAtlantic, LLC
Subsidiary of NextEra Energy Transmission, LLC
700 Universe Blvd., UST/JB
Juno Beach, FL 33408

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Attachment A	NEET's Previously Submitted Application for Designated Entity Status, dated December 27, 2013
Attachment B	NEET's Previously Updated Application dated September 29, 2015
Attachment C	NextEra Energy, Inc. 2016 Profile

1. INTRODUCTION

Consistent with PJM Interconnection's ("PJM's") Amended and Restated Operating Agreement ("PJM OA"), NextEra Energy Transmission MidAtlantic, LLC ("NEET MidAtlantic"), on behalf of itself and NextEra Energy Transmission, LLC ("NEET"), are pleased to submit this update to the previously submitted Pre-Qualification for Designated Entity Status Application ("Updated Application") for both NEET MidAtlantic and NEET. NEET is a wholly-owned indirect subsidiary of its parent NextEra Energy, Inc. NEET MidAtlantic is a direct subsidiary of NEET.

NEET's 2013 pre-qualification request for Designated Entity status was approved by PJM in January 2014 under Pre-Qualification Identification Number 13-18. On September 29, 2015, NEET MidAtlantic submitted an update to NEET's Pre-Qualification Application, requesting pre-qualification for Designated Entity Status for NEET MidAtlantic. In a letter dated December 30, 2015, PJM found that NEET and NEET MidAtlantic satisfied the pre-qualification requirements for Designated Entity status.

The PJM OA provides that, in the event the information on which an entity's pre-qualification is based changes, such entity must submit to PJM all updated information during the annual thirty-day pre-qualification window. This Updated Application informs PJM of changes to the information on which NEET's and NEET MidAtlantic's pre-qualification were based. NEET's and NEET MidAtlantic's qualifications have not diminished in any material way, and, accordingly, the information included in this Updated Application is intended merely to supplement NEET's and NEET MidAtlantic's previous application.

To facilitate PJM's review, the chart below details the specific sections that NEET and NEET MidAtlantic are providing supplemental information. A section labeled "NO" indicates that NEET's and NEET MidAtlantic's answers previously provided in their 2013 and 2015 pre-qualification applications, respectively, have not materially changed.

Updated Sections

PJM OA, Schedule 6 Section Number	Question Text	Updated Information Provided?
1.5.8(a)(i)	Name and address of the entity including a point of contact	YES
1.5.8(a)(ii)	The technical and engineering qualifications of the entity or its affiliate, partner, or parent company	NO
1.5.8(a)(iii)	The demonstrated experience of the entity or its affiliate, partner, or parent company to develop, construct, maintain, and operate transmission facilities, including a list or other evidence of transmission facilities the entity, its affiliate, partner, or parent company previously developed, constructed, maintained, or operated	NO
1.5.8(a)(iv)	The previous record of the entity or its affiliate, partner, or parent company regarding construction, maintenance, or operation of transmission facilities both inside and outside of the PJM Region	NO

PJM OA, Schedule 6 Section Number	Question Text	Updated Information Provided?
1.5.8(a)(v)	The capability of the entity or its affiliate, partner, or parent company to adhere to standardized construction, maintenance and operating practices	NO
1.5.8(a)(vi)	The financial statements of the entity or its affiliate, partner, or parent company for the most recent fiscal quarter, as well as the most recent three fiscal years, or the period of existence of the entity, if shorter, or such other evidence demonstrating an entity's current and expected financial capability acceptable to the Office of the Interconnection	YES
1.5.8(a)(vii)	Commitment by the entity to execute the Consolidated Transmission Owners Agreement, if the entity becomes a Designated Entity	NO
1.5.8(a)(viii)	Evidence demonstrating the ability of the entity to address and timely remedy failure of facilities	NO
1.5.8(a)(ix)	A description of the experience of the entity in acquiring rights of way	NO
1.5.8(a)(x)	Such other supporting information that the Office of Interconnection requires to make the pre-qualification determinations consistent with this Section	NO

2. NAME AND ADDRESS OF THE ENTITY INCLUDING POINT OF CONTACT (UPDATED)

Parent Company: NextEra Energy, Inc.

700 Universe Boulevard
Juno Beach, Florida 33408

Indirect Subsidiary: NextEra Energy Transmission, LLC

700 Universe Boulevard, UST/JB
Juno Beach, FL 33408

Direct Subsidiary of NextEra Energy Transmission, LLC;
NextEra Energy Transmission MidAtlantic, LLC
700 Universe Boulevard, UST/JB
Juno Beach, FL 33408

	Primary Contact	Secondary Contact
Contact Name:	**Brian Duncan** **Executive Director, Development** **NextEra Energy Transmission, LLC**	**Johnbinh Vu** **Director, Development** **NextEra Energy Transmission, LLC**
Address:	700 Universe Boulevard, UST/JB Juno Beach, Florida 33408	700 Universe Boulevard, UST/JB Juno Beach, FL 33408
Telephone:	(561) 304-5641	(561) 694-4831
Email:	Brian.Duncan@nexteraenergy.com	Johnbinh.Vu@nexteraenergy.com

3. COMPANY OVERVIEW

NEET's and NEET MidAtlantic's previously submitted information has not materially changed.

4. TECHNICAL AND ENGINEERING QUALIFICATIONS

NEET's and NEET MidAtlantic's previously submitted information has not materially changed.

5. DEMONSTRATED TRANSMISSION EXPERIENCE

NEET's and NEET MidAtlantic's previously submitted information has not materially changed.

6. PREVIOUS TRANSMISSION RECORD

NEET's and NEET MidAtlantic's previously submitted information has not materially changed.

7. STANDARDIZED CONSTRUCTION, MAINTENANCE AND OPERATING PRACTICES

NEET's and NEET MidAtlantic's previously submitted information has not materially changed.

8. FINANCIAL STATEMENTS (UPDATED)

NEET and NEET MidAtlantic benefit from the extensive, enterprise-wide financial resources of NextEra. A Fortune 200 company, NextEra's year-end 2016 balance sheet included approximately $90 billion of total assets and $25 billion of shareholder equity, with approximately 69% of NextEra's $16 billion in 2016 revenues derived from regulated utility sources. Consequently, NEET and NEET MidAtlantic, through its parent holding company, has the financial capacity to finance, develop, construct, operate, and maintain projects over the long-term. NextEra has access to and regularly secures financing in public debt and equity markets, and it is committed to supporting NEET and NEET MidAtlantic at the outset with plans to subsequently access the capital markets to raise long-term project financing as a stand-alone entity once projects pass major milestones. Further, NEET and NEET MidAtlantic have access to substantial credit lines, which can be readily accessed.

Current and historical financial information related to NextEra, including Annual Reports and financial statements filed with the Securities and Exchange Commission can be obtained from the following links:

- NextEra- Annual Reports[1]

  NextEra- Financial Statements[2]

NextEra Energy Capital Holdings

[1] Link references www.investor.nexterenergy.com

[2] Link references www.investor.nexterenergy.com

NextEra Energy Capital Holdings, Inc. ("NEECH") is a wholly-owned subsidiary of NextEra which holds ownership interests in and provides funding for NextEra's operating subsidiaries other than FPL. NEET and NEET MidAtlantic plan to finance projects from development through operations with corporate parent funding, both equity and debt, received from NEECH. NEECH maintains a strong investment grade credit rating and has access to and regularly secures financing in public debt and equity markets on behalf of NextEra and affiliates, including NEET and NEET MidAtlantic. At some point in the future, after construction and during operation, potential projects could benefit from a portfolio financing of multiple assets that could be undertaken by NEET, NEET MidAtlantic, or another NextEra affiliate. NEET and NEET MidAtlantic's projects will be supported by NEECH's over $5.7 billion of net available liquidity, primarily consisting of bank revolving line of credit facilities and cash equivalents, less letters of credit issued under the credit facilities, and commercial paper outstanding. Consequently NEET and NEET MidAtlantic, through NextEra and its financial affiliate NEECH, have the financial capacity to finance, develop, construct, operate, and maintain projects over the long-term.

NEECH's current credit ratings are as follows:

Company	Moody's	S&P	Fitch
NEECH	Baa1	A-	A-

During development, permitting and construction, and operation, projects will be supported 100% through corporate parent funding, which will consist of both equity and debt. Therefore, ratepayers will receive the benefit of a project constructed with strong equity support, without any risk of project-level leverage. Further, corporate parent funding benefits ratepayers by avoiding unnecessary and costly third-party transaction costs and providing the flexibility to complete projects under a range of possible scenarios (e.g., construction delays, regulatory interventions, etc.).

On or around the date of commercial operation, NEET or NEET MidAtlantic, as relevant, will seek to convert its short-term debt into long-term permanent financing, provided by NEECH, which could include a series of multiple long-term debt issuances that align with the forecasted declining net investment of the company's assets.

Projects may further benefit from a portfolio financing post-construction that could include a series of multiple fixed rate debt issuances that align with the forecasted depreciable net book value of the project assets, when viewed as a diversified portfolio. Such a structure allows ratepayers to benefit from a portfolio of debt terms and rates which minimize the overall financing cost.

- A NEET affiliate, Lone Star Transmission, LLC ("Lone Star"), recently utilized a similar permanent financing structure for its recently energized transmission assets. Lone Star was able to issue its debt, excluding issuance costs, at a blended weighted average long-term cost of 3.46%, which was lower than the 3.59% weighted average cost of debt for A-rated utility debt of the same weighted average life as Lone Star debt. Additionally, comparable transaction analysis indicated that such financing carries the lowest credit spreads of any private placement, and the lowest coupon rate for a 30-year debt issuance in recent history for a regulated utility in Texas. As a result of this financing, Lone Star has the lowest cost of debt and the lowest cost of capital of any investor-owned utility in Texas.

- Another NEET affiliate, New Hampshire Transmission, LLC ("NHT"), owner and operator of the Seabrook Substation in New Hampshire, recently refinanced its long-term debt with NEECH. The 30-year debt issuance, approved by both state and federal regulators, comes with the right to borrow commercially attractive financings of up to $20 million dollars, when needed, without incurring unnecessary or costly transaction fees. This structure allows NHT to access competitive financing rates without altering its FERC mandated capital structure. Similar NEECH financing structures could be used by NEET or NEET MidAtlantic with respect to any transmission projects approved by PJM.

In addition to the capital markets, NextEra often looks to the bank market for attractive financing opportunities. Banks can sometimes provide greater flexibility with respect to our financing needs, but generally speaking, bank loans are considered an equivalent source of financing and the two are used interchangeably to support the company's development pipeline. Strong demand exists from banks to lend to good quality credit borrowers with stable cash flow at attractive rates. Through NEECH, NEET and NEET MidAtlantic have access to a balanced and well- diversified lending group that can support bank financing.

9. COMMITMENT TO EXECUTE THE CONSOLIDATED TRANSMISSION OWNERS AGREEMENT

NEET and NEET MidAtlantic commit to execute the Consolidated Transmission Owners Agreement if it becomes a Designated Entity in the PJM region.

10. TIMELY REMEDY FAILURE OF FACILITIES

NEET's and NEET MidAtlantic's previously submitted information has not materially changed.

11. EXPERIENCE ACQUIRING RIGHTS OF WAY

NEET's and NEET MidAtlantic's previously submitted information has not materially changed.

ATTACHMENT D

NextEra Energy Inc. 2017 Annual Report

NEXTera™ ENERGY
TRANSMISSION
MIDATLANTIC

ANNUAL REPORT **2017**

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **December 31, 2017**

Commission File Number	Exact name of registrants as specified in their charters, address of principal executive offices and registrants' telephone number	IRS Employer Identification Number
1-8841	**NEXTERA ENERGY, INC.**	59-2449419
2-27612	**FLORIDA POWER & LIGHT COMPANY**	59-0247775

700 Universe Boulevard
Juno Beach, Florida 33408
(561) 694-4000

State or other jurisdiction of incorporation or organization: Florida

		Name of exchange on which registered
Securities registered pursuant to Section 12(b) of the Act:		
NextEra Energy, Inc.:	Common Stock, $0.01 Par Value	New York Stock Exchange
	6.371% Corporate Units	New York Stock Exchange
	6.123% Corporate Units	New York Stock Exchange
Florida Power & Light Company: None		

Indicate by check mark if the registrants are well-known seasoned issuers, as defined in Rule 405 of the Securities Act of 1933.

NextEra Energy, Inc. Yes ☑ No ☐ Florida Power & Light Company Yes ☑ No ☐

Indicate by check mark if the registrants are not required to file reports pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934.

NextEra Energy, Inc. Yes ☐ No ☑ Florida Power & Light Company Yes ☐ No ☑

Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) have been subject to such filing requirements for the past 90 days.

NextEra Energy, Inc. Yes ☑ No ☐ Florida Power & Light Company Yes ☑ No ☐

Indicate by check mark whether the registrants have submitted electronically and posted on their corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months.

NextEra Energy, Inc. Yes ☑ No ☐ Florida Power & Light Company Yes ☑ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrants' knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☑

Indicate by check mark whether the registrants are a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company.

NextEra Energy, Inc.	Large Accelerated Filer ☑	Accelerated Filer ☐	Non-Accelerated Filer ☐	Smaller Reporting Company ☐	Emerging Growth Company ☐
Florida Power & Light Company	Large Accelerated Filer ☐	Accelerated Filer ☐	Non-Accelerated Filer ☑	Smaller Reporting Company ☐	Emerging Growth Company ☐

If an emerging growth company, indicate by check mark if the registrants have elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Securities Exchange Act of 1934. ☐

Indicate by check mark whether the registrants are shell companies (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Yes ☐ No ☑

Aggregate market value of the voting and non-voting common equity of NextEra Energy, Inc. held by non-affiliates at June 30, 2017 (based on the closing market price on the Composite Tape on June 30, 2017) was $65,589,650,954.

There was no voting or non-voting common equity of Florida Power & Light Company held by non-affiliates at June 30, 2017.

Number of shares of NextEra Energy, Inc. common stock, $0.01 par value, outstanding at January 31, 2018: 470,793,941

Number of shares of Florida Power & Light Company common stock, without par value, outstanding at January 31, 2018, all of which were held, beneficially and of record, by NextEra Energy, Inc.: 1,000

DOCUMENTS INCORPORATED BY REFERENCE

Portions of NextEra Energy, Inc.'s Proxy Statement for the 2018 Annual Meeting of Shareholders are incorporated by reference in Part III hereof.

This combined Form 10-K represents separate filings by NextEra Energy, Inc. and Florida Power & Light Company. Information contained herein relating to an individual registrant is filed by that registrant on its own behalf. Florida Power & Light Company makes no representations as to the information relating to NextEra Energy, Inc.'s other operations.

Florida Power & Light Company meets the conditions set forth in General Instruction I.(1)(a) and (b) of Form 10-K and is therefore filing this Form with the reduced disclosure format.

DEFINITIONS

Acronyms and defined terms used in the text include the following:

Term	Meaning
AFUDC	allowance for funds used during construction
AFUDC - equity	equity component of AFUDC
AOCI	accumulated other comprehensive income
Bcf	billion cubic feet
capacity clause	capacity cost recovery clause, as established by the FPSC
CO_2	carbon dioxide
DOE	U.S. Department of Energy
Duane Arnold	Duane Arnold Energy Center
environmental clause	environmental cost recovery clause
EPA	U.S. Environmental Protection Agency
ERCOT	Electric Reliability Council of Texas
FERC	U.S. Federal Energy Regulatory Commission
Florida Southeast Connection	Florida Southeast Connection, LLC, a wholly owned NEER subsidiary
FPL	Florida Power & Light Company
FPSC	Florida Public Service Commission
fuel clause	fuel and purchased power cost recovery clause, as established by the FPSC
GAAP	generally accepted accounting principles in the U.S.
GHG	greenhouse gas(es)
IPO	initial public offering
ISO	independent system operator
ITC	investment tax credit
kW	kilowatt
kWh	kilowatt-hour(s)
Management's Discussion	Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations
MMBtu	One million British thermal units
mortgage	mortgage and deed of trust dated as of January 1, 1944, from FPL to Deutsche Bank Trust Company Americas, as supplemented and amended
MW	megawatt(s)
MWh	megawatt-hour(s)
NEE	NextEra Energy, Inc.
NEECH	NextEra Energy Capital Holdings, Inc.
NEER	NextEra Energy Resources, LLC
NEET	NextEra Energy Transmission, LLC
NEP	NextEra Energy Partners, LP
NEP OpCo	NextEra Energy Operating Partners, LP
NERC	North American Electric Reliability Corporation
Note __	Note __ to consolidated financial statements
NRC	U.S. Nuclear Regulatory Commission
NYISO	New York ISO
O&M expenses	other operations and maintenance expenses in the consolidated statements of income
OCI	other comprehensive income
OTC	over-the-counter
OTTI	other than temporary impairment
PJM	PJM Interconnection, L.L.C.
PMI	NextEra Energy Marketing, LLC
Point Beach	Point Beach Nuclear Power Plant
PTC	production tax credit
PV	photovoltaic
Recovery Act	The American Recovery and Reinvestment Act of 2009, as amended
regulatory ROE	return on common equity as determined for regulatory purposes
ROE	return on common equity
RPS	renewable portfolio standards
RTO	regional transmission organization
Sabal Trail	Sabal Trail Transmission, LLC, an entity in which a NEER subsidiary has a 42.5% ownership interest
Seabrook	Seabrook Station
SEC	U.S. Securities and Exchange Commission
U.S.	United States of America

NEE, FPL, NEECH and NEER each has subsidiaries and affiliates with names that may include NextEra Energy, FPL, NextEra Energy Resources, NextEra, FPL Group, FPL Group Capital, FPL Energy, FPLE, NEP and similar references. For convenience and simplicity, in this report the terms NEE, FPL, NEECH and NEER are sometimes used as abbreviated references to specific subsidiaries, affiliates or groups of subsidiaries or affiliates. The precise meaning depends on the context.

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FORWARD-LOOKING STATEMENTS

This report includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions, strategies, future events or performance (often, but not always, through the use of words or phrases such as may result, are expected to, will continue, is anticipated, believe, will, could, should, would, estimated, may, plan, potential, future, projection, goals, target, outlook, predict and intend or words of similar meaning) are not statements of historical facts and may be forward looking. Forward-looking statements involve estimates, assumptions and uncertainties. Accordingly, any such statements are qualified in their entirety by reference to, and are accompanied by, important factors included in Part I, Item 1A. Risk Factors (in addition to any assumptions and other factors referred to specifically in connection with such forward-looking statements) that could have a significant impact on NEE's and/or FPL's operations and financial results, and could cause NEE's and/or FPL's actual results to differ materially from those contained or implied in forward-looking statements made by or on behalf of NEE and/or FPL in this combined Form 10-K, in presentations, on their respective websites, in response to questions or otherwise.

Any forward-looking statement speaks only as of the date on which such statement is made, and NEE and FPL undertake no obligation to update any forward-looking statement to reflect events or circumstances, including, but not limited to, unanticipated events, after the date on which such statement is made, unless otherwise required by law. New factors emerge from time to time and it is not possible for management to predict all of such factors, nor can it assess the impact of each such factor on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained or implied in any forward-looking statement.

PART I

Item 1. Business

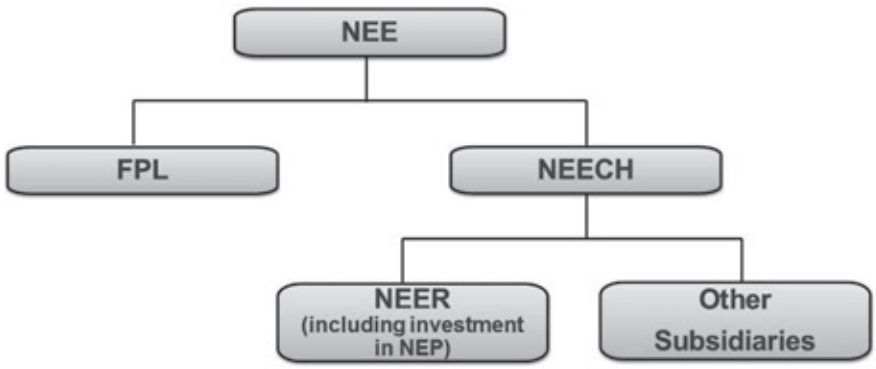
OVERVIEW

NEE is one of the largest electric power and energy infrastructure companies in North America and a leader in the renewable energy industry. NEE has two principal businesses, FPL and NEER. FPL is the largest electric utility in the state of Florida and one of the largest electric utilities in the U.S. FPL's strategic focus is centered on investing in generation, transmission and distribution facilities to continue to deliver on its value proposition of low bills, high reliability, outstanding customer service and clean energy solutions for the benefit of its nearly five million customers. NEER is the world's largest operator of wind and solar projects. NEER's strategic focus is centered on the development, construction and operation of long-term contracted assets throughout the U.S. and Canada, including renewable generation facilities, natural gas pipelines and battery storage projects.

As described in more detail in the following sections, NEE seeks to create value in its two principal businesses by meeting its customers' needs more economically and more reliably than its competitors. NEE's strategy has resulted in profitable growth over sustained periods at both FPL and NEER. Management seeks to grow each business in a manner consistent with the varying opportunities available to it; however, management believes that the diversification and balance represented by FPL and NEER is a valuable characteristic of the enterprise and recognizes that each business contributes to NEE's financial strength in different ways. FPL and NEER share a common platform with the objective of lowering costs and creating efficiencies for their businesses. NEE and its subsidiaries continue to develop and implement enterprise-wide initiatives focused on improving productivity, process effectiveness and quality.

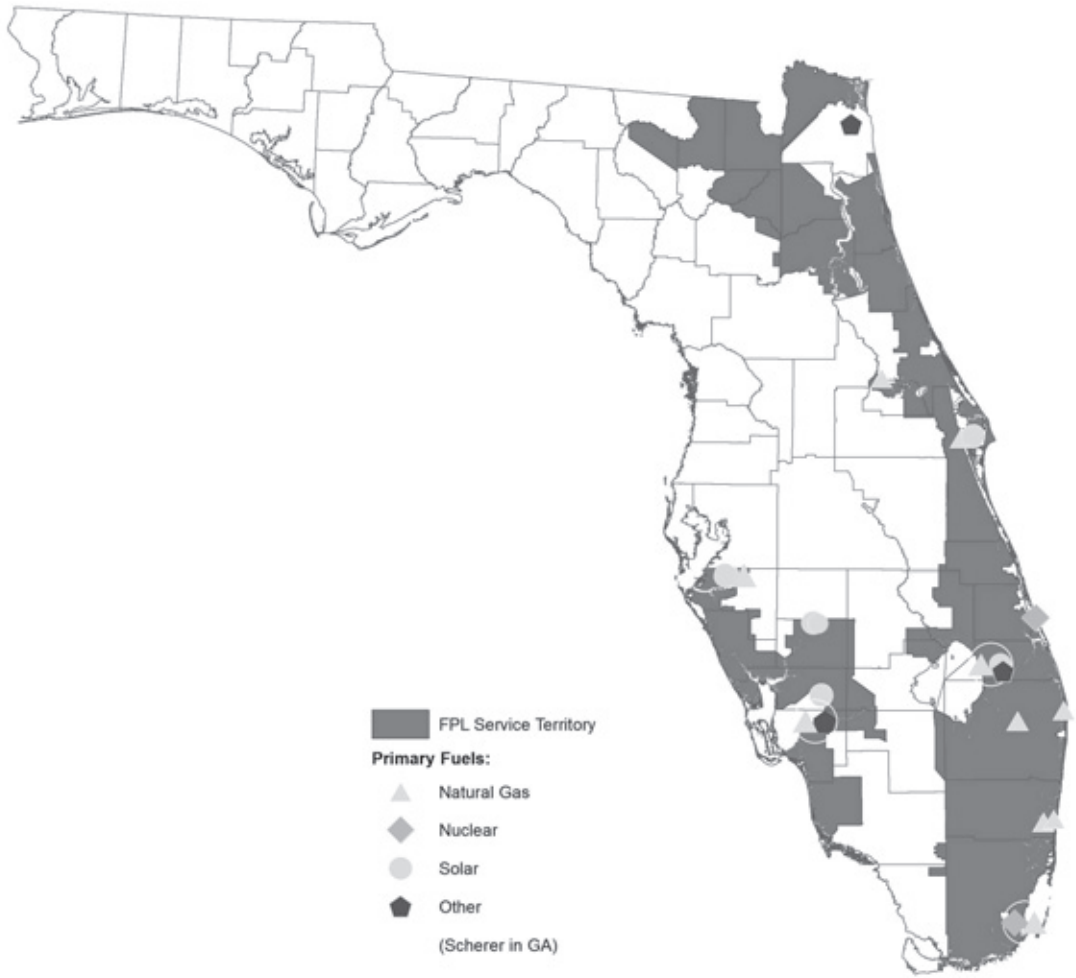
NEE, which employed approximately 14,000 people at December 31, 2017, was incorporated in 1984 under the laws of Florida. NEE conducts its operations principally through its two wholly owned subsidiaries, FPL and NEER, which also constitute NEE's reportable segments for financial reporting purposes. See Note 14 for certain financial information about these segments. NEECH, another wholly owned subsidiary of NEE, owns and provides funding for NEER's and NEE's operating subsidiaries, other than FPL. NEP was formed in 2014. NEP acquires, manages and owns contracted clean energy projects with stable, long-term cash flows. See NEER section below for further discussion of NEP, including changes to its governance structure, which resulted in the deconsolidation of NEP in January 2018.

NEE Organizational Chart



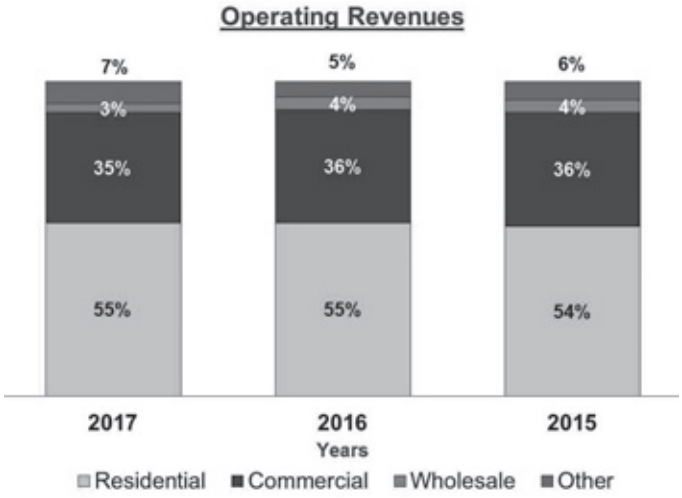
FPL

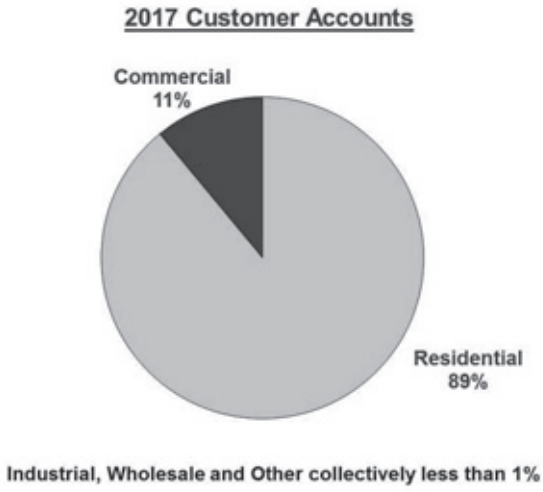
FPL was incorporated under the laws of Florida in 1925 and is a rate-regulated electric utility engaged primarily in the generation, transmission, distribution and sale of electric energy in Florida. FPL is the largest electric utility in the state of Florida and one of the largest electric utilities in the U.S. At December 31, 2017, FPL had approximately 26,600 MW of net generating capacity, approximately 75,000 circuit miles of transmission and distribution lines and approximately 620 substations. FPL provides service to its customers through an integrated transmission and distribution system that links its generation facilities to its customers. At December 31, 2017, FPL served approximately ten million people through nearly five million customer accounts. FPL's service territory, which covers most of the east and lower west coasts of Florida, and plant locations at December 31, 2017 were as follows (see FPL Sources of Generation below):



CUSTOMERS AND REVENUE

FPL's primary source of operating revenues is from its retail customer base; it also serves a limited number of wholesale customers within Florida. The percentage of FPL's operating revenues and customer accounts by customer class were as follows:

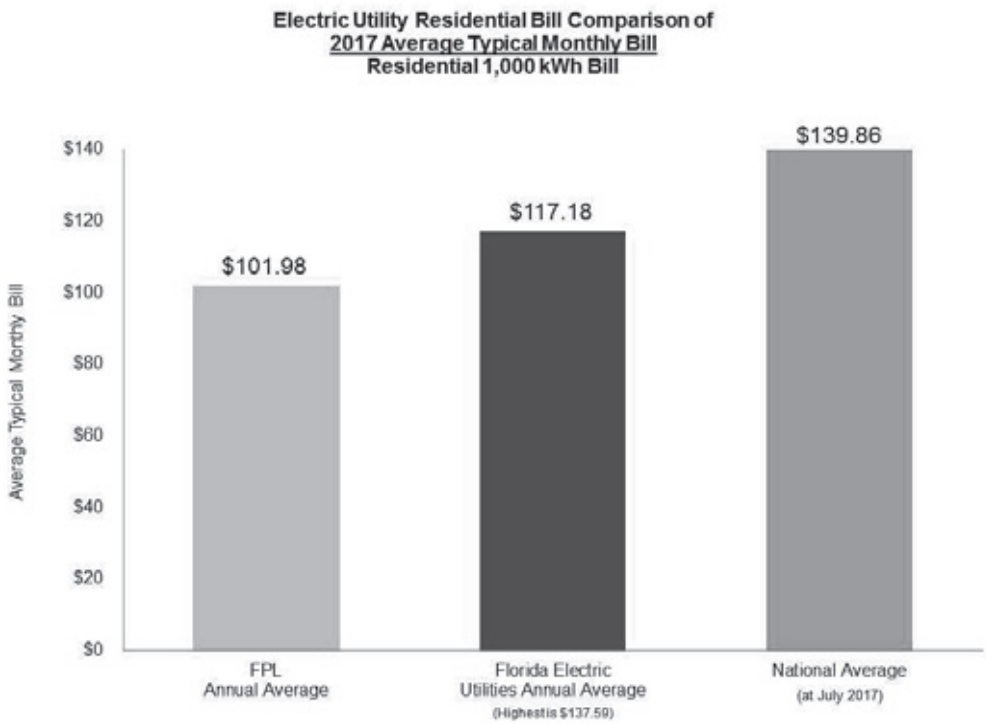




Industrial, Wholesale and Other collectively less than 1%

For both retail and wholesale customers, the prices (or rates) that FPL may charge are approved by regulatory bodies, by the FPSC in the case of retail customers, and by the FERC in the case of wholesale customers. In general, under U.S. and Florida law, regulated rates are intended to cover the cost of providing service, including a reasonable rate of return on invested capital. Since the regulatory bodies have authority to determine the relevant cost of providing service and the appropriate rate of return on capital employed, there can be no guarantee that FPL will be able to earn any particular rate of return or recover all of its costs through regulated rates. See FPL Regulation below.

FPL seeks to maintain attractive rates for its customers. Since rates are largely cost-based, maintaining low rates requires a strategy focused on developing and maintaining a low-cost position, including the implementation of ideas generated from cost savings initiatives. A common benchmark used in the electric power industry for comparing rates across companies is the price of 1,000 kWh of consumption per month for a residential customer. FPL's 2017 average bill for 1,000 kWh of monthly residential usage was well below both the average of reporting electric utilities within Florida and the July 2017 national average (the latest date for which this data is available) as indicated below:



FRANCHISE AGREEMENTS AND COMPETITION

FPL's service to its retail customers is provided primarily under franchise agreements negotiated with municipalities or counties. During the term of a franchise agreement, which is typically 30 years, the municipality or county agrees not to form its own utility, and FPL has the right to offer electric service to residents. FPL currently holds 181 franchise agreements with various municipalities and counties in Florida with varying expiration dates through 2048. These franchise agreements cover approximately 88% of FPL's retail customer base in Florida. FPL also provides service to 12 other municipalities and to 22 unincorporated areas within its service area without franchise agreements pursuant to the general obligation to serve as a public utility. FPL relies upon Florida law for access to public rights of way.

Because any customer may elect to provide his/her own electric services, FPL effectively must compete for an individual customer's business. As a practical matter, few customers provide their own service at the present time since FPL's cost of service is lower than the cost of self-generation for the vast majority of customers. Changing technology, economic conditions and other factors could alter the favorable relative cost position that FPL currently enjoys; however, FPL seeks as a matter of strategy to ensure that it delivers superior value, in the form of low customer bills, high reliability and outstanding customer service.

In addition to self-generation by residential, commercial and industrial customers, FPL also faces competition from other suppliers of electrical energy to wholesale customers and from alternative energy sources. In each of 2017, 2016 and 2015, operating revenues from wholesale and industrial customers combined represented approximately five percent of FPL's total operating revenues.

For the building of new steam and solar generating capacity of 75 MW or greater, the FPSC requires investor-owned electric utilities, including FPL, to issue a request for proposal (RFP) except when the FPSC determines that an exception from the RFP process is in the public interest. The RFP process allows independent power producers and others to bid to supply the new generating capacity. If a bidder has the most cost-effective alternative, meets other criteria such as financial viability and demonstrates adequate expertise and experience in building and/or operating generating capacity of the type proposed, the investor-owned electric utility would seek to negotiate a purchased power agreement with the selected bidder and request that the FPSC approve the terms of the purchased power agreement and, if appropriate, provide the required authorization for the construction of the bidder's generating capacity.

FPL SOURCES OF GENERATION

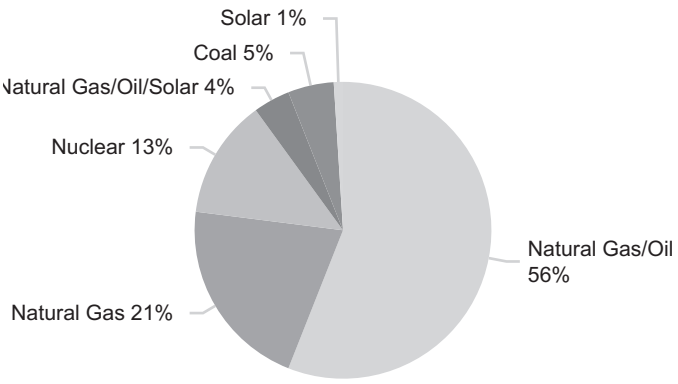
At December 31, 2017, FPL's resources for serving load consisted of 27,067 MW, of which 26,578 MW were from FPL-owned facilities and approximately 489 MW were available through purchased power agreements. FPL owned and operated 34 units that used fossil fuels, primarily natural gas, with generating capacity of 21,978 MW and had joint ownership interests in 3 coal units, which it does not operate, with net generating capacity of 888 MW. In addition, FPL owned, or had undivided interests in, and operated, 4 nuclear units with net generating capacity totaling 3,453 MW (see Nuclear Operations below) and owned and operated 5 solar generation facilities with generating capacity totaling 259 MW (excluding 75 MW of non-incremental solar capability which is provided through a natural gas generation facility). FPL customer usage and operating revenues are typically higher during the summer months, largely due to the prevalent use of air conditioning in FPL's service territory. Occasionally, unusually cold temperatures during the winter months result in significant increases in electricity usage for short periods of time.

In January 2018, the St. Johns River Power Park coal units (SJRPP), in which FPL had a 20% ownership interest (254 MW), were shut down. This shutdown had the effect of terminating FPL’s 375 MW take-or-pay purchased power contract with JEA, the joint owner of SJRPP (see Note 13 - Contracts).

Fuel Sources

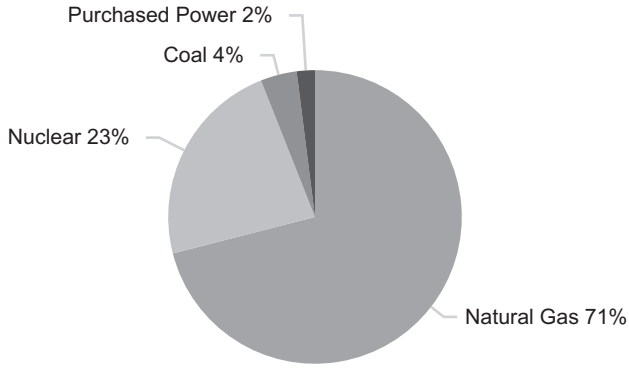
FPL relies upon a mix of fuel sources for its generation facilities, the ability of some of its generation facilities to operate on both natural gas and oil, and on purchased power to maintain the flexibility to achieve a more economical fuel mix in order to respond to market and industry developments.

**2017 Net Generating Capacity by Fuel Type*
MW**



*Oil is less than 1%

**2017 Net Generation by Fuel Type*
MWh**



*Oil and Solar are collectively less than 1%

Significant Fuel and Transportation Contracts. At December 31, 2017, FPL had the following significant fuel and transportation contracts in place:

- FPL has firm transportation contracts with seven different transportation suppliers for natural gas pipeline capacity for an aggregate maximum delivery quantity of 2,769,000 MMBtu/day currently, of which 1,969,000 MMBtu/day have expiration dates ranging from 2018 to 2036. The remaining 800,000 MMBtu/day increases to 1,200,000 MMBtu/day starting in mid-2020 through 2042. See Note 13 - Contracts.
- FPL has several contracts for the supply of uranium and the conversion, enrichment and fabrication of nuclear fuel with expiration dates ranging from March 2018 through 2033.
- Additionally, FPL enters into short- and medium-term natural gas supply contracts to provide a portion of FPL's anticipated needs for natural gas. The remainder of FPL's natural gas requirements is purchased in the spot market.

Nuclear Operations

At December 31, 2017, FPL owned, or had undivided interests in, and operated the four nuclear units in Florida discussed below. FPL's nuclear units are periodically removed from service to accommodate planned refueling and maintenance outages, including inspections, repairs and certain other modifications. Scheduled nuclear refueling outages typically require the unit to be removed from service for variable lengths of time.

Facility	FPL's Ownership (MW)	Beginning of Next Scheduled Refueling Outage	Operating License Expiration Date
St. Lucie Unit No. 1	981	March 2018	2036
St. Lucie Unit No. 2	840[(a)]	August 2018	2043
Turkey Point Unit No. 3	811	October 2018	2032[(b)]
Turkey Point Unit No. 4	821	March 2019	2033[(b)]

(a) Excludes 147 MW operated by FPL but owned by non-affiliates.
(b) In January 2018, FPL filed an application with the NRC to renew the operating licenses for Turkey Point Units Nos. 3 and 4 for an additional 20 years, which license renewals are pending.

NRC regulations require FPL to submit a plan for decontamination and decommissioning five years before the projected end of plant operation. FPL's current plans, under the existing operating licenses, provide for prompt dismantlement of Turkey Point Units Nos. 3 and 4 with decommissioning activities commencing in 2032 and 2033, respectively. Current plans provide for St. Lucie Unit No. 1 to be shut down in 2036 with decommissioning activities to be integrated with the prompt dismantlement of St. Lucie Unit No. 2 commencing in 2043.

FPL's nuclear facilities use both on-site storage pools and dry storage casks to store spent nuclear fuel generated by these facilities, which are expected to provide sufficient storage of spent nuclear fuel at these facilities through license expiration.

FPL ENERGY MARKETING AND TRADING

FPL's Energy Marketing & Trading division (EMT) buys and sells wholesale energy commodities, such as natural gas, oil and electricity. EMT procures natural gas and oil for FPL's use in power generation and sells excess natural gas, oil and electricity. EMT also uses derivative instruments (primarily swaps, options and forwards) to manage the physical and financial risks inherent in the purchase and sale of fuel and electricity. Substantially all of the results of EMT's activities are passed through to customers in the fuel or capacity clauses. See Management's Discussion - Energy Marketing and Trading and Market Risk Sensitivity and Note 3.

FPL REGULATION

FPL's operations are subject to regulation by a number of federal, state and other organizations, including, but not limited to, the following:

- the FPSC, which has jurisdiction over retail rates, service territory, issuances of securities, planning, siting and construction of facilities, among other things;
- the FERC, which oversees the acquisition and disposition of generation, transmission and other facilities, transmission of electricity and natural gas in interstate commerce, proposals to build and operate interstate natural gas pipelines and storage facilities, and wholesale purchases and sales of electric energy, among other things;
- the NERC, which, through its regional entities, establishes and enforces mandatory reliability standards, subject to approval by the FERC, to ensure the reliability of the U.S. electric transmission and generation system and to prevent major system blackouts;
- the NRC, which has jurisdiction over the operation of nuclear power plants through the issuance of operating licenses, rules, regulations and orders; and
- the EPA, which has the responsibility to maintain and enforce national standards under a variety of environmental laws, in some cases delegating authority to state agencies. The EPA also works with industries and all levels of government, including federal and state governments, in a wide variety of voluntary pollution prevention programs and energy conservation efforts.

FPL Rate Regulation

The FPSC sets rates at a level that is intended to allow FPL the opportunity to collect from retail customers total revenues (revenue requirements) equal to FPL's cost of providing service, including a reasonable rate of return on invested capital. To accomplish this, the FPSC uses various ratemaking mechanisms, including, among other things, base rates and cost recovery clauses.

Base Rates. In general, the basic costs of providing electric service, other than fuel and certain other costs, are recovered through base rates, which are designed to recover the costs of constructing, operating and maintaining the utility system. These basic costs include O&M expenses, depreciation and taxes, as well as a return on FPL's investment in assets used and useful in providing electric service (rate base). At the time base rates are established, the allowed rate of return on rate base approximates the FPSC's determination of FPL's estimated weighted-average cost of capital, which includes its costs for outstanding debt and an allowed ROE. The FPSC monitors FPL's actual regulatory ROE through a surveillance report that is filed monthly by FPL with the FPSC. The FPSC does not provide assurance that any regulatory ROE will be achieved. Base rates are determined in rate proceedings or through negotiated settlements of those proceedings. Proceedings can occur at the initiative of FPL or upon action by the FPSC. Base rates remain in effect until new base rates are approved by the FPSC.

Rates Effective January 2017 through December 2020 - In December 2016, the FPSC issued a final order approving a stipulation and settlement between FPL and several intervenors in FPL's base rate proceeding (2016 rate agreement). Key elements of the 2016 rate agreement, which is effective from January 2017 through at least December 2020, include, among other things, the following:

- New retail base rates and charges were established resulting in the following increases in annualized retail base revenues:
    - $400 million beginning January 1, 2017;
    - $211 million beginning January 1, 2018; and
    - $200 million when a new approximately 1,750 MW natural gas-fired combined-cycle unit in Okeechobee County, Florida (Okeechobee Clean Energy Center) achieves commercial operation, which is expected to occur in mid-2019.
- In addition, FPL is eligible to receive, subject to conditions specified in the 2016 rate agreement, base rate increases associated with the addition of up to 300 MW annually of new solar generation in each of 2017 through 2020 and may carry forward any unused MW to subsequent years during the term of the 2016 rate agreement. Approximately 300 MW of new solar generating capacity became operational in January 2018. An additional 300 MW is expected to be operational by March 2018 and in both of 2019 and 2020. FPL will be required to demonstrate that any proposed solar facilities are cost effective and scheduled to be in service before December 31, 2021. FPL has agreed to an installed cost cap of $1,750 per kW.

- FPL's allowed regulatory ROE is 10.55%, with a range of 9.60% to 11.60%. If FPL's earned regulatory ROE falls below 9.60%, FPL may seek retail base rate relief. If the earned regulatory ROE rises above 11.60%, any party other than FPL may seek a review of FPL's retail base rates.
- Subject to certain conditions, FPL may amortize, over the term of the 2016 rate agreement, up to $1.0 billion of depreciation reserve surplus plus the reserve amount remaining under FPL's 2012 rate agreement discussed below (approximately $250 million), provided that in any year of the 2016 rate agreement, FPL must amortize at least enough reserve to maintain a 9.60% earned regulatory ROE but may not amortize any reserve that would result in an earned regulatory ROE in excess of 11.60%. See Note 1 - Securitized Storm-Recovery Costs, Storm Fund and Storm Reserve for discussion of the reserve amortization impact following the enactment of the Tax Cuts and Jobs Act (tax reform).
- Future storm restoration costs would be recoverable on an interim basis beginning 60 days from the filing of a cost recovery petition, but capped at an amount that could produce a surcharge of no more than $4 for every 1,000 kWh of usage on residential bills during the first 12 months of cost recovery. Any additional costs would be eligible for recovery in subsequent years. If storm restoration costs exceed $800 million in any given calendar year, FPL may request an increase to the $4 surcharge to recover amounts above $400 million. See Note 1 - Securitized Storm-Recovery Costs, Storm Fund and Storm Reserve.

In January 2017, the Sierra Club filed a notice of appeal challenging the FPSC's final order approving the 2016 rate agreement, which notice of appeal is pending before the Florida Supreme Court.

Rates Effective January 2013 through December 2016 - Effective January 2013, pursuant to an FPSC final order approving a stipulation and settlement between FPL and several intervenors in FPL's base rate proceeding (2012 rate agreement), new retail base rates and charges for FPL were established resulting in an increase in retail base revenues of $350 million on an annualized basis. The 2012 rate agreement, provided for, among other things, the following:

- a regulatory ROE of 10.50% with a range of plus or minus 100 basis points;
- an increase in annualized base revenue requirements as each of three FPL modernized power plants became operational in April 2013, April 2014 and April 2016;
- the continuation of cost recovery through the capacity clause (reported as retail base revenues) for a generating unit which was placed in service in May 2011 (beginning January 2017, under the 2016 rate agreement, cost recovery is through base rates);
- subject to certain conditions, the right to reduce depreciation expense up to $400 million (reserve), provided that in any year of the 2012 rate agreement, FPL was required to amortize enough reserve to maintain an earned regulatory ROE within the range of 9.50% to 11.50% (the reserve amount was reduced by $30 million to up to $370 million as a result of a settlement in August 2015 related to the purchase of a 250 MW coal-fired generation facility located in Jacksonville, Florida (Cedar Bay generation facility), which FPL retired in December 2016);
- an interim cost recovery mechanism for storm restoration costs (see Note 1 - Securitized Storm-Recovery Costs, Storm Fund and Storm Reserve); and
- an incentive mechanism whereby customers receive 100% of certain gains, including but not limited to gains from the purchase and sale of electricity and natural gas (including transportation and storage), up to a specified threshold; gains exceeding that specified threshold were shared by FPL and its customers.

Cost Recovery Clauses. Cost recovery clauses are designed to permit full recovery of certain costs and provide a return on certain assets allowed to be recovered through the various clauses. Cost recovery clause costs are recovered through levelized monthly charges per kWh or kW, depending on the customer's rate class. These cost recovery clause charges are calculated at least annually based on estimated costs and estimated customer usage for the following year, plus or minus true-up adjustments to reflect the estimated over or under recovery of costs for the current and prior periods. An adjustment to the levelized charges may be approved during the course of a year to reflect revised estimates. FPL recovers costs from customers through the following clauses:

- Fuel - fuel costs and energy charges relating to purchased power agreements, the most significant of the cost recovery clauses in terms of operating revenues (see Note 1 - Rate Regulation);
- Capacity - primarily capacity payments to non-utility generators and other utilities and certain costs associated with the acquisition of certain generation facilities (see Note 1 - Rate Regulation and Note 13 - Contracts);
- Energy Conservation - costs associated with implementing energy conservation programs; and
- Environmental - certain costs of complying with federal, state and local environmental regulations enacted after April 1993 and costs associated with three of FPL's solar facilities placed in service prior to 2016.

The FPSC has the authority to disallow recovery of costs that it considers excessive or imprudently incurred. These costs may include, among others, fuel and O&M expenses, the cost of replacing power lost when fossil and nuclear units are unavailable, storm restoration costs and costs associated with the construction or acquisition of new facilities.

FERC

The Federal Power Act grants the FERC exclusive ratemaking jurisdiction over wholesale sales of electricity and the transmission of electricity and natural gas in interstate commerce. Pursuant to the Federal Power Act, electric utilities must maintain tariffs and rate schedules on file with the FERC which govern the rates, terms and conditions for the provision of FERC-jurisdictional wholesale power and transmission services. The Federal Power Act also gives the FERC authority to certify and oversee a national electric reliability organization with authority to establish and independently enforce mandatory reliability standards applicable to all users, owners and operators of the bulk-power system. See NERC below. Electric utilities are subject to accounting, record-keeping and reporting requirements administered by the FERC. The FERC also places certain limitations on transactions between electric utilities and their affiliates.

NERC

The NERC has been certified by the FERC as the national electric reliability organization. The NERC's mandate is to ensure the reliability and security of the North American bulk-power system through the establishment and enforcement of reliability standards approved by FERC. The NERC's regional entities also enforce reliability standards approved by the FERC. FPL is subject to these reliability standards and incurs costs to ensure compliance with continually heightened requirements, and can incur significant penalties for failing to comply with them.

FPL Environmental Regulation

FPL is subject to environmental laws and regulations as described in the NEE Environmental Matters section below. FPL expects to seek recovery through the environmental clause for compliance costs associated with any new environmental laws and regulations.

FPL EMPLOYEES

FPL had approximately 8,700 employees at December 31, 2017, with approximately 34% of these employees represented by the International Brotherhood of Electrical Workers (IBEW) under a collective bargaining agreement with FPL that expires October 31, 2020.

NEER

NEER, a limited liability company organized under the laws of Delaware, was formed in 1998 to aggregate NEE's competitive energy businesses. NEER is a diversified clean energy company with a business strategy that emphasizes the development, construction and operation of long-term contracted assets with a focus on renewable projects. Through its subsidiaries, NEER currently owns, develops, constructs, manages and operates electric generation facilities in wholesale energy markets primarily in the U.S., as well as in Canada and Spain. See Note 14 for information on revenues from foreign sources and long–lived assets located in foreign countries. NEER, with approximately 19,060 MW of total net generating capacity at December 31, 2017, is one of the largest wholesale generators of electric power in the U.S., with approximately 18,180 MW of net generating capacity across 32 states, and has 780 MW of net generating capacity in 4 Canadian provinces and 99.8 MW of net generating capacity in Spain. At December 31, 2017, NEER operates facilities with a total generating capacity of 20,950 MW. NEER produces the majority of its electricity from clean and renewable sources as described more fully below. NEER is the world's largest operator of wind and solar projects based on 2017 MWh produced. NEER develops and builds battery storage projects, which when combined with its renewable projects, serves to enhance its ability to meet customer needs for a firm generation source. NEER also owned and operated approximately 205 substations and 1,190 circuit miles of transmission lines at December 31, 2017.

NEER also engages in energy-related commodity marketing and trading activities, including entering into financial and physical contracts, primarily to hedge the production from its generation assets that is not sold under long-term power supply agreements. These contracts primarily include power and gas commodities and their related products, as well as provide full energy and capacity requirements services primarily to distribution utilities in certain markets and offer customized power and gas and related risk management services to wholesale customers. In addition, NEER participates in natural gas, natural gas liquids and oil production primarily through non-operating ownership interests, and in pipeline infrastructure development, construction, management and operations, through either wholly owned subsidiaries or noncontrolling or joint venture interests, hereafter referred to as the gas infrastructure business. NEER also hedges the expected output from its gas infrastructure production assets to protect against price movements.

NEP - As discussed in the Overview above, NEP was formed in 2014. NEP acquires, manages and owns contracted clean energy projects with stable, long-term cash flows through a limited partner interest in NEP OpCo. Through an indirect wholly owned subsidiary, NEE owns 101,440,000 common units of NEP OpCo representing a noncontrolling interest in NEP's operating projects of approximately 65.1% at December 31, 2017. At December 31, 2017, NEE owned a controlling general partner interest in NEP and consolidated NEP for financial reporting purposes (see below for discussion of deconsolidation of NEP). At December 31, 2017, through the combination of NEER's contribution of energy projects to NEP OpCo in connection with NEP's IPO in July 2014 and subsequent acquisitions of additional energy projects, NEP owned, or had an interest in, a portfolio of 26 wind and solar projects with generating capacity totaling approximately 3,728 MW and long-term contracted natural gas pipeline assets as discussed below. NEER operates substantially all of the energy projects in NEP's portfolio and its ownership interest in the portfolio's generating

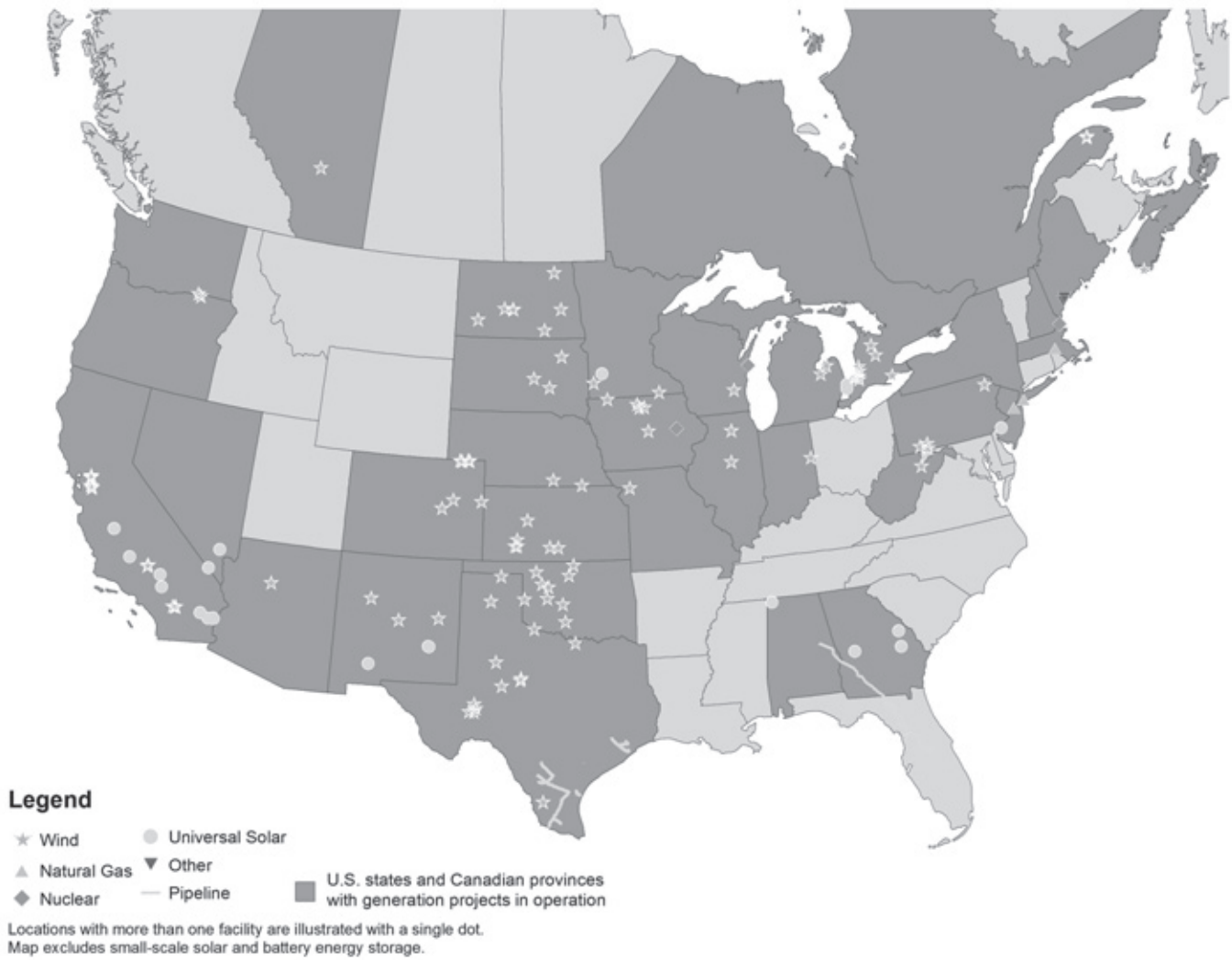
capacity was approximately 2,429 MW at December 31, 2017. In addition in 2015, NEP OpCo issued 2 million NEP OpCo Class B Units to NEER in exchange for an approximately 50% ownership interest in three solar projects with a total generating capacity of 277 MW. NEER, as holder of the Class B Units, will retain 100% of the economic interests if, and until, NEER offers to sell the economic interests to NEP and NEP accepts such offer. NEP OpCo has a right of first offer for certain of NEER's assets (ROFO assets) if NEER should seek to sell the assets. The ROFO assets remaining at December 31, 2017, include contracted wind and solar projects with a combined generating capacity of approximately 1,076 MW. In addition, NEER and its subsidiaries (other than NEP OpCo and its subsidiaries) have a right of first refusal on any proposed sale of any of the NEP OpCo assets. In 2015, NEP acquired the membership interests in NET Holdings Management, LLC (Texas pipeline business), a developer, owner and operator of a portfolio of seven intrastate long-term contracted natural gas pipeline assets located in Texas (Texas pipelines). See Generation and Other Operations - Generation Assets and Other Operations - Other Operations below.

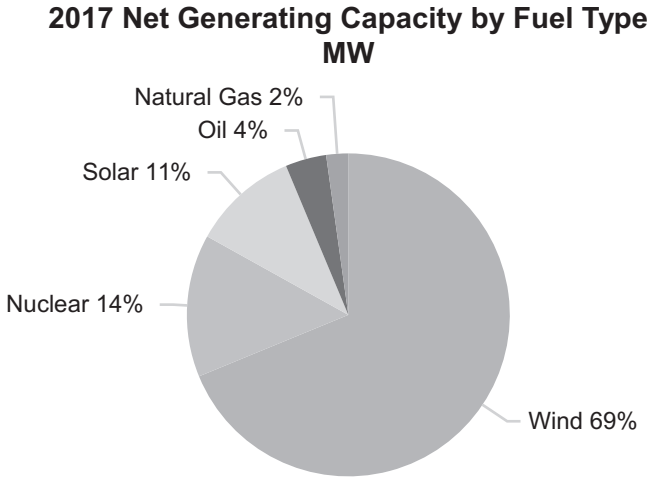
During 2017, changes were made to NEP's governance structure that, among other things, enhanced NEP unitholder governance rights. As a result of the governance changes, NEP was deconsolidated from NEE in January 2018 and going forward, NEE will reflect its ownership interest in NEP as an equity method investment and future earnings from NEP as equity in earnings of equity method investees in its consolidated financial statements. Additionally, sales of assets to NEP will be accounted for as third-party sales. See Note 1 - NextEra Energy Partners, LP.

GENERATION AND OTHER OPERATIONS

NEER sells products associated with its own generation facilities (energy, capacity, renewable energy credits (RECs) and ancillary services) in competitive markets in regions where those facilities are located. Customer transactions may be supplied from NEER generation facilities or from purchases in the wholesale markets, or from a combination thereof. See Markets and Competition below.

At December 31, 2017, NEER managed or participated in the management of essentially all of its generation projects and all of its natural gas pipeline assets in which it has an ownership interest. At December 31, 2017, the locations of NEER's generation facilities and natural gas pipeline assets in North America were as follows:





Generation Assets.

NEER's portfolio of generation assets primarily consist of generation facilities with long-term power sales agreements for substantially all of their capacity and/or energy output. Information related to contracted generation assets at December 31, 2017 was as follows:

- represented approximately 17,012 MW of total net generating capacity;
- weighted-average remaining contract term of the power sales agreements and the remaining life of the PTCs associated with repowered wind facilities of approximately 17 years, based on forecasted contributions to earnings and forecasted amounts of electricity produced by the repowered wind facilities; and
- contracts for the supply of uranium and the conversion, enrichment and fabrication of nuclear fuel have expiration dates ranging from March 2018 through 2033 (see Note 13 - Contracts).

NEER's merchant generation assets primarily consist of a nuclear generation facility and oil-fired generation facilities that do not have long-term power sales agreements to sell their capacity and/or energy output and therefore require active marketing and hedging. Merchant generation assets at December 31, 2017 represented approximately 2,047 MW of total net generating capacity, including 1,102 MW from nuclear generation and 781 MW from oil-fired peak generation facilities, and are primarily located in the Northeast region of the U.S. NEER utilizes swaps, options, futures and forwards to lock in pricing and manage the commodity price risk inherent in power sales and fuel purchases.

Other Operations.

Gas Infrastructure Business - At December 31, 2017, NEER had approximately $4.0 billion invested in the natural gas pipelines discussed below and ownership interests in investments located in oil and gas shale formations primarily in the Midwest and South regions of the U.S.

	Miles of Pipeline	Pipeline Location/Route	NEER's Ownership	Total Capacity (per day)	Actual/Expected In-Service Dates
Operational:					
Texas Pipelines[(a)]	542	South Texas	61.4%	4.05 Bcf	1950 - 2014
Sabal Trail[(b)]	515	Southwestern Alabama to Central Florida	42.5%	0.83 Bcf - 1.075 Bcf	June 2017 - Mid-2021
Florida Southeast Connection[(b)]	126	Central Florida to Martin County, Florida	100%	0.64 Bcf	June 2017
In Development:					
Mountain Valley Pipeline[(c)]	301	Marcellus and Utica shale regions to markets in the Mid-Atlantic and Southeast regions of the U.S.	31%	2.00 Bcf	End of 2018

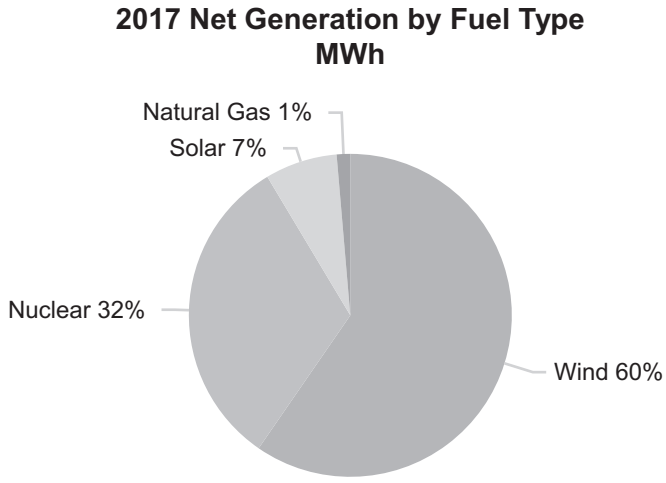
(a) A NEP portfolio of seven natural gas pipelines, of which a third party owns a 10% interest in a 120 mile pipeline with a daily capacity of approximately 2.3 Bcf. Approximately 3.2 Bcf per day of capacity is contracted with firm ship-or-pay contracts that have expiration dates ranging from 2018 to 2035.
(b) See Note 13 - Contracts for a discussion of transportation contracts with FPL.
(c) Construction of the natural gas pipeline is subject to certain conditions, including FERC approval to proceed. See Note 13 - Commitments.

Customer Supply and Proprietary Power and Gas Trading - NEER provides commodities-related products to customers, engages in energy-related commodity marketing and trading activities and includes the operations of a retail electricity provider. Through its subsidiary PMI, NEER:

- manages risk associated with fluctuating commodity prices and optimizes the value of NEER's power generation and gas infrastructure production assets through the use of swaps, options, futures and forwards;
- sells output from NEER's plants that is not sold under long-term contracts and procures fossil fuel for use by NEER's generation fleet;
- provides full energy and capacity requirements to customers; and
- markets and trades energy-related commodity products and provides a wide range of electricity and fuel commodity products as well as marketing and trading services to customers.

NEER Fuel/Technology Mix

NEER utilized the following mix of fuel sources for its generation facilities:



Wind Facilities

- located in 21 states in the U.S. and 4 provinces in Canada;
- operated a total generating capacity of 14,255 MW at December 31, 2017;
- ownership interests in a total net generating capacity of 13,111 MW at December 31, 2017;
    - all MW are from contracted wind assets located primarily throughout Texas and the West and Midwest regions of the U.S. and Canada; and
    - added approximately 355 MW of new generating capacity and 1,596 MW of wind repowering generating capacity in the U.S. in 2017.

Solar Facilities

- located in 16 states in the U.S., 1 province in Canada and 1 province in Spain;
- operated PV and solar thermal facilities with a total generating capacity of 2,035 MW at December 31, 2017;
- ownership interests in PV and solar thermal facilities with a total net generating capacity of 2,024 MW at December 31, 2017;
    - essentially all MW are from contracted solar facilities located primarily throughout the West region of the U.S.;
    - added approximately 200 MW of generating capacity in the U.S. in 2017; and
    - sold approximately 80 MW of generating capacity in the U.S. in 2017.

Fossil Facilities

- operated natural gas generation facilities with a total generating capacity of 730 MW at December 31, 2017;
- ownership interests in natural gas generation facilities with a total net generating capacity of 420 MW at December 31, 2017;
    - approximately 262 MW are contracted and 158 MW are merchant;
    - located in 3 states in the Northeast region of the U.S.; and
- operated oil-fired peak generation facilities with a total generating capacity of 878 MW with an ownership or undivided interests in total net generating capacity of 781 MW at December 31, 2017 primarily located in Maine.

Nuclear Facilities

At December 31, 2017, NEER owned, or had undivided interests in, and operated the four nuclear units discussed below. NEER's nuclear units are periodically removed from service to accommodate planned refueling and maintenance outages, including inspections, repairs and certain other modifications. Scheduled nuclear refueling outages typically require the unit to be removed from service for variable lengths of time.

Facility	Location	NEER's Ownership (MW)	Portfolio Category	Next Scheduled Refueling Outage	Operating License Expiration Date
Seabrook	New Hampshire	1,102[(a)]	Merchant	October 2018	2030[(b)]
Duane Arnold	Iowa	431[(c)]	Contracted[(d)]	September 2018	2034
Point Beach Unit No. 1	Wisconsin	595	Contracted[(e)]	March 2019	2030
Point Beach Unit No. 2	Wisconsin	595	Contracted[(e)]	October 2018	2033

(a) Excludes 147 MW operated by NEER but owned by non-affiliates.
(b) In 2010, NEER filed an application with the NRC to renew Seabrook's operating license for an additional 20 years, which license renewal is pending.
(c) Excludes 184 MW operated by NEER but owned by non-affiliates.
(d) NEER sells all of its share of the output of Duane Arnold under a long-term contract expiring in December 2025. See Note 4 - Nonrecurring Fair Value Measurements.
(e) NEER sells all of the output of Point Beach Units Nos. 1 and 2 under long-term contracts through their current operating license expiration dates.

NEER is responsible for all nuclear unit operations and the ultimate decommissioning of the nuclear units, the cost of which is shared on a pro-rata basis by the joint owners for the jointly-owned units. NRC regulations require plant owners to submit a plan for decontamination and decommissioning five years before the projected end of plant operation.

NEER's nuclear facilities use both on-site storage pools and dry storage casks to store spent nuclear fuel generated by these facilities, which are expected to provide sufficient storage of spent nuclear fuel at these facilities through license expiration.

Policy Incentives for Renewable Energy Projects

U.S. federal, state and local governments have established various incentives to support the development of renewable energy projects. These incentives include accelerated tax depreciation, PTCs, ITCs, cash grants, tax abatements and RPS programs. Pursuant to the U.S. federal Modified Accelerated Cost Recovery System (MACRS), wind and solar projects are fully depreciated for tax purposes over a five-year period even though the useful life of such projects is generally much longer than five years.

Owners of utility-scale wind facilities are eligible to claim an income tax credit (the PTC, or an ITC in lieu of the PTC) upon initially achieving commercial operation. The PTC is determined based on the amount of electricity produced by the wind facility during the first ten years of commercial operation. This incentive was created under the Energy Policy Act of 1992 and has been extended several times. Alternatively, an ITC equal to 30% of the cost of a wind facility may be claimed in lieu of the PTC. In order to qualify for the PTC (or ITC in lieu of the PTC), construction of a wind facility must begin before a specified date and the taxpayer must maintain a continuous program of construction or continuous efforts to advance the project to completion. The Internal Revenue Service (IRS) issued guidance stating that the safe harbor for continuous efforts and continuous construction requirements will generally be satisfied if the facility is placed in service no more than four years after the year in which construction of the facility began. The IRS also confirmed that retrofitted wind facilities may re-qualify for PTCs or ITCs pursuant to the 5% safe harbor for the begin construction requirement, as long as the cost basis of the new investment is at least 80% of the facility's total fair value.

Owners of solar projects are eligible to claim a 30% ITC for new solar projects, or could have elected to receive an equivalent cash payment from the U.S. Department of Treasury for the value of the 30% ITC (convertible ITC) for qualifying solar projects where construction began before the end of 2011 and the projects were placed in service before 2017. Tax credits for qualifying wind and solar projects are subject to the following phase-down schedule.

	Year construction of project begins							
	2015	2016	2017	2018	2019	2020	2021	2022
PTC[(a)]	100%	100%	80%	60%	40%	-	-	-
Wind ITC	30%	30%	24%	18%	12%	-	-	-
Solar ITC[(b)]	30%	30%	30%	30%	30%	26%	22%	10%

(a) Percentage of the full PTC available for wind projects that begin construction during the applicable year.
(b) ITC is limited to 10% for projects not placed in service before January 1, 2024.

Other countries, including Canada and Spain, provide for incentives like feed-in-tariffs for renewable energy projects. The feed-in-tariffs promote renewable energy investments by offering long-term contracts to renewable energy producers, typically based on the cost of generation of each technology.

MARKETS AND COMPETITION

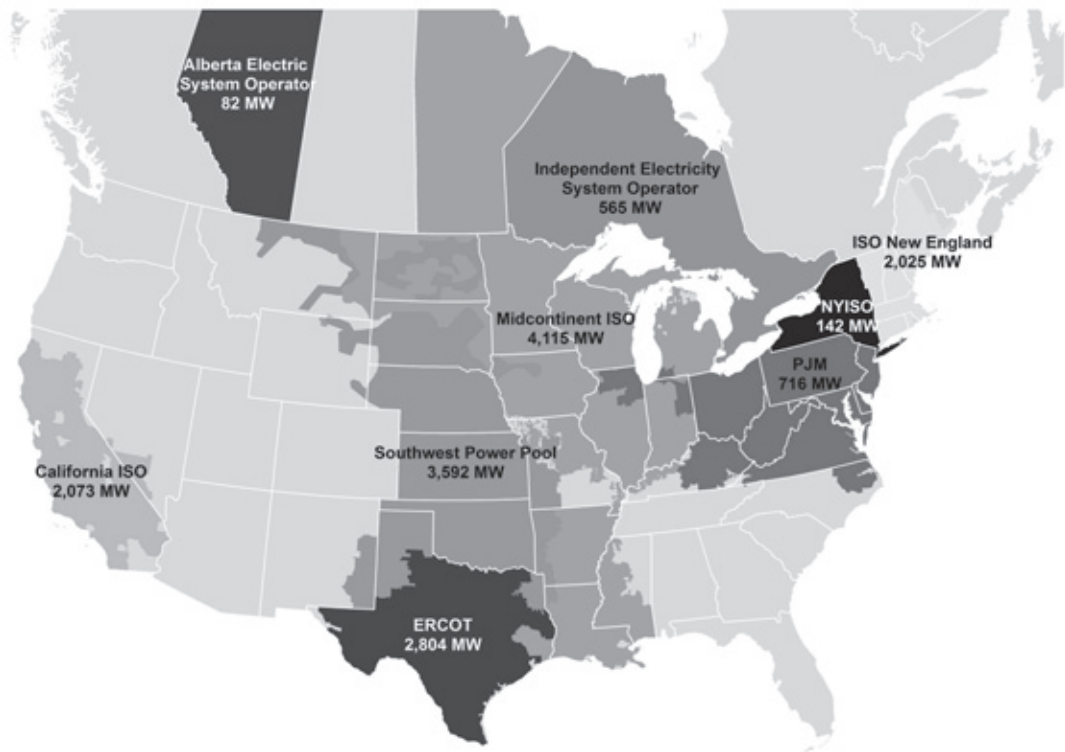
Electricity markets in the U.S. and Canada are regional and diverse in character. All are extensively regulated, and competition in these markets is shaped and constrained by regulation. The nature of the products offered varies based on the specifics of regulation in each region. Generally, in addition to the natural constraints on pricing freedom presented by competition, NEER may also face specific constraints in the form of price caps, or maximum allowed prices, for certain products. NEER's ability to sell the output of its generation facilities may also be constrained by available transmission capacity, which can vary from time to time and can have a significant impact on pricing.

The degree and nature of competition that NEER faces is different in wholesale markets and in retail markets. During 2017, approximately 87% of NEER's revenue was derived from wholesale electricity markets.

Wholesale power generation is a capital-intensive, commodity-driven business with numerous industry participants. NEER primarily competes on the basis of price, but believes the green attributes of NEER's generation assets, its creditworthiness and its ability to offer and manage reliable customized risk solutions to wholesale customers are competitive advantages. Wholesale power generation is a regional business that is highly fragmented relative to many other commodity industries and diverse in terms of industry structure. As such, there is a wide variation in terms of the capabilities, resources, nature and identity of the companies NEER competes with depending on the market. In wholesale markets, customers' needs are met through a variety of means, including long-term bilateral contracts, standardized bilateral products such as full requirements service and customized supply and risk management services.

In general, U.S. electricity markets encompass three classes of services: energy, capacity and ancillary services. Energy services relate to the physical delivery of power; capacity services relate to the availability of MW capacity of a power generation asset; and ancillary services are other services that relate to power generation assets, such as load regulation and spinning and non-spinning reserves. The exact nature of these classes of services is defined in part by regional tariffs. Not all regions have a capacity services class, and the specific definitions of ancillary services vary from region to region.

RTOs and ISOs exist throughout much of North America to coordinate generation and transmission across wide geographic areas and to run markets. NEER operates in all RTO and ISO jurisdictions. At December 31, 2017, NEER also had generation facilities with ownership interests in a total net generating capacity of approximately 2,845 MW that fall within reliability regions that are not under the jurisdiction of an established RTO or ISO, including 2,224 MW within the Western Electricity Coordinating Council. Although each RTO and ISO may have differing objectives and structures, some benefits of these entities include regional planning, managing transmission congestion, developing larger wholesale markets for energy and capacity, maintaining reliability and facilitating competition among wholesale electricity providers. NEER has operations that fall within the following RTOs and ISOs:



NEER competes in different regions to different degrees, but in general it seeks to enter into long-term bilateral contracts for the full output of its generation facilities, and, at December 31, 2017, approximately 89% of NEER's net generating capacity was committed under long-term contracts. Where long-term contracts are not in effect, NEER sells the output of its facilities into daily spot markets. In such cases, NEER will frequently enter into shorter term bilateral contracts, typically of less than three years duration, to hedge the price risk associated with selling into a daily spot market. Such bilateral contracts, which may be hedges either for physical delivery or for financial (pricing) offset, serve to protect a portion of the revenue that NEER expects to derive from the associated generation facility. Contracts that serve the economic purpose of hedging some portion of the expected revenue of a generation facility but are not recorded as hedges under GAAP are referred to as “non-qualifying hedges” for adjusted earnings purposes. See Management's Discussion - Overview - Adjusted Earnings.

Certain facilities within the NEER wind and solar generation portfolio produce RECs and other environmental attributes which are typically sold along with the energy from the plants under long-term contracts, or may be sold separately for the wind and solar generation not sold under long-term contracts. The purchasing party is solely entitled to the reporting rights and ownership of the environmental attributes.

While the majority of NEER's revenue is derived from the output of its generation facilities, NEER is also an active competitor in several regions in the wholesale full requirements business and in providing structured and customized power and fuel products and services to a variety of customers. In the full requirements service, typically, the supplier agrees to meet the customer's needs for a full range of products for every hour of the day, at a fixed price, for a predetermined period of time, thereby assuming the risk of fluctuations in the customer's volume requirements.

Expanded competition in a frequently changing regulatory environment presents both opportunities and risks for NEER. Opportunities exist for the selective acquisition of generation assets and for the construction and operation of efficient facilities that can sell power in competitive markets. NEER seeks to reduce its market risk by having a diversified portfolio by fuel type and location, as well as by contracting for the future sale of a significant amount of the electricity output of its facilities.

NEER REGULATION

The energy markets in which NEER operates are subject to domestic and foreign regulation, as the case may be, including local, state and federal regulation, and other specific rules.

At December 31, 2017, NEER had ownership interests in operating independent power projects located in the U.S. that have received exempt wholesale generator status as defined under the Public Utility Holding Company Act of 2005, which represent approximately 99% of NEER's net generating capacity in the U.S. Exempt wholesale generators own or operate a facility exclusively to sell electricity to wholesale customers. They are barred from selling electricity directly to retail customers. NEER's exempt wholesale generators produce electricity from wind, fossil fuels, solar and nuclear facilities. While projects with exempt wholesale generator status are exempt from various restrictions, each project must still comply with other federal, state and local laws, including, but not limited to, those regarding siting, construction, operation, licensing, pollution abatement and other environmental laws.

Additionally, most of the NEER facilities located in the U.S. are subject to FERC regulations and market rules and the NERC's mandatory reliability standards, all of its facilities are subject to environmental laws and the EPA's environmental regulations, and its nuclear facilities are also subject to the jurisdiction of the NRC. See FPL - FPL Regulation for additional discussion of FERC, NERC, NRC and EPA regulations. With the exception of facilities located in ERCOT, the FERC has jurisdiction over various aspects of NEER's business in the U.S., including the oversight and investigation of competitive wholesale energy markets, regulation of the transmission and sale of natural gas, and oversight of environmental matters related to natural gas projects and major electricity policy initiatives. The Public Utility Commission of Texas has jurisdiction, including the regulation of rates and services, oversight of competitive markets, and enforcement of statutes and rules, over NEER facilities located in ERCOT.

NEER and its affiliates are also subject to federal and provincial or regional regulations in Canada and Spain related to energy operations, energy markets and environmental standards. In Canada, activities related to owning and operating wind and solar projects and participating in wholesale and retail energy markets are regulated at the provincial level. In Ontario, for example, electricity generation facilities must be licensed by the Ontario Energy Board and may also be required to complete registrations and maintain market participant status with the Independent Electricity System Operator, in which case they must agree to be bound by and comply with the provisions of the market rules for the Ontario electricity market as well as the mandatory reliability standards of the NERC.

In addition, NEER is subject to environmental laws and regulations as described in the NEE Environmental Matters section below. In order to better anticipate potential regulatory changes, NEER continues to actively evaluate and participate in regional market redesigns of existing operating rules for the integration of renewable energy resources and for the purchase and sale of energy commodities.

NEER EMPLOYEES

NEER and its subsidiaries had approximately 5,200 employees at December 31, 2017. Certain subsidiaries of NEER have collective bargaining agreements with the IBEW, the Utility Workers Union of America, the Security Police and Fire Professionals of America and the International Union of Operating Engineers, which collectively represent approximately 17% of NEER's employees. The collective bargaining agreements have three- to five-year terms and expire between late February 2018 and 2021.

NEE ENVIRONMENTAL MATTERS

NEE and FPL are subject to environmental laws and regulations, including extensive federal, state and local environmental statutes, rules and regulations, for the siting, construction and ongoing operations of their facilities. The U.S. government and certain states and regions, as well as the Government of Canada and its provinces, have taken and continue to take certain actions, such as proposing and finalizing regulation or setting targets or goals, regarding the regulation and reduction of GHG emissions and the increase of renewable energy generation. Numerous environmental regulations also affecting FPL, NEER and certain other subsidiaries relate to threatened and endangered species and their habitats, as well as other avian and bat species. Complying with these environmental laws and regulations could result in, among other things, changes in the design and operation of existing facilities and changes or delays in the location, design, construction and operation of new facilities. The impact of complying with current environmental laws and regulations has not had, and, along with compliance with proposed regulations as currently written, is not expected to have, a material adverse effect on the financial statements of NEE and FPL. As permitted by the environmental clause, FPL expects to seek recovery for compliance costs associated with any new environmental laws and regulations.

WEBSITE ACCESS TO SEC FILINGS

NEE and FPL make their SEC filings, including the annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and any amendments to those reports, available free of charge on NEE's internet website, www.nexteraenergy.com, as soon as reasonably practicable after those documents are electronically filed with or furnished to the SEC. The information and materials available on NEE's website (or any of its subsidiaries' or affiliates' websites) are not incorporated by reference into this combined Form 10-K. The SEC maintains an internet website that contains reports, proxy and information statements, and other information regarding registrants that file electronically with the SEC at www.sec.gov.

EXECUTIVE OFFICERS OF NEE[(a)]

Name	Age	Position	Effective Date
Miguel Arechabala	57	Executive Vice President, Power Generation Division of NEE Executive Vice President, Power Generation Division of FPL	January 1, 2014
Deborah H. Caplan	55	Executive Vice President, Human Resources and Corporate Services of NEE Executive Vice President, Human Resources and Corporate Services of FPL	April 15, 2013
Terrell Kirk Crews, II	39	Vice President, Controller and Chief Accounting Officer of NEE	September 19, 2016
Paul I. Cutler	58	Treasurer of NEE Treasurer of FPL Assistant Secretary of NEE	February 19, 2003 February 18, 2003 December 10, 1997
Joseph T. Kelliher	57	Executive Vice President, Federal Regulatory Affairs of NEE	May 18, 2009
John W. Ketchum	47	Executive Vice President, Finance and Chief Financial Officer of NEE Executive Vice President, Finance and Chief Financial Officer of FPL	March 4, 2016
Manoochehr K. Nazar	63	President Nuclear Division and Chief Nuclear Officer of NEE President Nuclear Division and Chief Nuclear Officer of FPL	May 23, 2014 May 30, 2014
Armando Pimentel, Jr.	55	President and Chief Executive Officer of NEER	October 5, 2011
James L. Robo	55	Chairman, President and Chief Executive Officer of NEE Chairman of FPL	December 13, 2013 May 2, 2012
Charles E. Sieving	45	Executive Vice President & General Counsel of NEE Executive Vice President of FPL	December 1, 2008 January 1, 2009
Eric E. Silagy	52	President and Chief Executive Officer of FPL	May 30, 2014
William L. Yeager	59	Executive Vice President, Engineering, Construction and Integrated Supply Chain of NEE Executive Vice President, Engineering, Construction and Integrated Supply Chain of FPL	January 1, 2013

(a) Information is as of February 16, 2018. Executive officers are elected annually by, and serve at the pleasure of, their respective boards of directors. Except as noted below, each officer has held his/her present position for five years or more and his/her employment history is continuous. Mr. Arechabala was president of NextEra Energy España, S.L., an indirect wholly owned subsidiary of NEE, from February 2010 to December 2013. Ms. Caplan was vice president and chief operating officer of FPL from May 2011 to April 2013. Mr. Crews served as NEE's Vice President, Finance from April 2016 to September 2016. From July 2015 to April 2016, he was a partner in the national office of Deloitte & Touche LLP (Deloitte); from June 2013 to June 2015, he served as a professional accounting fellow in the Office of the Chief Accountant of the SEC; and from June 2010 to June 2013, he was an audit service senior manager at Deloitte. Mr. Ketchum served as NEE's Senior Vice President, Finance from February 2015 to March 2016, and Senior Vice President, Business Management and Finance from December 2013 to February 2015. From December 2012 to December 2013, he was Senior Vice President, Business Management of NEER. Mr. Nazar has been chief nuclear officer of NEE and FPL since January 2010 and was executive vice president, nuclear division of NEE and FPL from January 2010 to May 2014. Mr. Robo has been president and chief executive officer of NEE since July 2012 and was the chief executive officer of FPL from May 2012 to May 2014. Mr. Silagy has been president of FPL since December 2011.

Item 1A. Risk Factors

Risks Relating to NEE's and FPL's Business

The business, financial condition, results of operations and prospects of NEE and FPL are subject to a variety of risks, many of which are beyond the control of NEE and FPL. These risks, as well as additional risks and uncertainties either not presently known or that are currently believed to not be material to the business, may materially adversely affect the business, financial condition, results of operations and prospects of NEE and FPL and may cause actual results of NEE and FPL to differ substantially from those that NEE or FPL currently expects or seeks. In that event, the market price for the securities of NEE or FPL could decline. Accordingly, the risks described below should be carefully considered together with the other information set forth in this report and in future reports that NEE and FPL file with the SEC.

Regulatory, Legislative and Legal Risks

NEE's and FPL's business, financial condition, results of operations and prospects may be materially adversely affected by the extensive regulation of their business.

The operations of NEE and FPL are subject to complex and comprehensive federal, state and other regulation. This extensive regulatory framework, portions of which are more specifically identified in the following risk factors, regulates, among other things and to varying degrees, NEE's and FPL's industries, businesses, rates and cost structures, operation and licensing of nuclear power facilities, construction and operation of electricity generation, transmission and distribution facilities and natural gas and oil production, natural gas, oil and other fuel transportation, processing and storage facilities, acquisition, disposal, depreciation and amortization of facilities and other assets, decommissioning costs and funding, service reliability, wholesale and retail competition, and commodities trading and derivatives transactions. In their business planning and in the management of their operations, NEE and FPL must address the effects of regulation on their business and any inability or failure to do so adequately could have a material adverse effect on their business, financial condition, results of operations and prospects.

NEE's and FPL's business, financial condition, results of operations and prospects could be materially adversely affected if they are unable to recover in a timely manner any significant amount of costs, a return on certain assets or a reasonable return on invested capital through base rates, cost recovery clauses, other regulatory mechanisms or otherwise.

FPL is an electric utility subject to the jurisdiction of the FPSC over a wide range of business activities, including, among other items, the retail rates charged to its customers through base rates and cost recovery clauses, the terms and conditions of its services, procurement of electricity for its customers and fuel for its plant operations, issuances of securities, and aspects of the siting, construction and operation of its generation plants and transmission and distribution systems for the sale of electric energy. The FPSC has the authority to disallow recovery by FPL of costs that it considers excessive or imprudently incurred and to determine the level of return that FPL is permitted to earn on invested capital. The regulatory process, which may be adversely affected by the political, regulatory and economic environment in Florida and elsewhere, limits or could otherwise adversely impact FPL's earnings. The regulatory process also does not provide any assurance as to achievement of authorized or other earnings levels, or that FPL will be permitted to earn an acceptable return on capital investments it wishes to make. NEE's and FPL's business, financial condition, results of operations and prospects could be materially adversely affected if any material amount of costs, a return on certain assets or a reasonable return on invested capital cannot be recovered through base rates, cost recovery clauses, other regulatory mechanisms or otherwise. Certain other subsidiaries of NEE are transmission utilities subject to the jurisdiction of their regulators and are subject to similar risks.

Regulatory decisions that are important to NEE and FPL may be materially adversely affected by political, regulatory and economic factors.

The local and national political, regulatory and economic environment has had, and may in the future have, an adverse effect on FPSC decisions with negative consequences for FPL. These decisions may require, for example, FPL to cancel or delay planned development activities, to reduce or delay other planned capital expenditures or to pay for investments or otherwise incur costs that it may not be able to recover through rates, each of which could have a material adverse effect on the business, financial condition, results of operations and prospects of NEE and FPL. Certain other subsidiaries of NEE are subject to similar risks.

FPL's use of derivative instruments could be subject to prudence challenges and, if found imprudent, could result in disallowances of cost recovery for such use by the FPSC.

The FPSC engages in an annual prudence review of FPL's use of derivative instruments in its risk management fuel procurement program and should it find any such use to be imprudent, the FPSC could deny cost recovery for such use by FPL. Such an outcome could have a material adverse effect on FPL's business, financial condition, results of operations and prospects.

Any reductions or modifications to, or the elimination of, governmental incentives or policies that support utility scale renewable energy, including, but not limited to, tax laws, policies and incentives, RPS or feed-in tariffs, or the imposition of additional taxes or other assessments on renewable energy, could result in, among other items, the lack of a satisfactory market for the development and/or financing of new renewable energy projects, NEER abandoning the development of

renewable energy projects, a loss of NEER's investments in renewable energy projects and reduced project returns, any of which could have a material adverse effect on NEE's business, financial condition, results of operations and prospects.

NEER depends heavily on government policies that support utility scale renewable energy and enhance the economic feasibility of developing and operating wind and solar energy projects in regions in which NEER operates or plans to develop and operate renewable energy facilities. The federal government, a majority of the 50 U.S. states and portions of Canada and Spain provide incentives, such as tax incentives, RPS or feed-in tariffs, that support or are designed to support the sale of energy from utility scale renewable energy facilities, such as wind and solar energy facilities. As a result of budgetary constraints, political factors or otherwise, governments from time to time may review their laws and policies that support renewable energy and consider actions that would make the laws and policies less conducive to the development and operation of renewable energy facilities. Any reductions or modifications to, or the elimination of, governmental incentives or policies that support renewable energy or the imposition of additional taxes or other assessments on renewable energy, could result in, among other items, the lack of a satisfactory market for the development and/or financing of new renewable energy projects, NEER abandoning the development of renewable energy projects, a loss of NEER's investments in the projects and reduced project returns, any of which could have a material adverse effect on NEE's business, financial condition, results of operations and prospects.

NEE's and FPL's business, financial condition, results of operations and prospects could be materially adversely affected as a result of new or revised laws, regulations, interpretations or other regulatory initiatives.

NEE's and FPL's business is influenced by various legislative and regulatory initiatives, including, but not limited to, new or revised laws, including international trade laws, regulations, interpretations and other regulatory initiatives regarding deregulation or restructuring of the energy industry, regulation of the commodities trading and derivatives markets, and regulation of environmental matters, such as regulation of air emissions, regulation of water consumption and water discharges, and regulation of gas and oil infrastructure operations, as well as associated environmental permitting. Changes in the nature of the regulation of NEE's and FPL's business could have a material adverse effect on NEE's and FPL's business, financial condition, results of operations and prospects. NEE and FPL are unable to predict future legislative or regulatory changes, initiatives or interpretations, although any such changes, initiatives or interpretations may increase costs and competitive pressures on NEE and FPL, which could have a material adverse effect on NEE's and FPL's business, financial condition, results of operations and prospects.

FPL has limited competition in the Florida market for retail electricity customers. Any changes in Florida law or regulation which introduce competition in the Florida retail electricity market, such as government incentives that facilitate the installation of solar generation facilities on residential or other rooftops at below cost or that are otherwise subsidized by non-participants, or would permit third-party sales of electricity, could have a material adverse effect on FPL's business, financial condition, results of operations and prospects. There can be no assurance that FPL will be able to respond adequately to such regulatory changes, which could have a material adverse effect on FPL's business, financial condition, results of operations and prospects.

NEER is subject to FERC rules related to transmission that are designed to facilitate competition in the wholesale market on practically a nationwide basis by providing greater certainty, flexibility and more choices to wholesale power customers. NEE cannot predict the impact of changing FERC rules or the effect of changes in levels of wholesale supply and demand, which are typically driven by factors beyond NEE's control. There can be no assurance that NEER will be able to respond adequately or sufficiently quickly to such rules and developments, or to any other changes that reverse or restrict the competitive restructuring of the energy industry in those jurisdictions in which such restructuring has occurred. Any of these events could have a material adverse effect on NEE's business, financial condition, results of operations and prospects.

NEE’s and FPL’s OTC financial derivatives are subject to rules implementing the Dodd-Frank Wall Street Reform and Consumer Protection Act and similar international regulations that are designed to promote transparency, mitigate systemic risk and protect against market abuse. NEE and FPL cannot predict the impact any proposed or not fully implemented final rules will have on their ability to hedge their commodity and interest rate risks or on OTC derivatives markets as a whole, but such rules and regulations could have a material adverse effect on NEE's and FPL's risk exposure, as well as reduce market liquidity and further increase the cost of hedging activities.

NEE and FPL are subject to numerous environmental laws, regulations and other standards that may result in capital expenditures, increased operating costs and various liabilities, and may require NEE and FPL to limit or eliminate certain operations.

NEE and FPL are subject to domestic and foreign environmental laws, regulations and other standards, including, but not limited to, extensive federal, state and local environmental statutes, rules and regulations relating to air quality, water quality and usage, soil quality, climate change, emissions of greenhouse gases, including, but not limited to, CO_2, waste management, hazardous wastes, marine, avian and other wildlife mortality and habitat protection, historical artifact preservation, natural resources, health (including, but not limited to, electric and magnetic fields from power lines and substations), safety and RPS, that could, among other things, prevent or delay the development of power generation, power or natural gas transmission, or other infrastructure projects, restrict the output of some existing facilities, limit the availability and use of some fuels required for the production of electricity, require additional pollution control equipment, and otherwise increase costs, increase capital expenditures and limit or eliminate certain operations.

There are significant capital, operating and other costs associated with compliance with these environmental statutes, rules and regulations, and those costs could be even more significant in the future as a result of new requirements and stricter or more expansive application of existing environmental regulations. For example, among other new, potential or pending changes are state and federal regulation of the use of hydraulic fracturing or similar technologies to drill for natural gas and related compounds used by NEE's gas infrastructure business.

Violations of current or future laws, rules, regulations or other standards could expose NEE and FPL to regulatory and legal proceedings, disputes with, and legal challenges by, third parties, and potentially significant civil fines, criminal penalties and other sanctions. Proceedings could include, for example, litigation regarding property damage, personal injury, common law nuisance and enforcement by citizens or governmental authorities of environmental requirements.

NEE's and FPL's business could be negatively affected by federal or state laws or regulations mandating new or additional limits on the production of greenhouse gas emissions.

Federal or state laws or regulations may be adopted that would impose new or additional limits on the emissions of greenhouse gases, including, but not limited to, CO_2 and methane, from electric generation units using fossil fuels like coal and natural gas. The potential effects of greenhouse gas emission limits on NEE's and FPL's electric generation units are subject to significant uncertainties based on, among other things, the timing of the implementation of any new requirements, the required levels of emission reductions, the nature of any market-based or tax-based mechanisms adopted to facilitate reductions, the relative availability of greenhouse gas emission reduction offsets, the development of cost-effective, commercial-scale carbon capture and storage technology and supporting regulations and liability mitigation measures, and the range of available compliance alternatives.

While NEE's and FPL's electric generation units emit greenhouse gases at a lower rate of emissions than most of the U.S. electric generation sector, the results of operations of NEE and FPL could be materially adversely affected to the extent that new federal or state laws or regulations impose any new greenhouse gas emission limits. Any future limits on greenhouse gas emissions could:

- create substantial additional costs in the form of taxes or emission allowances;
- make some of NEE's and FPL's electric generation units uneconomical to operate in the long term;
- require significant capital investment in carbon capture and storage technology, fuel switching, or the replacement of high-emitting generation facilities with lower-emitting generation facilities; or
- affect the availability or cost of fossil fuels.

There can be no assurance that NEE or FPL would be able to completely recover any such costs or investments, which could have a material adverse effect on their business, financial condition, results of operations and prospects.

Extensive federal regulation of the operations and businesses of NEE and FPL exposes NEE and FPL to significant and increasing compliance costs and may also expose them to substantial monetary penalties and other sanctions for compliance failures.

NEE's and FPL's operations and businesses are subject to extensive federal regulation, which generally imposes significant and increasing compliance costs on their operations and businesses. Additionally, any actual or alleged compliance failures could result in significant costs and other potentially adverse effects of regulatory investigations, proceedings, settlements, decisions and claims, including, among other items, potentially significant monetary penalties. As an example, under the Energy Policy Act of 2005, NEE and FPL, as owners and operators of bulk-power transmission systems and/or electric generation facilities, are subject to mandatory reliability standards. Compliance with these mandatory reliability standards may subject NEE and FPL to higher operating costs and may result in increased capital expenditures. If FPL or NEE is found not to be in compliance with these standards, it may incur substantial monetary penalties and other sanctions. Both the costs of regulatory compliance and the costs that may be imposed as a result of any actual or alleged compliance failures could have a material adverse effect on NEE's and FPL's business, financial condition, results of operations and prospects.

Changes in tax laws, guidance or policies, including but not limited to changes in corporate income tax rates, as well as judgments and estimates used in the determination of tax-related asset and liability amounts, could materially adversely affect NEE's and FPL's business, financial condition, results of operations and prospects.

NEE's and FPL's provision for income taxes and reporting of tax-related assets and liabilities require significant judgments and the use of estimates. Amounts of tax-related assets and liabilities involve judgments and estimates of the timing and probability of recognition of income, deductions and tax credits, including, but not limited to, estimates for potential adverse outcomes regarding tax positions that have been taken and the ability to utilize tax benefit carryforwards, such as net operating loss and tax credit carryforwards. Actual income taxes could vary significantly from estimated amounts due to the future impacts of, among other things, changes in tax laws, guidance or policies, including changes in corporate income tax rates, the financial condition and results of operations of NEE and FPL, and the resolution of audit issues raised by taxing authorities. These factors, including the ultimate resolution of income tax matters, may result in material adjustments to tax-related assets and liabilities, which could materially adversely affect NEE's and FPL's business, financial condition, results of operations and prospects.

NEE's and FPL's business, financial condition, results of operations and prospects may be materially adversely affected due to adverse results of litigation.

NEE's and FPL's business, financial condition, results of operations and prospects may be materially affected by adverse results of litigation. Unfavorable resolution of legal proceedings in which NEE is involved or other future legal proceedings, including, but not limited to, class action lawsuits, may have a material adverse effect on the business, financial condition, results of operations and prospects of NEE and FPL.

Operational Risks

NEE's and FPL's business, financial condition, results of operations and prospects could suffer if NEE and FPL do not proceed with projects under development or are unable to complete the construction of, or capital improvements to, electric generation, transmission and distribution facilities, gas infrastructure facilities or other facilities on schedule or within budget.

NEE's and FPL's ability to proceed with projects under development and to complete construction of, and capital improvement projects for, their electric generation, transmission and distribution facilities, gas infrastructure facilities and other facilities on schedule and within budget may be adversely affected by escalating costs for materials and labor and regulatory compliance, inability to obtain or renew necessary licenses, rights-of-way, permits or other approvals on acceptable terms or on schedule, disputes involving contractors, labor organizations, land owners, governmental entities, environmental groups, Native American and aboriginal groups, lessors, joint venture partners and other third parties, negative publicity, transmission interconnection issues and other factors. If any development project or construction or capital improvement project is not completed, is delayed or is subject to cost overruns, certain associated costs may not be approved for recovery or otherwise be recoverable through regulatory mechanisms that may be available, and NEE and FPL could become obligated to make delay or termination payments or become obligated for other damages under contracts, could experience the loss of tax credits or tax incentives, or delayed or diminished returns, and could be required to write off all or a portion of their investment in the project. Any of these events could have a material adverse effect on NEE's and FPL's business, financial condition, results of operations and prospects.

NEE and FPL may face risks related to project siting, financing, construction, permitting, governmental approvals and the negotiation of project development agreements that may impede their development and operating activities.

NEE and FPL own, develop, construct, manage and operate electric-generation and transmission facilities and natural gas transmission facilities. A key component of NEE's and FPL's growth is their ability to construct and operate generation and transmission facilities to meet customer needs. As part of these operations, NEE and FPL must periodically apply for licenses and permits from various local, state, federal and other regulatory authorities and abide by their respective conditions. Should NEE or FPL be unsuccessful in obtaining necessary licenses or permits on acceptable terms, should there be a delay in obtaining or renewing necessary licenses or permits or should regulatory authorities initiate any associated investigations or enforcement actions or impose related penalties or disallowances on NEE or FPL, NEE's and FPL's business, financial condition, results of operations and prospects could be materially adversely affected. Any failure to negotiate successful project development agreements for new facilities with third parties could have similar results.

The operation and maintenance of NEE's and FPL's electric generation, transmission and distribution facilities, gas infrastructure facilities and other facilities are subject to many operational risks, the consequences of which could have a material adverse effect on NEE's and FPL's business, financial condition, results of operations and prospects.

NEE's and FPL's electric generation, transmission and distribution facilities, gas infrastructure facilities and other facilities are subject to many operational risks. Operational risks could result in, among other things, lost revenues due to prolonged outages, increased expenses due to monetary penalties or fines for compliance failures, liability to third parties for property and personal injury damage, a failure to perform under applicable power sales agreements or other agreements and associated loss of revenues from terminated agreements or liability for liquidated damages under continuing agreements, and replacement equipment costs or an obligation to purchase or generate replacement power at higher prices.

Uncertainties and risks inherent in operating and maintaining NEE's and FPL's facilities include, but are not limited to:

- risks associated with facility start-up operations, such as whether the facility will achieve projected operating performance on schedule and otherwise as planned;
- failures in the availability, acquisition or transportation of fuel or other necessary supplies;
- the impact of unusual or adverse weather conditions and natural disasters, including, but not limited to, hurricanes, tornadoes, icing events, floods, earthquakes and droughts;
- performance below expected or contracted levels of output or efficiency;
- breakdown or failure, including, but not limited to, explosions, fires, leaks or other major events, of equipment, transmission and distribution lines or pipelines;
- availability of replacement equipment;
- risks of property damage or human injury from energized equipment, hazardous substances or explosions, fires, leaks or other events;

- availability of adequate water resources and ability to satisfy water intake and discharge requirements;
- inability to identify, manage properly or mitigate equipment defects in NEE's and FPL's facilities;
- use of new or unproven technology;
- risks associated with dependence on a specific type of fuel or fuel source, such as commodity price risk, availability of adequate fuel supply and transportation, and lack of available alternative fuel sources;
- increased competition due to, among other factors, new facilities, excess supply, shifting demand and regulatory changes; and
- insufficient insurance, warranties or performance guarantees to cover any or all lost revenues or increased expenses from the foregoing.

NEE's and FPL's business, financial condition, results of operations and prospects may be negatively affected by a lack of growth or slower growth in the number of customers or in customer usage.

Growth in customer accounts and growth of customer usage each directly influence the demand for electricity and the need for additional power generation and power delivery facilities, as well as the need for energy-related commodities such as natural gas. Customer growth and customer usage are affected by a number of factors outside the control of NEE and FPL, such as mandated energy efficiency measures, demand side management requirements, and economic and demographic conditions, such as population changes, job and income growth, housing starts, new business formation and the overall level of economic activity. A lack of growth, or a decline, in the number of customers or in customer demand for electricity or natural gas and other fuels may cause NEE and FPL to fail to fully realize the anticipated benefits from significant investments and expenditures and could have a material adverse effect on NEE's and FPL's growth, business, financial condition, results of operations and prospects.

NEE's and FPL's business, financial condition, results of operations and prospects can be materially adversely affected by weather conditions, including, but not limited to, the impact of severe weather.

Weather conditions directly influence the demand for electricity and natural gas and other fuels and affect the price of energy and energy-related commodities. In addition, severe weather and natural disasters, such as hurricanes, floods, tornadoes, icing events and earthquakes, can be destructive and cause power outages and property damage, reduce revenue, affect the availability of fuel and water, and require NEE and FPL to incur additional costs, for example, to restore service and repair damaged facilities, to obtain replacement power and to access available financing sources. Furthermore, NEE's and FPL's physical plants could be placed at greater risk of damage should changes in the global climate produce unusual variations in temperature and weather patterns, resulting in more intense, frequent and extreme weather events, abnormal levels of precipitation and, particularly relevant to FPL, a change in sea level. FPL operates in the east and lower west coasts of Florida, an area that historically has been prone to severe weather events, such as hurricanes. A disruption or failure of electric generation, transmission or distribution systems or natural gas production, transmission, storage or distribution systems in the event of a hurricane, tornado or other severe weather event, or otherwise, could prevent NEE and FPL from operating their business in the normal course and could result in any of the adverse consequences described above. Any of the foregoing could have a material adverse effect on NEE's and FPL's business, financial condition, results of operations and prospects.

At FPL and other businesses of NEE where cost recovery is available, recovery of costs to restore service and repair damaged facilities is or may be subject to regulatory approval, and any determination by the regulator not to permit timely and full recovery of the costs incurred could have a material adverse effect on NEE's and FPL's business, financial condition, results of operations and prospects.

Changes in weather can also affect the production of electricity at power generation facilities, including, but not limited to, NEER's wind and solar facilities. For example, the level of wind resource affects the revenue produced by wind generation facilities. Because the levels of wind and solar resources are variable and difficult to predict, NEER's results of operations for individual wind and solar facilities specifically, and NEE's results of operations generally, may vary significantly from period to period, depending on the level of available resources. To the extent that resources are not available at planned levels, the financial results from these facilities may be less than expected.

Threats of terrorism and catastrophic events that could result from terrorism, cyber attacks, or individuals and/or groups attempting to disrupt NEE's and FPL's business, or the businesses of third parties, may materially adversely affect NEE's and FPL's business, financial condition, results of operations and prospects.

NEE and FPL are subject to the potentially adverse operating and financial effects of terrorist acts and threats, as well as cyber attacks and other disruptive activities of individuals or groups. There have been cyber attacks on energy infrastructure such as substations, gas pipelines and related assets in the past and there may be such attacks in the future. NEE's and FPL's generation, transmission and distribution facilities, fuel storage facilities, information technology systems and other infrastructure facilities and systems could be direct targets of, or otherwise be materially adversely affected by, such activities.

Terrorist acts, cyber attacks or other similar events affecting NEE's and FPL's systems and facilities, or those of third parties on which NEE and FPL rely, could harm NEE's and FPL's business, for example, by limiting their ability to generate, purchase or transmit power, natural gas or other energy-related commodities by limiting their ability to bill customers and collect and process payments, and by delaying their development and construction of new generation, distribution or transmission facilities or capital improvements to existing facilities. These events, and governmental actions in response, could result in a material decrease in

revenues, significant additional costs (for example, to repair assets, implement additional security requirements or maintain or acquire insurance), significant fines and penalties, and reputational damage, could materially adversely affect NEE's and FPL's operations (for example, by contributing to disruption of supplies and markets for natural gas, oil and other fuels), and could impair NEE's and FPL's ability to raise capital (for example, by contributing to financial instability and lower economic activity). In addition, the implementation of security guidelines and measures has resulted in and is expected to continue to result in increased costs. Such events or actions may materially adversely affect NEE's and FPL's business, financial condition, results of operations and prospects.

The ability of NEE and FPL to obtain insurance and the terms of any available insurance coverage could be materially adversely affected by international, national, state or local events and company-specific events, as well as the financial condition of insurers. NEE's and FPL's insurance coverage does not provide protection against all significant losses.

Insurance coverage may not continue to be available or may not be available at rates or on terms similar to those presently available to NEE and FPL. The ability of NEE and FPL to obtain insurance and the terms of any available insurance coverage could be materially adversely affected by international, national, state or local events and company-specific events, as well as the financial condition of insurers. If insurance coverage is not available or obtainable on acceptable terms, NEE or FPL may be required to pay costs associated with adverse future events. NEE and FPL generally are not fully insured against all significant losses. For example, FPL is not fully insured against hurricane-related losses, but would instead seek recovery of such uninsured losses from customers subject to approval by the FPSC, to the extent losses exceed restricted funds set aside to cover the cost of storm damage. A loss for which NEE or FPL is not fully insured could have a material adverse effect on NEE's and FPL's business, financial condition, results of operations and prospects.

NEE invests in gas and oil producing and transmission assets through NEER's gas infrastructure business. The gas infrastructure business is exposed to fluctuating market prices of natural gas, natural gas liquids, oil and other energy commodities. A prolonged period of low gas and oil prices could impact NEER's gas infrastructure business and cause NEER to delay or cancel certain gas infrastructure projects and for certain existing projects to be impaired, which could materially adversely affect NEE's results of operations.

Natural gas and oil prices are affected by supply and demand, both globally and regionally. Factors that influence supply and demand include operational issues, natural disasters, weather, political instability, conflicts, new discoveries, technological advances, economic conditions and actions by major oil-producing countries. There can be significant volatility in market prices for gas and oil, and price fluctuations could have a material effect on the financial performance of gas and oil producing and transmission assets. For example, in a low gas and oil price environment, NEER would generate less revenue from its gas infrastructure investments in gas and oil producing properties, and as a result certain investments might become less profitable or incur losses. Prolonged periods of low oil and gas prices could also result in oil and gas production and transmission projects to be delayed or cancelled or to experience lower returns, and for certain projects to become impaired, which could materially adversely affect NEE's results of operations.

If supply costs necessary to provide NEER's full energy and capacity requirement services are not favorable, operating costs could increase and materially adversely affect NEE's business, financial condition, results of operations and prospects.

NEER provides full energy and capacity requirements services primarily to distribution utilities, which include load-following services and various ancillary services, to satisfy all or a portion of such utilities' power supply obligations to their customers. The supply costs for these transactions may be affected by a number of factors, including, but not limited to, events that may occur after such utilities have committed to supply power, such as weather conditions, fluctuating prices for energy and ancillary services, and the ability of the distribution utilities' customers to elect to receive service from competing suppliers. NEER may not be able to recover all of its increased supply costs, which could have a material adverse effect on NEE's business, financial condition, results of operations and prospects.

Due to the potential for significant volatility in market prices for fuel, electricity and renewable and other energy commodities, NEER's inability or failure to manage properly or hedge effectively the commodity risks within its portfolios could materially adversely affect NEE's business, financial condition, results of operations and prospects.

There can be significant volatility in market prices for fuel, electricity and renewable and other energy commodities. NEE's inability or failure to manage properly or hedge effectively its assets or positions against changes in commodity prices, volumes, interest rates, counterparty credit risk or other risk measures, based on factors that are either within, or wholly or partially outside of, NEE's control, may materially adversely affect NEE's business, financial condition, results of operations and prospects.

Reductions in the liquidity of energy markets may restrict the ability of NEE to manage its operational risks, which, in turn, could negatively affect NEE's results of operations.

NEE is an active participant in energy markets. The liquidity of regional energy markets is an important factor in NEE's ability to manage risks in these operations. Market liquidity is driven in part by the number of active market participants, which has declined in recent years as some banks and other financial institutions have withdrawn from power marketing. Liquidity in the energy markets can be adversely affected by price volatility, restrictions on the availability of credit and other factors, and any reduction in the liquidity of energy markets could have a material adverse effect on NEE's business, financial condition, results of operations and prospects.

NEE's and FPL's hedging and trading procedures and associated risk management tools may not protect against significant losses.

NEE and FPL have hedging and trading procedures and associated risk management tools, such as separate but complementary financial, credit, operational, compliance and legal reporting systems, internal controls, management review processes and other mechanisms. NEE and FPL are unable to assure that such procedures and tools will be effective against all potential risks, including, without limitation, employee misconduct. If such procedures and tools are not effective, this could have a material adverse effect on NEE's business, financial condition, results of operations and prospects.

If price movements significantly or persistently deviate from historical behavior, NEE's and FPL's risk management tools associated with their hedging and trading procedures may not protect against significant losses.

NEE's and FPL's risk management tools and metrics associated with their hedging and trading procedures, such as daily value at risk, earnings at risk, stop loss limits and liquidity guidelines, are based on historical price movements. Due to the inherent uncertainty involved in price movements and potential deviation from historical pricing behavior, NEE and FPL are unable to assure that their risk management tools and metrics will be effective to protect against material adverse effects on their business, financial condition, results of operations and prospects.

If power transmission or natural gas, nuclear fuel or other commodity transportation facilities are unavailable or disrupted, FPL's and NEER's ability to sell and deliver power or natural gas may be limited.

FPL and NEER depend upon power transmission and natural gas, nuclear fuel and other commodity transportation facilities, many of which they do not own. Occurrences affecting the operation of these facilities that may or may not be beyond FPL's and NEER's control (such as severe weather or a generation or transmission facility outage, pipeline rupture, or sudden and significant increase or decrease in wind generation) may limit or halt the ability of FPL and NEER to sell and deliver power and natural gas, or to purchase necessary fuels and other commodities, which could materially adversely impact NEE's and FPL's business, financial condition, results of operations and prospects.

NEE and FPL are subject to credit and performance risk from customers, hedging counterparties and vendors.

NEE and FPL are exposed to risks associated with the creditworthiness and performance of their customers, hedging counterparties and vendors under contracts for the supply of equipment, materials, fuel and other goods and services required for their business operations and for the construction and operation of, and for capital improvements to, their facilities. Adverse conditions in the energy industry or the general economy, as well as circumstances of individual customers, hedging counterparties and vendors, may adversely affect the ability of some customers, hedging counterparties and vendors to perform as required under their contracts with NEE and FPL. For example, the prolonged downturn in oil and natural gas prices has adversely affected the financial stability of a number of enterprises in the energy industry, including some with which NEE does business.

If any hedging, vending or other counterparty fails to fulfill its contractual obligations, NEE and FPL may need to make arrangements with other counterparties or vendors, which could result in material financial losses, higher costs, untimely completion of power generation facilities and other projects, and/or a disruption of their operations. If a defaulting counterparty is in poor financial condition, NEE and FPL may not be able to recover damages for any contract breach.

NEE and FPL could recognize financial losses or a reduction in operating cash flows if a counterparty fails to perform or make payments in accordance with the terms of derivative contracts or if NEE or FPL is required to post margin cash collateral under derivative contracts.

NEE and FPL use derivative instruments, such as swaps, options, futures and forwards, some of which are traded in the OTC markets or on exchanges, to manage their commodity and financial market risks, and for NEE to engage in trading and marketing activities. Any failures by their counterparties to perform or make payments in accordance with the terms of those transactions could have a material adverse effect on NEE's or FPL's business, financial condition, results of operations and prospects. Similarly, any requirement for FPL or NEE to post margin cash collateral under its derivative contracts could have a material adverse effect on its business, financial condition, results of operations and prospects. These risks may be increased during periods of adverse market or economic conditions affecting the industries in which NEE participates.

NEE and FPL are highly dependent on sensitive and complex information technology systems, and any failure or breach of those systems could have a material adverse effect on their business, financial condition, results of operations and prospects.

NEE and FPL operate in a highly regulated industry that requires the continuous functioning of sophisticated information technology systems and network infrastructure. Despite NEE's and FPL's implementation of security measures, all of their technology systems are vulnerable to disability, failures or unauthorized access due to such activities. If NEE's or FPL's information technology systems were to fail or be breached, sensitive confidential and other data could be compromised and NEE and FPL could be unable to fulfill critical business functions.

NEE's and FPL's business is highly dependent on their ability to process and monitor, on a daily basis, a very large number of transactions, many of which are highly complex and cross numerous and diverse markets. Due to the size, scope, complexity and geographical reach of NEE's and FPL's business, the development and maintenance of information technology systems to keep track of and process information is critical and challenging. NEE's and FPL's operating systems and facilities may fail to operate properly or become disabled as a result of events that are either within, or wholly or partially outside of, their control, such as operator error, severe weather, terrorist activities or cyber incidents. Any such failure or disabling event could materially adversely affect NEE's and FPL's ability to process transactions and provide services, and their business, financial condition, results of operations and prospects.

NEE and FPL add, modify and replace information systems on a regular basis. Modifying existing information systems or implementing new or replacement information systems is costly and involves risks, including, but not limited to, integrating the modified, new or replacement system with existing systems and processes, implementing associated changes in accounting procedures and controls, and ensuring that data conversion is accurate and consistent. Any disruptions or deficiencies in existing information systems, or disruptions, delays or deficiencies in the modification or implementation of new information systems, could result in increased costs, the inability to track or collect revenues and the diversion of management's and employees' attention and resources, and could negatively impact the effectiveness of the companies' control environment, and/or the companies' ability to timely file required regulatory reports.

NEE and FPL also face the risks of operational failure or capacity constraints of third parties, including, but not limited to, those who provide power transmission and natural gas transportation services.

NEE's and FPL's retail businesses are subject to the risk that sensitive customer data may be compromised, which could result in a material adverse impact to their reputation and/or have a material adverse effect on the business, financial condition, results of operations and prospects of NEE and FPL.

NEE's and FPL's retail businesses require access to sensitive customer data in the ordinary course of business. NEE's and FPL's retail businesses may also need to provide sensitive customer data to vendors and service providers who require access to this information in order to provide services, such as call center services, to the retail businesses. If a significant breach occurred, the reputation of NEE and FPL could be materially adversely affected, customer confidence could be diminished, or customer information could be subject to identity theft. NEE and FPL would be subject to costs associated with the breach and/or NEE and FPL could be subject to fines and legal claims, any of which may have a material adverse effect on the business, financial condition, results of operations and prospects of NEE and FPL.

NEE and FPL could recognize financial losses as a result of volatility in the market values of derivative instruments and limited liquidity in OTC markets.

NEE and FPL execute transactions in derivative instruments on either recognized exchanges or via the OTC markets, depending on management's assessment of the most favorable credit and market execution factors. Transactions executed in OTC markets have the potential for greater volatility and less liquidity than transactions on recognized exchanges. As a result, NEE and FPL may not be able to execute desired OTC transactions due to such heightened volatility and limited liquidity.

In the absence of actively quoted market prices and pricing information from external sources, the valuation of derivative instruments involves management's judgment and use of estimates. As a result, changes in the underlying assumptions or use of alternative valuation methods could affect the reported fair value of these derivative instruments and have a material adverse effect on NEE's and FPL's business, financial condition, results of operations and prospects.

NEE and FPL may be materially adversely affected by negative publicity.

From time to time, political and public sentiment may result in a significant amount of adverse press coverage and other adverse public statements affecting NEE and FPL. Adverse press coverage and other adverse statements, whether or not driven by political or public sentiment, may also result in investigations by regulators, legislators and law enforcement officials or in legal claims. Responding to these investigations and lawsuits, regardless of the ultimate outcome of the proceeding, can divert the time and effort of senior management from NEE's and FPL's business.

Addressing any adverse publicity, governmental scrutiny or enforcement or other legal proceedings is time consuming and expensive and, regardless of the factual basis for the assertions being made, can have a negative impact on the reputation of NEE and FPL, on the morale and performance of their employees and on their relationships with their respective regulators. It may also have a negative impact on their ability to take timely advantage of various business and market opportunities. The direct and indirect effects of negative publicity, and the demands of responding to and addressing it, may have a material adverse effect on NEE's and FPL's business, financial condition, results of operations and prospects.

NEE's and FPL's business, financial condition, results of operations and prospects may be materially adversely affected if FPL is unable to maintain, negotiate or renegotiate franchise agreements on acceptable terms with municipalities and counties in Florida.

FPL must negotiate franchise agreements with municipalities and counties in Florida to provide electric services within such municipalities and counties, and electricity sales generated pursuant to these agreements represent a very substantial portion of FPL's revenues. If FPL is unable to maintain, negotiate or renegotiate such franchise agreements on acceptable terms, it could contribute to lower earnings and FPL may not fully realize the anticipated benefits from significant investments and expenditures, which could materially adversely affect NEE's and FPL's business, financial condition, results of operations and prospects.

NEE's and FPL's business, financial condition, results of operations and prospects could be materially adversely affected by work strikes or stoppages and increasing personnel costs.

Employee strikes or work stoppages could disrupt operations and lead to a loss of revenue and customers. Personnel costs may also increase due to inflationary or competitive pressures on payroll and benefits costs and revised terms of collective bargaining agreements with union employees. These consequences could have a material adverse effect on NEE's and FPL's business, financial condition, results of operations and prospects.

NEE's ability to successfully identify, complete and integrate acquisitions is subject to significant risks, including, but not limited to, the effect of increased competition for acquisitions resulting from the consolidation of the power industry.

NEE is likely to encounter significant competition for acquisition opportunities that may become available as a result of the consolidation of the power industry in general. In addition, NEE may be unable to identify attractive acquisition opportunities at favorable prices and to complete and integrate them successfully and in a timely manner.

Nuclear Generation Risks

The operation and maintenance of NEE's and FPL's nuclear generation facilities involve environmental, health and financial risks that could result in fines or the closure of the facilities and in increased costs and capital expenditures.

NEE's and FPL's nuclear generation facilities are subject to environmental, health and financial risks, including, but not limited to, those relating to site storage of spent nuclear fuel, the disposition of spent nuclear fuel, leakage and emissions of tritium and other radioactive elements in the event of a nuclear accident or otherwise, the threat of a terrorist attack or cyber incident and other potential liabilities arising out of the ownership or operation of the facilities. NEE and FPL maintain decommissioning funds and external insurance coverage which are intended to reduce the financial exposure to some of these risks; however, the cost of decommissioning nuclear generation facilities could exceed the amount available in NEE's and FPL's decommissioning funds, and the exposure to liability and property damages could exceed the amount of insurance coverage. If NEE or FPL is unable to recover the additional costs incurred through insurance or, in the case of FPL, through regulatory mechanisms, their business, financial condition, results of operations and prospects could be materially adversely affected.

In the event of an incident at any nuclear generation facility in the U.S. or at certain nuclear generation facilities in Europe, NEE and FPL could be assessed significant retrospective assessments and/or retrospective insurance premiums as a result of their participation in a secondary financial protection system and nuclear insurance mutual companies.

Liability for accidents at nuclear power plants is governed by the Price-Anderson Act, which limits the liability of nuclear reactor owners to the amount of insurance available from both private sources and an industry retrospective payment plan. In accordance with this Act, NEE maintains the maximum amount of private liability insurance obtainable, and participates in a secondary financial protection system, which provides liability insurance coverage for an incident at any nuclear reactor in the U.S. Under the secondary financial protection system, NEE is subject to retrospective assessments and/or retrospective insurance premiums, plus any applicable taxes, for an incident at any nuclear reactor in the U.S. or at certain nuclear generation facilities in Europe, regardless of fault or proximity to the incident. Such assessments, if levied, could materially adversely affect NEE's and FPL's business, financial condition, results of operations and prospects.

NRC orders or new regulations related to increased security measures and any future safety requirements promulgated by the NRC could require NEE and FPL to incur substantial operating and capital expenditures at their nuclear generation facilities and/or result in reduced revenues.

The NRC has broad authority to impose licensing and safety-related requirements for the operation and maintenance of nuclear generation facilities, the addition of capacity at existing nuclear generation facilities and the construction of new nuclear generation facilities, and these requirements are subject to change. In the event of non-compliance, the NRC has the authority to impose fines and/or shut down a nuclear generation facility, depending upon the NRC's assessment of the severity of the situation, until compliance is achieved. Any of the foregoing events could require NEE and FPL to incur increased costs and capital expenditures, and could reduce revenues.

Any serious nuclear incident occurring at a NEE or FPL plant could result in substantial remediation costs and other expenses. A major incident at a nuclear facility anywhere in the world could cause the NRC to limit or prohibit the operation or licensing of any domestic nuclear generation facility. An incident at a nuclear facility anywhere in the world also could cause the NRC to impose additional conditions or other requirements on the industry, or on certain types of nuclear generation units, which could increase costs, reduce revenues and result in additional capital expenditures.

The inability to operate any of NEE's or FPL's nuclear generation units through the end of their respective operating licenses could have a material adverse effect on NEE's and FPL's business, financial condition, results of operations and prospects.

If any of NEE's or FPL's nuclear generation facilities are not operated for any reason through the life of their respective operating licenses, NEE or FPL may be required to increase depreciation rates, incur impairment charges and accelerate future decommissioning expenditures, any of which could materially adversely affect their business, financial condition, results of operations and prospects.

NEE's and FPL's nuclear units are periodically removed from service to accommodate planned refueling and maintenance outages, and for other purposes. If planned outages last longer than anticipated or if there are unplanned outages, NEE's and FPL's results of operations and financial condition could be materially adversely affected.

NEE's and FPL's nuclear units are periodically removed from service to accommodate planned refueling and maintenance outages, including, but not limited to, inspections, repairs and certain other modifications as well as to replace equipment. In the event that a scheduled outage lasts longer than anticipated or in the event of an unplanned outage due to, for example, equipment failure, such outages could materially adversely affect NEE's or FPL's business, financial condition, results of operations and prospects.

Liquidity, Capital Requirements and Common Stock Risks

Disruptions, uncertainty or volatility in the credit and capital markets may negatively affect NEE's and FPL's ability to fund their liquidity and capital needs and to meet their growth objectives, and can also materially adversely affect the results of operations and financial condition of NEE and FPL.

NEE and FPL rely on access to capital and credit markets as significant sources of liquidity for capital requirements and other operations requirements that are not satisfied by operating cash flows. Disruptions, uncertainty or volatility in those capital and credit markets could increase NEE's and FPL's cost of capital and affect their ability to fund their liquidity and capital needs and to meet their growth objectives. If NEE or FPL is unable to access regularly the capital and credit markets on terms that are reasonable, it may have to delay raising capital, issue shorter-term securities and incur an unfavorable cost of capital, which, in turn, could adversely affect its ability to grow its business, could contribute to lower earnings and reduced financial flexibility, and could have a material adverse effect on its business, financial condition, results of operations and prospects.

Although NEE's competitive energy and certain other subsidiaries have used non-recourse or limited-recourse, project-specific or other financing in the past, market conditions and other factors could adversely affect the future availability of such financing. The inability of NEE's subsidiaries, including, without limitation, NEECH and NEP and their respective subsidiaries, to access the capital and credit markets to provide project-specific or other financing for electric generation or other facilities or acquisitions on favorable terms, whether because of disruptions or volatility in those markets or otherwise, could necessitate additional capital raising or borrowings by NEE and/or NEECH in the future.

The inability of subsidiaries that have existing project-specific or other financing arrangements to meet the requirements of various agreements relating to those financings could give rise to a project-specific financing default which, if not cured or waived, might result in the specific project, and potentially in some limited instances its parent companies, being required to repay the associated debt or other borrowings earlier than otherwise anticipated, and if such repayment were not made, the lenders or security holders would generally have rights to foreclose against the project assets and related collateral. Such an occurrence also could result in NEE expending additional funds or incurring additional obligations over the shorter term to ensure continuing compliance with project-specific financing arrangements based upon the expectation of improvement in the project's performance or financial returns over the longer term. Any of these actions could materially adversely affect NEE's business, financial condition, results of operations and prospects, as well as the availability or terms of future financings for NEE or its subsidiaries.

NEE's, NEECH's and FPL's inability to maintain their current credit ratings may materially adversely affect NEE's and FPL's liquidity and results of operations, limit the ability of NEE and FPL to grow their business, and increase interest costs.

The inability of NEE, NEECH and FPL to maintain their current credit ratings could materially adversely affect their ability to raise capital or obtain credit on favorable terms, which, in turn, could impact NEE's and FPL's ability to grow their business and service indebtedness and repay borrowings, and would likely increase their interest costs. In addition, certain agreements and guarantee arrangements would require posting of additional collateral in the event of a ratings downgrade. Some of the factors that can affect credit ratings are cash flows, liquidity, the amount of debt as a component of total capitalization, NEE's overall business mix and political, legislative and regulatory actions. There can be no assurance that one or more of the ratings of NEE, NEECH and FPL will not be lowered or withdrawn entirely by a rating agency.

NEE's and FPL's liquidity may be impaired if their credit providers are unable to fund their credit commitments to the companies or to maintain their current credit ratings.

The inability of NEE's, NEECH's and FPL's credit providers to fund their credit commitments or to maintain their current credit ratings could require NEE, NEECH or FPL, among other things, to renegotiate requirements in agreements, find an alternative credit provider with acceptable credit ratings to meet funding requirements, or post cash collateral and could have a material adverse effect on NEE's and FPL's liquidity.

Poor market performance and other economic factors could affect NEE's defined benefit pension plan's funded status, which may materially adversely affect NEE's and FPL's business, financial condition, liquidity and results of operations and prospects.

NEE sponsors a qualified noncontributory defined benefit pension plan for substantially all employees of NEE and its subsidiaries. A decline in the market value of the assets held in the defined benefit pension plan due to poor investment performance or other factors may increase the funding requirements for this obligation.

NEE's defined benefit pension plan is sensitive to changes in interest rates, since, as interest rates decrease the funding liabilities increase, potentially increasing benefits costs and funding requirements. Any increase in benefits costs or funding requirements may have a material adverse effect on NEE's and FPL's business, financial condition, liquidity, results of operations and prospects.

Poor market performance and other economic factors could adversely affect the asset values of NEE's and FPL's nuclear decommissioning funds, which may materially adversely affect NEE's and FPL's liquidity, financial condition and results of operations.

NEE and FPL are required to maintain decommissioning funds to satisfy their future obligations to decommission their nuclear power plants. A decline in the market value of the assets held in the decommissioning funds due to poor investment performance or other factors may increase the funding requirements for these obligations. Any increase in funding requirements may have a material adverse effect on NEE's and FPL's liquidity, financial condition and results of operations.

Certain of NEE's investments are subject to changes in market value and other risks, which may materially adversely affect NEE's liquidity, financial condition and results of operations.

NEE holds certain investments where changes in the fair value affect NEE's financial results. In some cases there may be no observable market values for these investments, requiring fair value estimates to be based on other valuation techniques. This type of analysis requires significant judgment and the actual values realized in a sale of these investments could differ materially from those estimated. A sale of an investment below previously estimated value, or other decline in the fair value of an investment, could result in losses or the write-off of such investment, and may have a material adverse effect on NEE's liquidity, financial condition and results of operations.

NEE may be unable to meet its ongoing and future financial obligations and to pay dividends on its common stock if its subsidiaries are unable to pay upstream dividends or repay funds to NEE.

NEE is a holding company and, as such, has no material operations of its own. Substantially all of NEE's consolidated assets are held by its subsidiaries. NEE's ability to meet its financial obligations, including, but not limited to, its guarantees, and to pay dividends on its common stock is primarily dependent on its subsidiaries' net income and cash flows, which are subject to the risks of their respective businesses, and their ability to pay upstream dividends or to repay funds to NEE.

NEE's subsidiaries are separate legal entities and have no independent obligation to provide NEE with funds for its payment obligations. The subsidiaries have financial obligations, including, but not limited to, payment of debt service, which they must satisfy before they can provide NEE with funds. In addition, in the event of a subsidiary's liquidation or reorganization, NEE's right to participate in a distribution of assets is subject to the prior claims of the subsidiary's creditors.

The dividend-paying ability of some of the subsidiaries is limited by contractual restrictions which are contained in outstanding financing agreements and which may be included in future financing agreements. The future enactment of laws or regulations also may prohibit or restrict the ability of NEE's subsidiaries to pay upstream dividends or to repay funds.

NEE may be unable to meet its ongoing and future financial obligations and to pay dividends on its common stock if NEE is required to perform under guarantees of obligations of its subsidiaries.

NEE guarantees many of the obligations of its consolidated subsidiaries, other than FPL, through guarantee agreements with NEECH. These guarantees may require NEE to provide substantial funds to its subsidiaries or their creditors or counterparties at a time when NEE is in need of liquidity to meet its own financial obligations. Funding such guarantees may materially adversely affect NEE's ability to meet its financial obligations or to pay dividends.

NEP may not be able to access sources of capital on commercially reasonable terms, which would have a material adverse effect on its ability to consummate future acquisitions and on the value of NEE's limited partner interest in NEP OpCo.

NEE understands that NEP expects, from time to time, to finance acquisitions of clean energy projects partially or wholly through the issuance of additional securities. NEP needs to be able to access the capital markets on commercially reasonable terms when acquisition opportunities arise. NEP's ability to access the capital markets is dependent on, among other factors, the overall state of the capital markets and investor appetite for investment in clean energy projects in general and NEP's common or preferred units in particular. An inability to obtain capital markets financing on commercially reasonable terms could significantly limit NEP's ability to consummate future acquisitions and to effectuate its growth strategy.

Furthermore there may not be sufficient availability under NEP OpCo's subsidiaries' revolving credit facility or other financing arrangements on commercially reasonable terms when acquisition opportunities arise. An inability to obtain the required or desired financing could significantly limit NEP's ability to consummate acquisitions and effectuate its growth strategy. If financing is available, it may be available only on terms that could significantly increase NEP's interest expense, impose additional or more restrictive covenants and reduce cash distributions to its unitholders. NEP's inability to effectively consummate future acquisitions could have a material adverse effect on NEP's ability to grow its business and make cash distributions to its unitholders.

Through an indirect wholly owned subsidiary, NEE owns a limited partner interest in NEP OpCo. NEP's inability to access the capital markets on commercially reasonable terms and effectively consummate future acquisitions could have a material adverse effect on NEP's ability to grow its cash distributions to its common unitholders, including NEE, and on the value of NEE's limited partnership interest in NEP OpCo.

Disruptions, uncertainty or volatility in the credit and capital markets may exert downward pressure on the market price of NEE's common stock.

The market price and trading volume of NEE's common stock are subject to fluctuations as a result of, among other factors, general credit and capital market conditions and changes in market sentiment regarding the operations, business and financing strategies of NEE and its subsidiaries. As a result, disruptions, uncertainty or volatility in the credit and capital markets may, for example, have a material adverse effect on the market price of NEE's common stock.

Item 1B. Unresolved Staff Comments

None

Item 2. Properties

For a description of NEE's principal properties, see Item 1. Business - FPL and Item 1. Business - NEER.

Character of Ownership

Substantially all of FPL's properties are subject to the lien of FPL's mortgage, which secures most debt securities issued by FPL. The majority of FPL's real property is held in fee and is free from other encumbrances, subject to minor exceptions which are not of a nature as to substantially impair the usefulness to FPL of such properties. Some of FPL's electric lines are located on parcels of land which are not owned in fee by FPL but are covered by necessary consents of governmental authorities or rights obtained from owners of private property. The majority of NEER's generation facilities, pipeline facilities and transmission assets are owned by NEER subsidiaries and a number of those facilities and assets, including all of the Texas pipelines, are encumbered by liens securing various financings. Additionally, the majority of NEER's generation facilities, pipeline facilities and transmission lines are located on land leased or under easement from owners of private property. See Note 1 - Electric Plant, Depreciation and Amortization.

Item 3. Legal Proceedings

None

Item 4. Mine Safety Disclosures

Not applicable

PART II

Item 5. Market for Registrants' Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Common Stock Data. All of FPL's common stock is owned by NEE. NEE's common stock is traded on the New York Stock Exchange under the symbol "NEE." The high and low sales prices for the common stock of NEE as reported in the consolidated transaction reporting system of the New York Stock Exchange and the cash dividends per share declared for each quarter during the past two years are as follows:

	2017			2016		
Quarter	High	Low	Cash Dividends	High	Low	Cash Dividends
First	$ 133.28	$ 117.33	$ 0.9825	$ 119.37	$ 102.20	$ 0.87
Second	$ 144.87	$ 127.09	$ 0.9825	$ 130.43	$ 112.44	$ 0.87
Third	$ 151.60	$ 138.00	$ 0.9825	$ 131.98	$ 120.22	$ 0.87
Fourth	$ 159.40	$ 145.62	$ 0.9825	$ 128.46	$ 110.49	$ 0.87

The amount and timing of dividends payable on NEE's common stock are within the sole discretion of NEE's Board of Directors. The Board of Directors reviews the dividend rate at least annually (generally in February) to determine its appropriateness in light of NEE's financial position and results of operations, legislative and regulatory developments affecting the electric utility industry in general and FPL in particular, competitive conditions, change in business mix and any other factors the Board of Directors deems relevant. The ability of NEE to pay dividends on its common stock is dependent upon, among other things, dividends paid to it by its subsidiaries. There are no restrictions in effect that currently limit FPL's ability to pay dividends to NEE. In February 2018, NEE announced that it would increase its quarterly dividend on its common stock from $0.9825 per share to $1.11 per share. See Management's Discussion - Liquidity and Capital Resources - Covenants with respect to dividend restrictions and Note 10 - Common Stock Dividend Restrictions regarding dividends paid by FPL to NEE.

As of the close of business on January 31, 2018, there were 18,627 holders of record of NEE's common stock.

Issuer Purchases of Equity Securities. Information regarding purchases made by NEE of its common stock during the three months ended December 31, 2017 is as follows:

Period	Total Number of Shares Purchased[(a)]	Average Price Paid Per Share	Total Number of Shares Purchased as Part of a Publicly Announced Program	Maximum Number of Shares that May Yet be Purchased Under the Program[(b)]
10/1/2017 - 10/31/17	—	—	—	45,000,000
11/1/2017 - 11/30/17	190	$ 157.36	—	45,000,000
12/1/2017 - 12/31/17	435	$ 158.14	—	45,000,000
Total	625	$ 157.90	—	

(a) Includes: (1) in November 2017, shares of common stock withheld from employees to pay certain withholding taxes upon the vesting of stock awards granted to such employees under the NextEra Energy, Inc. Amended and Restated 2011 Long Term Incentive Plan; and (2) in December 2017, shares of common stock purchased as a reinvestment of dividends by the trustee of a grantor trust in connection with NEE's obligation under a February 2006 grant under the NextEra Energy, Inc. Amended and Restated Long-Term Incentive Plan (former LTIP) to an executive officer of deferred retirement share awards.

(b) In May 2017, NEE's Board of Directors authorized repurchases of up to 45 million shares of common stock over an unspecified period.

Item 6. Selected Financial Data

	Years Ended December 31,				
	2017	2016	2015	2014	2013
SELECTED DATA OF NEE (millions, except per share amounts)[a]:					
Operating revenues	**$ 17,195**	$ 16,155	$ 17,486	$ 17,021	$ 15,136
Income from continuing operations[b]	**$ 5,320**	$ 3,005	$ 2,762	$ 2,469	$ 1,677
Net income[b][c]	**$ 5,320**	$ 3,005	$ 2,762	$ 2,469	$ 1,908
Net income attributable to NEE:					
Income from continuing operations[b]	**$ 5,378**	$ 2,912	$ 2,752	$ 2,465	$ 1,677
Gain from discontinued operations[c]	**—**	—	—	—	231
Total	**$ 5,378**	$ 2,912	$ 2,752	$ 2,465	$ 1,908
Earnings per share attributable to NEE - basic:					
Continuing operations[b]	**$ 11.47**	$ 6.29	$ 6.11	$ 5.67	$ 3.95
Net income[b][c]	**$ 11.47**	$ 6.29	$ 6.11	$ 5.67	$ 4.50
Earnings per share attributable to NEE - assuming dilution:					
Continuing operations[b]	**$ 11.38**	$ 6.25	$ 6.06	$ 5.60	$ 3.93
Net income[b][c]	**$ 11.38**	$ 6.25	$ 6.06	$ 5.60	$ 4.47
Dividends paid per share of common stock	**$ 3.93**	$ 3.48	$ 3.08	$ 2.90	$ 2.64
Total assets[d]	**$ 97,827**	$ 89,993	$ 82,479	$ 74,605	$ 69,007
Long-term debt, excluding current maturities	**$ 31,463**	$ 27,818	$ 26,681	$ 24,044	$ 23,670
Capital expenditures, independent power and other investments and nuclear fuel purchases:					
FPL	**$ 5,291**	$ 3,934	$ 3,633	$ 3,241	$ 2,903
NEER	**5,375**	5,521	4,661	3,701	3,637
Corporate and Other	**74**	181	83	75	142
Total	**$ 10,740**	$ 9,636	$ 8,377	$ 7,017	$ 6,682

(a) See Note 1 - NextEra Energy Partners, LP for a discussion of the deconsolidation of NEP in January 2018.

(b) Includes net unrealized mark-to-market after-tax gains (losses) associated with non-qualifying hedges of approximately $(35) million, $(92) million, $183 million, $153 million and $(53) million, respectively. 2017 also includes approximately $1,827 million ($1,928 million attributable to NEE) of net favorable tax reform impacts (see Note 5), exclusive of $95 million being offset in the non-qualifying hedge amount. 2017 and 2016 also include after-tax gains on sale of the fiber-optic telecommunications business and natural gas generation facilities of $685 million and $219 million, respectively (see Note 1 - Assets and Liabilities Associated with Assets Held for Sale). Also, on an after-tax basis, 2017 includes an impairment charge of $258 million related to Duane Arnold (see Note 4 - Nonrecurring Fair Value Measurements) and 2013 includes impairment and other charges of approximately $342 million related to solar projects in Spain.

(c) 2013 includes an after-tax gain from discontinued operations of $231 million related to the sale of hydropower generation plants.

(d) Includes assets held for sale of approximately $140 million in 2017, $452 million in 2016 and $1,009 million in 2015. See Note 1 - Assets and Liabilities Associated with Assets Held for Sale.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

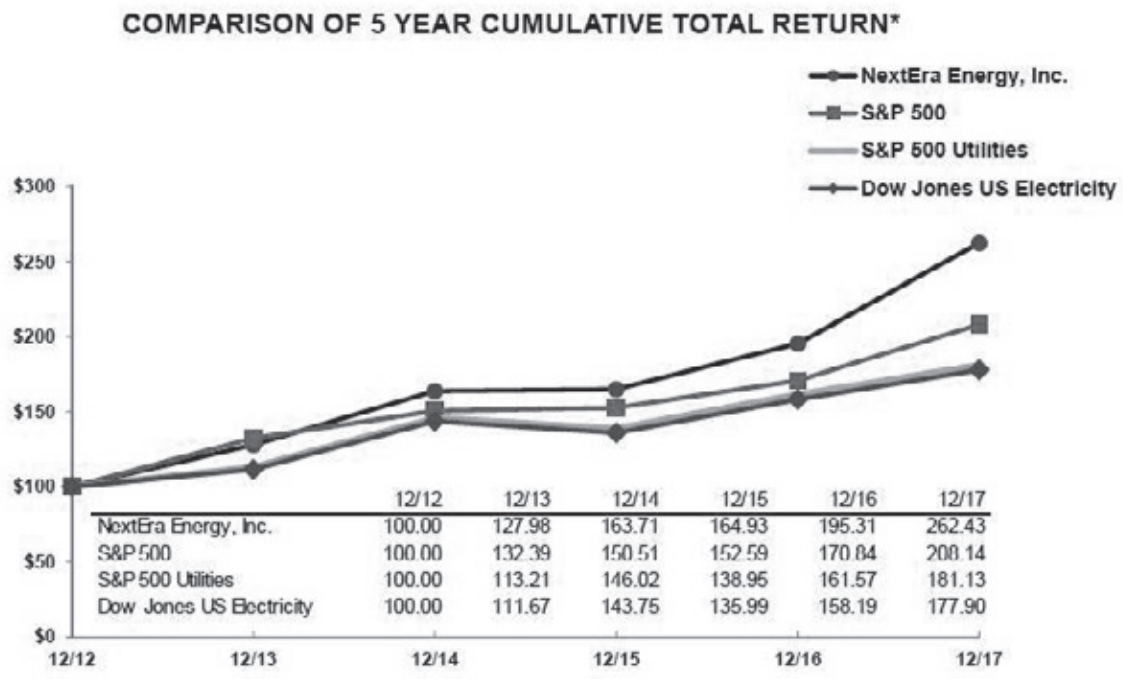
OVERVIEW

NEE's operating performance is driven primarily by the operations of its two principal subsidiaries, FPL, which serves nearly five million customer accounts in Florida and is one of the largest electric utilities in the U.S., and NEER, which together with affiliated entities is the world's largest operator of wind and solar projects based on 2017 MWh produced. The table below presents net income attributable to NEE and earnings per share attributable to NEE, assuming dilution, by reportable segment, FPL and NEER, and by Corporate and Other, which is primarily comprised of the operating results of NEET and other business activities, as well as other income and expense items, including interest expense, income taxes and eliminating entries (see Note 14 for additional segment information). The following discussions should be read in conjunction with the Notes to Consolidated Financial Statements contained herein and all comparisons are with the corresponding items in the prior year.

	Net Income Attributable to NEE			Earnings Per Share Attributable to NEE, Assuming Dilution		
	Years Ended December 31,			Years Ended December 31,		
	2017	2016	2015	**2017**	2016	2015
	(millions)					
FPL	**$ 1,880**	$ 1,727	$ 1,648	**$ 3.98**	$ 3.71	$ 3.63
NEER[(a)]	**2,963**	1,125	1,092	**6.27**	2.41	2.41
Corporate and Other	**535**	60	12	**1.13**	0.13	0.02
NEE	**$ 5,378**	$ 2,912	$ 2,752	**$ 11.38**	$ 6.25	$ 6.06

(a) NEER's results reflect an allocation of interest expense from NEECH based on a deemed capital structure of 70% debt.

For the five years ended December 31, 2017, NEE delivered a total shareholder return of approximately 162.4%, above the S&P 500's 108.1% return, the S&P 500 Utilities' 81.1% return and the Dow Jones U.S. Electricity's 77.9% return. The historical stock performance of NEE's common stock shown in the performance graph below is not necessarily indicative of future stock price performance.



	12/12	12/13	12/14	12/15	12/16	12/17
NextEra Energy, Inc.	100.00	127.98	163.71	164.93	195.31	262.43
S&P 500	100.00	132.39	150.51	152.59	170.84	208.14
S&P 500 Utilities	100.00	113.21	146.02	138.95	161.57	181.13
Dow Jones US Electricity	100.00	111.67	143.75	135.99	158.19	177.90

*$100 invested on 12/31/12 in stock or index, including reinvestment of dividends.
Fiscal year ending December 31.

Adjusted Earnings

NEE prepares its financial statements under GAAP. However, management uses earnings excluding certain items (adjusted earnings), a non-GAAP financial measure, internally for financial planning, analysis of performance, reporting of results to the Board of Directors and as an input in determining performance-based compensation under NEE's employee incentive compensation plans. NEE also uses adjusted earnings when communicating its financial results and earnings outlook to analysts and investors. NEE's management believes that adjusted earnings provide a more meaningful representation of NEE's fundamental earnings power. Although the excluded amounts are properly included in the determination of net income under GAAP, management believes that the amount and/or nature of such items make period to period comparisons of operations difficult and potentially confusing. Adjusted earnings do not represent a substitute for net income, as prepared under GAAP.

The following table provides details of the after-tax adjustments to net income considered in computing NEE's adjusted earnings discussed above.

	Years Ended December 31,		
	2017	2016	2015
		(millions)	
Net gains (losses) associated with non-qualifying hedge activity[(a)]	**$ (35)**	$ (92)	$ 183
Merger-related expenses - Corporate and Other[(b)]	**$ (63)**	$ (92)	$ (20)
Operating results of solar projects in Spain - NEER	**$ 5**	$ (11)	$ 5
Income (losses) from OTTI on securities held in NEER's nuclear decommissioning funds, net of OTTI reversals[(c)]	**$ 2**	$ (1)	$ (15)
Tax reform-related[(d)]	**$ 1,877**	$ —	$ —
Gain on sale of the fiber-optic telecommunications business - Corporate and Other[(e)]	**$ 685**	$ —	$ —
Gains on sale of natural gas generation facilities[(f)]	**$ —**	$ 219	$ —
Duane Arnold impairment charge[(g)]	**$ (258)**	$ —	$ —
Resolution of contingencies related to a previous asset sale - NEER	**$ —**	$ 5	$ —

(a) For 2017, 2016 and 2015, approximately $47 million of gains, $233 million of losses and $175 million of gains, respectively, are included in NEER's net income; the balance is included in Corporate and Other. The change in non-qualifying hedge activity is primarily attributable to changes in forward power and natural gas prices, interest rates and foreign currency exchange rates, as well as the reversal of previously recognized unrealized mark-to-market gains or losses as the underlying transactions were realized. In 2017, net losses associated with non-qualifying hedge activity were partly offset by approximately $95 million of tax reform impacts.

(b) See Note 1 - Merger Terminations.

(c) Reflects OTTI losses on securities held in NEER's nuclear decommissioning funds, net of the reversal of previously recognized OTTI losses on securities sold and losses on securities where price recovery was deemed unlikely (collectively, OTTI reversals). For 2017, 2016 and 2015, approximately $2 million of income, $2 million of losses and $14 million of losses, respectively, are included in NEER's net income; the balance is included in Corporate and Other.

(d) Approximately $1,925 million of net favorable tax reform impacts and $50 million of net unfavorable tax reform impacts are included in NEER's and FPL's net income, respectively; the balance is included in Corporate and Other. See Note 1 - Securitized Storm-Recovery Costs, Storm Fund and Storm Reserve and Note 5.

(e) See Note 1 - Assets and Liabilities Associated with Assets Held for Sale for a discussion of the sale of the fiber-optic telecommunications business.

(f) Approximately $276 million of the gains is included in NEER's net income; the balance is included in Corporate and Other. See Note 1 - Assets and Liabilities Associated with Assets Held for Sale for a discussion of the sale of the natural gas generation facilities.

(g) Approximately $246 million of the impairment charge is included in NEER's net income; the balance is included in Corporate and Other. See Note 4 - Nonrecurring Fair Value Measurements.

NEE segregates into two categories unrealized mark-to-market gains and losses and timing impacts related to derivative transactions. The first category, referred to as non-qualifying hedges, represents certain energy derivative, interest rate derivative and foreign currency transactions entered into as economic hedges, which do not meet the requirements for hedge accounting, or for which hedge accounting treatment is not elected or has been discontinued. Changes in the fair value of those transactions are marked to market and reported in the consolidated statements of income, resulting in earnings volatility because the economic offset to certain of the positions are generally not marked to market. As a consequence, NEE's net income reflects only the movement in one part of economically-linked transactions. For example, a gain (loss) in the non-qualifying hedge category for certain energy derivatives is offset by decreases (increases) in the fair value of related physical asset positions in the portfolio or contracts, which are not marked to market under GAAP. For this reason, NEE's management views results expressed excluding the impact of the non-qualifying hedges as a meaningful measure of current period performance. The second category, referred to as trading activities, which is included in adjusted earnings, represents the net unrealized effect of actively traded positions entered into to take advantage of expected market price movements and all other commodity hedging activities. In 2016, NEE discontinued hedge accounting for its interest rate and foreign currency derivative instruments, which could result in increased volatility in the non-qualifying hedge category. At FPL, substantially all changes in the fair value of energy derivative transactions are deferred as a regulatory asset or liability until the contracts are settled, and, upon settlement, any gains or losses are passed through the fuel clause. See Note 3.

2017 Summary

Net income attributable to NEE for 2017 was higher than 2016 by $2,466 million, or $5.13 per share, assuming dilution, due to higher results at FPL, NEER and Corporate and Other, including the favorable impacts of tax reform.

FPL's increase in net income in 2017 was primarily driven by continued investments in plant in service and other property and increased retail rate base under the 2016 rate agreement, partly offset by the net impact of storm restoration costs due to Hurricane Irma discussed below.

NEER's results increased in 2017 primarily reflecting the impacts of tax reform, earnings from new investments and the non-qualifying hedge activity, partly offset by the Duane Arnold impairment charge and the absence of 2016 gains from the sale of natural gas generation facilities. In 2017, NEER added approximately 355 MW of new wind generating capacity, 1,596 MW of wind repowering generating capacity and 200 MW of solar generating capacity in the U.S., completed the sale of 80 MW of solar generating capacity and increased its backlog of contracted renewable development projects.

Corporate and Other's results in 2017 increased primarily reflecting the gain on sale of the fiber-optic telecommunications business, partly offset by non-qualifying hedge activity.

NEE and its subsidiaries require funds to support and grow their businesses. These funds are primarily provided by cash flow from operations, borrowings or issuances of short- and long-term debt and proceeds from differential membership investors and, from time to time, issuances of equity securities. See Liquidity and Capital Resources - Liquidity.

RESULTS OF OPERATIONS

Net income attributable to NEE for 2017 was $5.38 billion, compared to $2.91 billion in 2016 and $2.75 billion in 2015. In 2017 and 2016, net income attributable to NEE improved due to higher results at FPL, NEER and Corporate and Other.

In 2017, the enactment of tax reform required NEE and its subsidiaries to, among other things, revalue their deferred income tax assets and liabilities to the new 21% federal corporate income tax rate. See Note 1 - Securitized Storm-Recovery Costs, Storm Fund and Storm Reserve and Note 5 for further discussion of the impacts of tax reform.

FPL: Results of Operations

FPL obtains its operating revenues primarily from the sale of electricity to retail customers at rates established by the FPSC through base rates and cost recovery clause mechanisms. FPL’s net income for 2017, 2016 and 2015 was $1,880 million, $1,727 million and $1,648 million, respectively, representing an increase in 2017 of $153 million and an increase in 2016 of $79 million. The increases in 2017 and 2016 were primarily driven by higher earnings from investments in plant in service and other property. Such investments grew FPL's average retail rate base by approximately $3.5 billion and $2.4 billion in 2017 and 2016, respectively, and reflect, among other things, ongoing transmission and distribution additions, the replacement of certain gas turbines with high-efficiency, low-emission turbines, solar generation additions and the modernized Port Everglades Clean Energy Center that was placed in service on April 1, 2016 (Port Everglades power plant).

In September 2017, Hurricane Irma passed through Florida causing damage throughout much of FPL's service territory, resulting in approximately 4.4 million of FPL's customers losing electrical service. FPL restored power to approximately 50% of its affected customers within one day and to approximately 95% of affected customers within seven days. In December 2017, following the enactment of tax reform, FPL used available reserve amortization to offset nearly all of the write-off of Hurricane Irma storm restoration costs, and FPL plans to partially restore the reserve amortization through tax savings generated during the term of the 2016 rate agreement. See Note 1 - Securitized Storm-Recovery Costs, Storm Fund and Storm Reserve.

The use of reserve amortization was permitted under the 2012 rate agreement and continues during the term of the 2016 rate agreement. See Item 1. Business - FPL - FPL Regulation - FPL Rate Regulation - Base Rates for additional information on the 2016 and 2012 rate agreements. In order to earn a targeted regulatory ROE, subject to limitations associated with the 2016 and 2012 rate agreements, reserve amortization is calculated using a trailing thirteen-month average of retail rate base and capital structure in conjunction with the trailing twelve months regulatory retail base net operating income, which primarily includes the retail base portion of base and other revenues, net of O&M, depreciation and amortization, interest and tax expenses. In general, the net impact of these income statement line items must be adjusted, in part, by reserve amortization to earn the targeted regulatory ROE. In certain periods, reserve amortization is reversed so as not to exceed the targeted regulatory ROE. The drivers of FPL's net income not reflected in the reserve amortization calculation typically include wholesale and transmission service revenues and expenses, cost recovery clause revenues and expenses, AFUDC - equity and revenue and costs not recoverable from retail customers by the FPSC. In 2017 and 2016, FPL recorded reserve amortization of $1,250 million and $13 million, respectively, and in 2015, FPL recorded the reversal of reserve amortization of approximately $15 million. FPL's regulatory ROE for 2017 was approximately 11.08% and, for both 2016 and 2015, was 11.50%.

During 2017, FPL’s operating revenues increased $1,077 million primarily related to increases of approximately $404 million in retail base revenues, $274 million in storm-related surcharge revenues and $262 million in fuel cost recovery revenues. During

2016, FPL's operating revenues decreased $756 million primarily related to decreases of approximately $755 million in fuel cost recovery revenues and $171 million in capacity clause revenues, partly offset by an increase of $154 million in retail base revenues.

Retail Base

FPL's retail base revenues for 2017 reflect the 2016 rate agreement and for 2016 and 2015 reflect the 2012 rate agreement. In December 2016, the FPSC issued a final order approving the 2016 rate agreement which became effective January 2017 and will remain in effect until at least December 2020, establishes FPL's allowed regulatory ROE at 10.55%, with a range of 9.60% to 11.60%, and allows for retail rate base increases in 2017, 2018 and upon commencement of commercial operations at the Okeechobee Clean Energy Center and certain solar projects. See Item 1. Business - FPL - FPL Regulation - FPL Rate Regulation - Base Rates for additional information on the 2016 rate agreement.

Retail base revenues increased approximately $45 million in 2017 and $175 million in 2016 through a $216 million annualized retail base rate increase associated with the modernized Port Everglades power plant. In addition, the 2017 increase in retail base revenues reflects additional revenues of approximately $389 million related to new retail base rates under the 2016 rate agreement. In 2017 and 2016, retail base revenues were also impacted by decreases of 2.1% for each period in the average usage per retail customer and increases of 1.3% and 1.4%, respectively, in the average number of customer accounts. Despite generally favorable weather in 2017, usage per retail customer declined. Hurricane Irma contributed to the 2017 decrease in retail usage, resulting in a decrease in retail base revenues of approximately $60 million which represents a 1.0% decrease in retail base revenues. The decline in 2016 usage per retail customer was primarily due to milder weather and customer service interruptions as a result of hurricanes that impacted FPL's service territory in 2016 which had a modest negative impact on 2016 base revenue. See Note 1 - Securitized Storm-Recovery Costs, Storm Fund and Storm Reserve.

Cost Recovery Clauses

Revenues from fuel and other cost recovery clauses and pass-through costs, such as franchise fees, revenue taxes and storm-related surcharges, are largely a pass-through of costs. Such revenues also include a return on investment allowed to be recovered through the cost recovery clauses on certain assets, primarily related to certain solar and environmental projects and the unamortized balance of the regulatory asset associated with FPL's acquisition of certain generation facilities. See Item 1. Business - FPL - FPL Regulation - FPL Rate Regulation - Cost Recovery Clauses. Underrecovery or overrecovery of cost recovery clause and other pass-through costs (deferred clause and franchise expenses and revenues) can significantly affect NEE's and FPL's operating cash flows. The 2017 and 2016 net overrecoveries were approximately $82 million and $94 million, respectively, and positively affected NEE's and FPL's cash flows from operating activities.

The 2017 increase in fuel cost recovery revenues primarily reflects a higher average fuel factor resulting in higher revenues of approximately $258 million. The 2016 decrease in fuel cost recovery revenues is primarily due to a decrease of approximately $737 million related to a lower average fuel factor. The 2017 increase in storm-related surcharge revenues relates to FPL's recovery of eligible storm restoration costs following hurricanes impacting FPL's service territory in 2016 and replenishment of the storm reserve for a 12-month period beginning on March 1, 2017. The 2016 decrease in capacity clause revenues was largely due to reductions in purchased power and capacity expenses associated with the capacity clause.

In 2017, 2016 and 2015, cost recovery clauses contributed approximately $120 million, $112 million and $103 million, respectively, to FPL's net income. The increases in 2017 and 2016 primarily relate to the acquisitions of certain generation facilities in 2017 and 2015, a portion of the costs of which were recovered through cost recovery clauses. In January 2017, FPL assumed ownership of a 330 MW coal-fired generation facility located in Indiantown, Florida (Indiantown generation facility) for a purchase price of approximately $451 million (including existing debt of approximately $218 million). In September 2015, FPL assumed ownership of the Cedar Bay generation facility and terminated its long-term purchased power agreement for substantially all of the facility's capacity and energy for a purchase price of approximately $521 million. FPL will recover the purchase price related to the Indiantown and Cedar Bay generation facilities and the associated income tax gross-up on Cedar Bay as regulatory assets which are being amortized over approximately nine years. See Note 1 - Rate Regulation for further discussion.

Other Items Impacting FPL's Consolidated Statements of Income

Fuel, Purchased Power and Interchange Expense

Fuel, purchased power and interchange expense increased $245 million and decreased $979 million during 2017 and 2016, respectively. The increase for 2017 primarily relates to approximately $314 million of higher fuel and energy prices, partly offset by a decrease of $103 million in capacity fees related in part to the Indiantown generation facility long-term purchased power agreement after FPL assumed ownership of the Indiantown generation facility. The decrease in 2016 primarily relates to approximately $453 million of lower fuel and energy prices and $27 million related to lower energy sales. In addition, FPL recognized approximately $49 million and $220 million of deferred retail fuel costs in 2017 and 2015, respectively, compared to the deferral of $11 million of retail fuel costs in 2016. The decrease in 2016 also reflects lower capacity fees of approximately $267 million related in part to the termination of the Cedar Bay generation facility long-term purchased power agreement after FPL assumed ownership of the Cedar Bay generation facility.

Storm Restoration Costs

In December 2017, following the enactment of tax reform, FPL determined that it would not seek recovery of Hurricane Irma storm restoration costs through a surcharge from customers and, as a result, the regulatory asset associated with Hurricane Irma was written off. As allowed under the 2016 rate agreement, FPL used available reserve amortization to offset nearly all of the expense, and plans to partially restore the reserve amortization through tax savings generated during the term of the 2016 rate agreement. See Note 1 - Securitized Storm-Recovery Costs, Storm Fund and Storm Reserve.

Depreciation and Amortization Expense

The major components of FPL's depreciation and amortization expense are as follows:

	Years Ended December 31,		
	2017	2016	2015
		(millions)	
Reserve reversal (amortization) recorded under the 2016 and 2012 rate agreements	**$ (1,250)**	**$ (13)**	$ 15
Other depreciation and amortization recovered under base rates	**1,608**	**1,366**	1,359
Depreciation and amortization primarily recovered under cost recovery clauses and securitized storm-recovery cost amortization	**575**	**298**	202
Total	**$ 933**	**$ 1,651**	$ 1,576

Depreciation expense decreased $718 million and increased $75 million during 2017 and 2016, respectively. The decrease in 2017 primarily reflects approximately $1,237 million of higher reserve amortization, partly offset by higher depreciation recovered under base rates due to higher rates as a result of the 2016 rate agreement, higher storm-recovery cost amortization related to the recovery of restoration costs from hurricanes that impacted FPL's service territory in 2016 and higher plant in service balances. The reserve amortization, or reversal of such amortization, reflects adjustments to accrued asset removal costs provided under the 2016 and 2012 rate agreements in order to achieve the targeted regulatory ROE. Reserve amortization is recorded as a reduction to (or when reversed as an increase to) accrued asset removal costs which is reflected in noncurrent regulatory liabilities on the consolidated balance sheets. At December 31, 2017, no amounts remain in accrued asset removal costs related to reserve amortization.

The increase in depreciation and amortization expense in 2016 primarily relates to higher amortization of a regulatory asset associated with the September 2015 acquisition of the Cedar Bay generation facility and higher depreciation related to higher plant in service balances, partly offset by the absence of 2015 amortization expenses associated with analog meters.

Taxes Other Than Income Taxes and Other

Taxes other than income taxes and other increased $103 million in 2017 primarily due to higher franchise and revenue taxes, neither of which impacts net income, as well as higher property taxes reflecting growth in plant in service balances.

NEER: Results of Operations

NEER owns, develops, constructs, manages and operates electric generation facilities in wholesale energy markets primarily in the U.S., as well as in Canada and Spain. NEER also provides full energy and capacity requirements services, engages in power and gas marketing and trading activities and invests in natural gas, natural gas liquids and oil production and pipeline infrastructure assets. NEER's net income less net income attributable to noncontrolling interests for 2017, 2016 and 2015 was $2,963 million, $1,125 million and $1,092 million, respectively, resulting in an increase in 2017 of $1,838 million and an increase in 2016 of $33 million. The primary drivers, on an after-tax basis, of these changes are in the following table.

	Increase (Decrease) From Prior Period	
	Years Ended December 31,	
	2017	2016
	(millions)	
New investments[(a)]	**$ 363**	$ 293
Existing assets[(a)]	**(54)**	(55)
Gas infrastructure[(a)]	**(13)**	(75)
Customer supply and proprietary power and gas trading[(b)]	**3**	(16)
Revaluation of contingent consideration	**(80)**	80
Interest and other general and administrative expenses[(c)]	**(158)**	(99)
Other	**79**	36
Change in non-qualifying hedge activity[(d)]	**280**	(408)
Change in OTTI losses on securities held in nuclear decommissioning funds, net of OTTI reversals[(d)]	**4**	12
Tax reform-related[(d)]	**1,925**	—
Duane Arnold impairment charge[(d)]	**(246)**	—
Operating results of the solar projects in Spain[(d)]	**16**	(16)
Gains on sale of natural gas generation facilities[(d)]	**(276)**	276
Resolution of contingencies related to a previous asset sale[(d)]	**(5)**	5
Increase in net income less net income attributable to noncontrolling interests	**$ 1,838**	$ 33

(a) Reflects after-tax project contributions, including PTCs, ITCs and deferred income taxes and other benefits associated with convertible ITCs for wind and solar projects, as applicable, (see Note 1 - Electric Plant, Depreciation and Amortization, - Income Taxes and - Sale of Differential Membership Interests and Note 5), as well as income tax benefits related to the Canadian tax restructuring, but excludes allocation of interest expense or corporate general and administrative expenses. Results from projects and pipelines are included in new investments during the first twelve months of operation or ownership. Project results are included in existing assets and pipeline results are included in gas infrastructure beginning with the thirteenth month of operation or ownership.
(b) Excludes allocation of interest expense and corporate general and administrative expenses.
(c) Includes differential membership interest costs. Excludes unrealized mark-to-market gains and losses related to interest rate derivative contracts, which are included in change in non-qualifying hedge activity.
(d) See Overview - Adjusted Earnings for additional information.

New Investments

In 2017, results from new investments increased primarily due to:

- higher earnings of approximately $316 million, including the net effect of deferred income taxes and other benefits associated with ITCs and convertible ITCs, related to the addition of approximately 1,818 MW of wind generating capacity and 1,378 MW of solar generating capacity during or after 2016, and
- higher earnings of approximately $44 million related to additional investments in natural gas pipeline projects.

In 2016, results from new investments increased primarily due to:

- higher earnings of approximately $223 million, including deferred income tax and other benefits associated with ITCs and convertible ITCs, related to the addition of approximately 2,819 MW of wind generating capacity and 1,226 MW of solar generating capacity during or after 2015, and
- higher earnings of approximately $70 million related to the acquisition of the Texas pipelines in October 2015 and additional investments in other natural gas pipeline projects.

Existing Assets

In 2017, results from NEER's existing asset portfolio decreased primarily due to:
- lower results from wind and solar assets of approximately $36 million primarily reflecting an increase in the amount of earnings attributable to noncontrolling interest and the absence of 2016 income tax benefits related to the Canadian tax restructuring, offset in part by lower depreciation related to the change in useful lives of certain wind assets (see Note 1 - Electric Plant, Depreciation and Amortization), and
- lower results of approximately $27 million related to the sale of certain natural gas generation facilities (see Note 1 - Assets and Liabilities Associated with Assets Held for Sale).

In 2016, results from NEER's existing asset portfolio decreased primarily due to:
- lower results from wind and solar assets of approximately $40 million primarily due to lower state tax credits, the roll off of PTCs on certain wind projects after ten years of production (PTC roll off), higher project O&M expenses and an increase in the amount of earnings attributable to noncontrolling interest, offset in part by higher wind generation and income tax benefits related to the Canadian tax restructuring, and
- lower results of $6 million related to the sale of certain natural gas generation facilities (see Note 1 - Assets and Liabilities Associated with Assets Held for Sale).

Gas Infrastructure

The decrease in gas infrastructure results in 2016 is primarily due to increased depreciation expense reflecting higher depletion rates as well as lower commodity prices.

Revaluation of Contingent Consideration

For 2016, NEER's results reflect approximately $80 million of after-tax fair value adjustments, net of amounts attributable to noncontrolling interests, to reduce the contingent holdback associated with the acquisition of the Texas pipelines (see Note 7 - Texas Pipeline Business).

Interest and General and Administrative Expenses

Interest and general and administrative expenses includes interest expense, differential membership interest costs and other corporate general and administrative expenses. In 2017 and 2016, interest and general and administrative expenses reflect higher borrowing costs and other costs to support the growth of the business.

Other Factors

Supplemental to the primary drivers of the changes in NEER's net income less net income attributable to noncontrolling interests discussed above, the discussion below describes changes in certain line items set forth in NEE's consolidated statements of income as they relate to NEER.

Operating Revenues

Operating revenues for 2017 increased $293 million primarily due to:
- higher revenues from new investments of approximately $318 million,
- lower unrealized mark-to-market losses from non-qualifying hedges (approximately $71 million for 2017 compared to $273 million in 2016), and
- higher revenues of approximately $125 million from the customer supply and proprietary power and gas trading business,

partly offset by,
- lower revenues from existing assets of approximately $291 million primarily reflecting the sale of certain natural gas generation facilities in 2016, and
- lower revenues from the gas infrastructure business of approximately $89 million.

Operating revenues for 2016 decreased $551 million primarily due to:
- unrealized mark-to-market losses from non-qualifying hedges of approximately $273 million for 2016 compared to $275 million of gains on such hedges for 2015, and
- lower revenues from existing assets of approximately $409 million reflecting lower revenues from the natural gas generation facilities sold in 2016, offset in part by higher wind generation due to stronger wind resource and higher revenues at Seabrook reflecting the absence of a 2015 refueling outage,

partly offset by,
- higher revenues from new investments of approximately $384 million.

Operating Expenses - net

Operating expenses - net for 2017 increased $899 million primarily due to:
- the absence of the 2016 gain on the sale of natural gas generation facilities of approximately $445 million,

- the Duane Arnold impairment charge of approximately $420 million, and
- higher operating expenses associated with new investments of approximately $167 million,

partly offset by,

- lower depreciation expense on existing assets of approximately $98 million primarily related to the change in the estimated useful lives of certain equipment (see Note 1 - Electric Plant, Depreciation and Amortization) and lower depletion rates, and
- lower fuel expense of approximately $85 million primarily related to the sale of certain natural gas generation facilities in 2016 offset in part by higher fuel purchases for the proprietary power and gas trading business.

Operating expenses - net for 2016 decreased $446 million primarily due to:

- gains of approximately $446 million primarily related to the sale of natural gas generation facilities in 2016 and the profit sharing liability amortization related to ownership interests sold to NEP, and
- lower fuel expense of approximately $284 million primarily reflecting lower fuel expense from the natural gas generation facilities sold in 2016,

partly offset by,

- higher operating expenses associated with new investments of approximately $208 million,
- higher O&M expenses reflecting higher costs associated with growth in the NEER business, and
- higher depreciation of approximately $49 million on existing assets primarily reflecting an increase of $111 million of depreciation from the gas infrastructure business primarily related to higher depletion rates and increased production, partly offset by lower depreciation on the natural gas generation facilities sold in 2016.

Interest Expense

NEER's interest expense for 2017 increased $69 million primarily reflecting higher average debt balances reflecting growth in the business. NEER's interest expense for 2016 increased $107 million reflecting approximately $45 million of unfavorable changes in the fair value of interest rate derivative instruments compared to $11 million of favorable changes in 2015 and higher average debt balances reflecting growth in the business.

Benefits Associated with Differential Membership Interests - net

Benefits associated with differential membership interests - net for all periods presented reflect benefits recognized by NEER as third-party investors received their portion of the economic attributes, including income tax attributes, of the underlying wind and solar projects, net of associated costs. The increase for 2017 primarily relates to additional sales of differential membership interests in 2017 and 2016. The increase for 2016 primarily relates to lower interest costs associated with the ongoing paydown of the differential membership interest obligations, additional sales of differential membership interests and increased results of the underlying wind and solar projects. See Note 1 - Sale of Differential Membership Interests.

Gains on Disposal of Investments and Other Property - net

Gains on disposal of investments and other property - net for all periods presented primarily reflect gains on sales of securities held in NEER's nuclear decommissioning funds.

Revaluation of Contingent Consideration

Revaluation of contingent consideration reflects 2016 fair value adjustments to reduce the contingent holdback associated with the acquisition of the Texas pipelines. Approximately $65 million of the fair value adjustments was attributable to noncontrolling interests. See Note 7 - Texas Pipeline Business.

Tax Credits, Benefits and Expenses

PTCs from wind projects and ITCs and deferred income taxes associated with convertible ITCs from solar and certain wind projects are reflected in NEER's earnings. PTCs are recognized as wind energy is generated and sold based on a per kWh rate prescribed in applicable federal and state statutes, and were approximately $132 million, $120 million and $149 million in 2017, 2016 and 2015, respectively. ITCs and deferred income taxes associated with convertible ITCs totaled approximately $236 million, $150 million and $89 million in 2017, 2016 and 2015, respectively. A portion of the PTCs and ITCs have been allocated to investors in connection with sales of differential membership interests. PTCs, ITCs and deferred income taxes associated with convertible ITCs can significantly affect the effective income tax rate depending on the amount of pretax income. The amount of PTCs recognized can be significantly affected by wind generation and by PTC roll off. Also, NEE's effective income tax rate was affected by the favorable tax reform impacts in 2017 and the reversal of a noncash income tax charge associated with structuring Canadian assets in 2016. See Note 5.

NEP

In all periods presented, indirect subsidiaries of NEER sold additional ownership interests in wind and solar projects to indirect subsidiaries of NEP. See Note 1 - NextEra Energy Partners, LP.

During the third quarter of 2017, changes to NEP's governance structure were made that, among other things, enhanced NEP unitholder governance rights. The new governance structure established a NEP board of directors whereby NEP unitholders have the ability to nominate and elect board members, subject to certain limitations and requirements. As a result of these governance changes, NEP was deconsolidated from NEE in January 2018, which is when the term of office of the first NEP unitholder-elected directors took effect. As a result of the deconsolidation of NEP, NEE will reflect its ownership interest in NEP as an equity method

investment and future earnings from NEP as equity in earnings of equity method investees in its consolidated financial statements. Upon deconsolidation, the equity method investment was recorded at fair value which will result in a gain of approximately $4 billion ($3 billion after tax) to NEE in the first quarter of 2018. Additionally, sales of assets to NEP after deconsolidation will be accounted for as third-party sales.

Corporate and Other: Results of Operations

Corporate and Other is primarily comprised of the operating results of NEET and other business activities, as well as corporate interest income and expenses. Corporate and Other allocates a portion of NEECH's corporate interest expense to NEER. Interest expense is allocated based on a deemed capital structure of 70% debt and, for purposes of allocating NEECH's corporate interest expense, the deferred credit associated with differential membership interests sold by NEER's subsidiaries is included with debt. Each subsidiary's income taxes are calculated based on the "separate return method," except that tax benefits that could not be used on a separate return basis, but are used on the consolidated tax return, are recorded by the subsidiary that generated the tax benefits. Any remaining consolidated income tax benefits or expenses are recorded at Corporate and Other.

Corporate and Other's results increased $475 million and $48 million during 2017 and 2016. The increase for 2017 primarily relates to the approximately $685 million after-tax gain on the sale of the fiber-optic telecommunications business in January 2017. See Note 1 - Assets and Liabilities Associated with Assets Held for Sale. In addition, Corporate and Other's results reflect 2017 after-tax losses of approximately $82 million related to non-qualifying hedge activity compared to gains of $141 million in 2016. The increase in Corporate and Other's results for 2016 primarily relates to the non-qualifying hedge activity gains on interest rate and foreign currency derivative instruments and foreign currency transactions as hedge accounting was discontinued effective January 2016. See Note 3. The increase in 2016 was partly offset by higher merger-related expenses (see Note 1 - Merger Terminations) and unfavorable consolidating income tax adjustments.

LIQUIDITY AND CAPITAL RESOURCES

NEE and its subsidiaries require funds to support and grow their businesses. These funds are used for, among other things, working capital, capital expenditures, investments in or acquisitions of assets and businesses, payment of maturing debt obligations and, from time to time, redemption or repurchase of outstanding debt or equity securities. It is anticipated that these requirements will be satisfied through a combination of cash flows from operations, short- and long-term borrowings, the issuance of short- and long-term debt and, from time to time, equity securities, and proceeds from differential membership investors, consistent with NEE's and FPL's objective of maintaining, on a long-term basis, a capital structure that will support a strong investment grade credit rating. NEE, FPL and NEECH rely on access to credit and capital markets as significant sources of liquidity for capital requirements and other operations that are not satisfied by operating cash flows. The inability of NEE, FPL and NEECH to maintain their current credit ratings could affect their ability to raise short- and long-term capital, their cost of capital and the execution of their respective financing strategies, and could require the posting of additional collateral under certain agreements.

In October 2015, NEE authorized a program to purchase, from time to time, up to $150 million of common units representing limited partner interests in NEP. Under the program, purchases may be made in amounts, at prices and at such times as NEE or its subsidiaries deem appropriate, all subject to market conditions and other considerations. The purchases may be made in the open market or in privately negotiated transactions. Any purchases will be made in such quantities, at such prices, in such manner and on such terms and conditions as determined by NEE or its subsidiaries in their discretion, based on factors such as market and business conditions, applicable legal requirements and other factors. The common unit purchase program does not require NEE to acquire any specific number of common units and may be modified or terminated by NEE at any time. At December 31, 2017, NEE owned a controlling general partner interest in NEP and beneficially owned approximately 60.6% of NEP's voting power. The purpose of the program is not to cause NEP's common units to be delisted from the New York Stock Exchange or to cause the common units to be deregistered with the SEC. As of December 31, 2017, NEE had purchased approximately $36 million of NEP common units under this program. Also in October 2015, NEP put in place an at-the-market equity issuance program pursuant to which NEP may issue from time to time, up to $150 million of its common units. As of December 31, 2017, NEP had issued approximately $41 million of its common units under this program.

Cash Flows

NEE's sources and uses of cash for 2017, 2016 and 2015 were as follows:

	Years Ended December 31,		
	2017	2016*	2015*
		(millions)	
Sources of cash:			
Cash flows from operating activities	**$ 6,413**	$ 6,293	$ 6,089
Long-term borrowings	**8,354**	5,657	5,772
Proceeds from differential membership investors	**1,414**	1,859	761
Proceeds from sale of the fiber-optic telecommunications business	**1,454**	—	—
Sale of independent power and other investments of NEER	**178**	658	52
Cash grants under the Recovery Act	**78**	335	8
Issuances of common stock - net	**55**	537	1,298
Net increase in commercial paper and other short-term debt	**1,867**	—	—
Proceeds from sales of noncontrolling interests in NEP	**—**	645	345
Proceeds from issuance of NEP convertible preferred units - net	**548**	—	—
Effects of currency translation on cash, cash equivalents and restricted cash	**26**	10	17
Other sources - net	**149**	5	107
Total sources of cash	**20,536**	15,999	14,449
Uses of cash:			
Capital expenditures, independent power and other investments and nuclear fuel purchases	**(10,740)**	(9,636)	(8,377)
Retirements of long-term debt	**(6,780)**	(3,310)	(3,972)
Net decrease in commercial paper and other short-term debt	**—**	(268)	(356)
Dividends on common stock	**(1,845)**	(1,612)	(1,385)
Other uses - net	**(717)**	(416)	(352)
Total uses of cash	**(20,082)**	(15,242)	(14,442)
Net increase in cash, cash equivalents and restricted cash	**$ 454**	$ 757	$ 7

*Prior period amounts have been retrospectively adjusted as discussed in Note 1 - Restricted Cash.

NEE's primary capital requirements are for expanding and enhancing FPL's electric system and generation facilities to continue to provide reliable service to meet customer electricity demands and for funding NEER's investments in independent power and other projects. See Note 13 - Commitments for estimated capital expenditures in 2018 through 2022. The following table provides a summary of the major capital investments for 2017, 2016 and 2015.

	Years Ended December 31,		
	2017	2016	2015
		(millions)	
FPL:			
Generation:			
New	**$ 1,198**	$ 1,128	$ 686
Existing	**1,285**	723	811
Transmission and distribution	**2,151**	1,848	1,681
Nuclear fuel	**117**	158	205
General and other	**431**	331	384
Other, primarily change in accrued property additions and exclusion of AFUDC - equity	**109**	(254)	(134)
Total	**5,291**	3,934	3,633
NEER:			
Wind	**2,824**	2,474	1,029
Solar	**759**	1,554	1,494
Nuclear, including nuclear fuel	**220**	255	315
Natural gas pipelines	**785**	853	1,198
Other	**787**	385	625
Total	**5,375**	5,521	4,661
Corporate and Other	**74**	181	83
Total capital expenditures, independent power and other investments and nuclear fuel purchases	**$ 10,740**	$ 9,636	$ 8,377

Liquidity

At December 31, 2017, NEE's total net available liquidity was approximately $9.2 billion. The table below provides the components of FPL's and NEECH's net available liquidity at December 31, 2017.

				Maturity Date	
	FPL	NEECH	Total	FPL	NEECH
		(millions)			
Bank revolving line of credit facilities[(a)]	$ 2,916	$ 4,964	$ 7,880	2018 - 2022	2018 - 2022
Issued letters of credit	(3)	(446)	(449)		
	2,913	4,518	7,431		
Revolving credit facilities	1,155	1,485	2,640	2018 - 2019	2018 - 2022
Borrowings	(1,000)	—	(1,000)		
	155	1,485	1,640		
Letter of credit facilities[(b)]	—	550	550		2019 - 2020
Issued letters of credit	—	(468)	(468)		
	—	82	82		
Subtotal	3,068	6,085	9,153		
Cash and cash equivalents	33	1,679	1,712		
Commercial paper and other short-term borrowings outstanding	(1,687)	(5)	(1,692)		
Net available liquidity	$ 1,414	$ 7,759	$ 9,173		

(a) Provide for the funding of loans up to $7,880 million ($2,916 million for FPL) and the issuance of letters of credit up to $3,450 million ($670 million for FPL). The entire amount of the credit facilities is available for general corporate purposes and to provide additional liquidity in the event of a loss to the companies' or their subsidiaries' operating facilities (including, in the case of FPL, a transmission and distribution property loss). FPL's bank revolving line of credit facilities are also available to support the purchase of $838 million of pollution control, solid waste disposal and industrial development revenue bonds (tax exempt bonds) in the event they are tendered by individual bond holders and not remarketed prior to maturity. Approximately $2,315 million of FPL's and $3,730 million of NEECH's bank revolving line of credit facilities expire in 2022.

(b) Only available for the issuance of letters of credit.

At December 31, 2017, 68 banks participate in FPL's and NEECH's revolving credit facilities, with no one bank providing more than 7% of the combined revolving credit facilities. European banks provide approximately 24% of the combined revolving credit facilities. Pursuant to a 1998 guarantee agreement, NEE guarantees the payment of NEECH's debt obligations under its revolving credit facilities. In order for FPL or NEECH to borrow or to have letters of credit issued under the terms of their respective revolving credit facilities and, also for NEECH, its letter of credit facilities, FPL, in the case of FPL, and NEE, in the case of NEECH, are required, among other things, to maintain a ratio of funded debt to total capitalization that does not exceed a stated ratio. The FPL and NEECH revolving credit facilities also contain default and related acceleration provisions relating to, among other things, failure of FPL and NEE, as the case may be, to maintain the respective ratio of funded debt to total capitalization at or below the specified ratio. At December 31, 2017, each of NEE and FPL was in compliance with its required ratio.

Capital Support

Guarantees, Letters of Credit, Surety Bonds and Indemnifications (Guarantee Arrangements)

Certain subsidiaries of NEE issue guarantees and obtain letters of credit and surety bonds, as well as provide indemnities, to facilitate commercial transactions with third parties and financings. Substantially all of the guarantee arrangements are on behalf of NEE's consolidated subsidiaries, as discussed in more detail below. NEE is not required to recognize liabilities associated with guarantee arrangements issued on behalf of its consolidated subsidiaries unless it becomes probable that they will be required to perform. At December 31, 2017, NEE believes that there is no material exposure related to these guarantee arrangements.

NEE subsidiaries issue guarantees related to equity contribution agreements associated with the development, construction and financing of certain power generation facilities, engineering, procurement and construction agreements and natural gas pipeline development projects. Commitments associated with these activities are included in the contracts table in Note 13.

In addition, at December 31, 2017, NEE subsidiaries had approximately $4.0 billion in guarantees related to obligations under purchased power agreements, nuclear-related activities, payment obligations related to PTCs, as well as other types of contractual obligations.

In some instances, subsidiaries of NEE elect to issue guarantees instead of posting other forms of collateral required under certain financing arrangements, as well as for other project-level cash management activities. At December 31, 2017, these guarantees totaled approximately $786 million and support, among other things, cash management activities, including those related to debt service and O&M service agreements, as well as other specific project financing requirements.

Subsidiaries of NEE also issue guarantees to support customer supply and proprietary power and gas trading activities, including the buying and selling of wholesale and retail energy commodities. At December 31, 2017, the estimated mark-to-market exposure (the total amount that these subsidiaries of NEE could be required to fund based on energy commodity market prices at December 31, 2017) plus contract settlement net payables, net of collateral posted for obligations under these guarantees totaled approximately $720 million.

At December 31, 2017, subsidiaries of NEE also had approximately $1.3 billion of standby letters of credit and approximately $311 million of surety bonds to support certain of the commercial activities discussed above. FPL's and NEECH's credit facilities are available to support the amount of the standby letters of credit.

In addition, as part of contract negotiations in the normal course of business, certain subsidiaries of NEE have agreed and in the future may agree to make payments to compensate or indemnify other parties, including those associated with asset divestitures, for possible unfavorable financial consequences resulting from specified events. The specified events may include, but are not limited to, an adverse judgment in a lawsuit or the imposition of additional taxes due to a change in tax law or interpretations of the tax law or the triggering of cash grant recapture provisions under the Recovery Act. NEE is unable to estimate the maximum potential amount of future payments under some of these contracts because events that would obligate them to make payments have not yet occurred or, if any such event has occurred, they have not been notified of its occurrence.

Certain guarantee arrangements described above contain requirements for NEECH and FPL to maintain a specified credit rating. For a discussion of credit rating downgrade triggers see Credit Ratings below. NEE has guaranteed certain payment obligations of NEECH, including most of its debt and all of its debentures and commercial paper issuances, as well as most of its payment guarantees and indemnifications, and NEECH has guaranteed certain debt and other obligations of NEER and its subsidiaries.

Shelf Registration

In July 2015, NEE, NEECH and FPL filed a shelf registration statement with the SEC for an unspecified amount of securities which became effective upon filing. The amount of securities issuable by the companies is established from time to time by their respective boards of directors. Securities that may be issued under the registration statement include, depending on the registrant, senior debt securities, subordinated debt securities, junior subordinated debentures, first mortgage bonds, common stock, preferred stock, stock purchase contracts, stock purchase units, warrants and guarantees related to certain of those securities.

Contractual Obligations and Estimated Capital Expenditures

NEE's commitments at December 31, 2017 were as follows:

	2018	2019	2020	2021	2022	Thereafter	Total
				(millions)			
Long-term debt, including interest:[a]							
FPL[b]	$ 949	$ 938	$ 1,238	$ 511	$ 562	$ 16,273	$ 20,471
NEER	1,050	948	1,286	898	1,384	8,668	14,234
Corporate and Other	1,113	1,711	1,936	2,487	272	14,033	21,552
Purchase obligations:							
FPL[c]	6,420	4,770	5,370	5,550	5,530	11,465	39,105
NEER[d]	1,700	205	120	80	100	285	2,490
Corporate and Other[d]	80	15	15	10	—	—	120
Elimination of FPL's purchase obligations to NEER[d]	(87)	(84)	(82)	(79)	(76)	(1,101)	(1,509)
Asset retirement activities:[e]							
FPL[f]	25	28	3	18	11	8,644	8,729
NEER[g]	2	—	—	3	—	12,719	12,724
Other commitments:							
NEER[h]	256	226	130	119	108	371	1,210
Total	$ 11,508	$ 8,757	$ 10,016	$ 9,597	$ 7,891	$ 71,357	$ 119,126

(a) Includes principal, interest, interest rate contracts and payments by NEE under stock purchase contracts. Variable rate interest was computed using December 31, 2017 rates. See Note 11.
(b) Includes tax exempt bonds of approximately $9 million maturing in 2020, $46 million in 2021, $96 million in 2022 and $687 million thereafter that permit individual bond holders to tender the bonds for purchase at any time prior to maturity. In the event bonds are tendered for purchase, they would be remarketed by a designated remarketing agent in accordance with the related indenture. If the remarketing is unsuccessful, FPL would be required to purchase the tax exempt bonds. As of December 31, 2017, all tax exempt bonds tendered for purchase have been successfully remarketed. FPL's bank revolving line of credit facilities are available to support the purchase of tax exempt bonds.
(c) Represents required capacity and minimum charges under long-term purchased power and fuel contracts and projected capital expenditures through 2022 (see Note 13 - Commitments and - Contracts).
(d) See Note 13 - Contracts.
(e) Represents expected cash payments adjusted for inflation for estimated costs to perform asset retirement activities.
(f) At December 31, 2017, FPL had approximately $4,089 million in restricted funds for the payment of its portion of future expenditures to decommission the Turkey Point and St. Lucie nuclear units, which are included in NEE's and FPL's special use funds. See Note 12.
(g) At December 31, 2017, NEER had approximately $1,913 million in restricted funds for the payment of its portion of future expenditures to decommission Seabrook, Duane Arnold and Point Beach nuclear units which are included in NEE's special use funds. See Note 12.
(h) Represents estimated cash distributions related to differential membership interests and payments related to the acquisition of certain development rights. For further discussion of differential membership interests, see Note 1 - Sale of Differential Membership Interests.

Credit Ratings

NEE's liquidity, ability to access credit and capital markets, cost of borrowings and collateral posting requirements under certain agreements is dependent on its and its subsidiaries credit ratings. At February 16, 2018, Moody's Investors Service, Inc. (Moody's), S&P Global Ratings (S&P) and Fitch Ratings, Inc. (Fitch) had assigned the following credit ratings to NEE, FPL and NEECH:

	Moody's[a]	S&P[a]	Fitch[a]
NEE:[b]			
Corporate credit rating	Baa1	A-	A-
FPL:[b]			
Corporate credit rating	A1	A-	A
First mortgage bonds	Aa2	A	AA-
Senior unsecured notes	A1	A-	A+
Pollution control, solid waste disposal and industrial development revenue bonds[c]	VMIG-1/P-1	A-2	F1
Commercial paper	P-1	A-2	F1
NEECH:[b]			
Corporate credit rating	Baa1	A-	A-
Debentures	Baa1	BBB+	A-
Junior subordinated debentures	Baa2	BBB	BBB
Commercial paper	P-2	A-2	F2

(a) A security rating is not a recommendation to buy, sell or hold securities and should be evaluated independently of any other rating. The rating is subject to revision or withdrawal at any time by the assigning rating organization.
(b) The outlook indicated by each of Moody's, S&P and Fitch is stable.
(c) Short-term ratings are presented as all bonds outstanding are currently paying a short-term interest rate. At FPL's election, a portion or all of the bonds may be adjusted to a long-term interest rate.

NEE and its subsidiaries have no credit rating downgrade triggers that would accelerate the maturity dates of outstanding debt. A change in ratings is not an event of default under applicable debt instruments, and while there are conditions to drawing on the credit facilities noted above, the maintenance of a specific minimum credit rating is not a condition to drawing on these credit facilities.

Commitment fees and interest rates on loans under these credit facilities' agreements are tied to credit ratings. A ratings downgrade also could reduce the accessibility and increase the cost of commercial paper and other short-term debt issuances and borrowings and additional or replacement credit facilities. In addition, a ratings downgrade could result in, among other things, the requirement that NEE subsidiaries post collateral under certain agreements and guarantee arrangements, including, but not limited to, those related to fuel procurement, power sales and purchases, nuclear decommissioning funding, debt-related reserves and trading activities. FPL's and NEECH's credit facilities are available to support these potential requirements.

Covenants

NEE's charter does not limit the dividends that may be paid on its common stock. As a practical matter, the ability of NEE to pay dividends on its common stock is dependent upon, among other things, dividends paid to it by its subsidiaries. For example, FPL pays dividends to NEE in a manner consistent with FPL's long-term targeted capital structure. However, the mortgage securing FPL's first mortgage bonds contains provisions which, under certain conditions, restrict the payment of dividends to NEE and the issuance of additional first mortgage bonds. Additionally, in some circumstances, the mortgage restricts the amount of retained earnings that FPL can use to pay cash dividends on its common stock. The restricted amount may change based on factors set out in the mortgage. Other than this restriction on the payment of common stock dividends, the mortgage does not restrict FPL's use of retained earnings. At December 31, 2017, no retained earnings were restricted by these provisions of the mortgage and, in light of FPL's current financial condition and level of earnings, management does not expect that planned financing activities or dividends would be affected by these limitations.

FPL may issue first mortgage bonds under its mortgage subject to its meeting an adjusted net earnings test set forth in the mortgage, which generally requires adjusted net earnings to be at least twice the annual interest requirements on, or at least 10% of the aggregate principal amount of, FPL's first mortgage bonds including those to be issued and any other non-junior FPL indebtedness. At December 31, 2017, coverage for the 12 months ended December 31, 2017 would have been approximately 9.5 times the annual interest requirements and approximately 4.6 times the aggregate principal requirements. New first mortgage bonds are also limited to an amount equal to the sum of 60% of unfunded property additions after adjustments to offset property retirements, the amount of retired first mortgage bonds or qualified lien bonds and the amount of cash on deposit with the mortgage trustee. At December 31, 2017, FPL could have issued in excess of $22 billion of additional first mortgage bonds based on the unfunded property additions and retired first mortgage bonds. At December 31, 2017, no cash was deposited with the mortgage trustee for these purposes.

In September 2006, NEE and NEECH executed a Replacement Capital Covenant (as amended, September 2006 RCC) in connection with NEECH's offering of $350 million principal amount of Series B Enhanced Junior Subordinated Debentures due 2066 (Series B junior subordinated debentures). The September 2006 RCC is for the benefit of persons that buy, hold or sell a specified series of long-term indebtedness (covered debt) of NEECH (other than the Series B junior subordinated debentures) or, in certain cases, of NEE. NEECH's 3.625% Debentures, Series due June 15, 2023 have been designated as the covered debt under the September 2006 RCC. The September 2006 RCC provides that NEECH may redeem, and NEE or NEECH may purchase, any Series B junior subordinated debentures on or before October 1, 2036, only to the extent that the redemption or purchase price does not exceed a specified amount of proceeds from the sale of qualifying securities, subject to certain limitations described in the September 2006 RCC. Qualifying securities are securities that have equity-like characteristics that are the same as, or more equity-like than, the Series B junior subordinated debentures at the time of redemption or purchase, which are sold within 365 days prior to the date of the redemption or repurchase of the Series B junior subordinated debentures.

In June 2007, NEE and NEECH executed a Replacement Capital Covenant (as amended, June 2007 RCC) in connection with NEECH's offering of $400 million principal amount of its Series C Junior Subordinated Debentures due 2067 (Series C junior subordinated debentures). The June 2007 RCC is for the benefit of persons that buy, hold or sell a specified series of covered debt of NEECH (other than the Series C junior subordinated debentures) or, in certain cases, of NEE. NEECH's 3.625% Debentures, Series due June 15, 2023 have been designated as the covered debt under the June 2007 RCC. The June 2007 RCC provides that NEECH may redeem or purchase, or satisfy, discharge or defease (collectively, defease), and NEE and any majority-owned subsidiary of NEE or NEECH may purchase, any Series C junior subordinated debentures on or before June 15, 2037, only to the extent that the principal amount defeased or the applicable redemption or purchase price does not exceed a specified amount raised from the issuance, during the 365 days prior to the date of that redemption, purchase or defeasance, of qualifying securities that have equity-like characteristics that are the same as, or more equity-like than, the applicable characteristics of the Series C junior subordinated debentures at the time of redemption, purchase or defeasance, subject to certain limitations described in the June 2007 RCC.

New Accounting Rules and Interpretations

Revenue Recognition - In May 2014, the Financial Accounting Standards Board (FASB) issued an accounting standards update related to the recognition of revenue from contracts with customers and required disclosures. See Note 1 - Revenues and Rates.

Financial Instruments - In January 2016, the FASB issued an accounting standards update which modifies guidance regarding certain aspects of recognition, measurement, presentation and disclosure of financial instruments. See Note 4 - Financial Instruments Accounting Standards Update.

Leases - In February 2016, the FASB issued an accounting standards update which requires, among other things, that lessees recognize a lease liability and a right-of-use asset for all leases. See Note 1 - Leases.

Business Combination: Clarifying the Definition of a Business - In January 2017, the FASB issued an accounting standards update that clarified the definition of a business. See Note 1 - Goodwill and Other Intangible Assets.

Accounting for Partial Sales of Nonfinancial Assets - In February 2017, the FASB issued an accounting standards update regarding the accounting for partial sales of nonfinancial assets. See Note 1 - Accounting for Partial Sales of Nonfinancial Assets.

Amendments to Presentation of Retirement Benefits - In March 2017, the FASB issued an accounting standards update that requires certain changes in classification of components of net periodic pension and postretirement benefit costs within the income statement and allows only the service cost component to be eligible for capitalization. See Note 2 - Amendments to Presentation of Retirement Benefits.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

NEE's significant accounting policies are described in Note 1 to the consolidated financial statements, which were prepared under GAAP. Critical accounting policies are those that NEE believes are both most important to the portrayal of its financial condition and results of operations, and require complex, subjective judgments, often as a result of the need to make estimates and assumptions about the effect of matters that are inherently uncertain. Judgments and uncertainties affecting the application of those policies may result in materially different amounts being reported under different conditions or using different assumptions.

NEE considers the following policies to be the most critical in understanding the judgments that are involved in preparing its consolidated financial statements:

Accounting for Derivatives and Hedging Activities

NEE uses derivative instruments (primarily swaps, options, futures and forwards) to manage the physical and financial risks inherent in the purchase and sale of fuel and electricity, as well as interest rate and foreign currency exchange rate risk associated primarily with outstanding and expected future debt issuances and borrowings. In addition, NEE, through NEER, uses derivatives to optimize the value of its power generation and gas infrastructure assets and engages in power and gas marketing and trading activities to take advantage of expected future favorable price movements.

Nature of Accounting Estimates

Accounting pronouncements require the use of fair value accounting if certain conditions are met, which requires significant judgment to measure the fair value of assets and liabilities. This applies not only to traditional financial derivative instruments, but to any contract having the accounting characteristics of a derivative. As a result, significant judgment must be used in applying derivatives accounting guidance to contracts. In the event changes in interpretation occur, it is possible that contracts that currently are excluded from derivatives accounting rules would have to be recorded on the balance sheet at fair value, with changes in the fair value recorded in the statement of income.

Assumptions and Accounting Approach

Derivative instruments, when required to be marked to market, are recorded on the balance sheet at fair value using a combination of market and income approaches. Fair values for some of the longer-term contracts where liquid markets are not available are derived through the use of industry-standard valuation techniques, such as internally developed models which estimate the fair value of a contract by calculating the present value of the difference between the contract price and the forward prices. Forward prices represent the price at which a buyer or seller could contract today to purchase or sell a commodity at a future date. The near-term forward market for electricity is generally liquid and therefore the prices in the early years of the forward curves reflect observable market quotes. However, in the later years, the market is much less liquid and forward price curves must be developed using factors including the forward prices for the commodities used as fuel to generate electricity, the expected system heat rate (which measures the efficiency of power plants in converting fuel to electricity) in the region where the purchase or sale takes place, and a fundamental forecast of expected spot prices based on modeled supply and demand in the region. NEE estimates the fair value of interest rate and foreign currency derivatives using an income approach based on a discounted cash flows valuation technique utilizing the net

amount of estimated future cash inflows and outflows related to the derivative agreements. The assumptions in these models are critical since any changes therein could have a significant impact on the fair value of the derivative.

At FPL, substantially all changes in the fair value of energy derivative transactions are deferred as a regulatory asset or liability until the contracts are settled, and, upon settlement, any gains or losses are passed through the fuel clause. See Note 3.

In NEE's non-rate regulated operations, predominantly NEER, essentially all changes in the derivatives' fair value for power purchases and sales, fuel sales and trading activities are recognized on a net basis in operating revenues; fuel purchases used in the production of electricity are recognized in fuel, purchased power and interchange expense; and the equity method investees' related activity is recognized in equity in earnings of equity method investees in NEE's consolidated statements of income.

In January 2016, NEE discontinued hedge accounting for its cash flow and fair value hedges related to interest rate and foreign currency derivative instruments and, therefore, all changes in the derivatives' fair value are recognized in interest expense in NEE's consolidated statements of income. NEE estimates the fair value of these derivatives using an income approach based on a discounted cash flows valuation technique utilizing observable inputs.

Certain derivative transactions at NEER are entered into as economic hedges but the transactions do not meet the requirements for hedge accounting, hedge accounting treatment is not elected or hedge accounting has been discontinued. Changes in the fair value of those transactions are marked to market and reported in the consolidated statements of income, resulting in earnings volatility. These changes in fair value are reflected in the non-qualifying hedge category in computing adjusted earnings and could be significant to NEER's results because the economic offset to the positions are not marked to market. As a consequence, NEE's net income reflects only the movement in one part of economically-linked transactions. For example, a gain (loss) in the non-qualifying hedge category for certain energy derivatives is offset by decreases (increases) in the fair value of related physical asset positions in the portfolio or contracts, which are not marked to market under GAAP. For this reason, NEE's management views results expressed excluding the unrealized mark-to-market impact of the non-qualifying hedges as a meaningful measure of current period performance. For additional information regarding derivative instruments, see Note 3, Overview and Energy Marketing and Trading and Market Risk Sensitivity.

Accounting for Pension Benefits

NEE sponsors a qualified noncontributory defined benefit pension plan for substantially all employees of NEE and its subsidiaries. Management believes that, based on actuarial assumptions and the well-funded status of the pension plan, NEE will not be required to make any cash contributions to the qualified pension plan in the near future. The qualified pension plan has a fully funded trust dedicated to providing benefits under the plan. NEE allocates net periodic income associated with the pension plan to its subsidiaries annually using specific criteria.

Nature of Accounting Estimates

For the pension plan, the benefit obligation is the actuarial present value, as of the December 31 measurement date, of all benefits attributed by the pension benefit formula to employee service rendered to that date. The amount of benefit to be paid depends on a number of future events incorporated into the pension benefit formula, including an estimate of the average remaining life of employees/survivors as well as the average years of service rendered. The projected benefit obligation is measured based on assumptions concerning future interest rates and future employee compensation levels. NEE derives pension income from actuarial calculations based on the plan's provisions and various management assumptions including discount rate, rate of increase in compensation levels and expected long-term rate of return on plan assets.

Assumptions and Accounting Approach

Accounting guidance requires recognition of the funded status of the pension plan in the balance sheet, with changes in the funded status recognized in other comprehensive income within shareholders' equity in the year in which the changes occur. Since NEE is the plan sponsor, and its subsidiaries do not have separate rights to the plan assets or direct obligations to their employees, this accounting guidance is reflected at NEE and not allocated to the subsidiaries. The portion of previously unrecognized actuarial gains and losses and prior service costs or credits that are estimated to be allocable to FPL as net periodic (income) cost in future periods and that otherwise would be recorded in AOCI are classified as regulatory assets and liabilities at NEE in accordance with regulatory treatment.

Net periodic pension income is included in O&M expenses, and is calculated using a number of actuarial assumptions. Those assumptions for the years ended December 31, 2017, 2016 and 2015 include:

	2017	2016	2015
Discount rate	**4.09%**	4.35%	3.95%
Salary increase	**4.10%**	4.10%	4.10%
Expected long-term rate of return, net of investment management fees	**7.35%**	7.35%	7.35%

In developing these assumptions, NEE evaluated input, including other qualitative and quantitative factors, from its actuaries and consultants, as well as information available in the marketplace. In addition, for the expected long-term rate of return on pension plan assets, NEE considered different models, capital market return assumptions and historical returns for a portfolio with an equity/bond asset mix similar to its pension fund, as well as its pension fund's historical compounded returns. NEE believes that 7.35% is a reasonable long-term rate of return, net of investment management fees, on its pension plan assets. NEE will continue to evaluate all of its actuarial assumptions, including its expected rate of return, at least annually, and will adjust them as appropriate.

NEE utilizes in its determination of pension income a market-related valuation of plan assets. This market-related valuation reduces year-to-year volatility and recognizes investment gains or losses over a five-year period following the year in which they occur. Investment gains or losses for this purpose are the difference between the expected return calculated using the market-related value of plan assets and the actual return realized on those plan assets. Since the market-related value of plan assets recognizes gains or losses over a five-year period, the future value of plan assets will be affected as previously deferred gains or losses are recognized. Such gains and losses together with other differences between actual results and the estimates used in the actuarial valuations are deferred and recognized in determining pension income only to the extent they exceed 10% of the greater of projected benefit obligations or the market-related value of plan assets.

The following table illustrates the effect on net periodic pension income of changing the critical actuarial assumptions discussed above, while holding all other assumptions constant:

		Decrease in 2017 Net Periodic Pension Income	
	Change in Assumption	NEE	FPL
		(millions)	
Expected long-term rate of return	(0.5)%	$ (19)	$ (12)
Discount rate	0.5%	$ (2)	$ (1)
Salary increase	0.5%	$ (1)	$ (1)

NEE also utilizes actuarial assumptions about mortality to help estimate obligations of the pension plan. NEE has adopted the latest revised mortality tables and mortality improvement scales released by the Society of Actuaries, which did not have a material impact on the pension plan's obligation.

See Note 2.

Carrying Value of Long-Lived Assets

NEE evaluates long-lived assets for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

Nature of Accounting Estimates

The amount of future net cash flows, the timing of the cash flows and the determination of an appropriate interest rate all involve estimates and judgments about future events. In particular, the aggregate amount of cash flows determines whether an impairment exists, and the timing of the cash flows is critical in determining fair value. Because each assessment is based on the facts and circumstances associated with each long-lived asset, the effects of changes in assumptions cannot be generalized.

Assumptions and Accounting Approach

An impairment loss is required to be recognized if the carrying value of the asset exceeds the undiscounted future net cash flows associated with that asset. The impairment loss to be recognized is the amount by which the carrying value of the long-lived asset exceeds the asset’s fair value. In most instances, the fair value is determined by discounting estimated future cash flows using an appropriate interest rate. See Note 4 - Nonrecurring Fair Value Measurements.

Decommissioning and Dismantlement

NEE accounts for asset retirement obligations and conditional asset retirement obligations (collectively, AROs) under accounting guidance that requires a liability for the fair value of an ARO to be recognized in the period in which it is incurred if it can be reasonably estimated, with the offsetting associated asset retirement costs capitalized as part of the carrying amount of the long-lived assets.

Nature of Accounting Estimates

The calculation of the future cost of retiring long-lived assets, including nuclear decommissioning and plant dismantlement costs, involves estimating the amount and timing of future expenditures and making judgments concerning whether or not such costs are considered a legal obligation. Estimating the amount and timing of future expenditures includes, among other things, making projections of when assets will be retired and ultimately decommissioned and how costs will escalate with inflation. In addition, NEE also makes interest rate and rate of return projections on its investments in determining recommended funding requirements for nuclear decommissioning costs. Periodically, NEE is required to update these estimates and projections which can affect the annual expense amounts recognized, the liabilities recorded and the annual funding requirements for nuclear decommissioning costs. For example, an increase of 0.25% in the assumed escalation rates for nuclear decommissioning costs would increase NEE's AROs at December 31, 2017 by $177 million.

Assumptions and Accounting Approach

FPL - For ratemaking purposes, FPL accrues and funds for nuclear plant decommissioning costs over the expected service life of each unit based on studies that are approved by the FPSC. The studies reflect, among other things, the expiration dates of the operating licenses for FPL's nuclear units. The most recent studies, filed in 2015, indicate that FPL's portion of the future cost of decommissioning its four nuclear units, including spent fuel storage above what is expected to be refunded by the DOE under the spent fuel settlement agreement, is approximately $7.5 billion, or $3.1 billion expressed in 2017 dollars.

FPL accrues the cost of dismantling its fossil and solar plants over the expected service life of each unit based on studies filed with the FPSC. Unlike nuclear decommissioning, dismantlement costs are not funded. The most recent studies became effective January 1, 2017. At December 31, 2017, FPL's portion of the ultimate cost to dismantle its fossil and solar units is approximately $1.2 billion, or $497 million expressed in 2017 dollars. The majority of the dismantlement costs are not considered AROs. FPL accrues for interim removal costs over the life of the related assets based on depreciation studies approved by the FPSC. Any differences between the ARO amount recorded and the amount recorded for ratemaking purposes are reported as a regulatory liability in accordance with regulatory accounting.

The components of FPL's decommissioning of nuclear plants, dismantlement of plants and other accrued asset removal costs are as follows:

	Nuclear Decommissioning		Fossil/Solar Dismantlement		Interim Removal Costs and Other		Total	
	December 31,		December 31,		December 31,		December 31,	
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016
				(millions)				
AROs	**$ 1,947**	$ 1,852	**$ 95**	$ 62	**$ 5**	$ 5	**$ 2,047**	$ 1,919
Less capitalized ARO asset net of accumulated depreciation	**335**	355	**45**	32	**1**	—	**381**	387
Accrued asset removal costs[(a)]	**326**	297	**162**	322	**97**	1,325	**585**	1,944
Asset retirement obligation regulatory expense difference[(a)]	**2,565**	2,272	**7**	24	**(3)**	(2)	**2,569**	2,294
Accrued decommissioning, dismantlement and other accrued asset removal costs[(b)]	**$ 4,503**	$ 4,066	**$ 219**	$ 376	**$ 98**	$ 1,328	**$ 4,820**	$ 5,770

(a) Included in noncurrent regulatory liabilities on NEE's and FPL's consolidated balance sheets.
(b) Represents total amount accrued for ratemaking purposes.

NEER - NEER records liabilities for the present value of its expected nuclear plant decommissioning costs which are determined using various internal and external data and applying a probability percentage to a variety of scenarios regarding the life of the plant and timing of decommissioning. The liabilities are being accreted using the interest method through the date decommissioning activities are expected to be complete. At December 31, 2017, the AROs for decommissioning of NEER's nuclear plants totaled approximately $552 million. NEER's portion of the ultimate cost of decommissioning its nuclear plants, including costs associated with spent fuel storage above what is expected to be refunded by the DOE under the spent fuel settlement agreement, is estimated to be approximately $10.8 billion, or $2.0 billion expressed in 2017 dollars.

See Note 1 - Asset Retirement Obligations and - Decommissioning of Nuclear Plants, Dismantlement of Plants and Other Accrued Asset Removal Costs and Note 12.

Regulatory Accounting

Certain of NEE's businesses are subject to rate regulation which results in the recording of regulatory assets and liabilities. See Note 1 - Rate Regulation for a detail of NEE's regulatory assets and liabilities.

Nature of Accounting Estimates

Regulatory assets and liabilities represent probable future revenues that will be recovered from or refunded to customers through the ratemaking process. Regulatory assets and liabilities are included in rate base or otherwise earn (pay) a return on investment during the recovery period.

Assumptions and Accounting Approach

Accounting guidance allows regulators to create assets and impose liabilities that would not be recorded by non-rate regulated entities. If NEE's rate-regulated entities, primarily FPL, were no longer subject to cost-based rate regulation, the existing regulatory assets and liabilities would be written off unless regulators specify an alternative means of recovery or refund. In addition, the regulators, including the FPSC for FPL, have the authority to disallow recovery of costs that they consider excessive or imprudently incurred. Such costs may include, among others, fuel and O&M expenses, the cost of replacing power lost when fossil and nuclear units are unavailable, storm restoration costs and costs associated with the construction or acquisition of new facilities. The continued applicability of regulatory accounting is assessed at each reporting period.

ENERGY MARKETING AND TRADING AND MARKET RISK SENSITIVITY

NEE and FPL are exposed to risks associated with adverse changes in commodity prices, interest rates and equity prices. Financial instruments and positions affecting the financial statements of NEE and FPL described below are held primarily for purposes other than trading. Market risk is measured as the potential loss in fair value resulting from hypothetical reasonably possible changes in commodity prices, interest rates or equity prices over the next year. Management has established risk management policies to monitor and manage such market risks, as well as credit risks.

Commodity Price Risk

NEE and FPL use derivative instruments (primarily swaps, options, futures and forwards) to manage the physical and financial risks inherent in the purchase and sale of fuel and electricity. In addition, NEE, through NEER, uses derivatives to optimize the value of its power generation and gas infrastructure assets and engages in power and gas marketing and trading activities to take advantage of expected future favorable price movements. See Critical Accounting Policies and Estimates - Accounting for Derivatives and Hedging Activities and Note 3.

During 2016 and 2017, the changes in the fair value of NEE's consolidated subsidiaries' energy contract derivative instruments were as follows:

		Hedges on Owned Assets		
	Trading	Non-Qualifying	FPL Cost Recovery Clauses	NEE Total
		(millions)		
Fair value of contracts outstanding at December 31, 2015	$ 359	$ 1,185	$ (218)	$ 1,326
Reclassification to realized at settlement of contracts	(189)	(455)	223	(421)
Inception value of new contracts	37	15	—	52
Net option premium purchases (issuances)	—	3	—	3
Changes in fair value excluding reclassification to realized	223	236	203	662
Fair value of contracts outstanding at December 31, 2016	430	984	208	1,622
Reclassification to realized at settlement of contracts	**(248)**	**(366)**	**(39)**	**(653)**
Inception value of new contracts	**8**	**2**	**—**	**10**
Net option premium purchases (issuances)	**(85)**	**5**	**—**	**(80)**
Changes in fair value excluding reclassification to realized	**337**	**103**	**(169)**	**271**
Fair value of contracts outstanding at December 31, 2017	**442**	**728**	**—**	**1,170**
Net margin cash collateral paid (received)				—
Total mark-to-market energy contract net assets (liabilities) at December 31, 2017	**$ 442**	**$ 728**	**$ —**	**$ 1,170**

NEE's total mark-to-market energy contract net assets (liabilities) at December 31, 2017 shown above are included on the consolidated balance sheets as follows:

	December 31, 2017
	(millions)
Current derivative assets	**$ 473**
Noncurrent derivative assets	**1,264**
Current derivative liabilities	**(281)**
Noncurrent derivative liabilities	**(286)**
NEE's total mark-to-market energy contract net assets	**$ 1,170**

The sources of fair value estimates and maturity of energy contract derivative instruments at December 31, 2017 were as follows:

	Maturity						
	2018	2019	2020	2021	2022	Thereafter	Total
	(millions)						
Trading:							
Quoted prices in active markets for identical assets	$ 106	$ 9	$ (9)	$ (9)	$ —	$ —	$ 97
Significant other observable inputs	26	19	7	(1)	(7)	(6)	38
Significant unobservable inputs	30	34	38	29	42	134	307
Total	162	62	36	19	35	128	442
Owned Assets - Non-Qualifying:							
Quoted prices in active markets for identical assets	(1)	—	(9)	(1)	—	—	(11)
Significant other observable inputs	74	89	75	56	35	19	348
Significant unobservable inputs	15	16	24	27	17	292	391
Total	88	105	90	82	52	311	728
Owned Assets - FPL Cost Recovery Clauses:							
Quoted prices in active markets for identical assets	—	—	—	—	—	—	—
Significant other observable inputs	—	—	—	—	—	—	—
Significant unobservable inputs	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—
Total sources of fair value	$ 250	$ 167	$ 126	$ 101	$ 87	$ 439	$ 1,170

With respect to commodities, NEE's Exposure Management Committee (EMC), which is comprised of certain members of senior management, and NEE's chief executive officer are responsible for the overall approval of market risk management policies and the delegation of approval and authorization levels. The EMC and NEE's chief executive officer receive periodic updates on market positions and related exposures, credit exposures and overall risk management activities.

NEE uses a value-at-risk (VaR) model to measure commodity price market risk in its trading and mark-to-market portfolios. The VaR is the estimated nominal loss of market value based on a one-day holding period at a 95% confidence level using historical simulation methodology. The VaR figures are as follows:

	Trading			Non-Qualifying Hedges and Hedges in FPL Cost Recovery Clauses[(a)]			Total		
	FPL	NEER	NEE	FPL	NEER	NEE	FPL	NEER	NEE
	(millions)								
December 31, 2016	$ —	$ 4	$ 4	$ 46	$ 62	$ 23	$ 46	$ 57	$ 23
December 31, 2017	**$ —**	**$ 7**	**$ 7**	**$ —**	**$ 43**	**$ 44**	**$ —**	**$ 37**	**$ 37**
Average for the year ended December 31, 2017	**$ —**	**$ 3**	**$ 3**	**$ 20**	**$ 30**	**$ 22**	**$ 20**	**$ 29**	**$ 21**

(a) Non-qualifying hedges are employed to reduce the market risk exposure to physical assets or contracts which are not marked to market. The VaR figures for the non-qualifying hedges and hedges in FPL cost recovery clauses category do not represent the economic exposure to commodity price movements.

Interest Rate Risk

NEE's and FPL's financial results are exposed to risk resulting from changes in interest rates as a result of their respective outstanding and expected future issuances of debt, investments in special use funds and other investments. NEE and FPL manage their respective interest rate exposure by monitoring current interest rates, entering into interest rate contracts and using a combination of fixed rate and variable rate debt. Interest rate contracts are used to mitigate and adjust interest rate exposure when deemed appropriate based upon market conditions or when required by financing agreements.

The following are estimates of the fair value of NEE's and FPL's financial instruments that are exposed to interest rate risk:

	December 31, 2017		December 31, 2016	
	Carrying Amount	**Estimated Fair Value**	Carrying Amount	Estimated Fair Value
	(millions)			
NEE:				
Fixed income securities:				
Special use funds	**$ 1,946**	**$ 1,946** [a]	$ 1,809	$ 1,809 [a]
Other investments:				
Debt securities	**$ 136**	**$ 136** [a]	$ 123	$ 123 [a]
Primarily notes receivable[b]	**$ 500**	**$ 680** [c]	$ 526	$ 668 [c]
Long-term debt, including current maturities	**$ 33,134**	**$ 35,447** [d]	$ 30,418	$ 31,623 [d]
Interest rate contracts - net unrealized gains (losses)	**$ (225)**	**$ (225)** [e]	$ 4	$ 4 [e]
FPL:				
Fixed income securities - special use funds	**$ 1,462**	**$ 1,462** [a]	$ 1,363	$ 1,363 [a]
Long-term debt, including current maturities	**$ 11,702**	**$ 13,285** [d]	$ 10,072	$ 11,211 [d]

(a) Primarily estimated using a market approach based on quoted market prices for these or similar issues.
(b) At December 31, 2017, the note receivable is classified as held for sale and is under contract (see Note 8 - NEER).
(c) Primarily estimated using an income approach utilizing a discounted cash flow valuation technique based on certain observable yield curves and indices considering the credit profile of the borrower.
(d) Estimated using either a market approach based on quoted market prices for the same or similar issues or an income approach utilizing a discounted cash flow valuation technique, considering the current credit profile of the debtor.
(e) Modeled internally using an income approach utilizing a discounted cash flow valuation technique and applying a credit valuation adjustment.

The special use funds of NEE and FPL consist of restricted funds set aside to cover the cost of storm damage for FPL and for the decommissioning of NEE's and FPL's nuclear power plants. See Note 1 - Securitized Storm-Recovery Costs, Storm Fund and Storm Reserve. A portion of these funds is invested in fixed income debt securities primarily carried at estimated fair value. At FPL, changes in fair value, including any OTTI losses, result in a corresponding adjustment to the related liability accounts based on current regulatory treatment. The changes in fair value of NEE's non-rate regulated operations result in a corresponding adjustment to OCI, except for impairments deemed to be other than temporary, including any credit losses, which are reported in current period earnings. Because the funds set aside by FPL for storm damage could be needed at any time, the related investments are generally more liquid and, therefore, are less sensitive to changes in interest rates. The nuclear decommissioning funds, in contrast, are generally invested in longer-term securities, as decommissioning activities are not scheduled to begin in the near term.

At December 31, 2017, NEE had interest rate contracts with a notional amount of approximately $12.1 billion related to outstanding and expected future debt issuances and borrowings, of which $9.7 billion manages exposure to the variability of cash flows associated with outstanding and expected future debt issuances at NEECH and NEER. The remaining $2.4 billion of notional amount of interest rate contracts effectively convert fixed-rate debt to variable-rate debt instruments at NEECH. See Note 3.

Based upon a hypothetical 10% decrease in interest rates, which is a reasonable near-term market change, the fair value of NEE's net liabilities would increase by approximately $1,489 million ($478 million for FPL) at December 31, 2017.

Equity Price Risk

NEE and FPL are exposed to risk resulting from changes in prices for equity securities. For example, NEE's nuclear decommissioning reserve funds include marketable equity securities primarily carried at their market value of approximately $3,314 million and $2,913 million ($2,035 million and $1,745 million for FPL) at December 31, 2017 and 2016, respectively. NEE's and FPL's investment strategy for equity securities in their nuclear decommissioning reserve funds emphasizes primarily marketable securities which are broadly diversified. At December 31, 2017, a hypothetical 10% decrease in the prices quoted by stock exchanges, which is a reasonable near-term market change, would result in a $305 million ($186 million for FPL) reduction in fair value. For FPL, a corresponding adjustment would be made to the related liability accounts based on current regulatory treatment, and for NEE's non-rate regulated operations, a corresponding adjustment would be made to OCI to the extent the market value of the securities exceeded amortized cost and to OTTI loss to the extent the market value is below amortized cost. See Note 4 - Financial Instruments Accounting Standards Update.

Credit Risk

NEE and its subsidiaries are also exposed to credit risk through their energy marketing and trading operations. Credit risk is the risk that a financial loss will be incurred if a counterparty to a transaction does not fulfill its financial obligation. NEE manages counterparty credit risk for its subsidiaries with energy marketing and trading operations through established policies, including counterparty credit limits, and in some cases credit enhancements, such as cash prepayments, letters of credit, cash and other collateral and guarantees.

Credit risk is also managed through the use of master netting agreements. NEE's credit department monitors current and forward credit exposure to counterparties and their affiliates, both on an individual and an aggregate basis. For all derivative and contractual transactions, NEE's energy marketing and trading operations, which include FPL's energy marketing and trading division, are exposed to losses in the event of nonperformance by counterparties to these transactions. Some relevant considerations when assessing NEE's energy marketing and trading operations' credit risk exposure include the following:

- Operations are primarily concentrated in the energy industry.
- Trade receivables and other financial instruments are predominately with energy, utility and financial services related companies, as well as municipalities, cooperatives and other trading companies in the U.S.
- Overall credit risk is managed through established credit policies and is overseen by the EMC.
- Prospective and existing customers are reviewed for creditworthiness based upon established standards, with customers not meeting minimum standards providing various credit enhancements or secured payment terms, such as letters of credit or the posting of margin cash collateral.
- Master netting agreements are used to offset cash and noncash gains and losses arising from derivative instruments with the same counterparty. NEE's policy is to have master netting agreements in place with significant counterparties.

Based on NEE's policies and risk exposures related to credit, NEE and FPL do not anticipate a material adverse effect on their financial statements as a result of counterparty nonperformance. At December 31, 2017, approximately 92% of NEE's and 100% of FPL's energy marketing and trading counterparty credit risk exposure is associated with companies that have investment grade credit ratings.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

See Management's Discussion – Energy Marketing and Trading and Market Risk Sensitivity.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

NextEra Energy, Inc.'s (NEE) and Florida Power & Light Company's (FPL) management are responsible for establishing and maintaining adequate internal control over financial reporting as defined in the Securities Exchange Act of 1934 Rules 13a-15(f) and 15d-15(f). The consolidated financial statements, which in part are based on informed judgments and estimates made by management, have been prepared in conformity with generally accepted accounting principles applied on a consistent basis.

To aid in carrying out this responsibility, we, along with all other members of management, maintain a system of internal accounting control which is established after weighing the cost of such controls against the benefits derived. In the opinion of management, the overall system of internal accounting control provides reasonable assurance that the assets of NEE and FPL and their subsidiaries are safeguarded and that transactions are executed in accordance with management's authorization and are properly recorded for the preparation of financial statements. In addition, management believes the overall system of internal accounting control provides reasonable assurance that material errors or irregularities would be prevented or detected on a timely basis by employees in the normal course of their duties. Any system of internal accounting control, no matter how well designed, has inherent limitations, including the possibility that controls can be circumvented or overridden and misstatements due to error or fraud may occur and not be detected. Also, because of changes in conditions, internal control effectiveness may vary over time. Accordingly, even an effective system of internal control will provide only reasonable assurance with respect to financial statement preparation and reporting.

The system of internal accounting control is supported by written policies and guidelines, the selection and training of qualified employees, an organizational structure that provides an appropriate division of responsibility and a program of internal auditing. NEE's written policies include a Code of Business Conduct & Ethics that states management's policy on conflicts of interest and ethical conduct. Compliance with the Code of Business Conduct & Ethics is confirmed annually by key personnel.

The Board of Directors pursues its oversight responsibility for financial reporting and accounting through its Audit Committee. This Committee, which is comprised entirely of independent directors, meets regularly with management, the internal auditors and the independent auditors to make inquiries as to the manner in which the responsibilities of each are being discharged. The independent auditors and the internal audit staff have free access to the Committee without management's presence to discuss auditing, internal accounting control and financial reporting matters.

Management assessed the effectiveness of NEE's and FPL's internal control over financial reporting as of December 31, 2017, using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in the *Internal Control - Integrated Framework (2013)*. Based on this assessment, management believes that NEE's and FPL's internal control over financial reporting was effective as of December 31, 2017.

NEE's and FPL's independent registered public accounting firm, Deloitte & Touche LLP, is engaged to express an opinion on NEE's and FPL's consolidated financial statements and an opinion on NEE's and FPL's internal control over financial reporting. Their reports are based on procedures believed by them to provide a reasonable basis to support such opinions. These reports appear on the following pages.

JAMES L. ROBO

James L. Robo
Chairman, President and Chief Executive Officer of NEE and Chairman of FPL

JOHN W. KETCHUM

John W. Ketchum
Executive Vice President, Finance and Chief Financial Officer of NEE and FPL

TERRELL KIRK CREWS, II

Terrell Kirk Crews, II
Vice President, Controller and Chief Accounting Officer of NEE

ERIC E. SILAGY

Eric E. Silagy
President and Chief Executive Officer of FPL

KIMBERLY OUSDAHL

Kimberly Ousdahl
Vice President and Chief Accounting Officer of FPL

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of
NextEra Energy, Inc. and Florida Power & Light Company

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of NextEra Energy, Inc. and subsidiaries (NEE) and Florida Power & Light Company and subsidiaries (FPL) as of December 31, 2017, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, NEE and FPL maintained, in all material respects, effective internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2017 of NEE and FPL and our report dated February 16, 2018 expressed unqualified opinions on those financial statements.

Basis for Opinion

NEE's and FPL's management are responsible for maintaining effective internal control over financial reporting and for their assessments of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express opinions on NEE's and FPL's internal control over financial reporting based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to NEE and FPL in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audits included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

DELOITTE & TOUCHE LLP
Certified Public Accountants

Boca Raton, Florida
February 16, 2018

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of
NextEra Energy, Inc. and Florida Power & Light Company

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of NextEra Energy, Inc. and subsidiaries (NEE) and the separate consolidated balance sheets of Florida Power & Light Company and subsidiaries (FPL) as of December 31, 2017 and 2016, and NEE's and FPL's related consolidated statements of income and of cash flows, NEE's consolidated statements of comprehensive income and of equity, and FPL's consolidated statements of common shareholder's equity, for each of the three years in the period ended December 31, 2017, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the consolidated financial position of NEE and the consolidated financial position of FPL as of December 31, 2017 and 2016, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2017, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), NEE's and FPL's internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 16, 2018 expressed unqualified opinions on NEE's and FPL's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of NEE's and FPL's management. Our responsibility is to express opinions on NEE's and FPL's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to NEE and FPL in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinions.

DELOITTE & TOUCHE LLP
Certified Public Accountants

Boca Raton, Florida
February 16, 2018

We have served as NEE's and FPL's auditor since 1950.

NEXTERA ENERGY, INC.
CONSOLIDATED STATEMENTS OF INCOME
(millions, except per share amounts)

	Years Ended December 31,		
	2017	2016	2015
OPERATING REVENUES	**$ 17,195**	$ 16,155	$ 17,486
OPERATING EXPENSES (INCOME)			
Fuel, purchased power and interchange	**4,071**	4,042	5,327
Other operations and maintenance	**3,327**	3,389	3,269
Storm restoration costs	**1,255**	—	—
Impairment charges	**446**	7	2
Merger-related	**69**	135	26
Depreciation and amortization	**2,357**	3,077	2,831
Losses (gains) on disposal of a business/assets - net	**(1,111)**	(446)	4
Taxes other than income taxes and other - net	**1,455**	1,343	1,395
Total operating expenses - net	**11,869**	11,547	12,854
OPERATING INCOME	**5,326**	4,608	4,632
OTHER INCOME (DEDUCTIONS)			
Interest expense	**(1,558)**	(1,093)	(1,211)
Benefits associated with differential membership interests - net	**460**	309	216
Equity in earnings of equity method investees	**141**	148	107
Allowance for equity funds used during construction	**92**	86	70
Interest income	**81**	82	86
Gains on disposal of investments and other property - net	**114**	40	90
Other than temporary impairment losses on securities held in nuclear decommissioning funds	**(10)**	(23)	(40)
Revaluation of contingent consideration	**—**	189	—
Other - net	**21**	42	40
Total other deductions - net	**(659)**	(220)	(642)
INCOME BEFORE INCOME TAXES	**4,667**	4,388	3,990
INCOME TAX EXPENSE (BENEFIT)	**(653)**	1,383	1,228
NET INCOME	**5,320**	3,005	2,762
LESS NET INCOME (LOSS) ATTRIBUTABLE TO NONCONTROLLING INTERESTS	**(58)**	93	10
NET INCOME ATTRIBUTABLE TO NEE	**$ 5,378**	$ 2,912	$ 2,752
Earnings per share attributable to NEE:			
Basic	**$ 11.47**	$ 6.29	$ 6.11
Assuming dilution	**$ 11.38**	$ 6.25	$ 6.06
Weighted-average number of common shares outstanding:			
Basic	**468.8**	463.1	450.5
Assuming dilution	**472.5**	465.8	454.0

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

NEXTERA ENERGY, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(millions)

	Years Ended December 31,		
	2017	2016	2015
NET INCOME	**$ 5,320**	$ 3,005	$ 2,762
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX			
Net unrealized gains (losses) on cash flow hedges:			
Effective portion of net unrealized losses (net of $37 tax benefit)	**—**	—	(88)
Reclassification from accumulated other comprehensive income (loss) to net income (net of $13, $32 and $25 tax expense, respectively)	**32**	70	63
Net unrealized gains (losses) on available for sale securities:			
Net unrealized gains (losses) on securities still held (net of $94 and $50 tax expense and $8 tax benefit, respectively)	**127**	69	(7)
Reclassification from accumulated other comprehensive income (loss) to net income (net of $25, $13 and $33 tax benefit, respectively)	**(36)**	(18)	(37)
Defined benefit pension and other benefits plans (net of $28 tax expense, $13 and $26 tax benefit, respectively)	**44**	(21)	(42)
Net unrealized gains (losses) on foreign currency translation (net of $1 tax expense, $2 and $2 tax benefit, respectively)	**24**	(5)	(27)
Other comprehensive income related to equity method investee (net of $1 and $2 tax expense, respectively)	**2**	2	—
Total other comprehensive income (loss), net of tax	**193**	97	(138)
COMPREHENSIVE INCOME	**5,513**	3,102	2,624
LESS COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO NONCONTROLLING INTERESTS	**(46)**	93	(1)
COMPREHENSIVE INCOME ATTRIBUTABLE TO NEE	**$ 5,559**	$ 3,009	$ 2,625

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

NEXTERA ENERGY, INC.
CONSOLIDATED BALANCE SHEETS
(millions, except par value)

	December 31,	
	2017	2016
PROPERTY, PLANT AND EQUIPMENT		
Electric plant in service and other property	**$ 85,337**	$ 80,150
Nuclear fuel	**1,767**	2,131
Construction work in progress	**6,679**	4,732
Accumulated depreciation and amortization	**(21,367)**	(20,101)
Total property, plant and equipment - net ($16,485 and $14,632 related to VIEs, respectively)	**72,416**	66,912
CURRENT ASSETS		
Cash and cash equivalents	**1,714**	1,292
Customer receivables, net of allowances of $7 and $5, respectively	**2,220**	1,784
Other receivables	**517**	655
Materials, supplies and fossil fuel inventory	**1,273**	1,289
Regulatory assets	**336**	524
Derivatives	**489**	885
Assets held for sale	**140**	452
Other	**468**	528
Total current assets	**7,157**	7,409
OTHER ASSETS		
Special use funds	**6,003**	5,434
Other investments ($470 and $479 related to a VIE, respectively)	**2,959**	2,482
Prepaid benefit costs	**1,427**	1,177
Regulatory assets ($37 and $107 related to a VIE, respectively)	**2,469**	1,894
Derivatives	**1,315**	1,350
Other	**4,081**	3,335
Total other assets	**18,254**	15,672
TOTAL ASSETS	**$ 97,827**	$ 89,993
CAPITALIZATION		
Common stock ($0.01 par value, authorized shares - 800; outstanding shares - 471 and 468, respectively)	**$ 5**	$ 5
Additional paid-in capital	**9,100**	8,948
Retained earnings	**18,992**	15,458
Accumulated other comprehensive income (loss)	**111**	(70)
Total common shareholders' equity	**28,208**	24,341
Noncontrolling interests	**1,290**	990
Total equity	**29,498**	25,331
Long-term debt ($5,941 and $5,080 related to VIEs, respectively)	**31,463**	27,818
Total capitalization	**60,961**	53,149
CURRENT LIABILITIES		
Commercial paper	**1,687**	268
Other short-term debt	**255**	150
Current maturities of long-term debt	**1,676**	2,604
Accounts payable	**3,235**	3,447
Customer deposits	**448**	470
Accrued interest and taxes	**622**	480
Derivatives	**364**	404
Accrued construction-related expenditures	**1,033**	1,120
Regulatory liabilities	**346**	299
Liabilities associated with assets held for sale	**18**	451
Other	**1,548**	1,226
Total current liabilities	**11,232**	10,919
OTHER LIABILITIES AND DEFERRED CREDITS		
Asset retirement obligations	**3,031**	2,736
Deferred income taxes	**5,754**	11,101
Regulatory liabilities	**8,765**	4,906
Derivatives	**535**	477
Deferral related to differential membership interests - VIEs	**5,403**	4,656
Other	**2,146**	2,049
Total other liabilities and deferred credits	**25,634**	25,925
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	**$ 97,827**	$ 89,993

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

NEXTERA ENERGY, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(millions)

	Years Ended December 31,		
	2017	2016*	2015*
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	**$ 5,320**	$ 3,005	$ 2,762
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation and amortization	**2,357**	3,077	2,831
Nuclear fuel and other amortization	**272**	300	372
Impairment charges	**446**	7	2
Unrealized losses (gains) on marked to market derivative contracts - net	**436**	(44)	(337)
Foreign currency transaction losses (gains)	**(25)**	13	—
Deferred income taxes	**(875)**	1,230	1,162
Cost recovery clauses and franchise fees	**82**	94	176
Acquisition of purchased power agreement	**(243)**	—	(521)
Benefits associated with differential membership interests - net	**(460)**	(309)	(216)
Gains on disposal of a business, assets and investments - net	**(1,225)**	(490)	(89)
Recoverable storm-related costs	**(108)**	(223)	—
Other - net	**90**	(111)	49
Changes in operating assets and liabilities:			
Current assets	**(353)**	(162)	66
Noncurrent assets	**(60)**	(58)	(109)
Current liabilities	**766**	(24)	64
Noncurrent liabilities	**(7)**	(12)	(123)
Net cash provided by operating activities	**6,413**	6,293	6,089
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditures of FPL	**(5,174)**	(3,776)	(3,428)
Independent power and other investments of NEER	**(5,295)**	(5,396)	(4,505)
Cash grants under the American Recovery and Reinvestment Act of 2009	**78**	335	8
Nuclear fuel purchases	**(197)**	(283)	(361)
Other capital expenditures and other investments	**(74)**	(181)	(83)
Proceeds from sale of the fiber-optic telecommunications business	**1,454**	—	—
Sale of independent power and other investments of NEER	**178**	658	52
Proceeds from sale or maturity of securities in special use funds and other investments	**3,207**	3,776	4,851
Purchases of securities in special use funds and other investments	**(3,244)**	(3,829)	(4,982)
Proceeds from sales of noncontrolling interests in NEP	**—**	645	345
Other - net	**149**	5	107
Net cash used in investing activities	**(8,918)**	(8,046)	(7,996)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuances of long-term debt	**8,354**	5,657	5,772
Retirements of long-term debt	**(6,780)**	(3,310)	(3,972)
Proceeds from differential membership investors	**1,414**	1,859	761
Net change in commercial paper	**1,419**	(106)	(768)
Proceeds from other short-term debt	**450**	500	1,225
Repayments of other short-term debt	**(2)**	(662)	(813)
Issuances of common stock - net	**55**	537	1,298
Proceeds from issuance of NEP convertible preferred units - net	**548**	—	—
Dividends on common stock	**(1,845)**	(1,612)	(1,385)
Other - net	**(680)**	(363)	(221)
Net cash provided by financing activities	**2,933**	2,500	1,897
Effects of currency translation on cash, cash equivalents and restricted cash	**26**	10	17
Net increase in cash, cash equivalents and restricted cash	**454**	757	7
Cash, cash equivalents and restricted cash at beginning of year	**1,529**	772	765
Cash, cash equivalents and restricted cash at end of year	**$ 1,983**	$ 1,529	$ 772
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION			
Cash paid for interest (net of amount capitalized)	**$ 1,184**	$ 1,193	$ 1,143
Cash paid for income taxes - net	**$ 142**	$ 91	$ 33
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES			
Accrued property additions	**$ 3,029**	$ 3,626	$ 2,616
Assumption of debt/acquisition hold-backs in connection with Texas pipeline acquisition	**$ —**	$ —	$ 1,078
Decrease (Increase) in property, plant and equipment - net as a result of cash grants primarily under the American Recovery and Reinvestment Act of 2009	**$ (154)**	$ 419	$ 224
Increase in property, plant and equipment - net as a result of a settlement/noncash exchange	**$ (108)**	$ (72)	$ (45)
Proceeds from differential membership investors used to reduce debt	**$ —**	$ 100	$ —

*Prior period amounts have been retrospectively adjusted as discussed in Note 1 - Restricted Cash.

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

NEXTERA ENERGY, INC.
CONSOLIDATED STATEMENTS OF EQUITY
(millions)

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Common Shareholders' Equity	Non-controlling Interests	Total Equity
	Shares	Aggregate Par Value						
Balances, December 31, 2014	443	$ 4	$ 7,179	$ (40)	$ 12,773	$ 19,916	$ 252	$ 20,168
Net income	—	—	—	—	2,752	2,752	10	
Issuances of common stock, net of issuance cost of less than $1	17	1	1,306	—	—	1,307	—	
Share-based payment activity	1	—	119	—	—	119	—	
Dividends on common stock[(a)]	—	—	—	—	(1,385)	(1,385)	—	
Other comprehensive loss	—	—	—	(127)	—	(127)	(11)	
Premium on equity units	—	—	(80)	—	—	(80)	—	
Sale of NEER assets to NEP	—	—	88	—	—	88	252	
Other	—	—	(16)	—	—	(16)	35	
Balances, December 31, 2015	461	5	8,596	(167)	14,140	22,574	538	$ 23,112
Net income	—	—	—	—	2,912	2,912	93	
Issuances of common stock, net of issuance cost of less than $1	6	—	527	—	—	527	—	
Share-based payment activity	1	—	135	—	—	135	—	
Dividends on common stock[(a)]	—	—	—	—	(1,612)	(1,612)	—	
Other comprehensive income	—	—	—	97	—	97	—	
Premium on equity units	—	—	(200)	—	—	(200)	—	
Sale of NEER assets to NEP	—	—	—	—	—	—	433	
Other	—	—	(110)	—	18	(92)	(74)	
Balances, December 31, 2016	468	5	8,948	(70)	15,458	24,341	990	$ 25,331
Net income (loss)	**—**	**—**	**—**	**—**	**5,378**	**5,378**	**(58)**	
Issuances of common stock, net of issuance cost of less than $1	**2**	**—**	**33**	**—**	**—**	**33**	**—**	
Share-based payment activity	**1**	**—**	**122**	**—**	**—**	**122**	**—**	
Dividends on common stock[(a)]	**—**	**—**	**—**	**—**	**(1,845)**	**(1,845)**	**—**	
Other comprehensive income	**—**	**—**	**—**	**181**	**—**	**181**	**12**	
Sale of NEER assets to NEP	**—**	**—**	**—**	**—**	**—**	**—**	**460**	
Other	**—**	**—**	**(3)**	**—**	**1**	**(2)**	**(114)**	
Balances, December 31, 2017	**471**	**$ 5**	**$ 9,100**	**$ 111**	**$ 18,992**	**$ 28,208**	**$ 1,290**	**$ 29,498**

(a) Dividends per share were $3.93, $3.48 and $3.08 for the years ended December 31, 2017, 2016 and 2015, respectively.

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

FLORIDA POWER & LIGHT COMPANY
CONSOLIDATED STATEMENTS OF INCOME
(millions)

	Years Ended December 31,		
	2017	2016	2015
OPERATING REVENUES	**$ 11,972**	$ 10,895	$ 11,651
OPERATING EXPENSES (INCOME)			
Fuel, purchased power and interchange	**3,542**	3,297	4,276
Other operations and maintenance	**1,559**	1,600	1,617
Storm restoration costs	**1,255**	—	—
Depreciation and amortization	**933**	1,651	1,576
Taxes other than income taxes and other - net	**1,292**	1,189	1,205
Total operating expenses - net	**8,581**	7,737	8,674
OPERATING INCOME	**3,391**	3,158	2,977
OTHER INCOME (DEDUCTIONS)			
Interest expense	**(482)**	(456)	(445)
Allowance for equity funds used during construction	**79**	74	68
Other - net	**(2)**	2	5
Total other deductions - net	**(405)**	(380)	(372)
INCOME BEFORE INCOME TAXES	**2,986**	2,778	2,605
INCOME TAXES	**1,106**	1,051	957
NET INCOME[(a)]	**$ 1,880**	$ 1,727	$ 1,648

(a) FPL's comprehensive income is the same as reported net income.

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

FLORIDA POWER & LIGHT COMPANY
CONSOLIDATED BALANCE SHEETS
(millions, except share amount)

	December 31,	
	2017	2016
ELECTRIC UTILITY PLANT AND OTHER PROPERTY		
Plant in service and other property	**$ 47,167**	$ 44,966
Nuclear fuel	**1,192**	1,308
Construction work in progress	**3,623**	2,039
Accumulated depreciation and amortization	**(12,802)**	(12,304)
Total electric utility plant and other property - net	**39,180**	36,009
CURRENT ASSETS		
Cash and cash equivalents	**33**	33
Customer receivables, net of allowances of $2 and $2, respectively	**1,073**	768
Other receivables	**160**	148
Materials, supplies and fossil fuel inventory	**840**	851
Regulatory assets	**335**	524
Derivatives	**2**	209
Other	**241**	213
Total current assets	**2,684**	2,746
OTHER ASSETS		
Special use funds	**4,090**	3,665
Prepaid benefit costs	**1,351**	1,301
Regulatory assets ($37 and $107 related to a VIE, respectively)	**2,249**	1,573
Other	**690**	207
Total other assets	**8,380**	6,746
TOTAL ASSETS	**$ 50,244**	$ 45,501
CAPITALIZATION		
Common stock (no par value, 1,000 shares authorized, issued and outstanding)	**$ 1,373**	$ 1,373
Additional paid-in capital	**8,291**	8,332
Retained earnings	**7,376**	6,875
Total common shareholder's equity	**17,040**	16,580
Long-term debt ($74 and $144 related to a VIE, respectively)	**11,236**	9,705
Total capitalization	**28,276**	26,285
CURRENT LIABILITIES		
Commercial paper	**1,687**	268
Other short-term debt	**250**	150
Current maturities of long-term debt	**466**	367
Accounts payable	**893**	837
Customer deposits	**445**	466
Accrued interest and taxes	**439**	240
Accrued construction-related expenditures	**300**	262
Regulatory liabilities	**333**	294
Other	**984**	497
Total current liabilities	**5,797**	3,381
OTHER LIABILITIES AND DEFERRED CREDITS		
Asset retirement obligations	**2,047**	1,919
Deferred income taxes	**5,005**	8,541
Regulatory liabilities	**8,642**	4,893
Other	**477**	482
Total other liabilities and deferred credits	**16,171**	15,835
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	**$ 50,244**	$ 45,501

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

FLORIDA POWER & LIGHT COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(millions)

	Years Ended December 31,		
	2017	2016*	2015*
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	**$ 1,880**	$ 1,727	$ 1,648
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation and amortization	**933**	1,651	1,576
Nuclear fuel and other amortization	**157**	218	209
Deferred income taxes	**905**	932	504
Cost recovery clauses and franchise fees	**82**	94	176
Acquisition of purchased power agreement	**(243)**	—	(521)
Recoverable storm-related costs	**(108)**	(223)	—
Other - net	**(139)**	42	(56)
Changes in operating assets and liabilities:			
Current assets	**(190)**	25	(90)
Noncurrent assets	**(37)**	(31)	(53)
Current liabilities	**701**	16	40
Noncurrent liabilities	**(32)**	(86)	(41)
Net cash provided by operating activities	**3,909**	4,365	3,392
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditures	**(5,174)**	(3,776)	(3,428)
Nuclear fuel purchases	**(117)**	(158)	(205)
Proceeds from sale or maturity of securities in special use funds	**1,986**	2,495	3,731
Purchases of securities in special use funds	**(2,082)**	(2,506)	(3,792)
Other - net	**18**	28	55
Net cash used in investing activities	**(5,369)**	(3,917)	(3,639)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuances of long-term debt	**1,961**	309	1,084
Retirements of long-term debt	**(882)**	(262)	(551)
Net change in commercial paper	**1,419**	212	(1,086)
Proceeds from other short-term debt	**450**	500	100
Repayments of other short-term debt	**(2)**	(450)	—
Capital contributions from NEE	**—**	600	1,454
Dividends to NEE	**(1,450)**	(1,300)	(700)
Other - net	**(15)**	(2)	(8)
Net cash provided by (used in) financing activities	**1,481**	(393)	293
Net increase in cash, cash equivalents and restricted cash	**21**	55	46
Cash, cash equivalents and restricted cash at beginning of year	**153**	98	52
Cash, cash equivalents and restricted cash at end of year	**$ 174**	$ 153	$ 98
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION			
Cash paid for interest (net of amount capitalized)	**$ 472**	$ 434	$ 435
Cash paid for income taxes - net	**$ 2**	$ 147	$ 439
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES			
Accrued property additions	**$ 668**	$ 664	$ 474
Increase in electric utility plant and other property - net as a result of a noncash exchange	**$ (112)**	$ —	$ —

*Prior period amounts have been retrospectively adjusted as discussed in Note 1 - Restricted Cash.

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

FLORIDA POWER & LIGHT COMPANY
CONSOLIDATED STATEMENTS OF COMMON SHAREHOLDER'S EQUITY
(millions)

	Common Stock	Additional Paid-In Capital	Retained Earnings	Common Shareholder's Equity
Balances, December 31, 2014	$ 1,373	$ 6,279	$ 5,499	$ 13,151
Net income	—	—	1,648	
Capital contributions from NEE	—	1,454	—	
Dividends to NEE	—	—	(700)	
Balances, December 31, 2015	1,373	7,733	6,447	$ 15,553
Net income	—	—	1,727	
Capital contributions from NEE	—	600	—	
Dividends to NEE	—	—	(1,300)	
Other	—	(1)	1	
Balances, December 31, 2016	1,373	8,332	6,875	$ 16,580
Net income	**—**	**—**	**1,880**	
Dividends to NEE	**—**	**—**	**(1,450)**	
Other	**—**	**(41)**	**71**	
Balances, December 31, 2017	**$ 1,373**	**$ 8,291**	**$ 7,376**	**$ 17,040**

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

1. Summary of Significant Accounting and Reporting Policies

Basis of Presentation - The operations of NextEra Energy, Inc. (NEE) are conducted primarily through Florida Power & Light Company (FPL), a wholly owned subsidiary, and NextEra Energy Resources, LLC (NEER), a wholly owned indirect subsidiary. FPL, a rate-regulated electric utility, supplies electric service to nearly five million customer accounts throughout most of the east and lower west coasts of Florida. NEER invests in independent power projects through both controlled and consolidated entities and noncontrolling ownership interests in joint ventures essentially all of which are accounted for under the equity method. NEER also participates in natural gas, natural gas liquids and oil production primarily through non-operating ownership interests and in pipeline infrastructure through either wholly owned subsidiaries or noncontrolling or joint venture interests.

The consolidated financial statements of NEE and FPL include the accounts of their respective majority-owned and controlled subsidiaries. Intercompany balances and transactions have been eliminated in consolidation. Certain amounts included in prior years' consolidated financial statements have been reclassified to conform to the current year's presentation. The preparation of financial statements requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

NextEra Energy Partners, LP - NextEra Energy Partners, LP (NEP) was formed in 2014. NEP acquires, manages and owns contracted clean energy projects with stable, long-term cash flows through a limited partner interest in NextEra Energy Operating Partners, LP (NEP OpCo). At December 31, 2017, NEE owned a controlling general partner interest in NEP and consolidated NEP for financial reporting purposes (see below for discussion of deconsolidation of NEP). NEE presented its limited partner interests in NEP as a noncontrolling interest in NEE's consolidated financial statements. Certain equity and asset transactions between NEP, NEER and NEP OpCo involve the exchange of cash, energy projects and ownership interests in NEP OpCo. These exchanges were accounted for under the profit sharing method and resulted in a profit sharing liability, net of amortization, of approximately $866 million and $757 million at December 31, 2017 and 2016, respectively, which is reflected in noncurrent other liabilities on NEE's consolidated balance sheets. In 2016 and 2017, a portion of the profit sharing liability was amortized into income on a straight-line basis over the estimated useful lives of the underlying energy projects held by NEP OpCo. Accordingly, the profit sharing liability amortization totaled approximately $28 million and $37 million during 2017 and 2016 and is included in taxes other than income taxes and other - net in NEE's consolidated statements of income (see Accounting for Partial Sales of Nonfinancial Assets below).

Upon completion of NEP's initial public offering (IPO) in July 2014, NEE, through an indirect wholly owned subsidiary had a 79.9% interest in NEP's operating projects. Since the IPO, NEP has sold 35,527,435 common units and purchased 35,527,435 NEP OpCo common units. Also, in 2015, a subsidiary of NEE purchased 27,000,000 of NEP OpCo's common units. After giving effect to these transactions, NEE's partnership interest in NEP OpCo's operating projects based on the number of outstanding NEP OpCo common units is approximately 65.1% at December 31, 2017. At December 31, 2017, NEP, through NEER's contribution of energy projects to NEP OpCo, owns or has an interest in a portfolio of 26 wind and solar projects with generating capacity totaling approximately 3,728 megawatts (MW), as well as a portfolio of seven long-term contracted natural gas pipeline assets located in Texas.

In October 2015, NEE authorized a program to purchase, from time to time, up to $150 million of common units representing limited partner interests in NEP. Under the program, purchases may be made in amounts, at prices and at such times as NEE or its subsidiaries deem appropriate, all subject to market conditions and other considerations. The common unit purchase program does not require NEE to acquire any specific number of common units and may be modified or terminated by NEE at any time. The purchases may be made in the open market or in privately negotiated transactions. As of December 31, 2017, NEE had purchased approximately $36 million of NEP common units under this program.

During the third quarter of 2017, changes to NEP's governance structure were made that, among other things, enhanced NEP unitholder governance rights. The new governance structure established a NEP board of directors whereby NEP unitholders have the ability to nominate and elect board members, subject to certain limitations and requirements. As a result of these governance changes, NEP was deconsolidated from NEE in January 2018, which is when the term of office of the first NEP unitholder-elected directors took effect. As a result of the deconsolidation of NEP, NEE will reflect its ownership interest in NEP as an equity method investment and future earnings from NEP as equity in earnings of equity method investees in its consolidated financial statements. Upon deconsolidation, the equity method investment was recorded at fair value which resulted in a gain of approximately $4 billion ($3 billion after tax) and will be recorded in NEE's condensed consolidated statements of income during the three months ended March 31, 2018. Additionally, sales of assets to NEP after deconsolidation will be accounted for as third-party sales.

Rate Regulation - FPL is subject to rate regulation by the Florida Public Service Commission (FPSC) and the Federal Energy Regulatory Commission (FERC). Its rates are designed to recover the cost of providing electric service to its customers including a reasonable rate of return on invested capital. As a result of this cost-based regulation, FPL follows the accounting guidance that allows regulators to create assets and impose liabilities that would not be recorded by non-rate regulated entities. Regulatory assets and liabilities represent probable future revenues that will be recovered from or refunded to customers through the ratemaking process.

NEE's and FPL's regulatory assets and liabilities are as follows:

	NEE		FPL	
	December 31,		December 31,	
	2017	2016	**2017**	2016
	(millions)			
Regulatory assets:				
Current:				
Storm reserve deficiency	**$ —**	$ 203	**$ —**	$ 203
Other	**336**	321	**335**	321
Total	**$ 336**	$ 524	**$ 335**	$ 524
Noncurrent:				
Acquisition of purchased power agreements	**$ 963**	$ 636	**$ 963**	$ 636
Other	**1,506**	1,258	**1,286**	937
Total	**$ 2,469**	$ 1,894	**$ 2,249**	$ 1,573
Regulatory liabilities:				
Current:				
Derivatives	**$ —**	$ 208	**$ —**	$ 208
Deferred clause revenues	**296**	86	**296**	86
Other	**50**	5	**37**	—
Total	**$ 346**	$ 299	**$ 333**	$ 294
Noncurrent:				
Accrued asset removal costs	**$ 601**	$ 1,956	**$ 585**	$ 1,944
Asset retirement obligation regulatory expense difference	**2,569**	2,294	**2,569**	2,294
Deferred taxes	**4,981**	96	**4,903**	96
Other	**614**	560	**585**	559
Total	**$ 8,765**	$ 4,906	**$ 8,642**	$ 4,893

Cost recovery clauses, which are designed to permit full recovery of certain costs and provide a return on certain assets allowed to be recovered through various clauses, include substantially all fuel, purchased power and interchange expense, certain costs associated with the acquisition of certain generation facilities, certain construction-related costs for certain of FPL's solar generation facilities, and conservation and certain environmental-related costs. Revenues from cost recovery clauses are recorded when billed; FPL achieves matching of costs and related revenues by deferring the net underrecovery or overrecovery. Any underrecovered costs or overrecovered revenues are collected from or returned to customers in subsequent periods.

In 2015, FPL assumed ownership of a 250 MW coal-fired generation facility located in Jacksonville, Florida (Cedar Bay generation facility) and terminated its long-term purchased power agreement for substantially all of the facility's capacity and energy for a purchase price of approximately $521 million. The FPSC approved a stipulation and settlement between the State of Florida Office of Public Counsel (OPC) and FPL regarding issues relating to the ratemaking treatment for the Cedar Bay generation facility which provides for recovery of the purchase price and associated income tax gross-up as a regulatory asset of approximately $847 million which will be amortized over approximately nine years. At December 31, 2017 and 2016, the regulatory assets, net of amortization, totaled approximately $636 million and $726 million, respectively, and are included in current and noncurrent regulatory assets on NEE's and FPL's consolidated balance sheets. This settlement also reduced the reserve amount that was available for amortization under the 2012 rate agreement by $30 million to $370 million. See Revenues and Rates - FPL Rates Effective January 2013 through December 2016 below. In December 2016, FPL retired the Cedar Bay generation facility.

In 2017, FPL assumed ownership of a 330 MW coal-fired generation facility located in Indiantown, Florida (Indiantown generation facility) for a purchase price of $451 million (including existing debt of approximately $218 million). FPL recorded a regulatory asset for approximately $451 million, which is being amortized over nine years. Prior to assuming ownership of this facility, FPL had a long-term purchased power agreement with this facility for substantially all of its capacity and energy. FPL expects to reduce the plant's operations with the intention of phasing the plant out of service. At December 31, 2017, the regulatory asset, net of amortization totaled approximately $401 million and is included in current and noncurrent regulatory assets on NEE's and FPL's consolidated balance sheets.

If FPL were no longer subject to cost-based rate regulation, the existing regulatory assets and liabilities would be written off unless regulators specify an alternative means of recovery or refund. In addition, the FPSC has the authority to disallow recovery of costs

that it considers excessive or imprudently incurred. The continued applicability of regulatory accounting is assessed at each reporting period.

Revenues and Rates - FPL's retail and wholesale utility rate schedules are approved by the FPSC and the FERC, respectively. FPL records unbilled revenues for the estimated amount of energy delivered to customers but not yet billed. FPL's unbilled revenues are included in customer receivables on NEE's and FPL's consolidated balance sheets and amounted to approximately $423 million and $261 million at December 31, 2017 and 2016, respectively. FPL's operating revenues also include amounts resulting from cost recovery clauses (see Rate Regulation above), franchise fees, gross receipts taxes and surcharges related to storms (see Securitized Storm-Recovery Costs, Storm Fund and Storm Reserve below). Franchise fees and gross receipts taxes are imposed on FPL; however, the FPSC allows FPL to include in the amounts charged to customers the amount of the gross receipts tax for all customers and the franchise fee for those customers located in the jurisdiction that imposes the amount. Accordingly, franchise fees and gross receipts taxes are reported gross in operating revenues and taxes other than income taxes and other in NEE's and FPL's consolidated statements of income and were approximately $767 million, $700 million and $722 million in 2017, 2016 and 2015, respectively. The revenues from the surcharges related to storms included in operating revenues in NEE's and FPL's consolidated statements of income were approximately $393 million, $119 million and $115 million in 2017, 2016 and 2015, respectively. FPL also collects municipal utility taxes which are reported gross in customer receivables and accounts payable on NEE's and FPL's consolidated balance sheets.

FPL Rates Effective January 2017 through December 2020 - In December 2016, the FPSC issued a final order approving a stipulation and settlement between FPL and several intervenors in FPL's base rate proceeding (2016 rate agreement). Key elements of the 2016 rate agreement, which is effective from January 2017 through at least December 2020, include, among other things, the following:

- New retail base rates and charges were established resulting in the following increases in annualized retail base revenues:
  - $400 million beginning January 1, 2017;
  - $211 million beginning January 1, 2018; and
  - $200 million when a new approximately 1,750 MW natural gas-fired combined-cycle unit in Okeechobee County, Florida achieves commercial operation, which is expected to occur in mid-2019.
- In addition, FPL is eligible to receive, subject to conditions specified in the 2016 rate agreement, base rate increases associated with the addition of up to 300 MW annually of new solar generation in each of 2017 through 2020 and may carry forward any unused MW to subsequent years during the term of the 2016 rate agreement. Approximately 300 MW of new solar generating capacity became operational in January 2018. An additional 300 MW is expected to be operational by March 2018 and in both 2019 and 2020. FPL will be required to demonstrate that any proposed solar facilities are cost effective and scheduled to be in service before December 31, 2021. FPL has agreed to an installed cost cap of $1,750 per kilowatt (kW).
- FPL's allowed regulatory return on common equity (ROE) is 10.55%, with a range of 9.60% to 11.60%. If FPL's earned regulatory ROE falls below 9.60%, FPL may seek retail base rate relief. If the earned regulatory ROE rises above 11.60%, any party other than FPL may seek a review of FPL's retail base rates.
- Subject to certain conditions, FPL may amortize, over the term of the 2016 rate agreement, up to $1.0 billion of depreciation reserve surplus plus the reserve amount remaining under FPL's 2012 rate agreement discussed below (approximately $250 million), provided that in any year of the 2016 rate agreement, FPL must amortize at least enough reserve to maintain a 9.60% earned regulatory ROE but may not amortize any reserve that would result in an earned regulatory ROE in excess of 11.60%. See Securitized Storm-Recovery Costs, Storm Fund and Storm Reserve below for discussion of the reserve amortization impact following the enactment of the Tax Cuts and Jobs Act (tax reform).
- Future storm restoration costs would be recoverable on an interim basis beginning 60 days from the filing of a cost recovery petition, but capped at an amount that could produce a surcharge of no more than $4 for every 1,000 kilowatt-hour (kWh) of usage on residential bills during the first 12 months of cost recovery. Any additional costs would be eligible for recovery in subsequent years. If storm restoration costs exceed $800 million in any given calendar year, FPL may request an increase to the $4 surcharge to recover amounts above $400 million. See Securitized Storm-Recovery Costs, Storm Fund and Storm Reserve below.

In January 2017, the Sierra Club filed a notice of appeal challenging the FPSC’s final order approving the 2016 rate agreement, which notice of appeal is pending before the Florida Supreme Court.

FPL Rates Effective January 2013 through December 2016 - Effective January 2013, pursuant to an FPSC final order approving a stipulation and settlement between FPL and several intervenors in FPL's base rate proceeding (2012 rate agreement), new retail base rates and charges for FPL were established resulting in an increase in retail base revenues of $350 million on an annualized basis. The 2012 rate agreement, provided for, among other things, the following:

- a regulatory ROE of 10.50% with a range of plus or minus 100 basis points;
- an increase in annualized base revenue requirements as each of three FPL modernized power plants became operational in April 2013, April 2014 and April 2016;
- the continuation of cost recovery through the capacity cost recovery clause (capacity clause) (reported as retail base revenues)

for a generating unit which was placed in service in May 2011 (beginning January 2017, under the 2016 rate agreement, cost recovery is through base rates);
- subject to certain conditions, the right to reduce depreciation expense up to $400 million (reserve), provided that in any year of the 2012 rate agreement, FPL was required to amortize enough reserve to maintain an earned regulatory ROE within the range of 9.50% to 11.50% (see Rate Regulation above regarding a subsequent reduction in the reserve amount);
- an interim cost recovery mechanism for storm restoration costs (see Securitized Storm-Recovery Costs, Storm Fund and Storm Reserve below); and
- an incentive mechanism whereby customers receive 100% of certain gains, including but not limited to, gains from the purchase and sale of electricity and natural gas (including transportation and storage), up to a specified threshold; gains exceeding that specified threshold were shared by FPL and its customers.

NEER's revenue is recorded on the basis of commodities delivered, contracts settled or services rendered and includes estimated amounts yet to be billed to customers. Certain commodity contracts for the purchase and sale of power that meet the definition of a derivative are recorded at fair value with subsequent changes in fair value recognized as revenue. See Energy Trading below and Note 3.

Effective January 1, 2018, NEE and FPL adopted an accounting standards update that provides guidance on the recognition of revenue from contracts with customers and requires additional disclosures regarding such contracts (new revenue standard). NEE and FPL adopted the new revenue standard using the modified retrospective approach with the cumulative effect recognized as an adjustment to retained earnings on January 1, 2018. FPL and NEER generate substantially all of NEE's operating revenues. FPL's revenue from contracts with customers is derived primarily from tariff-based sales that result from providing electricity to retail customers in Florida with no defined contractual term. For these types of sales, FPL will recognize revenues under the new revenue standard as electricity is delivered and billed to customers, as well as an estimate for electricity delivered and not yet billed. NEER's revenue from contracts with customers is derived primarily from the sale of energy commodities, electric capacity and electric transmission. For these types of sales, NEER will recognize revenues under the new revenue standard as energy commodities are delivered and as electric capacity and electric transmission are made available, consistent with the amounts billed to customers. NEER believes for substantially all of its contracts with customers that the obligation to deliver energy, capacity or transmission is satisfied over time as the customer simultaneously receives and consumes benefits as NEER performs. Revenue recognition under the new revenue standard for both FPL and NEER is substantially consistent with prior practice and as a result the cumulative effect of adopting the new revenue standard on January 1, 2018 was not material to NEE or FPL.

Electric Plant, Depreciation and Amortization - The cost of additions to units of property of FPL and NEER is added to electric plant in service and other property. In accordance with regulatory accounting, the cost of FPL's units of utility property retired, less estimated net salvage value, is charged to accumulated depreciation. Maintenance and repairs of property as well as replacements and renewals of items determined to be less than units of utility property are charged to other operations and maintenance (O&M) expenses. At December 31, 2017, the electric generation, transmission, distribution and general facilities of FPL represented approximately 49%, 11%, 34% and 6%, respectively, of FPL's gross investment in electric utility plant in service and other property. Substantially all of FPL's properties are subject to the lien of FPL's mortgage, which secures most debt securities issued by FPL. A number of NEER's generation and pipeline facilities are encumbered by liens securing various financings. The net book value of NEER's assets serving as collateral was approximately $15.6 billion at December 31, 2017. The American Recovery and Reinvestment Act of 2009, as amended (Recovery Act), provided for an option to elect a cash grant (convertible investment tax credits (ITCs)) for certain renewable energy property (renewable property). Convertible ITCs are recorded as a reduction in property, plant and equipment on NEE's and FPL's consolidated balance sheets and are amortized as a reduction to depreciation and amortization expense over the estimated life of the related property. At December 31, 2017 and 2016, convertible ITCs, net of amortization, were approximately $1.9 billion ($140 million at FPL) and $2.1 billion ($147 million at FPL). At December 31, 2017 and 2016, approximately $138 million and $289 million, respectively, of such convertible ITCs are included primarily in other receivables on NEE's consolidated balance sheets.

Depreciation of FPL's electric property is primarily provided on a straight-line average remaining life basis. FPL includes in depreciation expense a provision for fossil and solar plant dismantlement, interim asset removal costs, accretion related to asset retirement obligations (see Decommissioning of Nuclear Plants, Dismantlement of Plants and Other Accrued Asset Removal Costs below), storm recovery amortization and amortization of pre-construction costs associated with planned nuclear units recovered through a cost recovery clause. For substantially all of FPL's property, depreciation studies are typically performed and filed with the FPSC every four years. In accordance with the 2012 rate agreement, FPL was not required to file depreciation studies during the effective period of the agreement; therefore, previously approved depreciation rates which became effective January 1, 2010 remained in effect through December 2016. As part of the 2016 rate agreement, the FPSC approved new depreciation rates which became effective January 1, 2017. As discussed in Revenues and Rates above, the use of reserve amortization is permitted under the 2016 rate agreement and was also permitted under the 2012 rate agreement. In accordance with the 2016 rate agreement and the 2012 rate agreement, FPL recorded reserve amortization (reversal) of approximately $1,250 million, $13 million and $(15) million in 2017, 2016 and 2015, respectively. Reserve amortization is recorded as a reduction to (or when reversed as an increase to) accrued asset removal costs which is reflected in noncurrent regulatory liabilities on NEE's and FPL's consolidated balance sheets. In December 2017, following the enactment of tax reform, FPL used available reserve amortization to offset nearly all of the write-off of Hurricane Irma storm restoration costs, and FPL plans to partially restore the reserve amortization through tax savings generated

during the term of the 2016 rate agreement. See Securitized Storm-Recovery Costs, Storm Fund and Storm Reserve below and Note 5. The weighted annual composite depreciation and amortization rate for FPL's electric utility plant in service, including capitalized software, but excluding the effects of decommissioning, dismantlement and the depreciation adjustments discussed above, was approximately 3.7%, 3.4% and 3.3% for 2017, 2016 and 2015, respectively. FPL files a twelve-month forecast with the FPSC each year which contains a regulatory ROE intended to be earned based on the best information FPL has at that time assuming normal weather. This forecast establishes a fixed targeted regulatory ROE. In order to earn the targeted regulatory ROE in each reporting period under the effective rate agreement, reserve amortization is calculated using a trailing thirteen-month average of retail rate base and capital structure in conjunction with the trailing twelve months regulatory retail base net operating income, which primarily includes the retail base portion of base and other revenues, net of O&M, depreciation and amortization, interest and tax expenses. In general, the net impact of these income statement line items is adjusted, in part, by reserve amortization or its reversal to earn the targeted regulatory ROE.

NEER's electric plant in service less salvage value, if any, are depreciated primarily using the straight-line method over their estimated useful lives. At December 31, 2017 and 2016, wind, solar and nuclear plants represented approximately 61% and 62%, 15% and 14% and 9% and 10%, respectively, of NEER's depreciable electric plant in service and other property. The estimated useful lives of NEER's plants range primarily from 25 to 35 years for wind plants, 25 to 30 years for solar plants and from 20 to 47 years for nuclear plants. NEER reviews the estimated useful lives of its fixed assets on an ongoing basis. In 2017, this review indicated that the actual lives of certain equipment at its wind plants are expected to be longer than those previously estimated for depreciation purposes. As a result, effective January 1, 2017, NEER changed the estimated useful lives of certain wind plant equipment from 30 years to 35 years to better reflect the period during which these assets are expected to remain in service. This change increased net income attributable to NEE by approximately $60 million and basic and diluted earnings per share attributable to NEE by approximately $0.12 for the year ended December 31, 2017. NEER's oil and gas production assets, representing approximately 9% and 8%, respectively, of NEER's depreciable electric plant in service and other property at December 31, 2017 and 2016, are accounted for under the successful efforts method. Depletion expenses for the acquisition of reserve rights and development costs are recognized using the unit of production method.

Nuclear Fuel - FPL and NEER have several contracts for the supply of uranium and the conversion, enrichment and fabrication of nuclear fuel. See Note 13 - Contracts. FPL's and NEER's nuclear fuel costs are charged to fuel expense on a unit of production method.

Construction Activity - Allowance for funds used during construction (AFUDC) is a noncash item which represents the allowed cost of capital, including an ROE, used to finance construction projects. The portion of AFUDC attributable to borrowed funds is recorded as a reduction of interest expense and the remainder is recorded as other income. For FPL, FPSC rules limit the recording of AFUDC to projects that have an estimated cost in excess of 0.5% of a utility's plant in service balance and require more than one year to complete. FPSC rules allow construction projects below the 0.5% threshold as a component of rate base. During 2017, 2016 and 2015, FPL capitalized AFUDC at a rate of 6.16%, 6.34% and 6.34%, respectively, which amounted to approximately $101 million, $97 million and $88 million, respectively. See Note 13 - Commitments.

FPL's construction work in progress includes construction materials, progress payments on major equipment contracts, engineering costs, AFUDC and other costs directly associated with the construction of various projects. Upon completion of the projects, these costs are transferred to electric utility plant in service and other property. Capitalized costs associated with construction activities are charged to O&M expenses when recoverability is no longer probable.

NEER capitalizes project development costs once it is probable that such costs will be realized through the ultimate construction of a power plant or sale of development rights. At December 31, 2017 and 2016, NEER's capitalized development costs totaled approximately $433 million and $193 million, respectively, which are included in noncurrent other assets on NEE's consolidated balance sheets. These costs include land rights and other third-party costs directly associated with the development of a new project. Upon commencement of construction, these costs either are transferred to construction work in progress or remain in other assets, depending upon the nature of the cost. Capitalized development costs are charged to O&M expenses when it is no longer probable that these costs will be realized.

NEER's construction work in progress includes construction materials, progress payments on major equipment contracts, third-party engineering costs, capitalized interest and other costs directly associated with the construction and development of various projects. Interest capitalized on construction projects amounted to approximately $89 million, $107 million and $100 million during 2017, 2016 and 2015, respectively. Interest expense allocated from NextEra Energy Capital Holdings, Inc. (NEECH) to NEER is based on a deemed capital structure of 70% debt. Upon commencement of plant operation, costs associated with construction work in progress are transferred to electric plant in service and other property.

Asset Retirement Obligations - NEE and FPL each account for asset retirement obligations and conditional asset retirement obligations (collectively, AROs) under accounting guidance that requires a liability for the fair value of an ARO to be recognized in the period in which it is incurred if it can be reasonably estimated, with the offsetting associated asset retirement costs capitalized as part of the carrying amount of the long-lived assets. The asset retirement cost is subsequently allocated to expense, for NEE's non-rate regulated operations, and regulatory liability, for FPL, using a systematic and rational method over the asset’s estimated

useful life. Changes in the ARO resulting from the passage of time are recognized as an increase in the carrying amount of the liability and as accretion expense, which is included in depreciation and amortization expense in the consolidated statements of income for NEE's non-rate regulated operations, and ARO and regulatory liability, in the case of FPL. Changes resulting from revisions to the timing or amount of the original estimate of cash flows are recognized as an increase or a decrease in the asset retirement cost, or income when asset retirement cost is depleted, in the case of NEE's non-rate regulated operations, and ARO and regulatory liability, in the case of FPL. See Decommissioning of Nuclear Plants, Dismantlement of Plants and Other Accrued Asset Removal Costs below and Note 12.

Decommissioning of Nuclear Plants, Dismantlement of Plants and Other Accrued Asset Removal Costs - For ratemaking purposes, FPL accrues for the cost of end of life retirement and disposal of its nuclear, fossil and solar plants over the expected service life of each unit based on nuclear decommissioning and fossil and solar dismantlement studies periodically filed with the FPSC. In addition, FPL accrues for interim removal costs over the life of the related assets based on depreciation studies approved by the FPSC. As approved by the FPSC, FPL previously suspended its annual decommissioning accrual. For financial reporting purposes, FPL recognizes decommissioning and dismantlement liabilities in accordance with accounting guidance that requires a liability for the fair value of an ARO to be recognized in the period in which it is incurred. Any differences between expense recognized for financial reporting purposes and the amount recovered through rates are reported as a regulatory liability in accordance with regulatory accounting. See Revenues and Rates, Electric Plant, Depreciation and Amortization, Asset Retirement Obligations above and Note 12.

Nuclear decommissioning studies are performed at least every five years and are submitted to the FPSC for approval. FPL filed updated nuclear decommissioning studies with the FPSC in December 2015. These studies reflect FPL's current plans, under the operating licenses, for prompt dismantlement of Turkey Point Units Nos. 3 and 4 following the end of plant operation with decommissioning activities commencing in 2032 and 2033, respectively, and provide for St. Lucie Unit No. 1 to be mothballed beginning in 2036 with decommissioning activities to be integrated with the prompt dismantlement of St. Lucie Unit No. 2 in 2043. These studies also assume that FPL will be storing spent fuel on site pending removal to a United States (U.S.) government facility. The studies indicate FPL's portion of the ultimate costs of decommissioning its four nuclear units, including costs associated with spent fuel storage above what is expected to be refunded by the U.S. Department of Energy (DOE) under a spent fuel settlement agreement, to be approximately $7.5 billion, or $3.1 billion expressed in 2017 dollars.

Restricted funds for the payment of future expenditures to decommission FPL's nuclear units are included in nuclear decommissioning reserve funds, which are included in special use funds on NEE's and FPL's consolidated balance sheets. Marketable securities held in the decommissioning funds are primarily classified as available for sale and carried at fair value. See Note 4. Fund earnings, consisting of dividends, interest and realized gains and losses, net of taxes, are reinvested in the funds. Fund earnings, as well as any changes in unrealized gains and losses, are not recognized in income and are reflected as a corresponding offset in the related regulatory liability accounts. FPL does not currently make contributions to the decommissioning funds, other than the reinvestment of fund earnings. During 2017, 2016 and 2015 fund earnings on decommissioning funds were approximately $114 million, $102 million and $96 million, respectively. The tax effects of amounts not yet recognized for tax purposes are included in deferred income taxes.

Fossil and solar plant dismantlement studies are typically performed at least every four years and are submitted to the FPSC for approval. In accordance with the 2012 rate agreement, FPL was not required to file fossil and solar dismantlement studies during the effective period of the agreement; therefore, previously approved studies which became effective January 1, 2010 remained in effect through December 2016 and resulted in an annual expense of $18 million which is recorded in depreciation and amortization expense in NEE's and FPL's consolidated statements of income. As part of the 2016 rate agreement, the FPSC approved a new annual expense of $26 million based on FPL's 2016 fossil and solar dismantlement studies which became effective January 1, 2017. At December 31, 2017, FPL's portion of the ultimate cost to dismantle its fossil and solar units is approximately $1.2 billion, or $497 million expressed in 2017 dollars.

NEER records nuclear decommissioning liabilities for Seabrook Station (Seabrook), Duane Arnold Energy Center (Duane Arnold) and Point Beach Nuclear Power Plant (Point Beach) and dismantlement liabilities for its wind and solar facilities, when required in accordance with accounting guidance that requires a liability for the fair value of an ARO to be recognized in the period in which it is incurred. The liabilities are being accreted using the interest method through the date decommissioning or dismantlement activities are expected to be complete. See Note 12. At December 31, 2017 and 2016, NEER's ARO, which is primarily related to nuclear decommissioning and wind and solar dismantlement, was approximately $984 million and $817 million, respectively, and was primarily determined using various internal and external data and applying a probability percentage to a variety of scenarios regarding the life of the plant and timing of decommissioning or dismantlement. NEER's portion of the ultimate cost of decommissioning its nuclear plants, including costs associated with spent fuel storage above what is expected to be refunded by the DOE under a spent fuel settlement agreement, is estimated to be approximately $10.8 billion, or $2.0 billion expressed in 2017 dollars. The ultimate cost to dismantle NEER's wind and solar facilities is estimated to be approximately $1.9 billion.

Seabrook files a comprehensive nuclear decommissioning study with the New Hampshire Nuclear Decommissioning Financing Committee (NDFC) every four years; the most recent study was filed in 2015. Seabrook's decommissioning funding plan is also subject to annual review by the NDFC. Currently, there are no ongoing decommissioning funding requirements for Seabrook, Duane

Arnold and Point Beach, however, the U.S. Nuclear Regulatory Commission (NRC), and in the case of Seabrook, the NDFC, has the authority to require additional funding in the future. NEER's portion of Seabrook's, Duane Arnold's and Point Beach's restricted funds for the payment of future expenditures to decommission these plants is included in nuclear decommissioning reserve funds, which are included in special use funds on NEE's consolidated balance sheets. Marketable securities held in the decommissioning funds are primarily classified as available for sale and carried at fair value. Market adjustments result in a corresponding adjustment to other comprehensive income (OCI), except for unrealized losses associated with marketable securities considered to be other than temporary, including any credit losses, which are recognized as other than temporary impairment losses on securities held in nuclear decommissioning funds in NEE's consolidated statements of income. Fund earnings are recognized in income and are reinvested in the funds. See Note 4. The tax effects of amounts not yet recognized for tax purposes are included in deferred income taxes.

Major Maintenance Costs - FPL expenses costs associated with planned fossil maintenance as incurred. FPL recognizes costs associated with planned major nuclear maintenance in accordance with regulatory treatment. As part of the 2016 rate agreement, the FPSC authorized FPL to change its regulatory accounting treatment of nuclear maintenance costs. Therefore, in 2017, FPL began deferring the actual nuclear maintenance costs for each nuclear unit's planned outage to a regulatory asset as the costs were incurred and amortizing the costs to O&M expense over the period from the end of the current outage to the end of the next planned outage. The deferred asset for nuclear maintenance costs at December 31, 2017 totaled approximately $65 million and is included in noncurrent regulatory assets on NEE's and FPL's consolidated balance sheets. Prior to 2017, FPL's estimated nuclear maintenance costs for each nuclear unit's next planned outage were accrued over the period from the end of the last outage to the end of the next planned outage. Any difference between the estimated and actual costs was included in O&M expenses when known. The accrued liability for nuclear maintenance costs at December 31, 2016 totaled approximately $65 million and is included in noncurrent regulatory liabilities on NEE's and FPL's consolidated balance sheets. For the years ended December 31, 2017, 2016 and 2015, FPL recognized approximately $42 million, $89 million and $90 million, respectively, in nuclear maintenance costs which are primarily included in O&M expenses in NEE's and FPL's consolidated statements of income.

NEER uses the deferral method to account for certain planned major maintenance costs. NEER's major maintenance costs for its nuclear generation units and combustion turbines are capitalized and amortized on a unit of production method over the period from the end of the last outage to the beginning of the next planned outage. NEER's capitalized major maintenance costs, net of accumulated amortization, totaled approximately $79 million and $69 million at December 31, 2017 and 2016, respectively, and are included in noncurrent other assets on NEE's consolidated balance sheets. For the years ended December 31, 2017, 2016 and 2015, NEER amortized approximately $68 million, $74 million and $79 million in major maintenance costs which are included in O&M expenses in NEE's consolidated statements of income.

Cash Equivalents - Cash equivalents consist of short-term, highly liquid investments with original maturities of three months or less.

Restricted Cash - In the fourth quarter of 2017, NEE and FPL early adopted an accounting standards update which requires that restricted cash be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the consolidated statements of cash flows. NEE and FPL adopted the standards update retrospectively, which adoption did not have a material impact on NEE's or FPL's consolidated statements of cash flows.

At December 31, 2017 and 2016, NEE had approximately $269 million ($141 million for FPL) and $237 million ($120 million for FPL), respectively, of restricted cash, of which approximately $247 million ($128 million for FPL) and $228 million ($120 million for FPL), respectively, is included in current other assets and the remaining balance is included in noncurrent other assets on NEE's and FPL's consolidated balance sheets. Restricted cash is primarily related to debt service payments, bond proceeds held for construction at FPL and margin cash collateral requirements. In addition, where offsetting positions exist, restricted cash related to margin cash collateral is netted against derivative instruments, which totaled $83 million at December 31, 2016. See Note 3.

Allowance for Doubtful Accounts - FPL maintains an accumulated provision for uncollectible customer accounts receivable that is estimated using a percentage, derived from historical revenue and write-off trends, of the previous four months of revenue. Additional amounts are included in the provision to address specific items that are not considered in the calculation described above. NEER regularly reviews collectibility of its receivables and establishes a provision for losses estimated as a percentage of accounts receivable based on the historical bad debt write-off trends for its retail electricity provider operations and, when necessary, using the specific identification method for all other receivables.

Inventory - FPL values materials, supplies and fossil fuel inventory using a weighted-average cost method. NEER's materials, supplies and fossil fuel inventories are carried at the lower of weighted-average cost and net realizable value, unless evidence indicates that the weighted-average cost (even if in excess of net realizable value) will be recovered with a normal profit upon sale in the ordinary course of business.

Energy Trading - NEE provides full energy and capacity requirements services primarily to distribution utilities, which include load-following services and various ancillary services, in certain markets and engages in power and gas marketing and trading activities to optimize the value of electricity and fuel contracts, generation facilities and gas infrastructure assets, as well as to take advantage of projected favorable commodity price movements. Trading contracts that meet the definition of a derivative are accounted for at

fair value and realized gains and losses from all trading contracts, including those where physical delivery is required, are recorded net for all periods presented. See Note 3.

Securitized Storm-Recovery Costs, Storm Fund and Storm Reserve - In connection with the 2007 storm-recovery bond financing (see Note 8 - FPL), the net proceeds to FPL from the sale of the storm-recovery property were used primarily to reimburse FPL for its estimated net of tax deficiency in its storm and property insurance reserve (storm reserve) and provide for a storm and property insurance reserve fund (storm fund). Upon the issuance of the storm-recovery bonds, the storm reserve deficiency was reclassified to securitized storm-recovery costs which is recorded as a current and noncurrent regulatory asset on NEE's and FPL's consolidated balance sheets. As storm-recovery charges are billed to customers (which are included in operating revenues), the securitized storm-recovery costs are amortized and included in depreciation and amortization expense in NEE's and FPL's consolidated statements of income. Marketable securities held in the storm fund are classified as available for sale and are carried at fair value. See Note 4. Fund earnings, consisting of dividends, interest and realized gains and losses, net of taxes, are reinvested in the fund. Fund earnings, as well as any changes in unrealized gains and losses, are not recognized in income and are reflected as a corresponding adjustment to the storm reserve. The tax effects of amounts not yet recognized for tax purposes are included in deferred income taxes. During the fourth quarter of 2016, all available funds were withdrawn from the storm fund to pay for the storm restoration costs associated with Hurricane Hermine and Hurricane Matthew (see below regarding Hurricane Hermine and Hurricane Matthew).

FPL was impacted by Hurricane Hermine and Hurricane Matthew in 2016 and Hurricane Irma in 2017. Hurricane Matthew and Hurricane Irma resulted in damage throughout much of FPL's service territory. Damage to FPL property from the hurricanes was primarily limited to the transmission and distribution systems. In March 2017, FPL began recovering from its retail customers, through an interim storm surcharge over a 12-month period, eligible storm restoration costs associated with Hurricane Matthew of approximately $201 million ($294 million of recoverable costs less $93 million available in FPL's storm reserve prior to the storm), plus approximately $117 million to replenish the storm reserve to the level authorized in FPL's 2012 rate agreement. The amount collected is subject to refund based on an FPSC prudence review, which hearings are scheduled for May 2018. As the portion of the Hurricane Matthew surcharge applicable to the replenishment of the storm reserve is billed to customers (which is recorded as operating revenues), the storm reserve will be recognized as a regulatory liability and charged to depreciation and amortization expense in NEE's and FPL's consolidated statements of income. At December 31, 2017, FPL had collected approximately $74 million of the storm reserve replenishment (included in noncurrent regulatory liabilities on NEE's and FPL's consolidated balance sheets), which provides capacity to absorb future prudently incurred storm restoration costs without seeking cost recovery approval from the FPSC. Accrued storm restoration costs were approximately $428 million at December 31, 2017 and are included in current other liabilities on NEE's and FPL's consolidated balance sheets.

In December 2017, following the enactment of tax reform, FPL determined that it would not seek recovery of Hurricane Irma storm restoration costs of approximately $1.3 billion through a storm surcharge from customers and, as a result, the regulatory asset associated with Hurricane Irma was written off in December 2017 as storm restoration costs in NEE's and FPL's consolidated statements of income. As allowed under the 2016 rate agreement, FPL used available reserve amortization to offset nearly all of the expense, and plans to partially restore the reserve amortization through tax savings generated during the term of the 2016 rate agreement. In January 2018, the OPC filed a petition with the FPSC to investigate and adjust rates for all Florida investor-owned utilities, including FPL, related to the reduction in the federal corporate income tax rate as a result of tax reform. FPL believes that the benefits of tax reform will be realized by FPL's customers in accordance with the 2016 rate agreement as discussed above. See Note 5.

Impairment of Long-Lived Assets - NEE evaluates long-lived assets for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is required to be recognized if the carrying value of the asset exceeds the undiscounted future net cash flows associated with that asset. The impairment loss to be recognized is the amount by which the carrying value of the long-lived asset exceeds the asset's fair value. In most instances, the fair value is determined by discounting estimated future cash flows using an appropriate interest rate. See Note 4 - Nonrecurring Fair Value Measurements.

Goodwill and Other Intangible Assets - NEE's goodwill and other intangible assets are as follows:

	Weighted-Average Useful Lives	December 31,	
		2017	2016
	(years)	(millions)	
Goodwill (by reporting unit):			
NEER segment:			
Gas infrastructure, primarily Texas pipelines		**$ 641**	$ 641
Customer supply		**72**	72
Generation assets		**40**	38
Other		**11**	28
Total goodwill		**$ 764**	$ 779
Other intangible assets not subject to amortization, primarily land easements		**$ 138**	$ 143
Other intangible assets subject to amortization:			
Customer relationships associated with gas infrastructure	41	**$ 700**	$ 700
Purchased power agreements	22	**521**	444
Other, primarily transmission and development rights and customer lists	23	**79**	81
Total		**1,300**	1,225
Accumulated amortization		**(151)**	(115)
Total other intangible assets subject to amortization - net		**$ 1,149**	$ 1,110

NEE's goodwill relates to various acquisitions which were accounted for using the purchase method of accounting. Other intangible assets subject to amortization are amortized, primarily on a straight-line basis, over their estimated useful lives. Amortization expense was approximately $35 million, $35 million and $17 million for the years ended December 31, 2017, 2016 and 2015, respectively, and is expected to be approximately $36 million, $35 million, $35 million, $35 million and $35 million for 2018, 2019, 2020, 2021 and 2022, respectively.

Goodwill and other intangible assets are primarily included in noncurrent other assets on NEE's consolidated balance sheets. Goodwill and other intangible assets not subject to amortization are assessed for impairment at least annually by applying a fair value-based analysis. Other intangible assets subject to amortization are periodically reviewed when impairment indicators are present to assess recoverability from future operations using undiscounted future cash flows.

Effective January 1, 2018, NEE and FPL adopted an accounting standards update that clarified the definition of a business. The revised guidance affects the evaluation of whether a transaction should be accounted for as an acquisition or disposition of an asset or a business. NEE and FPL adopted this guidance on a prospective basis effective January 1, 2018.

Pension Plan - NEE allocates net periodic pension income to its subsidiaries based on the pensionable earnings of the subsidiaries' employees. Accounting guidance requires recognition of the funded status of the pension plan in the balance sheet, with changes in the funded status recognized in other comprehensive income within shareholders' equity in the year in which the changes occur. Since NEE is the plan sponsor, and its subsidiaries do not have separate rights to the plan assets or direct obligations to their employees, this accounting guidance is reflected at NEE and not allocated to the subsidiaries. The portion of previously unrecognized actuarial gains and losses and prior service costs or credits that are estimated to be allocable to FPL as net periodic (income) cost in future periods and that otherwise would be recorded in accumulated other comprehensive income (AOCI) are classified as regulatory assets and liabilities at NEE in accordance with regulatory treatment.

Stock-Based Compensation - NEE accounts for stock-based payment transactions based on grant-date fair value. Compensation costs for awards with graded vesting are recognized on a straight-line basis over the requisite service period for the entire award. Forfeitures of stock-based awards are recognized as they occur. See Note 10 - Stock-Based Compensation.

Retirement of Long-Term Debt - Gains and losses that result from differences in FPL's reacquisition cost and the net book value of long-term debt which is retired are deferred as a regulatory asset or liability and amortized to interest expense ratably over the remaining life of the original issue, which is consistent with its treatment in the ratemaking process. NEECH and NEER recognize such differences in interest expense at the time of retirement.

Income Taxes - Deferred income taxes are recognized on all significant temporary differences between the financial statement and tax bases of assets and liabilities, and are presented as noncurrent on NEE's and FPL's consolidated balance sheets. In connection with the tax sharing agreement between NEE and certain of its subsidiaries, the income tax provision at each applicable subsidiary reflects the use of the "separate return method," except that tax benefits that could not be used on a separate return basis, but are used on the consolidated tax return, are recorded by the subsidiary that generated the tax benefits. Any remaining consolidated

income tax benefits or expenses are recorded at the corporate level. Included in other regulatory assets and other regulatory liabilities on NEE's and FPL's consolidated balance sheets is the revenue equivalent of the difference in deferred income taxes computed under accounting rules, as compared to regulatory accounting rules. The net regulatory liability totaled $4,213 million ($4,180 million for FPL) at December 31, 2017 and the net regulatory asset totaled $289 million ($266 million for FPL) at December 31, 2016, and is being amortized in accordance with the regulatory treatment over the estimated lives of the assets or liabilities for which the deferred tax amount was initially recognized.

Production tax credits (PTCs) are recognized as wind energy is generated and sold based on a per kWh rate prescribed in applicable federal and state statutes and are recorded as a reduction of current income taxes payable, unless limited by tax law in which instance they are recorded as deferred tax assets. NEER recognizes ITCs as a reduction to income tax expense when the related energy property is placed into service. FPL recognizes ITCs as a reduction to income tax expense over the depreciable life of the related energy property. At December 31, 2017 and 2016, FPL's accumulated deferred ITCs were approximately $119 million and $123 million, respectively, and are included in noncurrent regulatory liabilities on NEE's and FPL's consolidated balance sheets. NEE and FPL record a deferred income tax benefit created by the convertible ITCs on the difference between the financial statement and tax bases of renewable property. For NEER, this deferred income tax benefit is recorded in income tax expense in the year that the renewable property is placed in service. For FPL, this deferred income tax benefit is offset by a regulatory liability, which is amortized as a reduction of depreciation expense over the approximate lives of the related renewable property in accordance with the regulatory treatment. At December 31, 2017 and 2016, the net deferred income tax benefits associated with FPL's convertible ITCs were approximately $44 million and $46 million, respectively, and are included in noncurrent regulatory assets and noncurrent regulatory liabilities on NEE's and FPL's consolidated balance sheets.

A valuation allowance is recorded to reduce the carrying amounts of deferred tax assets when it is more likely than not that such assets will not be realized. NEE recognizes interest income (expense) related to unrecognized tax benefits (liabilities) in interest income and interest expense, respectively, net of the amount deferred at FPL. At FPL, the offset to accrued interest receivable (payable) on income taxes is classified as a regulatory liability (regulatory asset) which will be amortized to income (expense) over a five-year period upon settlement in accordance with regulatory treatment. All tax positions taken by NEE in its income tax returns that are recognized in the financial statements must satisfy a more-likely-than-not threshold. NEE and its subsidiaries file income tax returns in the U.S. federal jurisdiction and various states, the most significant of which is Florida, and certain foreign jurisdictions. Federal tax liabilities, with the exception of certain refund claims, are effectively settled for all years prior to 2013. State and foreign tax liabilities, which have varied statutes of limitations regarding additional assessments, are generally effectively settled for years prior to 2009. At December 31, 2017, NEE had unrecognized tax benefits of approximately $71 million that, if disallowed, could impact the annual effective income tax rate. The amounts of unrecognized tax benefits and related interest accruals may change within the next 12 months; however, NEE and FPL do not expect these changes to have a significant impact on NEE's or FPL's financial statements. See Note 5.

Sale of Differential Membership Interests - Certain subsidiaries of NEER sold their Class B membership interest in entities that have ownership interests in wind and solar facilities, with generating capacity totaling approximately 8,197 MW and 374 MW, respectively, at December 31, 2017, to third-party investors. In exchange for the cash received, the holders of the Class B membership interests will receive a portion of the economic attributes of the facilities, including income tax attributes, for variable periods. The proceeds received were deferred and recorded as a liability in deferral related to differential membership interests - VIEs on NEE's consolidated balance sheets. The deferred amount was being recognized in benefits associated with differential membership interests - net in NEE's consolidated statements of income as the Class B members receive their portion of the economic attributes. See Accounting for Partial Sales of Nonfinancial Assets below. NEE continues to operate and manage the wind and solar facilities, and consolidates the entities that own the wind and solar facilities.

Variable Interest Entities (VIEs) - An entity is considered to be a VIE when its total equity investment at risk is not sufficient to permit the entity to finance its activities without additional subordinated financial support, or its equity investors, as a group, lack the characteristics of having a controlling financial interest. A reporting company is required to consolidate a VIE as its primary beneficiary when it has both the power to direct the activities of the VIE that most significantly impact the VIE's economic performance, and the obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant to the VIE. NEE and FPL evaluate whether an entity is a VIE whenever reconsideration events as defined by the accounting guidance occur. See Note 8.

Leases - In February 2016, the Financial Accounting Standards Board issued an accounting standards update which requires, among other things, that lessees recognize a lease liability, initially measured at the present value of the future lease payments, and a right-of-use asset for all leases (with the exception of short-term leases). This standards update also requires new qualitative and quantitative disclosures for both lessees and lessors. This standards update will be effective for NEE and FPL beginning January 1, 2019. Early adoption is permitted.

NEE and FPL are currently reviewing their portfolio of contracts and evaluating the proper application of the standards update to these contracts in order to determine the impact the adoption will have on their consolidated financial statements. NEE and FPL are implementing a number of system enhancements to facilitate the identification, tracking and reporting of leases based upon the requirements of this standards update. NEE and FPL anticipate adopting this standards update on January 1, 2019.

Accounting for Partial Sales of Nonfinancial Assets - Effective January 1, 2018, NEE and FPL adopted an accounting standards update regarding the accounting for partial sales of nonfinancial assets. This standards update affects the accounting and related financial statement presentation for the sales of differential membership interests to third-party investors and the sales of NEER assets to indirect subsidiaries of NEP and was adopted using the modified retrospective approach, resulting in cumulative effects being recognized on January 1, 2018. For the sales of differential membership interests to third-party investors, NEE recorded an increase to retained earnings of approximately $50 million and a reduction to additional paid-in capital of $70 million on January 1, 2018. In addition to the cumulative effects, the liability reflected as deferral related to differential membership interests - VIEs on NEE's consolidated balance sheets at December 31, 2017 was reclassified to noncontrolling interests on January 1, 2018. In future periods, as tax equity investors receive their portion of the economic attributes, NEE will record a reduction to net income attributable to noncontrolling interests. Additionally, the profit sharing liability associated with the sales of NEER assets to NEP was eliminated and NEE recorded an increase to additional paid-in capital of approximately $830 million and a reduction to retained earnings of approximately $50 million on January 1, 2018. The adoption of this standards update did not have an impact on FPL.

Merger Terminations - From July 2016 through October 2016, NEE and certain of its affiliates entered into several agreements with Energy Future Holdings Corp. (EFH) and Energy Future Intermediate Holding Company LLC (EFIH), Texas Transmission Holdings Corporation (TTHC), Oncor Management Investment LLC and certain of their affiliates, which would have resulted in NEE owning 100% of Oncor Electric Delivery Company LLC (Oncor) if the transactions contemplated by those agreements would have been consummated. The agreements with EFH and EFIH and TTHC were subject to, among other things, approval by the Public Utility Commission of Texas (PUCT). In April 2017, the PUCT issued a final order denying NEE's purchase of Oncor. In July 2017, EFH and EFIH provided a written notice to NEE terminating the agreement and plan of merger, dated as of July 29, 2016, as amended (merger agreement), under which EFH Merger Co., LLC, a direct wholly owned subsidiary of NEE, would have acquired 100% of the equity of reorganized EFH and certain of its subsidiaries, including its indirect ownership of approximately 80% of the outstanding equity interests of Oncor. Subsequently, NEE, EFH and EFIH and a large creditor of EFIH commenced legal proceedings in the U.S. Bankruptcy Court for the District of Delaware (bankruptcy court) in which the chapter 11 bankruptcy proceedings of EFH and EFIH are taking place to determine whether NEE is entitled to receive the $275 million termination fee to which NEE believes it is entitled under the merger agreement and a September 2016 order of the bankruptcy court approving the termination fee payment provisions of the merger agreement (2016 termination fee approval order). In October 2017, the judge presiding over these proceedings issued an opinion and order in one of these legal proceedings that the bankruptcy court's issuance of the 2016 termination fee approval order was based upon a fundamental misapprehension of critical facts by the bankruptcy court and, accordingly, ordered that EFH and EFIH are not authorized to pay the fee. NEE has appealed this decision and believes it is erroneous. Until that appeal is ultimately resolved, the remaining legal proceedings in the bankruptcy court between NEE, EFH and EFIH and the large creditor of EFIH as to whether NEE would be entitled to the termination fee if the foregoing appeal is successful have been stayed.

In October 2017, the agreement and plan of merger, dated as of October 30, 2016, pursuant to which a direct wholly owned subsidiary of NEE would have merged with TTHC, was terminated with no material impact to NEE.

In 2014, NEE and Hawaiian Electric Industries, Inc. (HEI) entered into an Agreement and Plan of Merger (the HEI merger agreement) pursuant to which Hawaiian Electric Company, Inc. (HECO), HEI's wholly owned electric utility subsidiary, was to become a wholly owned subsidiary of NEE. In July 2016, the Hawaii Public Utilities Commission issued an order dismissing NEE's and HECO's merger application and, as a result, NEE terminated the HEI merger agreement. Pursuant to the terms of the HEI merger agreement, NEE paid HEI a termination fee of $90 million plus reimbursement to HEI for out-of-pocket expenses incurred in connection with the HEI merger agreement of $5 million, which is included in merger-related expenses in NEE's consolidated statements of income for the year ended December 31, 2016.

Assets and Liabilities Associated with Assets Held for Sale - In November 2017, a subsidiary of NEER entered into an agreement to sell its ownership interests in a portfolio of seven wind farms located in California, Pennsylvania and West Virginia with a total generating capacity of 244 MW at December 31, 2017. The carrying amounts of the major classes of assets and liabilities related to the facilities that were classified as held for sale on NEE's consolidated balance sheets at December 31, 2017 primarily represent property, plant and equipment and the related long-term debt.

In January 2017, an indirect wholly owned subsidiary of NEE completed the sale of its membership interests in its fiber-optic telecommunications business for net cash proceeds of approximately $1.1 billion, after repayment of $370 million of related long-term debt. In connection with the sale and the related consolidating state income tax effects, a gain of approximately $1.1 billion (approximately $685 million after tax) was recorded in NEE's consolidated statements of income for the year ended December 31, 2017 and is included in losses (gains) on disposal of a business/assets - net. The carrying amounts of the major classes of assets and liabilities related to the fiber-optic telecommunications business that were classified as held for sale on NEE's consolidated balance sheets at December 31, 2016 primarily represent property, plant and equipment and the related long-term debt.

In 2016, a subsidiary of NEER completed the sale of its ownership interest in merchant natural gas generation facilities located in Texas with a total generating capacity of 2,884 MW for net cash proceeds of approximately $456 million, after transaction costs and working capital adjustments. In connection with the sale and the related consolidating state income tax effects, a gain of approximately

$254 million ($106 million after tax) was recorded in NEE's consolidated statements of income for the year ended December 31, 2016 and is included in losses (gains) on disposal of a business/assets - net.

In 2016, a subsidiary of NEER completed the sale of its ownership interest in natural gas generation facilities located primarily in Pennsylvania with a total generating capacity of 840 MW for net cash proceeds of approximately $260 million, after transaction costs and working capital adjustments. In connection with the sale and the related consolidating state income tax effects, a gain of approximately $191 million ($113 million after tax) was recorded in NEE's consolidated statements of income for the year ended December 31, 2016 and is included in losses (gains) on disposal of a business/assets - net.

2. Employee Retirement Benefits

Employee Pension Plan and Other Benefits Plans - NEE sponsors a qualified noncontributory defined benefit pension plan for substantially all employees of NEE and its subsidiaries. NEE also has a supplemental executive retirement plan (SERP), which includes a non-qualified supplemental defined benefit pension component that provides benefits to a select group of management and highly compensated employees, and sponsors a contributory postretirement plan for other benefits for retirees of NEE and its subsidiaries meeting certain eligibility requirements. The total accrued benefit cost of the SERP and postretirement plans is approximately $241 million ($208 million for FPL) and $325 million ($222 million for FPL) at December 31, 2017 and 2016, respectively.

Pension Plan Assets, Benefit Obligations and Funded Status - The changes in assets, benefit obligations and the funded status of the pension plan are as follows:

	2017	2016
	(millions)	
Change in pension plan assets:		
Fair value of plan assets at January 1	**$ 3,651**	$ 3,563
Actual return on plan assets	**574**	217
Benefit payments	**(205)**	(129)
Fair value of plan assets at December 31	**$ 4,020**	$ 3,651
Change in pension benefit obligation:		
Obligation at January 1	**$ 2,474**	$ 2,408
Service cost	**66**	62
Interest cost	**83**	105
Special termination benefits[(a)]	**38**	—
Plan amendments	**12**	(19)
Actuarial losses - net	**125**	47
Benefit payments	**(205)**	(129)
Obligation at December 31[(b)]	**$ 2,593**	$ 2,474
Funded status:		
Prepaid pension benefit costs at NEE at December 31	**$ 1,427**	$ 1,177
Prepaid pension benefit costs at FPL at December 31[(c)]	**$ 1,351**	$ 1,301

(a) Reflects an enhanced early retirement program offered in 2017.
(b) NEE's accumulated pension benefit obligation, which includes no assumption about future salary levels, at December 31, 2017 and 2016 was approximately $2,548 million and $2,439 million, respectively.
(c) Reflects FPL's allocated benefits under NEE's pension plan.

NEE's unrecognized amounts included in accumulated other comprehensive income (loss) yet to be recognized as components of prepaid pension benefit costs are as follows:

	2017	2016
	(millions)	
Unrecognized prior service benefit (net of $2 and $2 tax expense, respectively)	**$ 2**	$ 3
Unrecognized losses (net of $32 and $55 tax benefit, respectively)	**(49)**	(87)
Total	**$ (47)**	$ (84)

NEE's unrecognized amounts included in regulatory assets yet to be recognized as components of net prepaid pension benefit costs are as follows:

	2017	2016
	(millions)	
Unrecognized prior service benefit	$ (4)	$ (4)
Unrecognized losses	160	280
Total	$ 156	$ 276

The following table provides the assumptions used to determine the benefit obligation for the pension plan. These rates are used in determining net periodic income in the following year.

	2017	2016
Discount rate[a]	3.59%	4.09%
Salary increase	4.10%	4.10%

(a) The method of estimating the interest cost component of net periodic benefit costs uses a full yield curve approach by applying a specific spot rate along the yield curve.

NEE's investment policy for the pension plan recognizes the benefit of protecting the plan's funded status, thereby avoiding the necessity of future employer contributions. Its broad objectives are to achieve a high rate of total return with a prudent level of risk taking while maintaining sufficient liquidity and diversification to avoid large losses and preserve capital over the long term.

The NEE pension plan fund's current target asset allocation, which is expected to be reached over time, is 45% equity investments, 32% fixed income investments, 13% alternative investments and 10% convertible securities. The pension fund's investment strategy emphasizes traditional investments, broadly diversified across the global equity and fixed income markets, using a combination of different investment styles and vehicles. The pension fund's equity and fixed income holdings consist of both directly held securities as well as commingled investment arrangements such as common and collective trusts, pooled separate accounts, registered investment companies and limited partnerships. The pension fund's convertible security assets are principally direct holdings of convertible securities and include a convertible security oriented limited partnership. The pension fund's alternative investments consist primarily of private equity and real estate oriented investments in limited partnerships as well as absolute return oriented limited partnerships that use a broad range of investment strategies on a global basis.

The fair value measurements of NEE's pension plan assets by fair value hierarchy level are as follows:

	December 31, 2017[a]			
	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	(millions)			
Equity securities[b]	$ 1,077	$ 16	$ 2	$ 1,095
Equity commingled vehicles[c]	—	853	—	853
U.S. Government and municipal bonds	118	13	—	131
Corporate debt securities[d]	3	238	10	251
Asset-backed securities	—	170	—	170
Debt security commingled vehicles[e]	—	155	—	155
Convertible securities[f]	19	307	—	326
Total investments in the fair value hierarchy	$ 1,217	$ 1,752	$ 12	2,981
Total investments measured at net asset value[g]				1,039
Total fair value of plan assets				$ 4,020

(a) See Note 4 for discussion of fair value measurement techniques and inputs.
(b) Includes foreign investments of $480 million.
(c) Includes foreign investments of $287 million.
(d) Includes foreign investments of $73 million.
(e) Includes foreign investments of $2 million.
(f) Includes foreign investments of $35 million.
(g) Includes foreign investments of $233 million.

	December 31, 2016[a]			
	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	(millions)			
Equity securities[b]	$ 879	$ 16	$ 3	$ 898
Equity commingled vehicles[c]	—	845	—	845
U.S. Government and municipal bonds	143	12	—	155
Corporate debt securities[d]	3	246	1	250
Asset-backed securities	—	124	—	124
Debt security commingled vehicles	—	22	—	22
Convertible securities[e]	21	277	—	298
Total investments in the fair value hierarchy	$ 1,046	$ 1,542	$ 4	2,592
Total investments measured at net asset value[f]				1,059
Total fair value of plan assets				$ 3,651

(a) See Note 4 for discussion of fair value measurement techniques and inputs.
(b) Includes foreign investments of $370 million.
(c) Includes foreign investments of $261 million.
(d) Includes foreign investments of $67 million.
(e) Includes foreign investments of $31 million.
(f) Includes foreign investments of $282 million.

Expected Cash Flows - The following table provides information about benefit payments expected to be paid by the pension plan for each of the following calendar years (in millions):

2018	$ 175
2019	$ 158
2020	$ 160
2021	$ 166
2022	$ 167
2023 - 2027	$ 868

Net Periodic (Income) Cost - The components of net periodic (income) cost for the plans are as follows:

	Pension Benefits			Postretirement Benefits		
	2017	2016	2015	**2017**	2016	2015
	(millions)					
Service cost	**$ 66**	$ 62	$ 70	**$ 1**	$ 2	$ 3
Interest cost	**83**	105	97	**8**	13	13
Expected return on plan assets	**(270)**	(260)	(253)	**—**	(1)	(1)
Amortization of prior service cost (benefit)	**(1)**	1	1	**(10)**	(2)	(3)
Amortization of losses	**—**	—	—	**—**	—	2
Special termination benefits	**38**	—	—	**—**	—	—
Postretirement benefits settlement	**—**	**—**	**—**	**1**	—	—
Net periodic (income) cost at NEE	**$ (84)**	$ (92)	$ (85)	**$ —**	$ 12	$ 14
Net periodic (income) cost allocated to FPL	**$ (51)**	$ (58)	$ (55)	**$ —**	$ 9	$ 11

Other Comprehensive Income - The components of net periodic income (cost) recognized in OCI for the pension plan are as follows:

	2017	2016	2015
		(millions)	
Prior service benefit (net of $3 tax expense)	$ —	$ 4	$ —
Net gains (losses) (net of $23 tax expense and $16 and $27 tax benefit, respectively)	37	(26)	(44)
Total	$ 37	$ (22)	$ (44)

Regulatory Assets (Liabilities) - The components of net periodic (income) cost recognized during the year in regulatory assets (liabilities) for the pension plan are as follows:

	2017	2016
	(millions)	
Prior service benefit	$ —	$ (12)
Unrecognized losses (gains)	(120)	48
Amortization of prior service cost (benefit)	1	(1)
Total	$ (119)	$ 35

The assumptions used to determine net periodic income for the pension plan are as follows:

	2017	2016	2015
Discount rate	4.09%	4.35%	3.95%
Salary increase	4.10%	4.10%	4.10%
Expected long-term rate of return, net of investment management fees[(a)]	7.35%	7.35%	7.35%

(a) In developing the expected long-term rate of return on assets assumption for its pension plan, NEE evaluated input, including other qualitative and quantitative factors, from its actuaries and consultants, as well as information available in the marketplace. NEE considered different models, capital market return assumptions and historical returns for a portfolio with an equity/bond asset mix similar to its pension fund. NEE also considered its pension fund's historical compounded returns.

Employee Contribution Plan - NEE offers an employee retirement savings plan which allows eligible participants to contribute a percentage of qualified compensation through payroll deductions. NEE makes matching contributions to participants' accounts. Defined contribution expense pursuant to this plan was approximately $53 million, $52 million and $63 million for NEE ($33 million, $32 million and $40 million for FPL) for the years ended December 31, 2017, 2016 and 2015, respectively.

Amendments to Presentation of Retirement Benefits - Effective January 1, 2018, NEE adopted an accounting standards update that requires certain changes in classification of components of net periodic pension and postretirement benefit costs within the income statement and allows only the service cost component to be eligible for capitalization. NEE adopted the standards update using the retrospective approach for presentation of the components of net periodic pension and postretirement benefit costs and the prospective approach for capitalization of service cost. Upon adoption, NEE, among other things, reclassified the non-service cost components noted in the net periodic (income) cost table above from O&M expense to non-operating income. The adoption of this standards update did not have an impact on net income attributable to NEE and did not have any impact on FPL as NEE is the plan sponsor.

3. Derivative Instruments

NEE and FPL use derivative instruments (primarily swaps, options, futures and forwards) to manage the physical and financial risks inherent in the purchase and sale of fuel and electricity, as well as interest rate and foreign currency exchange rate risk associated primarily with outstanding and expected future debt issuances and borrowings, and to optimize the value of NEER's power generation and gas infrastructure assets.

With respect to commodities related to NEE's competitive energy business, NEER employs risk management procedures to conduct its activities related to optimizing the value of its power generation and gas infrastructure assets, providing full energy and capacity requirements services primarily to distribution utilities, and engaging in power and gas marketing and trading activities to take advantage of expected future favorable price movements and changes in the expected volatility of prices in the energy markets. These risk management activities involve the use of derivative instruments executed within prescribed limits to manage the risk associated with fluctuating commodity prices. Transactions in derivative instruments are executed on recognized exchanges or via the over-the-counter (OTC) markets, depending on the most favorable credit terms and market execution factors. For NEER's power generation and gas infrastructure assets, derivative instruments are used to hedge all or a portion of the expected output of these assets. These hedges are designed to reduce the effect of adverse changes in the wholesale forward commodity markets associated

with NEER's power generation and gas infrastructure assets. With regard to full energy and capacity requirements services, NEER is required to vary the quantity of energy and related services based on the load demands of the customers served. For this type of transaction, derivative instruments are used to hedge the anticipated electricity quantities required to serve these customers and reduce the effect of unfavorable changes in the forward energy markets. Additionally, NEER takes positions in energy markets based on differences between actual forward market levels and management's view of fundamental market conditions, including supply/demand imbalances, changes in traditional flows of energy, changes in short- and long-term weather patterns and anticipated regulatory and legislative outcomes. NEER uses derivative instruments to realize value from these market dislocations, subject to strict risk management limits around market, operational and credit exposure.

Derivative instruments, when required to be marked to market, are recorded on NEE's and FPL's consolidated balance sheets as either an asset or liability measured at fair value. At FPL, substantially all changes in the derivatives' fair value are deferred as a regulatory asset or liability until the contracts are settled, and, upon settlement, any gains or losses are passed through the fuel and purchased power cost recovery clause (fuel clause). For NEE's non-rate regulated operations, predominantly NEER, essentially all changes in the derivatives' fair value for power purchases and sales, fuel sales and trading activities are recognized on a net basis in operating revenues; fuel purchases used in the production of electricity are recognized in fuel, purchased power and interchange expense; and the equity method investees' related activity is recognized in equity in earnings of equity method investees in NEE's consolidated statements of income. Settlement gains and losses are included within the line items in the consolidated statements of income to which they relate. Transactions for which physical delivery is deemed not to have occurred are presented on a net basis in the consolidated statements of income. For commodity derivatives, NEE believes that, where offsetting positions exist at the same location for the same time, the transactions are considered to have been netted and therefore physical delivery has been deemed not to have occurred for financial reporting purposes. Settlements related to derivative instruments are primarily recognized in net cash provided by operating activities in NEE's and FPL's consolidated statements of cash flows.

In January 2016, NEE discontinued hedge accounting for its cash flow and fair value hedges related to interest rate and foreign currency derivative instruments and, therefore, all changes in the derivatives' fair value, as well as the transaction gain or loss on foreign denominated debt, are recognized in interest expense in NEE's consolidated statements of income. In addition, for the years ended December 31, 2017 and 2016, NEE reclassified approximately $2 million ($1 million after tax) and $18 million ($11 million after tax), respectively, from AOCI to interest expense primarily because it became probable that related future transactions being hedged would not occur. At December 31, 2017, NEE's AOCI included amounts related to discontinued interest rate cash flow hedges with expiration dates through March 2035 and foreign currency cash flow hedges with expiration dates through September 2030. Approximately $25 million of net losses included in AOCI at December 31, 2017 is expected to be reclassified into earnings within the next 12 months as the principal and/or interest payments are made. Such amounts assume no change in scheduled principal payments.

Fair Value of Derivative Instruments - The tables below present NEE's and FPL's gross derivative positions at December 31, 2017 and December 31, 2016, as required by disclosure rules. However, the majority of the underlying contracts are subject to master netting agreements and generally would not be contractually settled on a gross basis. Therefore, the tables below also present the derivative positions on a net basis, which reflect the offsetting of positions of certain transactions within the portfolio, the contractual ability to settle contracts under master netting arrangements and the netting of margin cash collateral (see Note 4 - Recurring Fair Value Measurements for netting information), as well as the location of the net derivative position on the consolidated balance sheets.

	December 31, 2017			
	Gross Basis		Net Basis	
	Assets	Liabilities	Assets	Liabilities
	(millions)			
NEE:				
Commodity contracts	$ 3,962	$ 2,792	$ 1,737	$ 567
Interest rate contracts	50	275	55	280
Foreign currency contracts	—	40	12	52
Total fair values	$ 4,012	$ 3,107	$ 1,804	$ 899
FPL:				
Commodity contracts	$ 3	$ 3	$ 2	$ 2
Net fair value by NEE balance sheet line item:				
Current derivative assets[(a)]			$ 489	
Noncurrent derivative assets			1,315	
Current derivative liabilities				$ 364
Noncurrent derivative liabilities[(b)]				535
Total derivatives			$ 1,804	$ 899
Net fair value by FPL balance sheet line item:				
Current derivative assets			$ 2	
Current other liabilities				$ 2
Total derivatives			$ 2	$ 2

(a) Reflects the netting of approximately $39 million in margin cash collateral received from counterparties.
(b) Reflects the netting of approximately $39 million in margin cash collateral paid to counterparties.

	December 31, 2016			
	Gross Basis		Net Basis	
	Assets	Liabilities	Assets	Liabilities
	(millions)			
NEE:				
Commodity contracts	$ 4,590	$ 2,968	$ 1,938	$ 483
Interest rate contracts	288	284	296	292
Foreign currency contracts	1	106	1	106
Total fair values	$ 4,879	$ 3,358	$ 2,235	$ 881
FPL:				
Commodity contracts	$ 212	$ 4	$ 209	$ 1
Net fair value by NEE balance sheet line item:				
Current derivative assets[(a)]			$ 885	
Noncurrent derivative assets[(b)]			1,350	
Current derivative liabilities				$ 404
Noncurrent derivative liabilities				477
Total derivatives			$ 2,235	$ 881
Net fair value by FPL balance sheet line item:				
Current derivative assets			$ 209	
Current other liabilities				$ 1
Total derivatives			$ 209	$ 1

(a) Reflects the netting of approximately $96 million in margin cash collateral received from counterparties.
(b) Reflects the netting of approximately $71 million in margin cash collateral received from counterparties.

At December 31, 2017 and 2016, NEE had approximately $10 million and $5 million (none at FPL), respectively, in margin cash collateral received from counterparties that was not offset against derivative assets in the above presentation. These amounts are included in current other liabilities on NEE's consolidated balance sheets. Additionally, at December 31, 2017 and 2016, NEE had approximately $40 million and $129 million (none at FPL), respectively, in margin cash collateral paid to counterparties that was not offset against derivative assets or liabilities in the above presentation. These amounts are included in current other assets on NEE's consolidated balance sheets.

Income Statement Impact of Derivative Instruments - Losses related to NEE's cash flow hedges, which were previously designated as hedging instruments, are recorded in NEE's consolidated financial statements (none at FPL) as follows:

	Year Ended December 31, 2015		
	Interest Rate Contracts	Foreign Currency Contracts	Total
Losses recognized in OCI	$ (113)	$ (12)	$ (125)
Losses reclassified from AOCI to net income	$ (73) [(a)]	$ (15) [(b)]	$ (88)

(a) Included in interest expense.
(b) For 2015, losses of approximately $11 million are included in interest expense and the balances are included in other - net.

Gains (losses) related to NEE's derivatives not designated as hedging instruments are recorded in NEE's consolidated statements of income as follows:

	Years Ended December 31,		
	2017	2016	2015
		(millions)	
Commodity contracts:[(a)]			
Operating revenues	**$ 454**	$ 459	$ 932
Fuel, purchased power and interchange	**—**	(1)	8
Foreign currency contracts - interest expense	**55**	14	—
Foreign currency contracts - other - net	**(4)**	(1)	—
Interest rate contracts - interest expense	**(223)**	181	8
Losses reclassified from AOCI to interest expense:			
Interest rate contracts	**(48)**	(90)	—
Foreign currency contracts	**(81)**	(11)	—
Total	**$ 153**	$ 551	$ 948

(a) For the years ended December 31, 2017, 2016 and 2015, FPL recorded gains (losses) of approximately $(169) million, $203 million and $(326) million, respectively, related to commodity contracts as regulatory liabilities (assets) on its consolidated balance sheets.

Notional Volumes of Derivative Instruments - The following table represents net notional volumes associated with derivative instruments that are required to be reported at fair value in NEE's and FPL's consolidated financial statements. The table includes significant volumes of transactions that have minimal exposure to commodity price changes because they are variably priced agreements. These volumes are only an indication of the commodity exposure that is managed through the use of derivatives. They do not represent net physical asset positions or non-derivative positions and their hedges, nor do they represent NEE's and FPL's net economic exposure, but only the net notional derivative positions that fully or partially hedge the related asset positions. NEE and FPL had derivative commodity contracts for the following net notional volumes:

	December 31, 2017				December 31, 2016			
Commodity Type	**NEE**		**FPL**		NEE		FPL	
					(millions)			
Power	**(109)**	**MWh[(a)]**	**—**		(84)	MWh[(a)]	—	
Natural gas	**(74)**	**MMBtu[(b)]**	**142**	**MMBtu[(b)]**	1,002	MMBtu[(b)]	618	MMBtu[(b)]
Oil	**(15)**	**barrels**	**—**		(7)	barrels	—	

(a) Megawatt-hours
(b) One million British thermal units

At December 31, 2017 and 2016, NEE had interest rate contracts with notional amounts totaling approximately $12.1 billion and $15.1 billion, respectively, and foreign currency contracts with notional amounts totaling approximately $718 million and $705 million, respectively.

Credit-Risk-Related Contingent Features - Certain derivative instruments contain credit-risk-related contingent features including, among other things, the requirement to maintain an investment grade credit rating from specified credit rating agencies and certain financial ratios, as well as credit-related cross-default and material adverse change triggers. At December 31, 2017 and 2016, the aggregate fair value of NEE's derivative instruments with credit-risk-related contingent features that were in a liability position was approximately $1.1 billion ($3 million for FPL) and $1.3 billion ($5 million for FPL), respectively.

If the credit-risk-related contingent features underlying these derivative agreements were triggered, certain subsidiaries of NEE, including FPL, could be required to post collateral or settle contracts according to contractual terms which generally allow netting of contracts in offsetting positions. Certain derivative contracts contain multiple types of credit-related triggers. To the extent these contracts contain a credit ratings downgrade trigger, the maximum exposure is included in the following credit ratings collateral posting requirements. If FPL's and NEECH's credit ratings were downgraded to BBB/Baa2 (a two level downgrade for FPL and a one level downgrade for NEECH from the current lowest applicable rating), applicable NEE subsidiaries would be required to post collateral such that the total posted collateral would be approximately $145 million (none at FPL) and $110 million (none at FPL) at December 31, 2017 and 2016, respectively. If FPL's and NEECH's credit ratings were downgraded to below investment grade, applicable NEE subsidiaries would be required to post additional collateral such that the total posted collateral would be approximately $1.2 billion ($45 million at FPL) and $990 million ($10 million at FPL) at December 31, 2017 and 2016, respectively. Some derivative contracts do not contain credit ratings downgrade triggers, but do contain provisions that require certain financial measures be maintained and/or have credit-related cross-default triggers. In the event these provisions were triggered, applicable NEE

subsidiaries could be required to post additional collateral of up to approximately $210 million ($95 million at FPL) and $225 million ($115 million at FPL) at December 31, 2017 and 2016, respectively.

Collateral related to derivatives may be posted in the form of cash or credit support in the normal course of business. At December 31, 2017 and 2016, applicable NEE subsidiaries have posted approximately $2 million (none at FPL) and $1 million (none at FPL), respectively, in cash and $20 million (none at FPL) and $30 million (none at FPL), respectively, in the form of letters of credit each of which could be applied toward the collateral requirements described above. FPL and NEECH have credit facilities generally in excess of the collateral requirements described above that would be available to support, among other things, derivative activities. Under the terms of the credit facilities, maintenance of a specific credit rating is not a condition to drawing on these credit facilities, although there are other conditions to drawing on these credit facilities.

Additionally, some contracts contain certain adequate assurance provisions where a counterparty may demand additional collateral based on subjective events and/or conditions. Due to the subjective nature of these provisions, NEE and FPL are unable to determine an exact value for these items and they are not included in any of the quantitative disclosures above.

4. Fair Value Measurements

The fair value of assets and liabilities are determined using either unadjusted quoted prices in active markets (Level 1) or pricing inputs that are observable (Level 2) whenever that information is available and using unobservable inputs (Level 3) to estimate fair value only when relevant observable inputs are not available. NEE and FPL use several different valuation techniques to measure the fair value of assets and liabilities, relying primarily on the market approach of using prices and other market information for identical and/or comparable assets and liabilities for those assets and liabilities that are measured at fair value on a recurring basis. NEE's and FPL's assessment of the significance of any particular input to the fair value measurement requires judgment and may affect placement within the fair value hierarchy levels. Non-performance risk, including the consideration of a credit valuation adjustment, is also considered in the determination of fair value for all assets and liabilities measured at fair value.

Cash Equivalents and Restricted Cash - NEE and FPL hold investments in money market funds. The fair value of these funds is estimated using a market approach based on current observable market prices.

Special Use Funds and Other Investments - NEE and FPL hold primarily debt and equity securities directly, as well as indirectly through commingled funds. Substantially all directly held equity securities are valued at their quoted market prices. For directly held debt securities, multiple prices and price types are obtained from pricing vendors whenever possible, which enables cross-provider validations. A primary price source is identified based on asset type, class or issue of each security. Commingled funds, which are similar to mutual funds, are maintained by banks or investment companies and hold certain investments in accordance with a stated set of objectives. The fair value of commingled funds is primarily derived from the quoted prices in active markets of the underlying securities. Because the fund shares are offered to a limited group of investors, they are not considered to be traded in an active market.

Derivative Instruments - NEE and FPL measure the fair value of commodity contracts using a combination of market and income approaches utilizing prices observed on commodities exchanges and in the OTC markets, or through the use of industry-standard valuation techniques, such as option modeling or discounted cash flows techniques, incorporating both observable and unobservable valuation inputs. The resulting measurements are the best estimate of fair value as represented by the transfer of the asset or liability through an orderly transaction in the marketplace at the measurement date.

Most exchange-traded derivative assets and liabilities are valued directly using unadjusted quoted prices. For exchange-traded derivative assets and liabilities where the principal market is deemed to be inactive based on average daily volumes and open interest, the measurement is established using settlement prices from the exchanges, and therefore considered to be valued using other observable inputs.

NEE, through its subsidiaries, including FPL, also enters into OTC commodity contract derivatives. The majority of these contracts are transacted at liquid trading points, and the prices for these contracts are verified using quoted prices in active markets from exchanges, brokers or pricing services for similar contracts.

NEE, through NEER, also enters into full requirements contracts, which, in most cases, meet the definition of derivatives and are measured at fair value. These contracts typically have one or more inputs that are not observable and are significant to the valuation of the contract. In addition, certain exchange and non-exchange traded derivative options at NEE have one or more significant inputs that are not observable, and are valued using industry-standard option models.

In all cases where NEE and FPL use significant unobservable inputs for the valuation of a commodity contract, consideration is given to the assumptions that market participants would use in valuing the asset or liability. The primary input to the valuation models for commodity contracts is the forward commodity curve for the respective instruments. Other inputs include, but are not limited to, assumptions about market liquidity, volatility, correlation and contract duration as more fully described below in Significant Unobservable Inputs Used in Recurring Fair Value Measurements. In instances where the reference markets are deemed to be inactive or do not have transactions for a similar contract, the derivative assets and liabilities may be valued using significant other observable inputs and potentially significant unobservable inputs. In such instances, the valuation for these contracts is established

using techniques including extrapolation from or interpolation between actively traded contracts, or estimated basis adjustments from liquid trading points. NEE and FPL regularly evaluate and validate the inputs used to determine fair value by a number of methods, consisting of various market price verification procedures, including the use of pricing services and multiple broker quotes to support the market price of the various commodities. In all cases where there are assumptions and models used to generate inputs for valuing derivative assets and liabilities, the review and verification of the assumptions, models and changes to the models are undertaken by individuals that are independent of those responsible for estimating fair value.

NEE uses interest rate contracts and foreign currency contracts to mitigate and adjust interest rate and foreign currency exchange exposure related primarily to certain outstanding and expected future debt issuances and borrowings when deemed appropriate based on market conditions or when required by financing agreements. NEE estimates the fair value of these derivatives using an income approach based on a discounted cash flows valuation technique utilizing the net amount of estimated future cash inflows and outflows related to the agreements.

Recurring Fair Value Measurements - NEE's and FPL's financial assets and liabilities and other fair value measurements made on a recurring basis by fair value hierarchy level are as follows:

	December 31, 2017				
	Level 1	Level 2	Level 3	Netting[a]	Total
			(millions)		
Assets:					
Cash equivalents and restricted cash:[b]					
NEE - equity securities	$ 1,294	$ —	$ —		$ 1,294
FPL - equity securities	$ 144	$ —	$ —		$ 144
Special use funds:[c]					
NEE:					
Equity securities	$ 1,595	$ 1,719 [d]	$ —		$ 3,314
U.S. Government and municipal bonds	$ 478	$ 139	$ —		$ 617
Corporate debt securities	$ 1	$ 764	$ —		$ 765
Mortgage-backed securities	$ —	$ 435	$ —		$ 435
Other debt securities	$ —	$ 129	$ —		$ 129
FPL:					
Equity securities	$ 473	$ 1,562 [d]	$ —		$ 2,035
U.S. Government and municipal bonds	$ 362	$ 112	$ —		$ 474
Corporate debt securities	$ —	$ 539	$ —		$ 539
Mortgage-backed securities	$ —	$ 333	$ —		$ 333
Other debt securities	$ —	$ 116	$ —		$ 116
Other investments:					
NEE:					
Equity securities	$ 2	$ 10	$ —		$ 12
Debt securities	$ 34	$ 103	$ —		$ 137
Derivatives:					
NEE:					
Commodity contracts	$ 1,303	$ 1,301	$ 1,358	$ (2,225)	$ 1,737 [e]
Interest rate contracts	$ —	$ 50	$ —	$ 5	$ 55 [e]
Foreign currency contracts	$ —	$ —	$ —	$ 12	$ 12 [e]
FPL - commodity contracts	$ —	$ 1	$ 2	$ (1)	$ 2 [e]
Liabilities:					
Derivatives:					
NEE:					
Commodity contracts	$ 1,217	$ 915	$ 660	$ (2,225)	$ 567 [e]
Interest rate contracts	$ —	$ 143	$ 132	$ 5	$ 280 [e]
Foreign currency contracts	$ —	$ 40	$ —	$ 12	$ 52 [e]
FPL - commodity contracts	$ —	$ 1	$ 2	$ (1)	$ 2 [e]

(a) Includes the effect of the contractual ability to settle contracts under master netting arrangements and the netting of margin cash collateral payments and receipts. NEE and FPL also have contract settlement receivable and payable balances that are subject to the master netting arrangements but are not offset within the consolidated balance sheets and are recorded in customer receivables - net and accounts payable, respectively.
(b) Includes restricted cash of approximately $159 million ($128 million for FPL) in current other assets on the consolidated balance sheets.
(c) Excludes investments accounted for under the equity method and loans not measured at fair value on a recurring basis. See Fair Value of Financial Instruments Recorded at Other than Fair Value below.
(d) Primarily invested in commingled funds whose underlying securities would be Level 1 if those securities were held directly by NEE or FPL.
(e) See Note 3 - Fair Value of Derivative Instruments for a reconciliation of net derivatives to NEE's and FPL's consolidated balance sheets.

	December 31, 2016				
	Level 1	Level 2	Level 3	Netting[a]	Total
			(millions)		
Assets:					
Cash equivalents and restricted cash:[b]					
NEE - equity securities	$ 982	$ —	$ —		$ 982
FPL - equity securities	$ 120	$ —	$ —		$ 120
Special use funds:[c]					
NEE:					
Equity securities	$ 1,410	$ 1,503 [d]	$ —		$ 2,913
U.S. Government and municipal bonds	$ 296	$ 170	$ —		$ 466
Corporate debt securities	$ 1	$ 763	$ —		$ 764
Mortgage-backed securities	$ —	$ 498	$ —		$ 498
Other debt securities	$ —	$ 81	$ —		$ 81
FPL:					
Equity securities	$ 373	$ 1,372 [d]	$ —		$ 1,745
U.S. Government and municipal bonds	$ 221	$ 141	$ —		$ 362
Corporate debt securities	$ —	$ 547	$ —		$ 547
Mortgage-backed securities	$ —	$ 384	$ —		$ 384
Other debt securities	$ —	$ 70	$ —		$ 70
Other investments:					
NEE:					
Equity securities	$ 26	$ 9	$ —		$ 35
Debt securities	$ 8	$ 153	$ —		$ 161
Derivatives:					
NEE:					
Commodity contracts	$ 1,563	$ 1,827	$ 1,200	$ (2,652)	$ 1,938 [e]
Interest rate contracts	$ —	$ 285	$ 3	$ 8	$ 296 [e]
Foreign currency contracts	$ —	$ 1	$ —	$ —	$ 1 [d]
FPL - commodity contracts	$ —	$ 208	$ 4	$ (3)	$ 209 [e]
Liabilities:					
Derivatives:					
NEE:					
Commodity contracts	$ 1,476	$ 980	$ 512	$ (2,485)	$ 483 [e]
Interest rate contracts	$ —	$ 171	$ 113	$ 8	$ 292 [e]
Foreign currency contracts	$ —	$ 106	$ —	$ —	$ 106 [e]
FPL - commodity contracts	$ —	$ 1	$ 3	$ (3)	$ 1 [e]

(a) Includes the effect of the contractual ability to settle contracts under master netting arrangements and the netting of margin cash collateral payments and receipts. NEE and FPL also have contract settlement receivable and payable balances that are subject to the master netting arrangements but are not offset within the consolidated balance sheets and are recorded in customer receivables - net and accounts payable, respectively.
(b) Includes restricted cash of approximately $164 million ($120 million for FPL) in current other assets on the consolidated balance sheets.
(c) Excludes investments accounted for under the equity method and loans not measured at fair value on a recurring basis. See Fair Value of Financial Instruments Recorded at Other than Fair Value below.
(d) Primarily invested in commingled funds whose underlying securities would be Level 1 if those securities were held directly by NEE or FPL.
(e) See Note 3 - Fair Value of Derivative Instruments for a reconciliation of net derivatives to NEE's and FPL's consolidated balance sheets.

Significant Unobservable Inputs Used in Recurring Fair Value Measurements - The valuation of certain commodity contracts requires the use of significant unobservable inputs. All forward price, implied volatility, implied correlation and interest rate inputs used in the valuation of such contracts are directly based on third-party market data, such as broker quotes and exchange settlements, when that data is available. If third-party market data is not available, then industry standard methodologies are used to develop inputs that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. Observable inputs, including some forward prices, implied volatilities and interest rates used for determining fair value are updated daily to reflect the best available market information. Unobservable inputs which are related to observable inputs, such as illiquid portions of forward price or volatility curves, are updated daily as well, using industry standard techniques such as interpolation and extrapolation, combining observable forward inputs supplemented by historical market and other relevant data. Other unobservable inputs, such as implied correlations, customer migration rates from full requirements contracts and some implied volatility curves, are modeled using proprietary models based on historical data and industry standard techniques.

All price, volatility, correlation and customer migration inputs used in valuation are subject to validation by the Trading Risk Management group. The Trading Risk Management group performs a risk management function responsible for assessing credit, market and operational risk impact, reviewing valuation methodology and modeling, confirming transactions, monitoring approval processes and developing and monitoring trading limits. The Trading Risk Management group is separate from the transacting

group. For markets where independent third-party data is readily available, validation is conducted daily by directly reviewing this market data against inputs utilized by the transacting group, and indirectly by reviewing daily risk reports. For markets where independent third-party data is not readily available, additional analytical reviews are performed on at least a quarterly basis. These analytical reviews are designed to ensure that all price and volatility curves used for fair valuing transactions are adequately validated each quarter, and are reviewed and approved by the Trading Risk Management group. In addition, other valuation assumptions such as implied correlations and customer migration rates are reviewed and approved by the Trading Risk Management group on a periodic basis. Newly created models used in the valuation process are also subject to testing and approval by the Trading Risk Management group prior to use and established models are reviewed annually, or more often as needed, by the Trading Risk Management group.

On a monthly basis, the Exposure Management Committee (EMC), which is comprised of certain members of senior management, meets with representatives from the Trading Risk Management group and the transacting group to discuss NEE's and FPL's energy risk profile and operations, to review risk reports and to discuss fair value issues as necessary. The EMC develops guidelines required for an appropriate risk management control infrastructure, which includes implementation and monitoring of compliance with Trading Risk Management policy. The EMC executes its risk management responsibilities through direct oversight and delegation of its responsibilities to the Trading Risk Management group, as well as to other corporate and business unit personnel.

The significant unobservable inputs used in the valuation of NEE's commodity contracts categorized as Level 3 of the fair value hierarchy at December 31, 2017 are as follows:

Transaction Type	Fair Value at December 31, 2017		Valuation Technique(s)	Significant Unobservable Inputs	Range
	Assets	Liabilities			
	(millions)				
Forward contracts - power	$ 845	$ 328	Discounted cash flow	Forward price (per MWh)	$— — $130
Forward contracts - gas	26	13	Discounted cash flow	Forward price (per MMBtu)	$2 — $7
Forward contracts - other commodity related	—	5	Discounted cash flow	Forward price (various)	$(40) — $57
Options - power	47	17	Option models	Implied correlations	1% — 100%
				Implied volatilities	8% — 493%
Options - primarily gas	165	199	Option models	Implied correlations	1% — 100%
				Implied volatilities	1% — 290%
Full requirements and unit contingent contracts	275	98	Discounted cash flow	Forward price (per MWh)	$(29) — $293
				Customer migration rate[(a)]	—% — 20%
Total	$ 1,358	$ 660			

(a) Applies only to full requirements contracts.

The sensitivity of NEE's fair value measurements to increases (decreases) in the significant unobservable inputs is as follows:

Significant Unobservable Input	Position	Impact on Fair Value Measurement
Forward price	Purchase power/gas	Increase (decrease)
	Sell power/gas	Decrease (increase)
Implied correlations	Purchase option	Decrease (increase)
	Sell option	Increase (decrease)
Implied volatilities	Purchase option	Increase (decrease)
	Sell option	Decrease (increase)
Customer migration rate	Sell power[(a)]	Decrease (increase)

(a) Assumes the contract is in a gain position.

In addition, the fair value measurement of interest rate contract net liabilities related to the solar projects in Spain of approximately $132 million at December 31, 2017 includes a significant credit valuation adjustment. The credit valuation adjustment, considered an unobservable input, reflects management's assessment of non-performance risk of the subsidiaries related to the solar projects in Spain that are party to the contracts.

The reconciliation of changes in the fair value of derivatives that are based on significant unobservable inputs is as follows:

	Years Ended December 31,					
	2017		2016		2015	
	NEE	FPL	NEE	FPL	NEE	FPL
	(millions)					
Fair value of net derivatives based on significant unobservable inputs at December 31 of prior year	$ 578	$ 1	$ 538	$ —	$ 622	$ 5
Realized and unrealized gains (losses):						
Included in earnings[a]	376	—	333	—	451	—
Included in other comprehensive income (loss)[b]	(18)	—	8	—	11	—
Included in regulatory assets and liabilities	—	—	1	1	3	3
Purchases	126	—	261	—	180	—
Settlements	(317)	(1)	(390)	—	(473)	(8)
Issuances	(197)	—	(195)	—	(202)	—
Transfers in[c]	17	—	19	—	(13)	—
Transfers out[c]	1	—	3	—	(41)	—
Fair value of net derivatives based on significant unobservable inputs at December 31	$ 566	$ —	$ 578	$ 1	$ 538	$ —
The amount of gains (losses) for the period included in earnings attributable to the change in unrealized gains (losses) relating to derivatives still held at the reporting date[d]	$ 277	$ —	$ 219	$ —	$ 277	$ —

(a) For the years ended December 31, 2017 and 2016, $379 million and $397 million of realized and unrealized gains are reflected in the consolidated statements of income in operating revenues and the balance is reflected in interest expense. For the year ended December 31, 2015, $462 million of realized and unrealized gains are reflected in the consolidated statements of income in operating revenues and the balance is primarily reflected in interest expense.
(b) Reflected in net unrealized gains (losses) on foreign currency translation on the consolidated statements of comprehensive income.
(c) Transfers into Level 3 were a result of decreased observability of market data. Transfers from Level 3 to Level 2 were a result of increased observability of market data and, in 2016, a favorable change to a credit valuation adjustment. NEE's and FPL's policy is to recognize all transfers at the beginning of the reporting period.
(d) For the years ended December 31, 2017, 2016 and 2015, $281 million, $283 million, and $289 million of unrealized gains are reflected in the consolidated statements of income in operating revenues and the balance is reflected in interest expense.

Contingent Consideration - NEE recorded a liability related to a contingent holdback as part of the 2015 acquisition of a portfolio of seven long-term contracted natural gas pipeline assets located in Texas (Texas pipelines). See Note 7 - Texas Pipeline Business.

Nonrecurring Fair Value Measurements - NEE tests long-lived assets for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. A wholly owned subsidiary of NEER has a power purchase agreement (PPA) with Duane Arnold's primary customer for the energy and capacity related to NEER's 70% ownership share of Duane Arnold that expires on December 31, 2025. NEER had previously expected Duane Arnold would operate at least until the end of its NRC operating license in February 2034. In early December 2017, NEER concluded that it is unlikely that Duane Arnold's primary customer will extend the current PPA after it expires in 2025. Without the long-term cash flow certainty of a PPA for Duane Arnold's energy and capacity, NEER would likely close Duane Arnold on or about December 31, 2025, the end of its current PPA term. As a result of the change in Duane Arnold's useful life, NEER updated depreciation and ARO estimates to reflect the December 31, 2025 closure. A recoverability analysis performed by NEER determined that the undiscounted cash flows of Duane Arnold were less than its carrying amount and, accordingly, NEER performed a fair value analysis to determine the amount of the impairment. Based on the fair value analysis, long-lived assets (primarily property, plant and equipment) with a carrying amount of approximately $502 million were written down to their fair value of $82 million, resulting in an impairment of $420 million ($258 million after tax), which is included in impairment charges in NEE's consolidated statements of income for the year ended December 31, 2017. The estimate of fair value was based on a combination of the income and market value approaches. The income approach utilized a discounted cash flow valuation technique considering contracted revenue rates (Level 2), annual generation forecasts, annual projected capital and maintenance expenditures and a discount rate (all of which are Level 3). The market value approach utilized a transaction involving a comparable nuclear power plant sale in March 2017 and adjusted for certain entity specific assumptions (Level 3).

Fair Value of Financial Instruments Recorded at Other than Fair Value - The carrying amounts of commercial paper and other short-term debt approximate their fair values. The carrying amounts and estimated fair values of other financial instruments recorded at other than fair value are as follows:

	December 31, 2017		December 31, 2016	
	Carrying Amount	**Estimated Fair Value**	Carrying Amount	Estimated Fair Value
	(millions)			
NEE:				
Special use funds[(a)]	**$ 743**	**$ 744**	$ 712	$ 712
Other investments - primarily notes receivable[(b)]	**$ 500**	**$ 680**	$ 526	$ 668
Long-term debt, including current maturities	**$ 33,134**	**$ 35,447** [(c)]	$ 30,418 [(d)]	$ 31,623 [(c)(d)]
FPL:				
Special use funds[(a)]	**$ 593**	**$ 593**	$ 557	$ 557
Long-term debt, including current maturities	**$ 11,702**	**$ 13,285** [(c)]	$ 10,072	$ 11,211 [(c)]

(a) Primarily represents investments accounted for under the equity method and loans not measured at fair value on a recurring basis.
(b) Primarily a note receivable which bears interest at a fixed rate and matures in 2029. At December 31, 2017, the note receivable is classified as held for sale and is under contract, along with debt secured by this note receivable (see Note 8 - NEER). Fair values are estimated using an income approach utilizing a discounted cash flow valuation technique based on certain observable yield curves and indices considering the credit profile of the borrower (Level 3).
(c) At December 31, 2017 and 2016, for NEE, approximately $33,743 million and $29,804 million, respectively, is estimated using a market approach based on quoted market prices for the same or similar issues (Level 2); the balance is estimated using an income approach utilizing a discounted cash flow valuation technique, considering the current credit profile of the debtor (Level 3). For FPL, primarily estimated using quoted market prices for the same or similar issues (Level 2).
(d) Excludes debt totaling approximately $373 million reflected in liabilities associated with assets held for sale on NEE's consolidated balance sheets for which the carrying amount approximates fair value. See Note 1 - Assets and Liabilities Associated with Assets Held for Sale.

Special Use Funds - The special use funds noted above and those carried at fair value (see Recurring Fair Value Measurements above) consist of NEE's nuclear decommissioning fund assets of approximately $6,003 million and $5,434 million at December 31, 2017 and 2016, respectively, ($4,090 million and $3,665 million, respectively, for FPL). The investments held in the special use funds consist of equity and debt securities which are primarily classified as available for sale and carried at estimated fair value. The amortized cost of debt and equity securities is approximately $1,921 million and $1,521 million, respectively, at December 31, 2017 and $1,820 million and $1,543 million, respectively, at December 31, 2016 ($1,443 million and $783 million, respectively, at December 31, 2017 and $1,373 million and $764 million, respectively, at December 31, 2016 for FPL). For FPL's special use funds, consistent with regulatory treatment, changes in fair value, including any other than temporary impairment losses, result in a corresponding adjustment to the related regulatory asset or liability accounts. For NEE's non-rate regulated operations, changes in fair value result in a corresponding adjustment to OCI, except for unrealized losses associated with marketable securities considered to be other than temporary, including any credit losses, which are recognized as other than temporary impairment losses on securities held in nuclear decommissioning funds in NEE's consolidated statements of income. Debt securities included in the nuclear decommissioning funds have a weighted-average maturity at December 31, 2017 of approximately eight years at both NEE and FPL. The cost of securities sold is determined using the specific identification method.

Realized gains and losses and proceeds from the sale or maturity of available for sale securities are as follows:

	NEE			FPL		
	Years Ended December 31,			Years Ended December 31,		
	2017	2016	2015	**2017**	2016	2015
	(millions)					
Realized gains	**$ 178**	$ 116	$ 194	**$ 75**	$ 53	$ 70
Realized losses	**$ 83**	$ 76	$ 87	**$ 50**	$ 44	$ 43
Proceeds from sale or maturity of securities	**$ 2,817**	$ 3,400	$ 4,643	**$ 1,902**	$ 2,442	$ 3,724

The unrealized gains on available for sale securities are as follows:

	NEE		FPL	
	December 31,		December 31,	
	2017	2016	**2017**	2016
	(millions)			
Equity securities	**$ 1,813**	$ 1,396	**$ 1,273**	$ 1,007
Debt securities	**$ 37**	$ 22	**$ 28**	$ 17

The unrealized losses on available for sale debt securities and the fair value of available for sale debt securities in an unrealized loss position are as follows:

	NEE		FPL	
	December 31,		December 31,	
	2017	2016	**2017**	2016
	(millions)			
Unrealized losses[(a)]	**$ 12**	$ 34	**$ 9**	$ 28
Fair value	**$ 918**	$ 959	**$ 670**	$ 722

(a) Unrealized losses on available for sale debt securities in an unrealized loss position for greater than twelve months at December 31, 2017 and 2016 were not material to NEE or FPL.

Regulations issued by the FERC and the NRC provide general risk management guidelines to protect nuclear decommissioning funds and to allow such funds to earn a reasonable return. The FERC regulations prohibit, among other investments, investments in any securities of NEE or its subsidiaries, affiliates or associates, excluding investments tied to market indices or mutual funds. Similar restrictions applicable to the decommissioning funds for NEER's nuclear plants are included in the NRC operating licenses for those facilities or in NRC regulations applicable to NRC licensees not in cost-of-service environments. With respect to the decommissioning fund for Seabrook, decommissioning fund contributions and withdrawals are also regulated by the NDFC pursuant to New Hampshire law.

The nuclear decommissioning reserve funds are managed by investment managers who must comply with the guidelines of NEE and FPL and the rules of the applicable regulatory authorities. The funds' assets are invested giving consideration to taxes, liquidity, risk, diversification and other prudent investment objectives.

Financial Instruments Accounting Standards Update - Effective January 1, 2018, NEE and FPL adopted an accounting standards update which modifies guidance for financial instruments and makes certain changes to presentation and disclosure requirements. The standards update requires that equity investments (except investments accounted for under the equity method and investments that are consolidated) be measured at fair value with changes in fair value recognized in net income. This standards update primarily impacts the equity securities in NEER's special use funds and is expected to result in increased earnings volatility in future periods based on market conditions. NEE and FPL adopted this standards update using the modified retrospective approach with the cumulative effect recognized as an adjustment to retained earnings on January 1, 2018. Upon adoption, NEE reclassified net unrealized after-tax gains of approximately $315 million from accumulated other comprehensive income (loss) to retained earnings. The implementation of this standards update had no impact on FPL as changes in the fair value of equity securities in FPL's special use funds are deferred as regulatory assets or liabilities pursuant to accounting guidance for regulated operations.

5. Income Taxes

On December 22, 2017, tax reform legislation was signed into law which, among other things, reduced the federal corporate income tax rate from 35% to 21% effective January 1, 2018. As a result, NEE, including FPL, performed an analysis to preliminarily revalue its deferred income taxes and included an estimate of changes in the balances in NEE's and FPL's December 31, 2017 financial statements. At December 31, 2017, the revaluation reduced NEE’s net deferred income tax liabilities by approximately $6.5 billion, of which $4.5 billion related to net deferred income tax liabilities at FPL and the remaining $2 billion related to net deferred income tax liabilities at NEER. The $2 billion reduction in NEER’s deferred income tax liabilities increased NEER’s 2017 net income. The $4.5 billion reduction in FPL’s deferred income tax liabilities was recorded as a regulatory liability. While NEE and FPL believe that the provisional tax reform adjustments are reasonable estimates of the effects on its existing deferred taxes, additional analysis and detailed reviews are still being performed to finalize the accounting for the remeasurement of deferred tax assets and liabilities as a result of the enactment of tax reform.

The components of income taxes are as follows:

	NEE			FPL		
	Years Ended December 31,			Years Ended December 31,		
	2017	2016	2015	**2017**	2016	2015
	(millions)					
Federal:						
Current	**$ 100**	$ 72	$ 10	**$ 168**	$ 72	$ 423
Deferred	**(1,040)**	1,075	1,194	**776**	830	399
Total federal	**(940)**	1,147	1,204	**944**	902	822
State:						
Current	**88**	76	31	**29**	57	58
Deferred	**199**	160	(7)	**133**	92	77
Total state	**287**	236	24	**162**	149	135
Total income tax expense (benefit)	**$ (653)**	$ 1,383	$ 1,228	**$ 1,106**	$ 1,051	$ 957

A reconciliation between the effective income tax rates and the applicable statutory rate is as follows:

	NEE			FPL		
	Years Ended December 31,			Years Ended December 31,		
	2017	2016	2015	**2017**	2016	2015
Statutory federal income tax rate	**35.0 %**	35.0%	35.0%	**35.0%**	35.0%	35.0%
Increases (reductions) resulting from:						
State income taxes - net of federal income tax benefit	**2.9**	3.5	0.4	**3.5**	3.5	3.4
Tax reform rate change	**(41.2)**	—	—	**(0.5)**	—	—
PTCs and ITCs - NEER	**(8.4)**	(3.9)	(4.1)	**—**	—	—
Convertible ITCs - NEER	**0.6**	(1.7)	(0.8)	**—**	—	—
Adjustments associated with Canadian assets	**—**	(0.7)	—	**—**	—	—
Other - net	**(2.9)**	(0.7)	0.3	**(1.0)**	(0.7)	(1.7)
Effective income tax rate	**(14.0)%**	31.5%	30.8%	**37.0%**	37.8%	36.7%

The income tax effects of temporary differences giving rise to consolidated deferred income tax liabilities and assets are as follows:

	NEE		FPL	
	December 31,		December 31,	
	2017	2016	**2017**	2016
	(millions)			
Deferred tax liabilities:				
Property-related	**$ 9,030**	$ 13,094	**$ 6,045**	$ 8,882
Pension	**364**	454	**342**	502
Nuclear decommissioning trusts	**226**	253	**—**	—
Net unrealized gains on derivatives	**263**	581	**—**	—
Investments in partnerships and joint ventures	**442**	603	**—**	—
Other	**871**	1,272	**584**	796
Total deferred tax liabilities	**11,196**	16,257	**6,971**	10,180
Deferred tax assets and valuation allowance:				
Decommissioning reserves	**306**	454	**271**	401
Postretirement benefits	**74**	145	**57**	93
Net operating loss carryforwards	**482**	427	**3**	3
Tax credit carryforwards	**3,126**	3,059	**—**	—
ARO and accrued asset removal costs	**210**	777	**146**	699
Regulatory liabilities[(a)]	**1,267**	84	**1,273**	84
Other	**646**	940	**216**	359
Valuation allowance[(b)]	**(252)**	(269)	**—**	—
Net deferred tax assets	**5,859**	5,617	**1,966**	1,639
Net deferred income taxes	**$ 5,337**	$ 10,640	**$ 5,005**	$ 8,541

(a) 2017 reflects the tax gross up of regulatory liabilities associated with tax reform.
(b) Reflects a valuation allowance related to the solar projects in Spain, deferred state tax credits and state operating loss carryforwards.

Deferred tax assets and liabilities are included on the consolidated balance sheets as follows:

	NEE		FPL	
	December 31,		December 31,	
	2017	2016	**2017**	2016
	(millions)			
Noncurrent other assets	**$ 417**	$ 461	**$ —**	$ —
Deferred income taxes - noncurrent liabilities	**(5,754)**	(11,101)	**(5,005)**	(8,541)
Net deferred income taxes	**$ (5,337)**	$ (10,640)	**$ (5,005)**	$ (8,541)

The components of NEE's deferred tax assets relating to net operating loss carryforwards and tax credit carryforwards at December 31, 2017 are as follows:

	Amount		**Expiration Dates**
	(millions)		
Net operating loss carryforwards:			
Federal	**$ 158**		**2026-2037**
State	**232**		**2018-2037**
Foreign	**92**	[(a)]	**2018-2036**
Net operating loss carryforwards	**$ 482**		
Tax credit carryforwards:			
Federal	**$ 2,779**		**2026-2037**
State	**347**	[(b)]	**2018-2044**
Tax credit carryforwards	**$ 3,126**		

(a) Includes $64 million of net operating loss carryforwards with an indefinite expiration period.
(b) Includes $188 million of ITC carryforwards with an indefinite expiration period.

6. Jointly-Owned Electric Plants

Certain NEE subsidiaries own undivided interests in the jointly-owned facilities described below, and are entitled to a proportionate share of the output from those facilities. The subsidiaries are responsible for their share of the operating costs, as well as providing their own financing. Accordingly, each subsidiary's proportionate share of the facilities and related revenues and expenses is included in the appropriate balance sheet and statement of income captions. NEE's and FPL's respective shares of direct expenses for these facilities are included in fuel, purchased power and interchange expense, O&M expenses, depreciation and amortization expense and taxes other than income taxes and other - net in NEE's and FPL's consolidated statements of income.

NEE's and FPL's proportionate ownership interest in jointly-owned facilities is as follows:

	December 31, 2017			
	Ownership Interest	Gross Investment[a]	Accumulated Depreciation[a]	Construction Work in Progress
		(millions)		
FPL:				
St. Lucie Unit No. 2	85%	$ 2,205	$ 863	$ 36
St. Johns River Power Park units (SJRPP) and coal terminal[b]	20%	$ 394	$ 215	$ —
Scherer Unit No. 4	76%	$ 1,146	$ 419	$ 24
NEER:				
Duane Arnold[c]	70%	$ 61	$ —	$ 4
Seabrook	88.23%	$ 1,181	$ 302	$ 78
Wyman Station Unit No. 4	87.49%	$ 26	$ 4	$ —
Corporate and Other:				
Transmission substation assets located in Seabrook, New Hampshire	88.23%	$ 78	$ 14	$ 3

(a) Excludes nuclear fuel.
(b) SJRPP was shut down in January 2018. See Note 13 - Contracts.
(c) Reflects impairment charge of $420 million pretax. See Note 4 - Nonrecurring Fair Value Measurements.

7. Business Acquisition

Texas Pipeline Business - On October 1, 2015, a subsidiary of NEP acquired 100% of the membership interests in NET Holdings Management, LLC (Texas pipeline business), a developer, owner and operator of the Texas pipelines. One of the acquired pipelines is subject to a 10% noncontrolling interest. The aggregate purchase price of approximately $2 billion included approximately $934 million in cash consideration and the assumption of approximately $706 million in existing debt of the Texas pipeline business and its subsidiaries at closing and excluded post-closing working capital adjustments of approximately $2 million. The purchase price was subject to (i) a $200 million holdback payable, in whole or in part, upon satisfaction of financial performance and capital expenditure thresholds relating to planned expansion projects (contingent holdback) and (ii) a $200 million holdback retained to satisfy any indemnification obligations of the sellers through April 2017. NEP incurred approximately $13 million in acquisition-related costs during the year ended December 31, 2015, which are reflected in O&M expenses in NEE's consolidated statements of income.

Under the acquisition method, the purchase price was allocated to the assets acquired and liabilities assumed on October 1, 2015 based on their estimated fair value. All fair value measurements of assets acquired and liabilities assumed, including the noncontrolling interest, were based on significant estimates and assumptions, including Level 3 inputs, which require judgment. Estimates and assumptions include the projected timing and amount of future cash flows, discount rates reflecting risk inherent in future cash flows and future market prices. The excess of the purchase price over the estimated fair value of assets acquired and liabilities assumed was recognized as goodwill at the acquisition date. The goodwill arising from the acquisition consists largely of growth opportunities from the Texas pipeline business. Approximately $380 million of the goodwill is expected to be deductible for income tax purposes over a 15 year period. The contingent holdback discussed above was payable if the Texas pipelines entered into one or more written contracts by December 31, 2016 related to financial performance and capital expenditure thresholds discussed above. A liability of approximately $186 million was recognized as of the acquisition date for each of the contingent holdback and the indemnity holdback, reflecting the fair value of the expected future payments. NEE determined this fair value measurement based on management's probability assessment. The significant inputs and assumptions used in the fair value measurement included the estimated probability of executing contracts related to financial performance and capital expenditure thresholds as well as the appropriate discount rate. In 2016, NEE recorded fair value adjustments to eliminate the entire contingent holdback as the contracts contemplated in the acquisition were not executed by December 31, 2016. The fair value adjustments are reflected as revaluation of contingent consideration in NEE's consolidated statements of income. Subsequent to the acquisition, the present value of the indemnity holdback increased to approximately $199 million at December 31, 2016 and was included in

current other liabilities on NEE's consolidated balance sheets. During 2017, the indemnity holdback was released under the terms of the Texas pipelines acquisition agreement and approximately $200 million was paid to the sellers.

8. Variable Interest Entities (VIEs)

At December 31, 2017, NEE had thirty-seven VIEs which it consolidated and had interests in certain other VIEs which it did not consolidate.

FPL - FPL is considered the primary beneficiary of, and therefore consolidates, a VIE that is a wholly owned bankruptcy remote special purpose subsidiary that it formed in 2007 for the sole purpose of issuing storm-recovery bonds pursuant to the securitization provisions of the Florida Statutes and a financing order of the FPSC. FPL is considered the primary beneficiary because FPL has the power to direct the significant activities of the VIE, and its equity investment, which is subordinate to the bondholder's interest in the VIE, is at risk. Storm restoration costs incurred by FPL during 2005 and 2004 exceeded the amount in FPL's funded storm and property insurance reserve, resulting in a storm reserve deficiency. In 2007, the VIE issued $652 million aggregate principal amount of senior secured bonds (storm-recovery bonds), primarily for the after-tax equivalent of the total of FPL's unrecovered balance of the 2004 storm restoration costs, the 2005 storm restoration costs and to reestablish FPL's storm and property insurance reserve. In connection with this financing, net proceeds, after debt issuance costs, to the VIE (approximately $644 million) were used to acquire the storm-recovery property, which includes the right to impose, collect and receive a storm-recovery charge from all customers receiving electric transmission or distribution service from FPL under rate schedules approved by the FPSC or under special contracts, certain other rights and interests that arise under the financing order issued by the FPSC and certain other collateral pledged by the VIE that issued the bonds. The storm-recovery bonds are payable only from and are secured by the storm-recovery property. The bondholders have no recourse to the general credit of FPL. The assets of the VIE were approximately $148 million and $216 million at December 31, 2017 and 2016, respectively, and consisted primarily of storm-recovery property, which are included in both current and noncurrent regulatory assets on NEE's and FPL's consolidated balance sheets. The liabilities of the VIE were approximately $147 million and $214 million at December 31, 2017 and 2016, respectively, and consisted primarily of storm-recovery bonds, which are included in current maturities of long-term debt and long-term debt on NEE's and FPL's consolidated balance sheets.

NEER - NEE consolidates thirty-six NEER VIEs. NEER is considered the primary beneficiary of these VIEs since NEER controls the most significant activities of these VIEs, including operations and maintenance, and has the obligation to absorb expected losses of these VIEs.

A subsidiary of NEER is the primary beneficiary of, and therefore consolidates, NEP, which consolidates NEP OpCo because of NEP’s controlling interest in the general partner of NEP OpCo. NEP is a limited partnership formed to acquire, manage and own contracted clean energy projects with stable, long-term cash flows through a limited partner interest in NEP OpCo. At December 31, 2017, NEE owned a controlling non-economic general partner interest in NEP and a limited partner interest in NEP OpCo, and presented limited partner interests in NEP as a noncontrolling interest in NEE's consolidated financial statements. At December 31, 2017, NEE owned common units of NEP OpCo representing noncontrolling interest in NEP’s operating projects of approximately 65.1%. The assets and liabilities of NEP were approximately $8.4 billion and $6.2 billion, respectively, at December 31, 2017, and $7.2 billion and $5.0 billion, respectively, at December 31, 2016, and primarily consisted of property, plant and equipment and long-term debt. During the third quarter of 2017, changes to NEP's governance structure were made that, among other things, enhanced NEP unitholder governance rights. As a result of these governance changes, NEP was deconsolidated from NEE in January 2018.

A NEER VIE consolidates two entities which own and operate natural gas/oil electric generation facilities with the capability of producing 110 MW. These entities sell their electric output under power sales contracts to a third party, with expiration dates in 2018 and 2020. The power sales contracts provide the offtaker the ability to dispatch the facilities and require the offtaker to absorb the cost of fuel. The entities have third-party debt which is secured by liens against the generation facilities and the other assets of these entities. The debt holders have no recourse to the general credit of NEER for the repayment of debt. The assets and liabilities of the VIE were approximately $89 million and $29 million, respectively, at December 31, 2017 and $95 million and $42 million, respectively, at December 31, 2016, and consisted primarily of property, plant and equipment and long-term debt.

Two indirect subsidiaries of NEER each contributed, to a NEP subsidiary, an approximately 50% ownership interest in three entities which own and operate solar photovoltaic (PV) facilities with the capability of producing a total of approximately 277 MW. Each of the two indirect subsidiaries of NEER is considered a VIE since the non-managing members have no substantive rights over the managing members, and is consolidated by NEER. These three entities sell their electric output to third parties under power sales contracts with expiration dates in 2035 and 2036. The three entities have third-party debt which is secured by liens against the assets of the entities. The debt holders have no recourse to the general credit of NEER for the repayment of debt. The assets and liabilities of these VIEs were approximately $548 million and $594 million, respectively, at December 31, 2017 and $571 million and $487 million, respectively, at December 31, 2016, and consisted primarily of property, plant and equipment and long-term debt.

NEER consolidates a special purpose entity that has insufficient equity at risk and is considered a VIE. The entity provided a loan in the form of a note receivable (see Note 4 - Fair Value of Financial Instruments Recorded at Other than Fair Value) to an unrelated third party, and also issued senior secured bonds which are collateralized by the note receivable. The assets and liabilities of the

VIE were approximately $490 million and $502 million, respectively, at December 31, 2017, and $502 million and $511 million, respectively at December 31, 2016, and consisted primarily of notes receivables (included in other investments and classified as held for sale at December 31, 2017) and long-term debt.

The other thirty-one NEER VIEs that are consolidated relate to certain subsidiaries which have sold differential membership interests in entities which own and operate wind electric generation and solar PV facilities with the capability of producing a total of approximately 8,197 MW and 374 MW, respectively. These entities sell their electric output either under power sales contracts to third parties with expiration dates ranging from 2018 through 2051 or in the spot market. Certain investors that have no equity at risk in the VIEs hold differential membership interests, which give them the right to receive a portion of the economic attributes of the generation facilities, including certain tax attributes. Certain entities have third-party debt which is secured by liens against the generation facilities and the other assets of these entities or by pledges of NEER's ownership interest in these entities. The debt holders have no recourse to the general credit of NEER for the repayment of debt. The assets and liabilities of these VIEs totaled approximately $13.1 billion and $6.9 billion, respectively, at December 31, 2017. Twenty-seven of the thirty-one were VIEs at December 31, 2016 and were consolidated; the assets and liabilities of those VIEs totaled approximately $10.9 billion and $6.9 billion, respectively, at December 31, 2016. At December 31, 2017 and 2016, the assets and liabilities of the VIEs consisted primarily of property, plant and equipment, deferral related to differential membership interests and long-term debt.

Other - At December 31, 2017 and 2016, several NEE subsidiaries have investments totaling approximately $2,634 million ($2,195 million at FPL) and $2,505 million ($2,049 million at FPL), respectively, which are included in special use funds and other investments on NEE's consolidated balance sheets and in special use funds on FPL's consolidated balance sheets. These investments represented primarily commingled funds and mortgage-backed securities. NEE subsidiaries, including FPL, are not the primary beneficiary and therefore do not consolidate any of these entities because they do not control any of the ongoing activities of these entities, were not involved in the initial design of these entities and do not have a controlling financial interest in these entities.

Certain subsidiaries of NEE have noncontrolling interests in entities accounted for under the equity method. These entities are limited partnerships or similar entity structures in which the limited partners or nonmanaging members do not have substantive rights, and therefore are considered VIEs. NEE is not the primary beneficiary because it does not have a controlling financial interest in these entities, and therefore does not consolidate any of these entities. NEE’s investment in these entities totaled approximately $248 million and $234 million at December 31, 2017 and 2016, respectively, which are included in other investments on NEE’s consolidated balance sheets. Subsidiaries of NEE had committed to invest an additional approximately $75 million in three of the entities at December 31, 2017 and $30 million in two of the entities at December 31, 2016.

9. Investments in Partnerships and Joint Ventures

Certain subsidiaries of NEE, primarily NEER, have noncontrolling non-majority owned interests in various partnerships and joint ventures, essentially all of which own or are in the process of developing natural gas pipelines or own electric generation facilities. At December 31, 2017 and 2016, NEE's investments in partnerships and joint ventures totaled approximately $2,321 million and $1,767 million, respectively, which are included in other investments on NEE's consolidated balance sheets. NEER's interest in these partnerships and joint ventures primarily range from approximately 31% to 50%. At December 31, 2017 and 2016, the principal entities included in NEER's investments in partnerships and joint ventures were Sabal Trail Transmission, LLC (Sabal Trail), Desert Sunlight Investment Holdings, LLC, Northeast Energy, LP and Cedar Point II Wind, LP, and in 2017 also included Mountain Valley Pipeline, LLC.

Summarized combined information for these principal entities is as follows:

	2017	2016
	(millions)	
Net income	**$ 358**	$ 264
Total assets	**$ 6,001**	$ 4,502
Total liabilities	**$ 1,217**	$ 1,364
Partners'/members' equity	**$ 4,784**	$ 3,138
NEER's share of underlying equity in the principal entities	**$ 2,024**	$ 1,423
Difference between investment carrying amount and underlying equity in net assets[(a)]	**105**	65
NEER's investment carrying amount for the principal entities	**$ 2,129**	$ 1,488

(a) Substantially all of the difference between the investment carrying amount and the underlying equity in net assets is being amortized over a 25-year period.

10. Equity

Earnings Per Share - The reconciliation of NEE's basic and diluted earnings per share attributable to NEE is as follows:

	Years Ended December 31,		
	2017	2016	2015
	(millions, except per share amounts)		
Numerator - net income attributable to NEE	**$ 5,378**	$ 2,912	$ 2,752
Denominator:			
Weighted-average number of common shares outstanding - basic	**468.8**	463.1	450.5
Equity units, stock options, performance share awards, forward sale agreements and restricted stock[(a)]	**3.7**	2.7	3.5
Weighted-average number of common shares outstanding - assuming dilution	**472.5**	465.8	454.0
Earnings per share attributable to NEE:			
Basic	**$ 11.47**	$ 6.29	$ 6.11
Assuming dilution	**$ 11.38**	$ 6.25	$ 6.06

(a) Calculated using the treasury stock method. Performance share awards are included in diluted weighted-average number of common shares outstanding based upon what would be issued if the end of the reporting period was the end of the term of the award.

Common shares issuable pursuant to equity units, stock options, performance share awards and forward sale agreements, as well as restricted stock which were not included in the denominator above due to their antidilutive effect were approximately 3.1 million, 7.9 million and 3.5 million for the years ended December 31, 2017, 2016 and 2015, respectively. NEP's senior unsecured convertible notes (see Note 11) and NEP Series A Preferred Units (see below) are potentially dilutive securities; however, their effect on the calculation of NEE's diluted EPS for the year ended December 31, 2017 was not material.

Forward Sale Agreements - In November 2016, NEE entered into forward sale agreements with several forward counterparties for 12 million shares of its common stock to be settled on a date or dates to be specified at NEE's direction, no later than November 1, 2017. During 2017, NEE issued 1,711,345 shares of its common stock to net share settle the forward sale agreements. The forward sale price used to determine the net share settlement amount was calculated based on the initial forward sale price of $124.00 per share, less certain adjustments as specified in the forward sale agreements.

Common Stock Dividend Restrictions - NEE's charter does not limit the dividends that may be paid on its common stock. FPL's mortgage securing FPL's first mortgage bonds contains provisions which, under certain conditions, restrict the payment of dividends and other distributions to NEE. These restrictions do not currently limit FPL's ability to pay dividends to NEE.

Stock-Based Compensation - Net income for the years ended December 31, 2017, 2016 and 2015 includes approximately $76 million, $77 million and $60 million, respectively, of compensation costs and $29 million, $30 million and $23 million, respectively, of income tax benefits related to stock-based compensation arrangements. Compensation cost capitalized for the years ended December 31, 2017, 2016 and 2015 was not material. At December 31, 2017, there were approximately $85 million of unrecognized compensation costs related to nonvested/nonexercisable stock-based compensation arrangements. These costs are expected to be recognized over a weighted-average period of 1.8 years.

At December 31, 2017, approximately 16 million shares of common stock were authorized for awards to officers, employees and non-employee directors of NEE and its subsidiaries under NEE's: (a) Amended and Restated 2011 Long Term Incentive Plan, (b) 2017 Non-Employee Directors Stock Plan and (c) earlier equity compensation plans under which shares are reserved for issuance under existing grants, but no additional shares are available for grant under the earlier plans. NEE satisfies restricted stock and performance share awards by issuing new shares of its common stock or by purchasing shares of its common stock in the open market. NEE satisfies stock option exercises by issuing new shares of its common stock. NEE generally grants most of its stock-based compensation awards in the first quarter of each year.

Restricted Stock and Performance Share Awards - Restricted stock typically vests within three years after the date of grant and is subject to, among other things, restrictions on transferability prior to vesting. The fair value of restricted stock is measured based upon the closing market price of NEE common stock as of the date of grant. Performance share awards are typically payable at the end of a three-year performance period if the specified performance criteria are met. The fair value of performance share awards is estimated primarily based upon the closing market price of NEE common stock as of the date of grant less the present value of expected dividends, multiplied by an estimated performance multiple which is subsequently trued up based on actual performance.

The activity in restricted stock and performance share awards for the year ended December 31, 2017 was as follows:

	Shares	Weighted-Average Grant Date Fair Value Per Share
Restricted Stock:		
Nonvested balance, January 1, 2017	556,648	$ 103.26
Granted	237,662	$ 130.16
Vested	(261,940)	$ 101.31
Forfeited	(21,057)	$ 112.91
Nonvested balance, December 31, 2017	511,313	$ 116.36
Performance Share Awards:		
Nonvested balance, January 1, 2017	834,433	$ 95.76
Granted	483,958	$ 107.39
Vested	(463,511)	$ 87.24
Forfeited	(46,472)	$ 100.38
Nonvested balance, December 31, 2017	808,408	$ 110.98

The weighted-average grant date fair value per share of restricted stock granted for the years ended December 31, 2016 and 2015 was $112.86 and $103.58 respectively. The weighted-average grant date fair value per share of performance share awards granted for the years ended December 31, 2016 and 2015 was $89.23 and $77.12, respectively.

The total fair value of restricted stock and performance share awards vested was $96 million, $99 million and $108 million for the years ended December 31, 2017, 2016 and 2015, respectively.

Options - Options typically vest within three years after the date of grant and have a maximum term of ten years. The exercise price of each option granted equals the closing market price of NEE common stock on the date of grant. The fair value of the options is estimated on the date of the grant using the Black-Scholes option-pricing model and based on the following assumptions:

	2017	2016	2015
Expected volatility[(a)]	**14.91%**	16.37%	18.91%
Expected dividends	**3.16%**	3.16%	3.11%
Expected term (years)[(b)]	**7.0**	7.0	7.0
Risk-free rate	**2.23%**	1.50%	1.84%

(a) Based on historical experience.
(b) Based on historical exercise and post-vesting cancellation experience adjusted for outstanding awards.

Option activity for the year ended December 31, 2017 was as follows:

	Shares Underlying Options	Weighted-Average Exercise Price Per Share	Weighted-Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (millions)
Balance, January 1, 2017	2,505,208	$ 71.08		
Granted	407,216	$ 126.86		
Exercised	(429,402)	$ 52.47		
Balance, December 31, 2017	2,483,022	$ 83.45	**5.6**	$ 181
Exercisable, December 31, 2017	1,825,151	$ 70.17	**4.5**	$ 157

The weighted-average grant date fair value of options granted was $13.25, $11.74 and $13.62 per share for the years ended December 31, 2017, 2016 and 2015, respectively. The total intrinsic value of stock options exercised was approximately $41 million, $42 million and $11 million for the years ended December 31, 2017, 2016 and 2015, respectively.

Cash received from option exercises was approximately $23 million, $36 million and $9 million for the years ended December 31, 2017, 2016 and 2015, respectively. The tax benefits realized from options exercised were approximately $16 million, $16 million and $4 million for the years ended December 31, 2017, 2016 and 2015, respectively.

Preferred Stock - NEE's charter authorizes the issuance of 100 million shares of serial preferred stock, $0.01 par value, none of which are outstanding. FPL's charter authorizes the issuance of 10,414,100 shares of preferred stock, $100 par value, 5 million shares of subordinated preferred stock, no par value, and 5 million shares of preferred stock, no par value, none of which are outstanding.

NEP Series A Preferred Units - In November 2017, NEP issued approximately $550 million of Series A convertible preferred units representing limited partner interests in NEP (NEP preferred units), which are reflected in noncontrolling interests on NEE's consolidated balance sheets. Holders of the NEP preferred units are entitled to receive certain cumulative quarterly distributions from NEP, which will be paid, at NEP's election and subject to certain limitations, in cash, additional NEP preferred units or a combination thereof. Each holder of NEP preferred units (together with its affiliates) may elect to convert all or any portion of its NEP preferred units into common units of NEP initially on a one-for-one basis, subject to certain adjustments (the conversion rate), at any time after June 20, 2019, subject to certain conditions. NEP may elect to convert all or a portion of the NEP preferred units into NEP common units based on the conversion rate at any time after November 15, 2018 if certain conditions are met and subject to certain maximum conversion amounts prior to November 2020.

Accumulated Other Comprehensive Income (Loss) - The components of AOCI, net of tax, are as follows:

	Accumulated Other Comprehensive Income (Loss)					
	Net Unrealized Gains (Losses) on Cash Flow Hedges	Net Unrealized Gains (Losses) on Available for Sale Securities	Defined Benefit Pension and Other Benefits Plans	Net Unrealized Gains (Losses) on Foreign Currency Translation	Other Comprehensive Income (Loss) Related to Equity Method Investee	Total
			(millions)			
Balances, December 31, 2014	$ (156)	$ 218	$ (20)	$ (58)	$ (24)	$ (40)
Other comprehensive loss before reclassifications	(88)	(7)	(42)	(27)	—	(164)
Amounts reclassified from AOCI	63 [(a)]	(37) [(b)]	—	—	—	26
Net other comprehensive loss	(25)	(44)	(42)	(27)	—	(138)
Less other comprehensive loss attributable to noncontrolling interests	(11)	—	—	—	—	(11)
Balances, December 31, 2015	(170)	174	(62)	(85)	(24)	(167)
Other comprehensive income (loss) before reclassifications	—	69	(21)	(5)	2	45
Amounts reclassified from AOCI	70 [(a)]	(18) [(b)]	—	—	—	52
Net other comprehensive income (loss)	70	51	(21)	(5)	2	97
Less other comprehensive income attributable to noncontrolling interests	—	—	—	—	—	—
Balances, December 31, 2016	(100)	225	(83)	(90)	(22)	(70)
Other comprehensive income before reclassifications	**—**	**127**	**44**	**24**	**2**	**197**
Amounts reclassified from AOCI	**32** [(a)]	**(36)** [(b)]	**—**	**—**	**—**	**(4)**
Net other comprehensive income	**32**	**91**	**44**	**24**	**2**	**193**
Less other comprehensive income attributable to noncontrolling interests	**9**	**—**	**—**	**3**	**—**	**12**
Balances, December 31, 2017	**$ (77)**	**$ 316**	**$ (39)**	**$ (69)**	**$ (20)**	**$ 111**

(a) Reclassified to interest expense and also to other - net in 2015 in NEE's consolidated statements of income. See Note 3 - Income Statement Impact of Derivative Instruments.
(b) Reclassified to gains on disposal of investments and other property - net in NEE's consolidated statements of income.

11. Debt

Long-term debt consists of the following:

		December 31,			
		2017		2016	
	Maturity Date	Balance	Weighted-Average Interest Rate	Balance	Weighted-Average Interest Rate
		(millions)		(millions)	
FPL:					
First mortgage bonds - fixed	2017 - 2047	$ 9,145	4.70%	$ 8,690	4.78%
Storm-recovery bonds - fixed[a]	2021	144	5.26%	210	5.26%
Pollution control, solid waste disposal and industrial development revenue bonds - primarily variable[b]	2020 - 2047	966	2.12%	778	0.77%
Other long-term debt - variable[c]	2018 - 2021	1,501	2.01%	450	1.66%
Other long-term debt - fixed	2017 - 2040	51	5.10%	52	5.09%
Unamortized debt issuance costs and discount		(105)		(108)	
Total long-term debt of FPL		11,702		10,072	
Less current maturities of long-term debt		466		367	
Long-term debt of FPL, excluding current maturities		11,236		9,705	
NEECH:					
Debentures - fixed[d]	2017 - 2027	4,100	3.00%	4,100	2.87%
Debentures, related to NEE's equity units - fixed	2020 - 2021	2,200	1.88%	2,200	1.88%
Junior subordinated debentures - primarily fixed[d]	2044 - 2077	3,456	4.79%	3,460	5.40%
Japanese yen denominated senior notes - fixed[d]	2030	89	5.13%	85	5.13%
Japanese yen denominated term loans - variable[c][d]	2017 - 2020	532	2.76%	470	1.83%
Other long-term debt - fixed	2017 - 2044	920	2.46%	924	2.45%
Other long-term debt - variable[c]	2019	52	2.58%	60 [e]	1.77%
Fair value hedge adjustment		1		8	
Unamortized debt issuance costs and discount		(94)		(101)	
Total long-term debt of NEECH		11,256		11,206	
Less current maturities of long-term debt		645		1,724	
Long-term debt of NEECH, excluding current maturities		10,611		9,482	
NEER:					
Senior secured limited-recourse bonds and notes - fixed [f]	2019 - 2038	2,114	5.74%	2,091	6.00%
Senior secured limited-recourse term loans - primarily variable[c][d]	2019 - 2037	5,165	3.32%	4,959	2.78%
Senior unsecured notes - fixed[d]	2024 - 2027	1,100	4.38%	—	
Senior unsecured NEP convertible notes - fixed[g]	2020	300	1.50%	—	
Other long-term debt - primarily variable[c][d]	2017 - 2040	1,683	3.29%	2,262	2.97%
Unamortized debt issuance costs and premium - net		(181)		(168)	
Total long-term debt of NEER		10,181		9,144	
Less current maturities of long-term debt		565		513	
Long-term debt of NEER, excluding current maturities		9,616		8,631	
Total long-term debt		$ 31,463		$ 27,818	

(a) Principal on the storm-recovery bonds is due on the final maturity date (the date by which the principal must be repaid to prevent a default) for each tranche, however, it is being paid semiannually and sequentially.

(b) Includes approximately $838 million of variable rate tax exempt bonds that permit individual bond holders to tender the bonds for purchase at any time prior to maturity. In the event these variable rate tax exempt bonds are tendered for purchase, they would be remarketed by a designated remarketing agent in accordance with the related indenture. If the remarketing is unsuccessful, FPL would be required to purchase the variable rate tax exempt bonds. At December 31, 2017, all variable rate tax exempt bonds tendered for purchase have been successfully remarketed. FPL's bank revolving line of credit facilities are available to support the purchase of the variable rate tax exempt bonds. Variable interest rate is established at various intervals by the remarketing agent.

(c) Variable rate is based on an underlying index plus a margin.

(d) Interest rate contracts, primarily swaps, have been entered into with respect to certain of these debt issuances. Additionally, foreign currency contracts have been entered into with respect to the Japanese yen denominated debt. See Note 3.

(e) Excludes debt totaling $373 million reflected in liabilities associated with assets held for sale on NEE's consolidated balance sheets. See Note 1 - Assets and Liabilities Associated with Assets Held for Sale.

(f) Includes approximately $483 million in 2017 and $490 million in 2016 of debt held by a wholly owned subsidiary of NEER and collateralized by a third-party note receivable held by that subsidiary. See Note 8 - NEER.

(g) A holder may convert all or a portion of its notes into NEP common units and cash in lieu of any fractional common unit at the conversion rate. At December 31, 2017, the conversion rate, subject to certain adjustments, is 18.9170 NEP common units per $1,000 principal amount of the convertible notes.

Minimum annual maturities of long-term debt for NEE are approximately $1,676 million, $2,206 million, $3,131 million, $2,697 million and $1,137 million for 2018, 2019, 2020, 2021 and 2022, respectively. The respective amounts for FPL are approximately $466 million, $471 million, $782 million, $70 million and $122 million.

At December 31, 2017 and 2016, short-term borrowings had a weighted-average interest rate of 1.68% (1.68% for FPL) and 1.07% (1.07% for FPL), respectively. Subsidiaries of NEE, including FPL, had credit facilities with available capacity at December 31, 2017 of approximately $9.9 billion ($3.1 billion for FPL), of which approximately $9.8 billion ($3.1 billion for FPL) relate to revolving line of credit facilities and $0.08 billion (none for FPL) relate to letter of credit facilities. Certain of the revolving line of credit facilities provide for the issuance of letters of credit of up to approximately $3.0 billion ($0.7 billion for FPL). The issuance of letters of credit under certain revolving line of credit facilities is subject to the aggregate commitment of the relevant banks to issue letters of credit under the applicable facility.

NEE has guaranteed certain payment obligations of NEECH, including most of those under NEECH's debt, including all of its debentures and commercial paper issuances, as well as most of its payment guarantees and indemnifications. NEECH has guaranteed certain debt and other obligations of NEER and its subsidiaries.

In September 2015, NEE sold $700 million of equity units (initially consisting of Corporate Units). Each equity unit has a stated amount of $50 and consists of a contract to purchase NEE common stock (stock purchase contract) and, initially, a 5% undivided beneficial ownership interest in a Series H Debenture due September 1, 2020 issued in the principal amount of $1,000 by NEECH. Each stock purchase contract requires the holder to purchase by no later than September 1, 2018 (the final settlement date) for a price of $50 in cash, a number of shares of NEE common stock (subject to antidilution adjustments) based on a price per share range of $95.35 to $114.42. If purchased on the final settlement date, as of December 31, 2017, the number of shares issued would (subject to antidilution adjustments) range from 0.5293 shares if the applicable market value of a share of common stock is less than or equal to $95.35 to 0.4412 shares if the applicable market value of a share is equal to or greater than $114.42, with applicable market value to be determined using the average closing prices of NEE common stock over a 20-day trading period ending August 29, 2018. Total annual distributions on the equity units are at the rate of 6.371%, consisting of interest on the debentures (2.36% per year) and payments under the stock purchase contracts (4.011% per year). The interest rate on the debentures is expected to be reset on or after March 1, 2018. A holder of an equity unit may satisfy its purchase obligation with proceeds raised from remarketing the NEECH debentures that are part of its equity unit. The undivided beneficial ownership interest in the NEECH debenture that is a component of each Corporate Unit is pledged to NEE to secure the holder's obligation to purchase NEE common stock under the related stock purchase contract. If a successful remarketing does not occur on or before the third business day prior to the final settlement date, and a holder has not notified NEE of its intention to settle the stock purchase contract with cash, the debentures that are components of the Corporate Units will be used to satisfy in full the holders' obligations to purchase NEE common stock under the related stock purchase contracts on the final settlement date. The debentures are fully and unconditionally guaranteed by NEE.

In August 2016, NEE sold $1.5 billion of equity units (initially consisting of Corporate Units). Each equity unit has a stated amount of $50 and consists of a contract to purchase NEE common stock (stock purchase contract) and, initially, a 5% undivided beneficial ownership interest in a Series I Debenture due September 1, 2021 issued in the principal amount of $1,000 by NEECH. Each stock purchase contract requires the holder to purchase by no later than September 1, 2019 (the final settlement date) for a price of $50 in cash, a number of shares of NEE common stock (subject to antidilution adjustments) based on a price per share range of $127.63 to $159.54. If purchased on the final settlement date, as of December 31, 2017, the number of shares issued would (subject to antidilution adjustments) range from 0.3931 shares if the applicable market value of a share of common stock is less than or equal to $127.63 to 0.3144 shares if the applicable market value of a share is equal to or greater than $159.54, with applicable market value to be determined using the average closing prices of NEE common stock over a 20-day trading period ending August 28, 2019. Total annual distributions on the equity units are at the rate of 6.123%, consisting of interest on the debentures (1.65% per year) and payments under the stock purchase contracts (4.473% per year). The interest rate on the debentures is expected to be reset on or after March 1, 2019. A holder of an equity unit may satisfy its purchase obligation with proceeds raised from remarketing the NEECH debentures that are part of its equity unit. The undivided beneficial ownership interest in the NEECH debenture that is a component of each Corporate Unit is pledged to NEE to secure the holder's obligation to purchase NEE common stock under the related stock purchase contract. If a successful remarketing does not occur on or before the third business day prior to the final settlement date, and a holder has not notified NEE of its intention to settle the stock purchase contract with cash, the debentures that are components of the Corporate Units will be used to satisfy in full the holders' obligations to purchase NEE common stock under the related stock purchase contracts on the final settlement date. The debentures are fully and unconditionally guaranteed by NEE.

Prior to the issuance of NEE’s common stock, the stock purchase contracts, if dilutive, will be reflected in NEE’s diluted earnings per share calculations using the treasury stock method. Under this method, the number of shares of NEE common stock used in calculating diluted earnings per share is deemed to be increased by the excess, if any, of the number of shares that would be issued upon settlement of the stock purchase contracts over the number of shares that could be purchased by NEE in the market, at the average market price during the period, using the proceeds receivable upon settlement.

12. Asset Retirement Obligations

FPL's AROs relate primarily to the nuclear decommissioning obligations of its nuclear units. FPL's AROs other than nuclear decommissioning obligations are not significant. The accounting provisions result in timing differences in the recognition of legal asset retirement costs for financial reporting purposes and the method the FPSC allows FPL to recover in rates. NEER's AROs relate primarily to the nuclear decommissioning obligations of its nuclear plants and obligations for the dismantlement of certain of its wind and solar facilities. See Note 1 - Decommissioning of Nuclear Plants, Dismantlement of Plants and Other Accrued Asset Removal Costs.

A rollforward of NEE's and FPL's AROs is as follows:

	FPL	NEER	NEE
		(millions)	
Balances, December 31, 2015	$ 1,822	$ 647	$ 2,469
Liabilities incurred	1	56	57
Accretion expense	91	47	138
Liabilities settled	—	(2)	(2)
Revision in estimated cash flows - net	5	69 [(a)]	74
Balances, December 31, 2016	1,919	817	2,736
Liabilities incurred	**17**	**59**	**76**
Accretion expense	**96**	**52**	**148**
Liabilities settled	**—**	**(14)** [(b)]	**(14)**
Revision in estimated cash flows - net	**15**	**70** [(c)]	**85**
Balances, December 31, 2017	**$ 2,047**	**$ 984**	**$ 3,031**

(a) Primarily reflects the effect of revised cost estimates to dismantle certain of NEER's wind and solar facilities.
(b) Includes approximately $13 million reclassified to liabilities associated with assets held for sale in NEE's consolidated balance sheets. See Note 1 - Assets and Liabilities Associated with Assets Held for Sale.
(c) Primarily reflects the effect of the revised cost estimate due to the change in useful life of Duane Arnold. See Note 4 - Nonrecurring Fair Value Measurements.

Restricted funds for the payment of future expenditures to decommission NEE's and FPL's nuclear units included in special use funds on NEE's and FPL's consolidated balance sheets are as follows (see Note 4 - Special Use Funds):

	FPL	NEER	NEE
		(millions)	
Balances, December 31, 2017	**$ 4,090**	**$ 1,913**	**$ 6,003**
Balances, December 31, 2016	$ 3,665	$ 1,769	$ 5,434

NEE and FPL have identified but not recognized ARO liabilities related to electric transmission and distribution assets resulting from easements over property not owned by NEE or FPL. These easements are generally perpetual and only require retirement action upon abandonment or cessation of use of the property or facility for its specified purpose. The ARO liability is not estimable for such easements as NEE and FPL intend to use these properties indefinitely. In the event NEE and FPL decide to abandon or cease the use of a particular easement, an ARO liability would be recorded at that time.

13. Commitments and Contingencies

Commitments - NEE and its subsidiaries have made commitments in connection with a portion of their projected capital expenditures. Capital expenditures at FPL include, among other things, the cost for construction or acquisition of additional facilities and equipment to meet customer demand, as well as capital improvements to and maintenance of existing facilities and the procurement of nuclear fuel. At NEER, capital expenditures include, among other things, the cost, including capitalized interest, for construction and development of wind and solar projects and the procurement of nuclear fuel, as well as the investment in the development and construction of its natural gas pipeline assets. Capital expenditures for Corporate and Other primarily include the cost to maintain existing transmission facilities at NextEra Energy Transmission, LLC.

At December 31, 2017, estimated capital expenditures for 2018 through 2022 for which applicable internal approvals (and also, if required, regulatory approvals such as FPSC approvals for FPL) have been received were as follows:

	2018	2019	2020	2021	2022	Total
			(millions)			
FPL:						
Generation:[a]						
New[b]	$ 665	$ 555	$ 1,250	$ 1,105	$ 1,110	$ 4,685
Existing	1,365	695	485	530	490	3,565
Transmission and distribution	2,395	2,155	2,280	2,545	2,570	11,945
Nuclear fuel	170	150	135	145	165	765
General and other	460	325	290	300	280	1,655
Total	$ 5,055	$ 3,880	$ 4,440	$ 4,625	$ 4,615	$ 22,615
NEER:						
Wind[c]	$ 2,105	$ 1,810	$ 110	$ 40	$ 40	$ 4,105
Solar[d]	85	—	—	—	—	85
Nuclear, including nuclear fuel	265	225	205	195	240	1,130
Natural gas pipelines[e]	955	50	25	10	25	1,065
Other	655	50	45	35	35	820
Total	$ 4,065	$ 2,135	$ 385	$ 280	$ 340	$ 7,205
Corporate and Other	$ 45	$ 25	$ 20	$ 15	$ 5	$ 110

(a) Includes AFUDC of approximately $118 million, $58 million, $49 million, $33 million and $16 million for 2018 through 2022, respectively.
(b) Includes land, generation structures, transmission interconnection and integration and licensing.
(c) Consists of capital expenditures for new wind projects, repowering of existing wind projects and related transmission totaling approximately 3,600 MW.
(d) Includes capital expenditures for new solar projects and related transmission totaling approximately 140 MW.
(e) Includes equity contributions associated with an equity investment in a joint venture that is constructing a natural gas pipeline. The natural gas pipeline is pending FERC approval to proceed with construction.

The above estimates are subject to continuing review and adjustment and actual capital expenditures may vary significantly from these estimates.

Contracts - In addition to the commitments made in connection with the estimated capital expenditures included in the table in Commitments above, FPL has commitments under long-term purchased power and fuel contracts. At December 31, 2017, FPL was obligated under a take-or-pay purchased power contract to pay for 375 MW annually through 2021. FPL made an approximately $90 million payment to JEA, the 80% owner of SJRPP in connection with the shutdown of SJRPP in January 2018, which had the effect of terminating this take-or-pay purchased power contract, retiring SJRPP and eliminating FPL's 20% ownership interest. In connection with the FPSC's approval of the retirement, FPL recorded a regulatory asset of approximately $90 million, which is included in current and noncurrent regulatory assets on NEE's and FPL's consolidated balance sheets at December 31, 2017 and will be amortized over the remaining life of the take-or-pay purchased power contract (October 2021) and recovered through the capacity clause. At December 31, 2017, the net book value of approximately $191 million was included in plant in service and other property on FPL's balance sheets (electric plant in service and other property for NEE) with respect to SJRPP. In January 2018, NEE and FPL reclassified the net book value to a regulatory asset. Approximately $150 million of the regulatory asset will be amortized over 15 years in base rates beginning July 1, 2018 and the remainder will be amortized over 10 years through the environmental cost recovery clause beginning when FPL's base rates are next adjusted in a general base rate case. In addition, in connection with the shutdown of the plant, FPL had regulatory liabilities of approximately $62 million which will be refunded to customers through the capacity clause over the remaining life of the take-or-pay purchased power contract. FPL also has various firm pay-for-performance contracts to purchase approximately 114 MW from certain cogenerators and small power producers with expiration dates ranging from 2026 through 2034. The purchased power contracts provide for capacity and energy payments. Energy payments are based on the actual power taken under these contracts. Capacity payments for the pay-for-performance contracts are subject to the facilities meeting certain contract conditions. FPL has contracts with expiration dates through 2042 for the purchase and transportation of natural gas and coal, and storage of natural gas.

At December 31, 2017, NEER has entered into contracts with expiration dates ranging from late February 2018 through 2033 primarily for the purchase of wind turbines, wind towers and solar modules and related construction and development activities, as well as for the supply of uranium, and the conversion, enrichment and fabrication of nuclear fuel and has made commitments for the construction of natural gas pipelines. Approximately $2.2 billion of related commitments are included in the estimated capital expenditures table in Commitments above. In addition, NEER has contracts primarily for the purchase, transportation and storage of natural gas with expiration dates ranging from March 2018 through 2020.

The required capacity and/or minimum payments under contracts, including those discussed above at December 31, 2017, were estimated as follows:

	2018	2019	2020	2021	2022	Thereafter
	(millions)					
FPL:						
Capacity charges[a]	$ 20	$ 20	$ 20	$ 20	$ 20	$ 225
Minimum charges, at projected prices:[b]						
Natural gas, including transportation and storage[c]	$ 1,310	$ 865	$ 910	$ 905	$ 895	$ 11,240
Coal, including transportation	$ 35	$ 5	$ —	$ —	$ —	$ —
NEER	$ 1,700	$ 205	$ 120	$ 80	$ 100	$ 290
Corporate and Other[d][e]	$ 80	$ 15	$ 15	$ 10	$ —	$ —

(a) Capacity charges, substantially all of which are recoverable through the capacity clause, totaled approximately $72 million, $175 million and $434 million for the years ended December 31, 2017, 2016 and 2015, respectively. Energy charges, which are recoverable through the fuel clause, totaled approximately $90 million, $126 million and $262 million for the years ended December 31, 2017, 2016 and 2015, respectively.
(b) Recoverable through the fuel clause.
(c) Includes approximately $295 million, $290 million, $360 million, $390 million, $390 million and $7,175 million in 2018 through 2022 and thereafter, respectively, of firm commitments related to the natural gas transportation agreements with Sabal Trail and Florida Southeast Connection, LLC.
(d) Includes an approximately $75 million commitment to invest in clean power and technology businesses through 2021.
(e) Excludes approximately $60 million in 2018 of joint obligations of NEECH and NEER which are included in the NEER amounts above.

Insurance - Liability for accidents at nuclear power plants is governed by the Price-Anderson Act, which limits the liability of nuclear reactor owners to the amount of insurance available from both private sources and an industry retrospective payment plan. In accordance with this Act, NEE maintains $450 million of private liability insurance per site, which is the maximum obtainable, and participates in a secondary financial protection system, which provides up to $13.0 billion of liability insurance coverage per incident at any nuclear reactor in the U.S. Under the secondary financial protection system, NEE is subject to retrospective assessments of up to $1.0 billion ($509 million for FPL), plus any applicable taxes, per incident at any nuclear reactor in the U.S., payable at a rate not to exceed $152 million ($76 million for FPL) per incident per year. NEE and FPL are contractually entitled to recover a proportionate share of such assessments from the owners of minority interests in Seabrook, Duane Arnold and St. Lucie Unit No. 2, which approximates $15 million, $38 million and $19 million, plus any applicable taxes, per incident, respectively.

NEE participates in a nuclear insurance mutual company that provides $2.75 billion of limited insurance coverage per occurrence per site for property damage, decontamination and premature decommissioning risks at its nuclear plants and a sublimit of $1.5 billion for non-nuclear perils, except for Duane Arnold which has a sublimit of $1.0 billion. NEE participates in co-insurance of 10% of the first $400 million of losses per site per occurrence. The proceeds from such insurance, however, must first be used for reactor stabilization and site decontamination before they can be used for plant repair. NEE also participates in an insurance program that provides limited coverage for replacement power costs if a nuclear plant is out of service for an extended period of time because of an accident. In the event of an accident at one of NEE's or another participating insured's nuclear plants, NEE could be assessed up to $178 million ($108 million for FPL), plus any applicable taxes, in retrospective premiums in a policy year. NEE and FPL are contractually entitled to recover a proportionate share of such assessments from the owners of minority interests in Seabrook, Duane Arnold and St. Lucie Unit No. 2, which approximates $2 million, $5 million and $4 million, plus any applicable taxes, respectively.

Due to the high cost and limited coverage available from third-party insurers, NEE does not have property insurance coverage for a substantial portion of either its transmission and distribution property or natural gas pipeline assets. If FPL's future storm restoration costs exceed the storm reserve, FPL may recover storm restoration costs, subject to prudence review by the FPSC, either through surcharges approved by the FPSC or through securitization provisions pursuant to Florida law. See Note 1 - Securitized Storm-Recovery Costs, Storm Fund and Storm Reserve.

In the event of a loss, the amount of insurance available might not be adequate to cover property damage and other expenses incurred. Uninsured losses and other expenses, to the extent not recovered from customers in the case of FPL, would be borne by NEE and FPL and could have a material adverse effect on NEE's and FPL's financial condition, results of operations and liquidity.

14. Segment Information

NEE's reportable segments are FPL, a rate-regulated electric utility, and NEER, a competitive energy business. Corporate and Other represents other business activities and includes eliminating entries. NEE's operating revenues derived from the sale of electricity represented approximately 93%, 90% and 92% of NEE's operating revenues for the years ended December 31, 2017, 2016 and 2015, respectively. Approximately 2% of operating revenues were from foreign sources for each of the years ended December 31, 2017, 2016 and 2015. At each of December 31, 2017 and 2016, approximately 3% of long-lived assets were located in foreign countries.

NEE's segment information is as follows:

	2017				2016				2015			
	FPL	NEER[a]	Corp. and Other	NEE Consolidated	FPL	NEER[a]	Corp. and Other	NEE Consolidated	FPL	NEER[a]	Corp. and Other	NEE Consolidated
	(millions)											
Operating revenues	$11,972	$ 5,186	$ 37	$ 17,195	$10,895	$ 4,893	$ 367	$ 16,155	$11,651	$ 5,444	$ 391	$ 17,486
Operating expenses - net	$ 8,581	$ 4,318	$(1,030)	$ 11,869	$ 7,737	$ 3,419	$ 391	$ 11,547	$ 8,674	$ 3,865	$ 315	$ 12,854
Interest expense	$ 482	$ 801	$ 275	$ 1,558	$ 456	$ 732	$ (95)	$ 1,093	$ 445	$ 625	$ 141	$ 1,211
Interest income	$ 2	$ 72	$ 7	$ 81	$ 2	$ 34	$ 46	$ 82	$ 7	$ 28	$ 51	$ 86
Depreciation and amortization	$ 933	$ 1,398	$ 26	$ 2,357	$ 1,651	$ 1,366	$ 60	$ 3,077	$ 1,576	$ 1,183	$ 72	$ 2,831
Equity in earnings of equity method investees	$ —	$ 136	$ 5	$ 141	$ —	$ 119	$ 29	$ 148	$ —	$ 103	$ 4	$ 107
Income tax expense (benefit)[b]	$ 1,106	$ (2,025)	$ 266	$ (653)	$ 1,051	$ 242	$ 90	$ 1,383	$ 957	$ 289	$ (18)	$ 1,228
Net income	$ 1,880	$ 2,905	$ 535	$ 5,320	$ 1,727	$ 1,218	$ 60	$ 3,005	$ 1,648	$ 1,102	$ 12	$ 2,762
Net income attributable to NEE	$ 1,880	$ 2,963	$ 535	$ 5,378	$ 1,727	$ 1,125	$ 60	$ 2,912	$ 1,648	$ 1,092	$ 12	$ 2,752
Capital expenditures, independent power and other investments and nuclear fuel purchases	$ 5,291	$ 5,375	$ 74	$ 10,740	$ 3,934	$ 5,521	$ 181	$ 9,636	$ 3,633	$ 4,661	$ 83	$ 8,377
Property, plant and equipment	$51,982	$ 40,767	$ 1,034	$ 93,783	$48,313	$ 37,644	$1,056	$ 87,013	$45,383	$ 33,340	$1,607	$ 80,330
Accumulated depreciation and amortization	$12,802	$ 8,452	$ 113	$ 21,367	$12,304	$ 7,655	$ 142	$ 20,101	$11,862	$ 6,640	$ 442	$ 18,944
Total assets	$50,244	$ 45,549	$ 2,034	$ 97,827	$45,501	$ 41,743	$2,749	$ 89,993	$42,523	$ 37,647	$2,309	$ 82,479
Investment in equity method investees	$ —	$ 2,153	$ 168	$ 2,321	$ —	$ 1,661	$ 106	$ 1,767	$ —	$ 983	$ 80	$ 1,063

(a) Interest expense allocated from NEECH is based on a deemed capital structure of 70% debt. For this purpose, the deferred credit associated with differential membership interests sold by NEER subsidiaries is included with debt. Residual NEECH corporate interest expense is included in Corporate and Other.
(b) NEER includes PTCs that were recognized based on its tax sharing agreement with NEE. See Note 1 - Income Taxes.

15. Summarized Financial Information of NEECH

NEECH, a 100% owned subsidiary of NEE, provides funding for, and holds ownership interests in, NEE's operating subsidiaries other than FPL. NEECH's debentures and junior subordinated debentures including those that were registered pursuant to the Securities Act of 1933, as amended, are fully and unconditionally guaranteed by NEE. Condensed consolidating financial information is as follows:

Condensed Consolidating Statements of Income

	Year Ended December 31, 2017				Year Ended December 31, 2016				Year Ended December 31, 2015			
	NEE (Guarantor)	**NEECH**	**Other[a]**	**NEE Consolidated**	NEE (Guarantor)	NEECH	Other[a]	NEE Consolidated	NEE (Guarantor)	NEECH	Other[a]	NEE Consolidated
	(millions)											
Operating revenues	**$ —**	**$ 5,322**	**$ 11,873**	**$ 17,195**	$ —	$ 5,283	$ 10,872	$ 16,155	$ —	$ 5,849	$ 11,637	$ 17,486
Operating expenses - net	**(25)**	**(3,293)**	**(8,551)**	**(11,869)**	(20)	(3,663)	(7,864)	(11,547)	(17)	(4,142)	(8,695)	(12,854)
Interest expense	**(3)**	**(1,073)**	**(482)**	**(1,558)**	(1)	(636)	(456)	(1,093)	(4)	(764)	(443)	(1,211)
Equity in earnings of subsidiaries	**5,391**	**—**	**(5,391)**	**—**	2,956	—	(2,956)	—	2,754	—	(2,754)	—
Other income - net	**2**	**845**	**52**	**899**	5	793	75	873	1	498	70	569
Income (loss) before income taxes	**5,365**	**1,801**	**(2,499)**	**4,667**	2,940	1,777	(329)	4,388	2,734	1,441	(185)	3,990
Income tax expense (benefit)	**(14)**	**(1,712)**	**1,073**	**(653)**	28	354	1,001	1,383	(18)	299	947	1,228
Net income (loss)	**5,379**	**3,513**	**(3,572)**	**5,320**	2,912	1,423	(1,330)	3,005	2,752	1,142	(1,132)	2,762
Less net income (loss) attributable to noncontrolling interests	**—**	**(58)**	**—**	**(58)**	—	93	—	93	—	10	—	10
Net income (loss) attributable to NEE	**$ 5,379**	**$ 3,571**	**$ (3,572)**	**$ 5,378**	$ 2,912	$ 1,330	$ (1,330)	$ 2,912	$ 2,752	$ 1,132	$ (1,132)	$ 2,752

(a) Represents primarily FPL and consolidating adjustments.

Condensed Consolidating Statements of Comprehensive Income

	Year Ended December 31, 2017				Year Ended December 31, 2016				Year Ended December 31, 2015			
	NEE (Guarantor)	**NEECH**	**Other[a]**	**NEE Consolidated**	NEE (Guarantor)	NEECH	Other[a]	NEE Consolidated	NEE (Guarantor)	NEECH	Other[a]	NEE Consolidated
	(millions)											
Comprehensive income (loss) attributable to NEE	**$ 5,559**	**$ 3,708**	**$ (3,708)**	**$ 5,559**	$ 3,009	$ 1,448	$ (1,448)	$ 3,009	$ 2,625	$ 1,049	$ (1,049)	$ 2,625

(a) Represents primarily FPL and consolidating adjustments.

Condensed Consolidating Balance Sheets

	December 31, 2017				December 31, 2016			
	NEE (Guarantor)	**NEECH**	**Other[a]**	**NEE Consolidated**	NEE (Guarantor)	NEECH	Other[a]	NEE Consolidated
	(millions)							
PROPERTY, PLANT AND EQUIPMENT								
Electric plant in service and other property	**$ 20**	**$ 41,782**	**$ 51,981**	**$ 93,783**	$ 28	$ 38,671	$ 48,314	$ 87,013
Accumulated depreciation and amortization	**(15)**	**(8,551)**	**(12,801)**	**(21,367)**	(18)	(7,778)	(12,305)	(20,101)
Total property, plant and equipment - net	**5**	**33,231**	**39,180**	**72,416**	10	30,893	36,009	66,912
CURRENT ASSETS								
Cash and cash equivalents	**1**	**1,679**	**34**	**1,714**	1	1,258	33	1,292
Receivables	**442**	**1,633**	**662**	**2,737**	88	1,615	736	2,439
Other	**5**	**1,283**	**1,418**	**2,706**	2	1,877	1,799	3,678
Total current assets	**448**	**4,595**	**2,114**	**7,157**	91	4,750	2,568	7,409
OTHER ASSETS								
Investment in subsidiaries	**27,825**	**—**	**(27,825)**	**—**	24,323	—	(24,323)	—
Other	**591**	**9,941**	**7,722**	**18,254**	867	8,992	5,813	15,672
Total other assets	**28,416**	**9,941**	**(20,103)**	**18,254**	25,190	8,992	(18,510)	15,672
TOTAL ASSETS	**$ 28,869**	**$ 47,767**	**$ 21,191**	**$ 97,827**	$ 25,291	$ 44,635	$ 20,067	$ 89,993
CAPITALIZATION								
Common shareholders' equity	**$ 28,208**	**$ 10,745**	**$ (10,745)**	**$ 28,208**	$ 24,341	$ 7,699	$ (7,699)	$ 24,341
Noncontrolling interests	**—**	**1,290**	**—**	**1,290**	—	990	—	990
Long-term debt	—	**20,227**	**11,236**	**31,463**	—	18,112	9,706	27,818
Total capitalization	**28,208**	**32,262**	**491**	**60,961**	24,341	26,801	2,007	53,149
CURRENT LIABILITIES								
Debt due within one year	**—**	**1,215**	**2,403**	**3,618**	—	2,237	785	3,022
Accounts payable	**3**	**2,427**	**805**	**3,235**	1	2,668	778	3,447
Other	**325**	**2,073**	**1,981**	**4,379**	231	2,624	1,595	4,450
Total current liabilities	**328**	**5,715**	**5,189**	**11,232**	232	7,529	3,158	10,919
OTHER LIABILITIES AND DEFERRED CREDITS								
Asset retirement obligations	**—**	**984**	**2,047**	**3,031**	—	816	1,920	2,736
Deferred income taxes	**(82)**	**1,247**	**4,589**	**5,754**	82	3,002	8,017	11,101
Other	**415**	**7,559**	**8,875**	**16,849**	636	6,487	4,965	12,088
Total other liabilities and deferred credits	**333**	**9,790**	**15,511**	**25,634**	718	10,305	14,902	25,925
COMMITMENTS AND CONTINGENCIES								
TOTAL CAPITALIZATION AND LIABILITIES	**$ 28,869**	**$ 47,767**	**$ 21,191**	**$ 97,827**	$ 25,291	$ 44,635	$ 20,067	$ 89,993

(a) Represents primarily FPL and consolidating adjustments.

Condensed Consolidating Statements of Cash Flows

	Year Ended December 31, 2017				Year Ended December 31, 2016[a]				Year Ended December 31, 2015[a]			
	NEE (Guarantor)	**NEECH**	**Other[b]**	**NEE Consolidated**	NEE (Guarantor)	NEECH	Other[b]	NEE Consolidated	NEE (Guarantor)	NEECH	Other[b]	NEE Consolidated
	(millions)											
NET CASH PROVIDED BY OPERATING ACTIVITIES	**$ 1,968**	**$ 2,711**	**$ 1,734**	**$ 6,413**	$1,897	$ 2,129	$ 2,267	$ 6,293	$1,659	$ 2,462	$ 1,968	$ 6,089
CASH FLOWS FROM INVESTING ACTIVITIES												
Capital expenditures, independent power and other investments and nuclear fuel purchases	**—**	**(5,449)**	**(5,291)**	**(10,740)**	(1)	(5,701)	(3,934)	(9,636)	—	(4,744)	(3,633)	(8,377)
Capital contributions from NEE	**(92)**	**—**	**92**	**—**	(745)	—	745	—	(1,480)	—	1,480	—
Cash grants under the Recovery Act	**—**	**78**	**—**	**78**	—	335	—	335	—	8	—	8
Proceeds from sale of the fiber-optic telecommunications business	**—**	**1,454**	**—**	**1,454**	—	—	—	—	—	—	—	—
Sale of independent power and other investments of NEER	**—**	**178**	**—**	**178**	—	658	—	658	—	52	—	52
Proceeds from sale or maturity of securities in special use funds and other investments	**9**	**1,221**	**1,977**	**3,207**	—	1,281	2,495	3,776	—	1,120	3,731	4,851
Purchases of securities in special use funds and other investments	**—**	**(1,163)**	**(2,081)**	**(3,244)**	—	(1,323)	(2,506)	(3,829)	—	(1,190)	(3,792)	(4,982)
Proceeds from sales of noncontrolling interests in NEP	**—**	**—**	**—**	**—**	—	645	—	645	—	345	—	345
Other - net	**7**	**124**	**18**	**149**	—	(19)	24	5	—	79	28	107
Net cash used in investing activities	**(76)**	**(3,557)**	**(5,285)**	**(8,918)**	(746)	(4,124)	(3,176)	(8,046)	(1,480)	(4,330)	(2,186)	(7,996)
CASH FLOWS FROM FINANCING ACTIVITIES												
Issuances of long-term debt	**—**	**6,393**	**1,961**	**8,354**	—	5,349	308	5,657	—	4,689	1,083	5,772
Retirements of long-term debt	**—**	**(5,907)**	**(873)**	**(6,780)**	—	(3,048)	(262)	(3,310)	—	(3,421)	(551)	(3,972)
Proceeds from differential membership investors	**—**	**1,414**	**—**	**1,414**	—	1,859	—	1,859	—	761	—	761
Net change in commercial paper	**—**	**—**	**1,419**	**1,419**	—	(318)	212	(106)	—	318	(1,086)	(768)
Proceeds from other short-term debt	**—**	**—**	**450**	**450**	—	—	500	500	—	1,125	100	1,225
Repayments of other short-term debt	**—**	**—**	**(2)**	**(2)**	—	(212)	(450)	(662)	—	(813)	—	(813)
Issuances of common stock - net	**55**	**—**	**—**	**55**	537	—	—	537	1,298	—	—	1,298
Proceeds from issuance of NEP convertible preferred units - net	**—**	**548**	**—**	**548**	—	—	—	—	—	—	—	—
Dividends on common stock	**(1,845)**	**—**	**—**	**(1,845)**	(1,612)	—	—	(1,612)	(1,385)	—	—	(1,385)
Dividends to NEE	**—**	**(633)**	**633**	**—**	—	(650)	650	—	—	(698)	698	—
Other - net	**(102)**	**(563)**	**(15)**	**(680)**	(75)	(292)	4	(363)	(92)	(150)	21	(221)
Net cash provided by (used in) financing activities	**(1,892)**	**1,252**	**3,573**	**2,933**	(1,150)	2,688	962	2,500	(179)	1,811	265	1,897
Effects of currency translation on cash, cash equivalents and restricted cash	**—**	**26**	**—**	**26**	—	10	—	10	—	17	—	17
Net increase in cash, cash equivalents and restricted cash	**—**	**432**	**22**	**454**	1	703	53	757	—	(40)	47	7
Cash, cash equivalents and restricted cash at beginning of year	**1**	**1,375**	**153**	**1,529**	—	672	100	772	—	712	53	765
Cash, cash equivalents and restricted cash at end of year	**$ 1**	**$ 1,807**	**$ 175**	**$ 1,983**	$ 1	$ 1,375	$ 153	$ 1,529	$ —	$ 672	$ 100	$ 772

(a) Prior period amounts have been retrospectively adjusted as discussed in Note 1 - Restricted Cash.
(b) Represents primarily FPL and consolidating adjustments.

16. Quarterly Data (Unaudited)

Condensed consolidated quarterly financial information is as follows:

	March 31[a]	June 30[a]	September 30[a]	December 31[a]
	(millions, except per share amounts)			
NEE:				
2017				
Operating revenues[b]	**$ 3,972**	**$ 4,404**	**$ 4,808**	**$ 4,010**
Operating income[b][c]	**$ 2,405**	**$ 1,285**	**$ 1,399**	**$ 236**
Net income[b][c]	**$ 1,591**	**$ 804**	**$ 856**	**$ 2,068**
Net income attributable to NEE[b][c]	**$ 1,583**	**$ 793**	**$ 847**	**$ 2,155**
Earnings per share attributable to NEE - basic[c][d]	**$ 3.39**	**$ 1.69**	**$ 1.80**	**$ 4.58**
Earnings per share attributable to NEE - assuming dilution[c][d]	**$ 3.37**	**$ 1.68**	**$ 1.79**	**$ 4.55**
Dividends per share	**$ 0.9825**	**$ 0.9825**	**$ 0.9825**	**$ 0.9825**
High-low common stock sales prices	**$133.28 - $117.33**	**$144.87 - $127.09**	**$151.60 - 138.00**	**$159.40 - $145.62**
2016				
Operating revenues[b]	$ 3,835	$ 3,817	$ 4,805	$ 3,699
Operating income[b]	$ 1,234	$ 1,169	$ 1,279	$ 926
Net income[b]	$ 654	$ 544	$ 789	$ 1,017
Net income attributable to NEE[b]	$ 653	$ 540	$ 753	$ 966
Earnings per share attributable to NEE - basic[d]	$ 1.42	$ 1.17	$ 1.63	$ 2.07
Earnings per share attributable to NEE - assuming dilution[d]	$ 1.41	$ 1.16	$ 1.62	$ 2.06
Dividends per share	$ 0.87	$ 0.87	$ 0.87	$ 0.87
High-low common stock sales prices	$119.37 - $102.20	$130.43 - $112.44	$131.98 - $120.22	$128.46 - $110.49
FPL:				
2017				
Operating revenues[b]	**$ 2,527**	**$ 3,091**	**$ 3,477**	**$ 2,877**
Operating income[b]	**$ 811**	**$ 941**	**$ 1,022**	**$ 618**
Net income[b]	**$ 445**	**$ 526**	**$ 566**	**$ 344**
2016				
Operating revenues[b]	$ 2,303	$ 2,750	$ 3,283	$ 2,558
Operating income[b]	$ 714	$ 828	$ 921	$ 694
Net income[b]	$ 393	$ 448	$ 515	$ 371

(a) In the opinion of NEE and FPL management, all adjustments, which consist of normal recurring accruals necessary to present a fair statement of the amounts shown for such periods, have been made. Results of operations for an interim period generally will not give a true indication of results for the year.
(b) The sum of the quarterly amounts may not equal the total for the year due to rounding.
(c) First quarter of 2017 includes gain on disposal of a business (see Note 1 - Assets and Liabilities Associated with Assets Held for Sale); fourth quarter of 2017 includes impairment charges (see Note 4 - Nonrecurring Fair Value Measurements) and net favorable tax reform impacts (see Note 5).
(d) The sum of the quarterly amounts may not equal the total for the year due to rounding and changes in weighted-average number of common shares outstanding.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

None

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

As of December 31, 2017, each of NEE and FPL had performed an evaluation, under the supervision and with the participation of its management, including NEE's and FPL's chief executive officer and chief financial officer, of the effectiveness of the design and operation of each company's disclosure controls and procedures (as defined in the Securities Exchange Act of 1934 Rules 13a-15 (e) and 15d-15(e)). Based upon that evaluation, the chief executive officer and the chief financial officer of each of NEE and FPL concluded that the company's disclosure controls and procedures were effective as of December 31, 2017.

Internal Control Over Financial Reporting

(a) Management's Annual Report on Internal Control Over Financial Reporting

See Item 8. Financial Statements and Supplementary Data.

(b) Attestation Report of the Independent Registered Public Accounting Firm

See Item 8. Financial Statements and Supplementary Data.

(c) Changes in Internal Control Over Financial Reporting

NEE and FPL are continuously seeking to improve the efficiency and effectiveness of their operations and of their internal controls. This results in refinements to processes throughout NEE and FPL. However, there has been no change in NEE's or FPL's internal control over financial reporting (as defined in the Securities Exchange Act of 1934 Rules 13a-15(f) and 15d-15(f)) that occurred during NEE's and FPL's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, NEE's or FPL's internal control over financial reporting.

Item 9B. Other Information

None

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this item will be included under the headings "Business of the Annual Meeting," "Information About NextEra Energy and Management" and "Corporate Governance and Board Matters" in NEE's Proxy Statement which will be filed with the SEC in connection with the 2018 Annual Meeting of Shareholders (NEE's Proxy Statement) and is incorporated herein by reference, or is included in Item 1. Business - Executive Officers of NEE.

NEE has adopted the NextEra Energy, Inc. Code of Ethics for Senior Executive and Financial Officers (the Senior Financial Executive Code), which is applicable to the chief executive officer, the chief financial officer, the chief accounting officer and other senior executive and financial officers. The Senior Financial Executive Code is available under Corporate Governance in the Investor Relations section of NEE's internet website at www.nexteraenergy.com. Any amendments or waivers of the Senior Financial Executive Code which are required to be disclosed to shareholders under SEC rules will be disclosed on the NEE website at the address listed above.

Item 11. Executive Compensation

The information required by this item will be included in NEE's Proxy Statement under the headings "Executive Compensation" and "Corporate Governance and Board Matters" and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this item relating to security ownership of certain beneficial owners and management will be included in NEE's Proxy Statement under the heading "Information About NextEra Energy and Management" and is incorporated herein by reference.

Securities Authorized For Issuance Under Equity Compensation Plans

NEE's equity compensation plan information at December 31, 2017 is as follows:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	4,317,490 [(a)]	$ 83.45 [(b)]	8,559,238 [(c)]
Equity compensation plans not approved by security holders	—	—	—
Total	4,317,490	$ 83.45	8,559,238

(a) Includes an aggregate of 2,483,022 outstanding options, 1,674,780 unvested performance share awards (at maximum payout), 16,564 deferred fully vested performance shares and 115,597 deferred stock awards (including future reinvested dividends) under the NextEra Energy, Inc. Amended and Restated 2011 Long Term Incentive Plan and former LTIP, and 27,527 fully vested shares deferred by directors under the NextEra Energy, Inc. 2007 Non-Employee Directors Stock Plan and its predecessor, the FPL Group, Inc. Amended and Restated Non-Employee Directors Stock Plan.

(b) Relates to outstanding options only.

(c) Includes 8,061,938 shares under the NextEra Energy, Inc. Amended and Restated 2011 Long Term Incentive Plan and 497,300 shares under the NextEra Energy, Inc. 2017 Non-Employee Directors Stock Plan.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this item, to the extent applicable, will be included in NEE's Proxy Statement under the heading "Corporate Governance and Board Matters" and is incorporated herein by reference.

Item 14. Principal Accounting Fees and Services

NEE - The information required by this item will be included in NEE's Proxy Statement under the heading "Audit-Related Matters" and is incorporated herein by reference.

FPL - The following table presents fees billed for professional services rendered by Deloitte & Touche LLP, the member firms of Deloitte Touche Tohmatsu, and their respective affiliates (collectively, Deloitte & Touche) for the fiscal years ended December 31, 2017 and 2016. The amounts presented below reflect allocations from NEE for FPL's portion of the fees, as well as amounts billed directly to FPL.

	2017	2016
Audit fees[(a)]	**$ 3,998,000**	$ 3,787,000
Audit-related fees[(b)]	**4,000**	4,000
Tax fees[(c)]	**94,000**	102,000
All other fees[(d)]	**22,000**	9,000
Total	**$ 4,118,000**	$ 3,902,000

(a) Audit fees consist of fees billed for professional services rendered for the audit of FPL's and NEE's annual consolidated financial statements for the fiscal year, the reviews of the financial statements included in FPL's and NEE's Quarterly Reports on Form 10-Q during the fiscal year and the audit of the effectiveness of internal control over financial reporting, comfort letters, consents, and other services related to SEC matters and services in connection with annual and semi-annual filings of NEE's financial statements with the Japanese Ministry of Finance.

(b) Audit-related fees consist of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of FPL's and NEE's consolidated financial statements and are not reported under audit fees. These fees primarily relate to subscription services for an accounting research tool.

(c) Tax fees consist of fees billed for professional services rendered for tax compliance, tax advice and tax planning. In 2017 and 2016, approximately $7,000 and $66,000, respectively, was paid related to tax advice and planning services. All other tax fees in 2017 and in 2016 related to tax compliance services.

(d) All other fees consist of fees for products and services other than the services reported under the other named categories. In 2017 and 2016, these fees related to training.

In accordance with the requirements of the Sarbanes-Oxley Act of 2002, the Audit Committee Charter and the Audit Committee's pre-approval policy for services provided by the independent registered public accounting firm, all services performed by Deloitte & Touche are approved in advance by the Audit Committee, except for audits of certain trust funds where the fees are paid by the trust. Audit and audit-related services specifically identified in an appendix to the pre-approval policy are pre-approved by the Audit Committee each year. This pre-approval allows management to request the specified audit and audit-related services on an as-needed basis during the year, provided any such services are reviewed with the Audit Committee at its next regularly scheduled meeting. Any audit or audit-related service for which the fee is expected to exceed $250,000, or that involves a service not listed on the pre-approval list, must be specifically approved by the Audit Committee prior to commencement of such service. In addition, the Audit Committee approves all services other than audit and audit-related services performed by Deloitte & Touche in advance of the commencement of such work. The Audit Committee has delegated to the Chair of the committee the right to approve audit, audit-related, tax and other services, within certain limitations, between meetings of the Audit Committee, provided any such decision is presented to the Audit Committee at its next regularly scheduled meeting. At each Audit Committee meeting (other than meetings held to review earnings materials), the Audit Committee reviews a schedule of services for which Deloitte & Touche has been engaged since the prior Audit Committee meeting under existing pre-approvals and the estimated fees for those services. In 2017 and 2016, none of the amounts presented above represent services provided to NEE or FPL by Deloitte & Touche that were approved by the Audit Committee after services were rendered pursuant to Rule 2-01(c)(7)(i)(C) of Regulation S-X (which provides for a waiver of the otherwise applicable pre-approval requirement if certain conditions are met).

PART IV

Item 15. Exhibits, Financial Statement Schedules

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2. Financial Statement Schedules - Schedules are omitted as not applicable or not required.

3. Exhibits (including those incorporated by reference)

Certain exhibits listed below refer to "FPL Group" and "FPL Group Capital," and were effective prior to the change of the name FPL Group, Inc. to NextEra Energy, Inc., and of the name FPL Group Capital Inc to NextEra Energy Capital Holdings, Inc., during 2010.

Exhibit Number	Description	NEE	FPL
*3(i)a	Restated Articles of Incorporation of NextEra Energy, Inc. (filed as Exhibit 3(i)(b) to Form 8-K dated May 21, 2015, File No. 1-8841)	x	
*3(i)b	Restated Articles of Incorporation of Florida Power & Light Company (filed as Exhibit 3 (i)b to Form 10-K for the year ended December 31, 2010, File No. 2-27612)		x
*3(ii)a	Amended and Restated Bylaws of NextEra Energy, Inc., effective October 14, 2016 (filed as Exhibit 3(ii)(b) to Form 8-K dated October 14, 2016, File No. 1-8841)	x	
*3(ii)b	Amended and Restated Bylaws of Florida Power & Light Company, Inc., as amended through October 17, 2008 (filed as Exhibit 3(ii)b to Form 10-Q for the quarter ended September 30, 2008, File No. 2-27612)		x

Exhibit Number	Description	NEE	FPL
*4(a)	Mortgage and Deed of Trust dated as of January 1, 1944, as amended, between Florida Power & Light Company and Deutsche Bank Trust Company Americas, Trustee (filed as Exhibit B-3, File No. 2-4845; Exhibit 7(a), File No. 2-7126; Exhibit 7(a), File No. 2-7523; Exhibit 7(a), File No. 2-7990; Exhibit 7(a), File No. 2-9217; Exhibit 4(a)-5, File No. 2-10093; Exhibit 4(c), File No. 2-11491; Exhibit 4(b)-1, File No. 2-12900; Exhibit 4(b)-1, File No. 2-13255; Exhibit 4(b)-1, File No. 2-13705; Exhibit 4(b)-1, File No. 2-13925; Exhibit 4(b)-1, File No. 2-15088; Exhibit 4(b)-1, File No. 2-15677; Exhibit 4(b)-1, File No. 2-20501; Exhibit 4(b)-1, File No. 2-22104; Exhibit 2(c), File No. 2-23142; Exhibit 2(c), File No. 2-24195; Exhibit 4(b)-1, File No. 2-25677; Exhibit 2(c), File No. 2-27612; Exhibit 2(c), File No. 2-29001; Exhibit 2(c), File No. 2-30542; Exhibit 2(c), File No. 2-33038; Exhibit 2(c), File No. 2-37679; Exhibit 2(c), File No. 2-39006; Exhibit 2(c), File No. 2-41312; Exhibit 2(c), File No. 2-44234; Exhibit 2(c), File No. 2-46502; Exhibit 2(c), File No. 2-48679; Exhibit 2(c), File No. 2-49726; Exhibit 2(c), File No. 2-50712; Exhibit 2(c), File No. 2-52826; Exhibit 2(c), File No. 2-53272; Exhibit 2(c), File No. 2-54242; Exhibit 2(c), File No. 2-56228; Exhibits 2(c) and 2(d), File No. 2-60413; Exhibits 2(c) and 2(d), File No. 2-65701; Exhibit 2(c), File No. 2-66524; Exhibit 2(c), File No. 2-67239; Exhibit 4(c), File No. 2-69716; Exhibit 4(c), File No. 2-70767; Exhibit 4(b), File No. 2-71542; Exhibit 4(b), File No. 2-73799; Exhibits 4(c), 4(d) and 4(e), File No. 2-75762; Exhibit 4(c), File No. 2-77629; Exhibit 4(c), File No. 2-79557; Exhibit 99(a) to Post-Effective Amendment No. 5 to Form S-8, File No. 33-18669; Exhibit 99(a) to Post-Effective Amendment No. 1 to Form S-3, File No. 33-46076; Exhibit 4(b) to Form 10-Q for the quarter ended June 30, 1995, File No. 1-3545; Exhibit 4(a) to Form 10-Q for the quarter ended March 31, 1996, File No. 1-3545; Exhibit 4(o), File No. 333-102169; Exhibit 4(k) to Post-Effective Amendment No. 1 to Form S-3, File No. 333-102172; Exhibit 4(l) to Post-Effective Amendment No. 2 to Form S-3, File No. 333-102172; Exhibit 4(m) to Post-Effective Amendment No. 3 to Form S-3, File No. 333-102172; Exhibit 4(f) to Amendment No. 1 to Form S-3, File No. 333-125275; Exhibit 4(y) to Post-Effective Amendment No. 2 to Form S-3, File Nos. 333-116300, 333-116300-01 and 333-116300-02; Exhibit 4(z) to Post-Effective Amendment No. 3 to Form S-3, File Nos. 333-116300, 333-116300-01 and 333-116300-02; Exhibit 4(b) to Form 10-Q for the quarter ended March 31, 2006, File No. 2-27612; Exhibit 4(a) to Form 8-K dated April 17, 2007, File No. 2-27612; Exhibit 4 to Form 8-K dated January 16, 2008, File No. 2-27612; Exhibit 4(a) to Form 8-K dated March 17, 2009, File No. 2-27612; Exhibit 4 to Form 8-K dated February 9, 2010, File No. 2-27612; Exhibit 4 to Form 8-K dated December 9, 2010, File No. 2-27612; Exhibit 4(a) to Form 8-K dated June 10, 2011, File No. 2-27612; Exhibit 4 to Form 8-K dated December 13, 2011, File No. 2-27612; Exhibit 4 to Form 8-K dated May 15, 2012, File No. 2-27612; Exhibit 4 to Form 8-K dated December 20, 2012, File No. 2-27612; Exhibit 4 to Form 8-K dated June 5, 2013, File No. 2-27612; Exhibit 4 to Form 8-K dated May 15, 2014, File No. 2-27612; Exhibit 4 to Form 8-K dated September 10, 2014, File No. 2-27612; and Exhibit 4 to Form 8-K dated November 19, 2015, File No. 2-27612)	x	x
4(b)	One Hundred Twenty-Fifth Supplemental Indenture dated as of November 1, 2017 between Florida Power & Light Company and Deutsche Bank Trust Company Americas, Trustee	x	x
*4(c)	Indenture (For Unsecured Debt Securities), dated as of November 1, 2017, between Florida Power & Light Company and The Bank of New York Mellon (as Trustee) (filed as Exhibit 4(a) to Form 8-K dated November 6, 2017, File No. 2-27612)	x	x
*4(d)	Officer's Certificate of Florida Power & Light Company, dated November 6, 2017, creating the Floating Rate Notes, Series due November 6, 2020 (filed as Exhibit 4(b) to Form 8-K dated November 6, 2017, File No. 2-27612)	x	x
*4(e)	Indenture (For Unsecured Debt Securities), dated as of June 1, 1999, between FPL Group Capital Inc and The Bank of New York Mellon, as Trustee (filed as Exhibit 4(a) to Form 8-K dated July 16, 1999, File No. 1-8841)	x	
*4(f)	First Supplemental Indenture to Indenture (For Unsecured Debt Securities) dated as of June 1, 1999, dated as of September 21, 2012, between NextEra Energy Capital Holdings, Inc. and The Bank of New York Mellon, as Trustee (filed as Exhibit 4(e) to Form 10-Q for the quarter ended September 30, 2012, File No. 1-8841)	x	
*4(g)	Guarantee Agreement, dated as of June 1, 1999, between FPL Group, Inc. (as Guarantor) and The Bank of New York Mellon (as Guarantee Trustee) (filed as Exhibit 4(b) to Form 8-K dated July 16, 1999, File No. 1-8841)	x	

Exhibit Number	Description	NEE	FPL
*4(h)	Officer's Certificate of NextEra Energy Capital Holdings, Inc., dated June 10, 2011, creating the 4.50% Debentures, Series due June 1, 2021 (filed as Exhibit 4(b) to Form 8-K dated June 10, 2011, File No. 1-8841)	x	
*4(i)	Officer's Certificate of NextEra Energy Capital Holdings, Inc. dated June 6, 2013, creating the 3.625% Debentures, Series due June 15, 2023 (filed as Exhibit 4 to Form 8-K dated June 6, 2013, File No. 1-8841)	x	
*4(j)	Officer's Certificate of NextEra Energy Capital Holdings, Inc., dated September 25, 2013, creating the Series G Debentures due September 1, 2018 (filed as Exhibit 4(c) to Form 8-K dated September 25, 2013, File No. 1-8841)	x	
*4(k)	Letter, dated September 1, 2016, from NextEra Energy Capital Holdings, Inc. to The Bank of New York Mellon, as trustee, setting forth certain terms of the Series G Debentures due September 1, 2018, effective September 1, 2016 (filed as Exhibit 4(b) to Form 8-K dated September 1, 2016, File No. 1-8841)	x	
*4(l)	Officer's Certificate of NextEra Energy Capital Holdings, Inc., dated March 11, 2014, creating the 2.700% Debentures, Series due September 15, 2019 (filed as Exhibit 4 to Form 8-K dated March 11, 2014, File No. 1-8841)	x	
*4(m)	Officer's Certificate of NextEra Energy Capital Holdings, Inc., dated June 6, 2014, creating the 2.40% Debentures, Series due September 15, 2019 (filed as Exhibit 4 to Form 8-K dated June 6, 2014, File No. 1-8841)	x	
*4(n)	Officer's Certificate of NextEra Energy Capital Holdings, Inc., dated August 27, 2015, creating the 2.80% Debentures, Series due August 27, 2020 (filed as Exhibit 4(c) to Form 10-Q for the quarter ended September 30, 2015, File No. 1-8841)	x	
*4(o)	Officer's Certificate of NextEra Energy Capital Holdings, Inc., dated September 16, 2015, creating the Series H Debentures due September 1, 2020 (filed as Exhibit 4(c) to Form 8-K dated September 16, 2015, File No. 1-8841)	x	
*4(p)	Officer's Certificate of NextEra Energy Capital Holdings, Inc., dated March 31, 2016, creating the 2.30% Debentures, Series due April 1, 2019 (filed as Exhibit 4 to Form 8-K dated March 31, 2016, File No. 1-8841)	x	
*4(q)	Officer's Certificate of NextEra Energy Capital Holdings, Inc., dated August 8, 2016, creating the Series I Debentures due September 1, 2021 (filed as Exhibit 4(c) to Form 8-K dated August 8, 2016, File No. 1-8841)	x	
*4(r)	Officer's Certificate of NextEra Energy Capital Holdings, Inc., dated April 28, 2017, creating the 3.55% Debentures, Series due May 1, 2027 (filed as Exhibit 4 to Form 8-K dated April 28, 2017, File No. 1-8841)	x	
*4(s)	Officer's Certificate of NextEra Energy Capital Holdings, Inc., dated December 14, 2017, creating the 2.80% Debentures, Series due January 15, 2023 (filed as Exhibit 4 to Form 8-K dated December 14, 2017, File No. 1-8841)	x	
*4(t)	Indenture (For Unsecured Subordinated Debt Securities relating to Trust Securities), dated as of March 1, 2004, among FPL Group Capital Inc, FPL Group, Inc. (as Guarantor) and The Bank of New York Mellon (as Trustee) (filed as Exhibit 4(au) to Post-Effective Amendment No. 3 to Form S-3, File Nos. 333-102173, 333-102173-01, 333-102173-02 and 333-102173-03)	x	
*4(u)	Indenture (For Unsecured Subordinated Debt Securities), dated as of September 1, 2006, among FPL Group Capital Inc, FPL Group, Inc. (as Guarantor) and The Bank of New York Mellon (as Trustee) (filed as Exhibit 4(a) to Form 8-K dated September 19, 2006, File No. 1-8841)	x	
*4(v)	First Supplemental Indenture to Indenture (For Unsecured Subordinated Debt Securities) dated as of September 1, 2006, dated as of November 19, 2012, between NextEra Energy Capital Holdings, Inc., NextEra Energy, Inc. as Guarantor, and The Bank of New York Mellon, as Trustee (filed as Exhibit 2 to Form 8-A dated January 16, 2013, File No. 1-33028)	x	
*4(w)	Officer's Certificate of FPL Group Capital Inc and FPL Group, Inc., dated September 19, 2006, creating the Series B Enhanced Junior Subordinated Debentures due 2066 (filed as Exhibit 4(c) to Form 8-K dated September 19, 2006, File No. 1-8841)	x	

Exhibit Number	Description	NEE	FPL
*4(x)	Replacement Capital Covenant, dated September 19, 2006, by FPL Group Capital Inc and FPL Group, Inc. relating to FPL Group Capital Inc's Series B Enhanced Junior Subordinated Debentures due 2066 (filed as Exhibit 4(d) to Form 8-K dated September 19, 2006, File No. 1-8841)	x	
*4(y)	Amendment, dated November 9, 2016, to the Replacement Capital Covenant, dated September 19, 2006, by NextEra Energy Capital Holdings, Inc. (formerly known as FPL Group Capital Holdings Inc) and NextEra Energy, Inc. (formerly known as FPL Group, Inc.), relating to FPL Group Capital Inc's Series B Enhanced Junior Subordinated Debentures due 2066 (filed as Exhibit 4 (cc) to Form 10-K for the year ended December 31, 2016, File No. 1-8841)	x	
*4(z)	Officer's Certificate of FPL Group Capital Inc and FPL Group, Inc., dated June 12, 2007, creating the Series C Junior Subordinated Debentures due 2067 (filed as Exhibit 4(a) to Form 8-K dated June 12, 2007, File No. 1-8841)	x	
*4(aa)	Replacement Capital Covenant, dated June 12, 2007, by FPL Group Capital Inc and FPL Group, Inc. relating to FPL Group Capital Inc's Series C Junior Subordinated Debentures due 2067 (filed as Exhibit 4(b) to Form 8-K dated June 12, 2007, File No. 1-8841)	x	
*4(bb)	Amendment, dated November 9, 2016, to the Replacement Capital Covenant, dated June 12, 2007 by NextEra Energy Capital Holdings, Inc. (formerly known as FPL Group Capital Holdings Inc) and NextEra Energy, Inc. (formerly known as FPL Group, Inc.), relating to FPL Group Capital Inc's Series C Junior Subordinated Debentures due 2067 (filed as Exhibit 4(hh) to Form 10-K for the year ended December 31, 2016, File No. 1-8841)	x	
*4(cc)	Officer's Certificate of NextEra Energy Capital Holdings, Inc. and NextEra Energy, Inc., dated November 19, 2012, creating the Series I Junior Subordinated Debentures due November 15, 2072 (filed as Exhibit 4 to Form 8-K dated November 19, 2012, File No. 1-8841)	x	
*4(dd)	Officer's Certificate of NextEra Energy Capital Holdings, Inc. and NextEra Energy, Inc., dated January 18, 2013, creating the Series J Junior Subordinated Debentures due January 15, 2073 (filed as Exhibit 4 to Form 8-K dated January 18, 2013, File No. 1-8841)	x	
*4(ee)	Officer's Certificate of NextEra Energy Capital Holdings, Inc. and NextEra Energy, Inc., dated June 7, 2016, creating the Series K Junior Subordinated Debentures due June 1, 2076 (filed as Exhibit 4 to Form 8-K dated June 7, 2016, File No. 1-8841)	x	
*4(ff)	Officer's Certificate of NextEra Energy Capital Holdings, Inc., dated September 29, 2017, creating the Series L Junior Subordinated Debentures due September 29, 2057 (filed as Exhibit 4(c) to Form 8-K dated September 29, 2017, File No. 1-8841)	x	
*4(gg)	Officer's Certificate of NextEra Energy Capital Holdings, Inc., dated November 2, 2017, creating the Series M Junior Subordinated Debentures due December 1, 2077 (filed as Exhibit 4(a) to Form 8-K dated November 2, 2017, File No. 1-8841)	x	
*4(hh)	Indenture (For Securing Senior Secured Bonds, Series A), dated May 22, 2007, between FPL Recovery Funding LLC (as Issuer) and The Bank of New York Mellon (as Trustee and Securities Intermediary) (filed as Exhibit 4.1 to Form 8-K dated May 22, 2007 and filed June 1, 2007, File No. 333-141357)		x
*4(ii)	Indenture, dated as of September 25, 2017, between NextEra Energy Operating Partners, LP and The Bank of New York Mellon, as trustee (filed as Exhibit 4.1 to Form 8-K dated September 25, 2017, File No. 1-8841)	x	
*4(jj)	Guarantee Agreement dated as of September 25, 2017, between NextEra Energy Partners, LP and The Bank of New York Mellon, as guarantee trustee (filed as Exhibit 4.2 to Form 8-K dated September 25, 2017, File No. 1-8841)	x	
*4(kk)	Guarantee Agreement dated as of September 25, 2017, between NextEra Energy US Partners Holdings, LLC and The Bank of New York Mellon, as guarantee trustee (filed as Exhibit 4.3 to Form 8-K dated September 25, 2017, File No. 1-8841)	x	
*4(ll)	Officer's Certificate of NextEra Energy Operating Partners, LP, dated September 25, 2017, creating the 4.25% Senior Notes due 2024 and the 4.50% Senior Notes due 2027 (filed as Exhibit 4.4 to Form 8-K dated September 25, 2017, File No. 1-8841)	x	
*4(mm)	Purchase Contract Agreement, dated as of September 1, 2015, between NextEra Energy, Inc. and The Bank of New York Mellon, as Purchase Contract Agent (filed as Exhibit 4 (a) to Form 8-K dated September 16, 2015, File No. 1-8841)	x	

Exhibit Number	Description	NEE	FPL
*4(nn)	Pledge Agreement, dated as of September 1, 2015, between NextEra Energy, Inc., Deutsche Bank Trust Company Americas, as Collateral Agent, Custodial Agent and Securities Intermediary, and The Bank of New York Mellon, as Purchase Contract Agent (filed as Exhibit 4(b) to Form 8-K dated September 16, 2015, File No. 1-8841)	x	
*4(oo)	Purchase Contract Agreement, dated as of August 1, 2016, between NextEra Energy, Inc. and The Bank of New York Mellon, as Purchase Contract Agent (filed as Exhibit 4 (a) to Form 8-K dated August 8, 2016, File No. 1-8841)	x	
*4(pp)	Pledge Agreement, dated as of August 1, 2016, between NextEra Energy, Inc., Deutsche Bank Trust Company Americas, as Collateral Agent, Custodial Agent and Securities Intermediary, and The Bank of New York Mellon, as Purchase Contract Agent (filed as Exhibit 4(b) to Form 8-K dated August 8, 2016, File No. 1-8841)	x	
*10(a)	FPL Group, Inc. Supplemental Executive Retirement Plan, amended and restated effective April 1, 1997 (SERP) (filed as Exhibit 10(a) to Form 10-K for the year ended December 31, 1999, File No. 1-8841)	x	x
*10(b)	FPL Group, Inc. Supplemental Executive Retirement Plan, amended and restated effective January 1, 2005 (Restated SERP) (filed as Exhibit 10(b) to Form 8-K dated December 12, 2008, File No. 1-8841)	x	x
*10(c)	Amendment Number 1 to the Restated SERP changing name to NextEra Energy, Inc. Supplemental Executive Retirement Plan (filed as Exhibit 10(b) to Form 10-Q for the quarter ended June 30, 2010, File No. 1-8841)	x	x
10(d)	Appendix A1 (revised as of March 16, 2016) to the NextEra Energy, Inc. Supplemental Executive Retirement Plan	x	x
10(e)	Appendix A2 (revised as of October 1, 2017) to the NextEra Energy, Inc. Supplemental Executive Retirement Plan	x	x
*10(f)	Supplement to the Restated SERP relating to a special credit to certain executive officers and other officers effective February 15, 2008 (filed as Exhibit 10(g) to Form 10-K for the year ended December 31, 2007, File No. 1-8841)	x	x
*10(g)	Supplement to the Restated SERP effective February 15, 2008 as it applies to Armando Pimentel, Jr. (filed as Exhibit 10(i) to Form 10-K for the year ended December 31, 2007, File No. 1-8841)	x	x
*10(h)	Supplement to the SERP effective December 14, 2007 as it applies to Manoochehr K. Nazar (filed as Exhibit 10(j) to Form 10-K for the year ended December 31, 2009, File No. 1-8841)	x	x
*10(i)	NextEra Energy, Inc. (formerly known as FPL Group, Inc.) Amended and Restated Long-Term Incentive Plan, most recently amended and restated on May 22, 2009 (filed as Exhibit 10(a) to Form 10-Q for the quarter ended June 30, 2009, File No. 1-8841)	x	x
*10(j)	NextEra Energy, Inc. Amended and Restated 2011 Long Term Incentive Plan (filed as Exhibit 10(c) to Form 8-K dated March 16, 2012, File No. 1-8841)	x	x
*10(k)	Form of Performance Share Award Agreement under the NextEra Energy, Inc. Amended and Restated 2011 Long Term Incentive Plan for certain executive officers (filed as Exhibit 10(a) to Form 8-K dated October 11, 2012)	x	x
*10(l)	Form of Performance Share Award Agreement under the Next Era Energy, Inc. Amended and Restated 2011 Long Term Incentive Plan for certain executive officers (filed as Exhibit 10(o) to Form 10-K for the year ended December 31, 2015, File No. 1-8841)	x	x
*10(m)	Form of Performance Share Award Agreement under the NextEra Energy, Inc. Amended and Restated 2011 Long Term Incentive Plan for certain executive officers (filed as Exhibit 10(c) to Form 10-Q for the quarter ended March 31, 2016, File No. 1-8841)	x	x
*10(n)	Form of Performance Share Award Agreement under the NextEra Energy, Inc. Amended and Restated 2011 Long Term Incentive Plan for certain executive officers (filed as Exhibit 10(d) to Form 10-Q for the quarter ended March 31, 2016, File No. 1-8841)	x	x
*10(o)	Form of Restricted Stock Award Agreement under the NextEra Energy, Inc. 2011 Long Term Incentive Plan (filed as Exhibit 10(c) to Form 8-K dated October 13, 2011, File No. 1-8841)	x	x
*10(p)	Form of Restricted Stock Award Agreement under the NextEra Energy, Inc. Amended and Restated 2011 Long Term Incentive Plan for certain executive officers (filed as Exhibit 10(b) to Form 8-K dated October 11, 2012)	x	x

Exhibit Number	Description	NEE	FPL
*10(q)	Form of Restricted Stock Award Agreement under the NextEra Energy, Inc. Amended and Restated 2011 Long Term Incentive Plan for certain executive officers (filed as Exhibit 10(e) to Form 10-Q for the quarter ended March 31, 2016, File No. 1-8841)	x	x
*10(r)	Form of FPL Group, Inc. Amended and Restated Long-Term Incentive Plan Stock Option Award - Non-Qualified Stock Option Agreement (filed as Exhibit 10(c) to Form 8-K dated December 29, 2004, File No. 1-8841)	x	x
*10(s)	Form of FPL Group, Inc. Amended and Restated Long-Term Incentive Plan Stock Option Award - Non-Qualified Stock Option Agreement (filed as Exhibit 10(d) to Form 8-K dated December 29, 2004, File No. 1-8841)	x	x
*10(t)	Form of FPL Group, Inc. Amended and Restated Long-Term Incentive Plan Stock Option Award - Non-Qualified Stock Option Agreement effective February 15, 2008 (filed as Exhibit 10(b) to Form 8-K dated February 15, 2008, File No. 1-8841)	x	x
*10(u)	Form of FPL Group, Inc. Amended and Restated Long-Term Incentive Plan Stock Option Award - Non-Qualified Stock Option Agreement effective February 13, 2009 (filed as Exhibit 10(u) to Form 10-K for the year ended December 31, 2008, File No. 1-8841)	x	x
*10(v)	Form of FPL Group, Inc. Amended and Restated Long-Term Incentive Plan - Non-Qualified Stock Option Agreement effective February 12, 2010 (filed as Exhibit 10(bb) to Form 10-K for the year December 31, 2009, File No. 1-8841)	x	x
*10(w)	Form of NextEra Energy, Inc. Amended and Restated Long-Term Incentive Plan - Non-Qualified Stock Option Agreement effective February 18, 2011 (filed as Exhibit 10(d) to Form 10-Q for the quarter ended March 31, 2011, File No. 1-8841)	x	x
*10(x)	Form of Non-Qualified Stock Option Award Agreement under the NextEra Energy, Inc. 2011 Long Term Incentive Plan (filed as Exhibit 10(b) to Form 8-K dated October 13, 2011, File No. 1-8841)	x	x
*10(y)	Form of Non-Qualified Stock Option Agreement under the NextEra Energy, Inc. Amended and Restated 2011 Long Term Incentive Plan for certain executive officers (filed as Exhibit 10(f) to Form 10-Q for the quarter ended March 31, 2016, File No. 1-8841)	x	x
*10(z)	Form of Non-Qualified Stock Option Agreement under the NextEra Energy, Inc. Amended and Restated 2011 Long Term Incentive Plan for certain executive officers (filed as Exhibit 10(g) to Form 10-Q for the quarter ended March 31, 2016, File No. 1-8841)	x	x
*10(aa)	Form of FPL Group, Inc. Amended and Restated Long-Term Incentive Plan Amended and Restated Deferred Stock Award Agreement effective February 12, 2010 between FPL Group, Inc. and James L. Robo (filed as Exhibit 10(dd) to Form 10-K for the year ended December 31, 2009, File No. 1-8841)	x	x
*10(bb)	Form of Deferred Stock Award Agreement under NextEra Energy, Inc. Amended and Restated 2011 Long Term Incentive Plan (filed as Exhibit 10(a) to Form 8-K dated March 16, 2012, File No. 1-8841)	x	x
*10(cc)	NextEra Energy, Inc. 2013 Executive Annual Incentive Plan (filed as Exhibit 10(c) to Form 8-K dated October 11, 2012, File No. 1-8841)	x	x
*10(dd)	NextEra Energy, Inc. Deferred Compensation Plan effective January 1, 2005 as amended and restated through February 11, 2016 (filed as Exhibit 10(h) to Form 10-Q for the quarter ended March 31, 2016, File No. 1-8841)	x	x
*10(ee)	FPL Group, Inc. Deferred Compensation Plan, amended and restated effective January 1, 2003 (filed as Exhibit 10(k) to Form 10-K for the year ended December 31, 2002, File No. 1-8841)	x	x
*10(ff)	FPL Group, Inc. Executive Long-Term Disability Plan effective January 1, 1995 (filed as Exhibit 10(g) to Form 10-K for the year ended December 31, 1995, File No. 1-8841)	x	x
*10(gg)	FPL Group, Inc. Amended and Restated Non-Employee Directors Stock Plan, as amended and restated October 13, 2006 (filed as Exhibit 10(b) to Form 10-Q for the quarter ended September 30, 2006, File No. 1-8841)	x	
*10(hh)	FPL Group, Inc. 2007 Non-Employee Directors Stock Plan (filed as Exhibit 99 to Form S-8, File No. 333-143739)	x	
*10(ii)	NextEra Energy, Inc. 2017 Non-Employee Directors Stock Plan, as amended and restated as of May 18, 2017 (filed as Exhibit 10 to Form 10-Q for the quarter ended June 30, 2017, File No. 1-8841)	x	

Exhibit Number	Description	NEE	FPL
10(jj)	NextEra Energy, Inc. Non-Employee Director Compensation Summary effective January 1, 2018	x	
*10(kk)	NextEra Energy, Inc. Non-Employee Director Compensation Summary effective January 1, 2017 (filed as Exhibit 10(ll) to Form 10-K for the year ended December 31, 2016, File No. 1-8841)	x	
*10(ll)	Form of Amended and Restated Executive Retention Employment Agreement effective December 10, 2009 between FPL Group, Inc. and each of James L. Robo, Armando Pimentel, Jr., and Charles E. Sieving (filed as Exhibit 10(nn) to Form 10-K for the year ended December 31, 2009, File No. 1-8841)	x	x
*10(mm)	Executive Retention Employment Agreement between FPL Group, Inc. and Joseph T. Kelliher dated as of May 21, 2009 (filed as Exhibit 10(b) to Form 10-Q for the quarter ended June 30, 2009, File No. 1-8841)	x	x
*10(nn)	Executive Retention Employment Agreement between FPL Group, Inc. and Manoochehr K. Nazar dated as of January 1, 2010 (filed as Exhibit 10(rr) to Form 10-K for the year ended December 31, 2009, File No. 1-8841)	x	x
*10(oo)	Executive Retention Employment Agreement between NextEra Energy, Inc. and Eric E. Silagy dated as of May 2, 2012 (filed as Exhibit 10(b) to Form 10-Q for the quarter ended June 30, 2012, File No. 1-8841)	x	x
*10(pp)	Executive Retention Employment Agreement between NextEra Energy, Inc. and William L. Yeager dated as of January 1, 2013 (filed as Exhibit 10(ccc) to Form 10-K for the year ended December 31, 2012, File No. 1-8841)	x	x
*10(qq)	Form of 2012 409AAmendment to NextEra Energy, Inc. Executive Retention Employment Agreement effective October 11, 2012 between NextEra Energy, Inc. and each of James L. Robo, Armando Pimentel, Jr., Eric E. Silagy, Joseph T. Kelliher, Manoochehr K. Nazar and Charles E. Sieving (filed as Exhibit 10(ddd) to Form 10-K for the year ended December 31, 2012, File No. 1-8841)	x	x
*10(rr)	Executive Retention Employment Agreement between NextEra Energy, Inc. and Deborah H. Caplan dated as of April 23, 2013 (filed as Exhibit 10(e) to Form 10-Q for the quarter ended June 30, 2013, File No. 1-8841)	x	x
*10(ss)	Executive Retention Employment Agreement between NextEra Energy, Inc. and Miguel Arechabala dated as of January 1, 2014 (filed as Exhibit 10(bbb) to Form 10-K for the year ended December 31, 2013, File No. 1-8841)	x	x
*10(tt)	Executive Retention Employment Agreement between NextEra Energy, Inc. and John W. Ketchum dated as of March 4, 2016 (filed as Exhibit 10(i) to Form 10-Q for the quarter ended March 31, 2016, File No. 1-8841)	x	x
*10(uu)	NextEra Energy, Inc. Executive Severance Benefit Plan effective February 26, 2013 (filed as Exhibit 10(eee) to Form 10-K for the year ended December 31, 2012, File No. 1-8841)	x	x
*10(vv)	Guarantee Agreement between FPL Group, Inc. and FPL Group Capital Inc, dated as of October 14, 1998 (filed as Exhibit 10(y) to Form 10-K for the year ended December 31, 2001, File No. 1-8841)	x	
12(a)	Computation of Ratios	x	
12(b)	Computation of Ratios		x
21	Subsidiaries of NextEra Energy, Inc.	x	
23	Consent of Independent Registered Public Accounting Firm	x	x
31(a)	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer of NextEra Energy, Inc.	x	
31(b)	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer of NextEra Energy, Inc.	x	
31(c)	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer of Florida Power & Light Company		x
31(d)	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer of Florida Power & Light Company		x
32(a)	Section 1350 Certification of NextEra Energy, Inc.	x	
32(b)	Section 1350 Certification of Florida Power & Light Company		x
101.INS	XBRL Instance Document	x	x
101.SCH	XBRL Schema Document	x	x

Exhibit Number	Description	NEE	FPL
101.PRE	XBRL Presentation Linkbase Document	x	x
101.CAL	XBRL Calculation Linkbase Document	x	x
101.LAB	XBRL Label Linkbase Document	x	x
101.DEF	XBRL Definition Linkbase Document	x	x

* Incorporated herein by reference

NEE and FPL agree to furnish to the SEC upon request any instrument with respect to long-term debt that NEE and FPL have not filed as an exhibit pursuant to the exemption provided by Item 601(b)(4)(iii)(A) of Regulation S-K.

Item 16. Form 10-K Summary

Not applicable

NEXTERA ENERGY, INC. SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized and in the capacities and on the date indicated.

NextEra Energy, Inc.

JAMES L. ROBO

James L. Robo
Chairman, President and Chief Executive Officer
and Director
(Principal Executive Officer)

Date: February 16, 2018

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

Signature and Title as of February 16, 2018:

JOHN W. KETCHUM

John W. Ketchum
Executive Vice President, Finance
and Chief Financial Officer
(Principal Financial Officer)

TERRELL KIRK CREWS, II

Terrell Kirk Crews, II
Vice President, Controller and Chief Accounting Officer
(Principal Accounting Officer)

Directors:

SHERRY S. BARRAT
Sherry S. Barrat

AMY B. LANE
Amy B. Lane

JAMES L. CAMAREN
James L. Camaren

RUDY E. SCHUPP
Rudy E. Schupp

KENNETH B. DUNN
Kenneth B. Dunn

JOHN L. SKOLDS
John L. Skolds

NAREN K. GURSAHANEY
Naren K. Gursahaney

WILLIAM H. SWANSON
William H. Swanson

KIRK S. HACHIGIAN
Kirk S. Hachigian

HANSEL E. TOOKES, II
Hansel E. Tookes, II

TONI JENNINGS
Toni Jennings

FLORIDA POWER & LIGHT COMPANY SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized and in the capacities and on the date indicated.

Florida Power & Light Company

ERIC E. SILAGY

Eric E. Silagy
President and Chief Executive Officer and Director
(Principal Executive Officer)

Date: February 16, 2018

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

Signature and Title as of February 16, 2018:

JOHN W. KETCHUM

John W. Ketchum
Executive Vice President, Finance
and Chief Financial Officer and Director
(Principal Financial Officer)

KIMBERLY OUSDAHL

Kimberly Ousdahl
Vice President and Chief Accounting Officer
(Principal Accounting Officer)

Director:

JAMES L. ROBO

James L. Robo

Supplemental Information to be Furnished With Reports Filed Pursuant to Section 15(d) of the Securities Exchange Act of 1934 by Registrants Which Have Not Registered Securities Pursuant to Section 12 of the Securities Exchange Act of 1934

No annual report, proxy statement, form of proxy or other proxy soliciting material has been sent to security holders of FPL during the period covered by this Annual Report on Form 10-K for the fiscal year ended December 31, 2017.

Exhibit 12(a)

NEXTERA ENERGY, INC. AND SUBSIDIARIES
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES AND
RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS[(a)]

	Years Ended December 31,				
	2017	2016	2015	2014	2013
	(millions of dollars)				
Earnings, as defined:					
Net Income	**$ 5,320**	$ 3,005	$ 2,762	$2,469	$ 1,677
Income taxes	**(653)**	1,383	1,228	1,176	777
Fixed charges included in the determination of net income, as below	**1,658**	1,184	1,287	1,331	1,195
Amortization of capitalized interest	**38**	38	40	39	34
Distributed income of equity method investees	**160**	102	80	33	33
Less equity in earnings of equity method investees	**141**	148	107	93	25
Total earnings, as defined	**$ 6,382**	$ 5,564	$ 5,290	$4,955	$ 3,691
Fixed charges, as defined:					
Interest expense	**$ 1,558**	$ 1,093	$ 1,211	$1,261	$1,121
Rental interest factor	**75**	66	55	55	47
Allowance for borrowed funds used during construction	**25**	25	21	15	27
Fixed charges included in the determination of net income	**1,658**	1,184	1,287	1,331	1,195
Capitalized interest	**89**	110	100	113	140
Total fixed charges, as defined	**$ 1,747**	$ 1,294	$ 1,387	$1,444	$ 1,335
Ratio of earnings to fixed charges and ratio of earnings to combined fixed charges and preferred stock dividends[(a)]	**3.65**	4.30	3.81	3.43	2.76

(a) NextEra Energy, Inc. has no preference equity securities outstanding; therefore, the ratio of earnings to fixed charges is the same as the ratio of earnings to combined fixed charges and preferred stock dividends.

Exhibit 12(b)

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES AND
RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS[(a)]

	Years Ended December 31,				
	2017	2016	2015	2014	2013
	(millions of dollars)				
Earnings, as defined:					
Net income	**$1,880**	$1,727	$ 1,648	$1,517	$ 1,349
Income taxes	**1,106**	1,051	957	910	835
Fixed charges, as below	**518**	493	478	466	451
Total earnings, as defined	**$3,504**	$3,271	$ 3,083	$2,893	$ 2,635
Fixed charges, as defined:					
Interest expense	**$ 482**	$ 456	$ 445	$ 439	$ 415
Rental interest factor	**14**	14	12	12	10
Allowance for borrowed funds used during construction	**22**	23	21	15	26
Total fixed charges, as defined	**$ 518**	$ 493	$ 478	$ 466	$ 451
Ratio of earnings to fixed charges and ratio of earnings to combined fixed charges and preferred stock dividends[(a)]	**6.76**	6.63	6.45	6.21	5.84

(a) Florida Power & Light Company has no preference equity securities outstanding; therefore, the ratio of earnings to fixed charges is the same as the ratio of earnings to combined fixed charges and preferred stock dividends.

Exhibit 21

SUBSIDIARIES OF NEXTERA ENERGY, INC.

NextEra Energy, Inc.'s principal subsidiaries as of December 31, 2017 are listed below.

	Subsidiary	State or Jurisdiction of Incorporation or Organization
1.	Florida Power & Light Company (100%-owned)	Florida
2.	NextEra Energy Capital Holdings, Inc. (100%-owned)	Florida
3.	NextEra Energy Resources, LLC[(a)(b)]	Delaware
4.	Palms Insurance Company, Limited[(b)]	Cayman Islands

(a) Includes 982 subsidiaries that operate in the United States and 196 subsidiaries that operate in foreign countries in the same line of business as NextEra Energy Resources, LLC.
(b) 100%-owned subsidiary of NextEra Energy Capital Holdings, Inc.

Exhibit 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements of our reports dated February 16, 2018, relating to the consolidated financial statements of NextEra Energy, Inc. and subsidiaries (NEE) and Florida Power & Light Company and subsidiaries (FPL), and the effectiveness of NEE's and FPL's internal control over financial reporting, appearing in the Annual Report on Form 10-K of NEE and FPL for the year ended December 31, 2017:

NEE		**FPL**	
Form S-8	No. 33-57673	Form S-3	No. 333-205558-02
Form S-8	No. 333-27079		
Form S-8	No. 333-88067		
Form S-8	No. 333-114911		
Form S-8	No. 333-116501		
Form S-8	No. 333-130479		
Form S-8	No. 333-143739		
Form S-8	No. 333-174799		
Form S-8	No. 333-220136		
Form S-3	No. 333-203453		
Form S-3	No. 333-205558		

DELOITTE & TOUCHE LLP
Certified Public Accountants

Boca Raton, Florida
February 16, 2018

Exhibit 31(a)

Rule 13a-14(a)/15d-14(a) Certification

I, James L. Robo, certify that:

1. I have reviewed this Form 10-K for the annual period ended December 31, 2017 of NextEra Energy, Inc. (the registrant);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 16, 2018

JAMES L. ROBO

James L. Robo
Chairman, President and Chief Executive Officer
of NextEra Energy, Inc.

Exhibit 31(b)

Rule 13a-14(a)/15d-14(a) Certification

I, John W. Ketchum, certify that:

1. I have reviewed this Form 10-K for the annual period ended December 31, 2017 of NextEra Energy, Inc. (the registrant);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 16, 2018

JOHN W. KETCHUM

John W. Ketchum
Executive Vice President, Finance
and Chief Financial Officer
of NextEra Energy, Inc.

Exhibit 31(c)

Rule 13a-14(a)/15d-14(a) Certification

I, Eric E. Silagy, certify that:

1. I have reviewed this Form 10-K for the annual period ended December 31, 2017 of Florida Power & Light Company (the registrant);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 16, 2018

ERIC E. SILAGY

Eric E. Silagy
President and Chief Executive Officer
of Florida Power & Light Company

Exhibit 31(d)

Rule 13a-14(a)/15d-14(a) Certification

I, John W. Ketchum, certify that:

1. I have reviewed this Form 10-K for the annual period ended December 31, 2017 of Florida Power & Light Company (the registrant);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 16, 2018

JOHN W. KETCHUM

John W. Ketchum
Executive Vice President, Finance
and Chief Financial Officer
of Florida Power & Light Company

Exhibit 32(a)

Section 1350 Certification

We, James L. Robo and John W. Ketchum, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Annual Report on Form 10-K of NextEra Energy, Inc. (the registrant) for the annual period ended December 31, 2017 (Report) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the registrant.

Dated: February 16, 2018

JAMES L. ROBO

James L. Robo
Chairman, President and Chief Executive Officer
of NextEra Energy, Inc.

JOHN W. KETCHUM

John W. Ketchum
Executive Vice President, Finance
and Chief Financial Officer
of NextEra Energy, Inc.

A signed original of this written statement required by Section 906 has been provided to the registrant and will be retained by the registrant and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished as an exhibit to the Report pursuant to Item 601(b)(32) of Regulation S-K and Section 906 of the Sarbanes-Oxley Act of 2002 and, accordingly, is not being filed with the Securities and Exchange Commission as part of the Report and is not to be incorporated by reference into any filing of the registrant under the Securities Act of 1933 or the Securities Exchange Act of 1934 (whether made before or after the date of the Report, irrespective of any general incorporation language contained in such filing).

Exhibit 32(b)

Section 1350 Certification

We, Eric E. Silagy and John W. Ketchum, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Annual Report on Form 10-K of Florida Power & Light Company (the registrant) for the annual period ended December 31, 2017 (Report) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the registrant.

Dated: February 16, 2018

ERIC E. SILAGY

Eric E. Silagy
President and Chief Executive Officer of
Florida Power & Light Company

JOHN W. KETCHUM

John W. Ketchum
Executive Vice President, Finance
and Chief Financial Officer
of Florida Power & Light Company

A signed original of this written statement required by Section 906 has been provided to the registrant and will be retained by the registrant and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished as an exhibit to the Report pursuant to Item 601(b)(32) of Regulation S-K and Section 906 of the Sarbanes-Oxley Act of 2002 and, accordingly, is not being filed with the Securities and Exchange Commission as part of the Report and is not to be incorporated by reference into any filing of the registrant under the Securities Act of 1933 or the Securities Exchange Act of 1934 (whether made before or after the date of the Report, irrespective of any general incorporation language contained in such filing).

BOARD OF DIRECTORS

JAMES L. ROBO
Chairman and
Chief Executive Officer,
NextEra Energy, Inc.
Director since 2012.
Chair: Executive Committee.

SHERRY S. BARRAT
Retired. Formerly Vice Chairman,
Northern Trust Corporation
(financial holding company)
Director since 1998.
Lead Director.
Chair: Governance & Nominating Committee.
Member: Audit Committee, Executive Committee.

JAMES L. CAMAREN
Private Investor. Formerly Chairman & Chief Executive Officer, Utilities, Inc.
(water utilities)
Director since 2002.
Member: Finance & Investment Committee, Governance & Nominating Committee.

KENNETH B. DUNN
Emeritus Professor of Financial Economics and former Dean,
Tepper School of Business,
Carnegie Mellon University
(higher education)
Director since 2010.
Member: Compensation Committee, Finance & Investment Committee.

NAREN K. GURSAHANEY
Retired. Formerly President and Chief Executive Officer,
ADT Corporation
(electronic security services)
Director since 2014.
Member: Audit Committee, Governance & Nominating Committee.

KIRK S. HACHIGIAN
Chairman of the Board and Chief Executive Officer,
JELD-WEN, Inc.
(window and door manufacturer)
Director since 2013.
Chair: Compensation Committee.
Member: Finance & Investment Committee, Executive Committee.

TONI JENNINGS
Chairman,
Jack Jennings & Sons, Inc.
(construction)
Former Lt. Governor,
State of Florida
Director since 2007.
Member: Audit Committee, Governance & Nominating Committee.

AMY B. LANE
Retired. Formerly Investment Banker,
Merrill Lynch & Co., Inc.
(investment banking firm)
Director since 2015.
Member: Compensation Committee, Finance & Investment Committee.

RUDY E. SCHUPP
Retired. Formerly President,
Valley National Bancorp and
Chief Banking Officer,
Valley National Bank
(formerly 1st United Bank)
(commercial bank)
Director since 2005.
Member: Governance & Nominating Committee, Compensation Committee.

JOHN L. SKOLDS
Retired. Formerly Executive Vice President of Exelon Corporation and President of Exelon Energy Delivery and Exelon Generation
(utility services holding company)
Director since 2012.
Chair: Nuclear Committee.
Member: Audit Committee.

WILLIAM H. SWANSON
Retired. Formerly Chairman of the Board and Chief Executive Officer,
Raytheon Company
(global defense technology)
Director since 2009.
Chair: Audit Committee.
Member: Finance & Investment Committee, Executive Committee.

HANSEL E. TOOKES, II
Retired. Formerly President,
Raytheon International
(defense and aerospace systems)
Director since 2005.
Chair: Finance & Investment Committee.
Member: Compensation Committee, Executive Committee.

PROPOSED 2018 COMMON STOCK DIVIDEND DATES*

Declaration	Ex-Dividend	Record	Payment
February 16	February 26	February 27	March 15
May 25	June 4	June 5	June 15
July 26	August 29	August 30	September 17
October 12	November 29	November 30	December 17

*Declaration of dividends and dates shown are subject to the discretion of the Board of Directors of NextEra Energy, Inc. Dates shown are based on the assumption that past patterns will prevail.

INVESTOR INFORMATION

CORPORATE OFFICES
NextEra Energy, Inc.
700 Universe Blvd.
Juno Beach, FL 33408

EXCHANGE LISTING
Common Stock
New York Stock Exchange
Ticker Symbol: NEE

NextEra Energy Capital Holdings, Inc. Series I Junior Subordinated Debentures
New York Stock Exchange
Ticker Symbol: NEE.PRI

NextEra Energy Capital Holdings, Inc. Series J Junior Subordinated Debentures
New York Stock Exchange
Ticker Symbol: NEE.PRJ

NextEra Energy Capital Holdings, Inc. Series K Junior Subordinated Debentures
New York Stock Exchange
Ticker Symbol: NEE.PRK

NextEra Energy Capital Holdings, Inc. Series H Senior Debentures (Equity Unit)
New York Stock Exchange
Ticker Symbol: NEE.PRQ

NextEra Energy Capital Holdings, Inc. Series I Senior Debentures (Equity Unit)
New York Stock Exchange
Ticker Symbol: NEE.PRR

NEWSPAPER LISTING
Common Stock: NEE

REGISTRAR, TRANSFER AND PAYING AGENTS
NextEra Energy, Inc. Common Stock

NextEra Energy, Inc.
c/o Computershare
P.O. Box 505000
Louisville, KY 40233-5000

Florida Power & Light Company First Mortgage Bonds

Deutsche Bank Trust
Company Americas
5022 Gate Parkway
Suite 200
Jacksonville, FL 32256
800-735-7777

NextEra Energy Capital Holdings, Inc. Debentures

NextEra Energy Capital Holdings, Inc. Junior Subordinated Debentures

NextEra Energy Capital Holdings, Inc. Series B Enhanced Junior Subordinated Debentures

The Bank of New York Mellon
Bondholder Relations
111 Sanders Creek Parkway
East Syracuse, NY 13057
800-254-2826

SHAREHOLDER INQUIRIES
Communications concerning transfer requirements, lost certificates, dividend checks, address changes, stock accounts and the dividend reinvestment and direct stock purchase plan should be directed to Computershare: 888-218-4392 or **www.computershare.com/NEE**.

Other shareholder communications to: Shareholder Services 800-222-4511

ELECTRONIC PROXY MATERIAL
Shareholders may elect to receive proxy materials electronically by accessing **https://enroll.icsdelivery.com/NEE**.

DIRECT DEPOSIT OF DIVIDENDS
Cash dividends may be deposited directly to personal accounts at financial institutions. Call Computershare for authorization forms.

DIVIDEND REINVESTMENT AND DIRECT STOCK PURCHASE PLAN
NextEra Energy offers a plan for the reinvestment of dividends and the purchase of common stock. Enrollment materials may be obtained by calling Computershare or by accessing **www.computershare.com/NEE**.

DIRECT REGISTRATION SERVICES
NextEra Energy common stock can be issued in direct registration (book entry) form.

ONLINE INVESTOR INFORMATION
Visit our investor information site at **NextEraEnergy.com/investors** to get stock quotes, earnings reports, financial releases, SEC filings and other news. You can also request and receive information via email. Shareholders of record can receive secure online account access through a link to Computershare.

SEC FILINGS
All Securities and Exchange Commission filings appear at **NextEraEnergy.com/investors**. Copies of SEC filings also are available without charge by writing to NextEra Energy, Shareholder Services.

NEWS AND FINANCIAL INFORMATION
Get the latest news and financial information about NextEra Energy by visiting **NextEraEnergy.com**.

ANALYST INQUIRIES
Investor Relations
561-694-4697

NEWS MEDIA INQUIRIES
Media Relations
561-694-4442

CERTIFIED PUBLIC ACCOUNTANTS
Deloitte & Touche LLP
1800 North Military Trail
Suite 200
Boca Raton, FL 33431-6386

NextEra Energy, Inc. (NYSE: NEE) is a leading clean energy company with consolidated revenues of approximately $17.2 billion, operates approximately 46,790 megawatts of net generating capacity and employs approximately 14,000 people in 33 states and Canada as of year-end 2017. Headquartered in Juno Beach, Florida, NextEra Energy's principal subsidiaries are Florida Power & Light Company, which serves approximately 5 million customer accounts in Florida and is one of the largest rate-regulated electric utilities in the United States, and NextEra Energy Resources, LLC, which, together with its affiliated entities, is the world's largest generator of renewable energy from the wind and sun. Through its subsidiaries, NextEra Energy generates clean, emissions-free electricity from eight commercial nuclear power units in Florida, New Hampshire, Iowa and Wisconsin. A Fortune 200 company and included in the S&P 100 index, NextEra Energy has been recognized often by third parties for its efforts in sustainability, corporate responsibility, ethics and compliance, and diversity, and has been ranked No. 1 in the electric and gas utilities industry in Fortune's 2018 list of "World's Most Admired Companies." For more information about NextEra Energy companies, visit these websites: **NextEraEnergy.com**, **FPL.com**, **NextEraEnergyResources.com**.

NextEra Energy, Inc.
700 Universe Boulevard
Juno Beach, FL 33408

For more information, go to:
NextEraEnergy.com
FPL.com
NextEraEnergyResources.com

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