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NEXTERA ENERGY INC  
Form 10-Q  
October 23, 2018

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 10-Q

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

For the quarterly period ended September 30, 2018

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 700 Universe Boulevard Juno Beach, Florida 33408 (561) 694-4000	59-0247775

State or other jurisdiction of incorporation or organization: Florida

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   
Company Yes  No  Florida Power & Light

Indicate by check mark whether the registrants have submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months.

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

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 <input checked="" type="checkbox"/>	Accelerated Filer <input type="checkbox"/>	Non-Accelerated Filer <input type="checkbox"/>	Smaller Reporting Company <input type="checkbox"/>	Emerging Growth Company <input type="checkbox"/>
Florida Power & Light Company	Large Accelerated Filer <input type="checkbox"/>	Accelerated Filer <input type="checkbox"/>	Non-Accelerated Filer <input checked="" type="checkbox"/>	Smaller Reporting Company <input type="checkbox"/>	Emerging Growth Company <input type="checkbox"/>

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

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Number of shares of NextEra Energy, Inc. common stock, \$0.01 par value, outstanding at September 30, 2018: 477,945,257

Number of shares of Florida Power & Light Company common stock, without par value, outstanding at September 30, 2018, all of which were held, beneficially and of record, by NextEra Energy, Inc.: 1,000

This combined Form 10-Q 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 H.(1)(a) and (b) of Form 10-Q and is therefore filing this Form with the reduced disclosure format.

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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
capacity clause	capacity cost recovery clause, as established by the FPSC
Duane Arnold	Duane Arnold Energy Center
EPA	U.S. Environmental Protection Agency
FASB	Financial Accounting Standards Board
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.
ISO	independent system operator
ITC	investment tax credit
kWh	kilowatt-hour(s)
Management's Discussion	Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations
MMBtu	One million British thermal units
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
Note __	Note __ to condensed consolidated financial statements
NRC	U.S. Nuclear Regulatory Commission
O&M expenses	other operations and maintenance expenses in the condensed consolidated statements of income
OCI	other comprehensive income
OTC	over-the-counter
OTTI	other than temporary impairment
PTC	production tax credit
PV	photovoltaic
Recovery Act	American Recovery and Reinvestment Act of 2009, as amended
regulatory ROE	return on common equity as determined for regulatory purposes
Sabal Trail	Sabal Trail Transmission, LLC, an entity in which a wholly owned NEER subsidiary has a 42.5% ownership interest
Seabrook	Seabrook Station
SEC	U.S. Securities and Exchange Commission
tax reform	Tax Cuts and Jobs Act

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, aim, 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, the following important 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-Q, in presentations, on their respective websites, in response to questions or otherwise.

### 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.

• 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.

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

• 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.

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, renewable portfolio standards, feed-in tariffs or the EPA's final rule under Section 111(d) of the Clean Air Act, 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, NEE's abandoning the development of renewable energy projects, a loss of NEE'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.

• 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 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'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.

• 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.

• 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 business, financial condition, results of operations and prospects may be materially adversely affected due to adverse results of litigation.

### Operational Risks

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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 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.

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 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.

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.

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.

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.

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.

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.

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

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.

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.

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

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 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'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 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 may be materially adversely affected by negative publicity.

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.

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.

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.





### 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. 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.

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 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.

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.

### 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'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.

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.

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.

- 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.

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 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 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.

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.

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

These factors should be read together with the risk factors included in Part I, Item 1A. Risk Factors in NEE's and FPL's Annual Report on Form 10-K for the year ended December 31, 2017 (2017 Form 10-K), and investors should refer to that section of the 2017 Form 10-K. 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.

**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](http://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-Q. 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](http://www.sec.gov).

## PART I - FINANCIAL INFORMATION

## Item 1. Financial Statements

## NEXTERA ENERGY, INC.

## CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(millions, except per share amounts)

(unaudited)

	Three Months		Nine Months	
	Ended September		Ended September	
	30,	30,	30,	30,
	2018	2017 <sup>(a)</sup>	2018	2017 <sup>(a)</sup>
OPERATING REVENUES	\$4,418	\$4,808	\$12,351	\$13,185
OPERATING EXPENSES (INCOME)				
Fuel, purchased power and interchange	1,083	1,176	2,796	3,093
Other operations and maintenance	834	817	2,460	2,501
Merger-related	13	2	13	17
Depreciation and amortization	1,131	1,070	2,819	2,576
Losses (gains) on disposal of a business/assets - net	(9	) (5	) (64	) (1,106
Taxes other than income taxes and other - net	396	397	1,148	1,115
Total operating expenses - net	3,448	3,457	9,172	8,196
OPERATING INCOME	970	1,351	3,179	4,989
OTHER INCOME (DEDUCTIONS)				
Interest expense	(167	) (381	) (787	) (1,171
Benefits associated with differential membership interests - net	—	67	—	311
Equity in earnings of equity method investees	122	56	372	153
Allowance for equity funds used during construction	24	21	68	68
Interest income	11	20	39	59
Gain on NEP deconsolidation	—	—	3,935	—
Gains on disposal of investments and other property - net	31	15	83	64
Change in unrealized gains (losses) on equity securities held in NEER's nuclear decommissioning funds - net	30	—	22	—
Other net periodic benefit income	37	48	139	101
Other - net	11	23	30	7
Total other income (deductions) - net	99	(131	) 3,901	(408
INCOME BEFORE INCOME TAXES	1,069	1,220	7,080	4,581
INCOME TAXES	126	364	1,605	1,329
NET INCOME	943	856	5,475	3,252
NET (INCOME) LOSS ATTRIBUTABLE TO NONCONTROLLING INTERESTS	64	(9	) 754	(29
NET INCOME ATTRIBUTABLE TO NEE	\$1,007	\$847	\$6,229	\$3,223
Earnings per share attributable to NEE:				
Basic	\$2.13	\$1.80	\$13.21	\$6.88
Assuming dilution	\$2.10	\$1.79	\$13.03	\$6.83
Dividends per share of common stock	\$1.11	\$0.9825	\$3.33	\$2.9475
Weighted-average number of common shares outstanding:				
Basic	473.1	469.4	471.7	468.3
Assuming dilution	477.4	473.5	475.6	472.0

(a) Prior period amounts have been retrospectively adjusted as discussed in Note 3 - Amendments to Presentation of Retirement Benefits.

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2017 Form 10-K.

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## NEXTERA ENERGY, INC.

## CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(millions)

(unaudited)

	Three Months Ended September 30, 2018		Nine Months Ended September 30, 2017	
NET INCOME	\$943	\$856	\$5,475	\$3,252
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX				
Reclassification of unrealized losses on cash flow hedges from accumulated other comprehensive income (loss) to net income (net of \$2, \$4, \$7 and \$9 tax expense, respectively)	7	10	21	24
Net unrealized gains (losses) on available for sale securities:				
Net unrealized gains (losses) on securities still held (net of \$1 tax benefit, \$23 tax expense, \$5 tax benefit and \$68 tax expense, respectively)	(2 )	31	(11 )	91
Reclassification from accumulated other comprehensive income (loss) to net income (net of less than \$1 tax expense, \$4, \$1 and \$15 tax benefit, respectively)	—	(6 )	—	(23 )
Defined benefit pension and other benefits plans (net of less than \$1, less than \$1, and \$1 tax benefit and \$4 tax expense, respectively)	(1 )	(1 )	(4 )	6
Net unrealized gains (losses) on foreign currency translation (net of \$0, less than \$1, \$0 and \$1 tax expense, respectively)	10	10	(10 )	30
Other comprehensive income related to equity method investees (net of less than \$1, less than \$1, \$1 and less than \$1 tax expense, respectively)	1	1	5	1
Total other comprehensive income, net of tax	15	45	1	129
IMPACT OF NEP DECONSOLIDATION (NET OF \$15 TAX EXPENSE)	—	—	58	—
COMPREHENSIVE INCOME	958	901	5,534	3,381
COMPREHENSIVE (INCOME) LOSS ATTRIBUTABLE TO NONCONTROLLING INTERESTS	64	(9 )	754	(40 )
COMPREHENSIVE INCOME ATTRIBUTABLE TO NEE	\$1,022	\$892	\$6,288	\$3,341

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2017 Form 10-K.

NEXTERA ENERGY, INC.  
 CONDENSED CONSOLIDATED BALANCE SHEETS  
 (millions, except par value)  
 (unaudited)

	September 30, 2018	December 31, 2017
<b>PROPERTY, PLANT AND EQUIPMENT</b>		
Electric plant in service and other property	\$ 79,716	\$ 85,337
Nuclear fuel	1,901	1,767
Construction work in progress	8,708	6,679
Accumulated depreciation and amortization	(21,753 )	(21,367 )
Total property, plant and equipment - net (\$9,686 and \$16,485 related to VIEs, respectively)	68,572	72,416
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	497	1,714
Customer receivables, net of allowances of \$12 and \$7, respectively	2,454	2,220
Other receivables	665	517
Materials, supplies and fossil fuel inventory	1,083	1,273
Regulatory assets (\$61 and \$71 related to a VIE, respectively)	399	336
Derivatives	463	489
Assets held for sale	2,270	140
Other	518	468
Total current assets	8,349	7,157
<b>OTHER ASSETS</b>		
Special use funds	6,361	6,003
Investment in equity method investees	6,493	2,321
Prepaid benefit costs	1,509	1,427
Regulatory assets (\$37 related to a VIE at December 31, 2017)	2,396	2,469
Derivatives	1,375	1,315
Other (\$470 related to a VIE at December 31, 2017)	3,548	4,719
Total other assets	21,682	18,254
<b>TOTAL ASSETS</b>	<b>\$ 98,603</b>	<b>\$ 97,827</b>
<b>CAPITALIZATION</b>		
Common stock (\$0.01 par value, authorized shares - 800; outstanding shares - 478 and 471, respectively)	\$ 5	\$ 5
Additional paid-in capital	10,470	9,100
Retained earnings	23,935	18,992
Accumulated other comprehensive income (loss)	(158 )	111 )
Total common shareholders' equity	34,252	28,208
Noncontrolling interests (\$3,080 and \$1,006 related to VIEs, respectively)	3,086	1,290
Total equity	37,338	29,498
Long-term debt (\$1,020 and \$5,941 related to VIEs, respectively)	27,048	31,463
Total capitalization	64,386	60,961
<b>CURRENT LIABILITIES</b>		
Commercial paper	2,460	1,687
Other short-term debt	430	255
Current maturities of long-term debt (\$74 and \$70 related to a VIE, respectively)	2,649	1,676
Accounts payable	3,000	3,235
Customer deposits	448	448
Accrued interest and taxes	931	622

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Derivatives	483	364
Accrued construction-related expenditures	905	1,033
Regulatory liabilities	396	346
Other	1,105	1,566
Total current liabilities	12,807	11,232
<b>OTHER LIABILITIES AND DEFERRED CREDITS</b>		
Asset retirement obligations	3,065	3,031
Deferred income taxes	7,420	5,754
Regulatory liabilities	9,189	8,765
Derivatives	522	535
Deferral related to differential membership interests - VIEs	—	5,403
Other	1,214	2,146
Total other liabilities and deferred credits	21,410	25,634
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>TOTAL CAPITALIZATION AND LIABILITIES</b>	<b>\$ 98,603</b>	<b>\$ 97,827</b>

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2017 Form 10-K.



NEXTERA ENERGY, INC.  
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
 (millions)  
 (unaudited)

	Nine Months Ended September 30,	
	2018	2017 <sup>(a)</sup>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$5,475	\$3,252
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	2,819	2,576
Nuclear fuel and other amortization	176	210
Unrealized losses on marked to market derivative contracts - net	88	45
Foreign currency transaction gains	(5 )	(23 )
Deferred income taxes	1,555	1,316
Cost recovery clauses and franchise fees	(79 )	61
Acquisition of purchased power agreement	(52 )	(243 )
Benefits associated with differential membership interests - net	—	(311 )
Gains on disposal of a business/assets - net	(147 )	(1,170 )
Gain on NEP deconsolidation	(3,935 )	—
Recoverable storm-related costs	—	(334 )
Other - net	(133 )	116
Changes in operating assets and liabilities:		
Current assets	(713 )	(545 )
Noncurrent assets	(97 )	(77 )
Current liabilities	227	444
Noncurrent liabilities	46	12
Net cash provided by operating activities	5,225	5,329
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditures of FPL	(3,493 )	(3,676 )
Independent power and other investments of NEER	(4,825 )	(4,678 )
Nuclear fuel purchases	(217 )	(175 )
Other capital expenditures and other investments	(722 )	(58 )
Proceeds from sale of the fiber-optic telecommunications business	—	1,482
Sale of independent power and other investments of NEER	327	159
Proceeds from sale or maturity of securities in special use funds and other investments	2,579	2,059
Purchases of securities in special use funds and other investments	(2,860 )	(2,146 )
Distributions from equity method investees	637	7
Other - net	13	175
Net cash used in investing activities	(8,561 )	(6,851 )
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issuances of long-term debt	4,028	5,196
Retirements of long-term debt	(2,593 )	(3,892 )
Proceeds from differential membership investors	103	340
Net change in commercial paper	773	1,806
Proceeds from other short-term debt	625	200
Repayments of other short-term debt	(450 )	(2 )

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Payments from related parties under CSCS agreement – net	720	—
Issuances of common stock - net	714	36
Dividends on common stock	(1,570 )	(1,382 )
Other - net	(275 )	(540 )
Net cash provided by financing activities	2,075	1,762
Effects of currency translation on cash, cash equivalents and restricted cash	(1 )	—
Net increase (decrease) in cash, cash equivalents and restricted cash	(1,262 )	240
Cash, cash equivalents and restricted cash at beginning of period	1,983	1,529
Cash, cash equivalents and restricted cash at end of period	\$721	\$1,769
<b>SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES</b>		
Accrued property additions	\$1,963	\$2,036
Increase in property, plant and equipment - net as a result of cash grants primarily under the Recovery Act	\$—	\$(145 )
Decrease (increase) in property, plant and equipment - net as a result of a settlement/noncash exchange	\$3	\$(92 )

(a) Prior period amounts have been retrospectively adjusted as discussed in Note 11 - Restricted Cash.

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2017 Form 10-K.

NEXTERA ENERGY, INC.  
 CONDENSED CONSOLIDATED STATEMENTS OF EQUITY  
 (millions)  
 (unaudited)

	Common Stock Shares	Aggregate Par Value	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Common Shareholders' Equity	Non- controlling Interests	Total Equity
Balances, December 31, 2017	471	\$ 5	\$9,100	\$ 111	\$18,992	\$ 28,208	\$ 1,290	\$29,498
Net income (loss)	—	—	—	—	6,229	6,229	(754 )	
Issuances of common stock, net of issuance cost of less than \$1	6	—	700	—	—	700	—	
Share-based payment activity	1	—	82	—	—	82	—	
Dividends on common stock	—	—	—	—	(1,570 )	(1,570 )	—	
Other comprehensive income	—	—	—	1	—	1	—	
Impact of NEP deconsolidation <sup>(a)</sup>	—	—	—	58	—	58	(2,695 )	
Adoption of accounting standards updates <sup>(b)</sup>	—	—	593	(328 )	285	550	5,303	
Other	—	—	(5 )	—	(1 )	(6 )	(58 )	
Balances, September 30, 2018	478	\$ 5	\$10,470	\$ (158 )	\$23,935	\$ 34,252	\$ 3,086	\$37,338

(a) See Note 2.

(b) See Notes 1, 5 - Financial Instruments Accounting Standards Update, 6 and 11 - Accounting for Partial Sales of Nonfinancial Assets.

	Common Stock Shares	Aggregate Par Value	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Common Shareholders' Equity	Non- controlling Interests	Total Equity
Balances, December 31, 2016	468	\$ 5	\$ 8,948	\$ (70 )	\$15,458	\$ 24,341	\$ 990	\$25,331
Net income	—	—	—	—	3,223	3,223	29	
Issuances of common stock, net of issuance cost of less than \$1	2	—	24	—	—	24	—	
Share-based payment activity	—	—	77	—	—	77	—	
Dividends on common stock	—	—	—	—	(1,382 )	(1,382 )	—	
Other comprehensive income	—	—	—	118	—	118	11	
Sale of NEER assets to NEP	—	—	—	—	—	—	(17 )	
Other	—	—	(3 )	—	—	(3 )	(90 )	
Balances, September 30, 2017	470	\$ 5	\$ 9,046	\$ 48	\$17,299	\$ 26,398	\$ 923	\$27,321

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2017 Form 10-K.

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FLORIDA POWER & LIGHT COMPANY  
CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
(millions)  
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
OPERATING REVENUES	\$3,399	\$3,477	\$8,927	\$9,095
OPERATING EXPENSES (INCOME)				
Fuel, purchased power and interchange	941	1,036	2,418	2,696
Other operations and maintenance	385	362	1,119	1,137
Depreciation and amortization	804	704	1,860	1,514
Taxes other than income taxes and other - net	352	353	984	975
Total operating expenses - net	2,482	2,455	6,381	6,322
OPERATING INCOME	917	1,022	2,546	2,773
OTHER INCOME (DEDUCTIONS)				
Interest expense	(136 )	(121 )	(411 )	(360 )
Allowance for equity funds used during construction	23	20	64	55
Other - net	2	1	5	2
Total other deductions - net	(111 )	(100 )	(342 )	(303 )
INCOME BEFORE INCOME TAXES	806	922	2,204	2,470
INCOME TAXES	152	356	440	933
NET INCOME <sup>(a)</sup>	\$654	\$566	\$1,764	\$1,537

(a) FPL's comprehensive income is the same as reported net income.

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2017 Form 10-K.

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FLORIDA POWER & LIGHT COMPANY  
CONDENSED CONSOLIDATED BALANCE SHEETS

(millions, except share amount)

(unaudited)

September 30, 2018      December 31, 2017

ELECTRIC  
UTILITY  
PLANT  
AND  
OTHER  
PROPERTY

Plant in service and other property	\$ 49,479	\$ 47,167
Nuclear fuel	1,221	1,192
Construction work in progress	3,778	3,623
Accumulated depreciation and amortization	(13,326)	(12,802)
Total electric utility plant and other property	41,152	39,180

net  
CURRENT  
ASSETS

Cash and cash equivalents	103	33
Customer receivables, net of allowances	372	1,073

of	
\$5	
and	
\$2,	
respectively	
Other	160
receivables	
Materials,	
supplies	
and	
fossil	840
fuel	
inventory	
Regulatory	
assets	
(\$61	
and	
\$71	
related	335
to	
a	
VIE,	
respectively)	
Other	243
Total	
assets	2,684
OTHER	
ASSETS	
Special	
funds	4,090
Prepaid	
costs	1,351
Regulatory	
assets	
(\$37	
related	
to	
VIE	2,249
at	
December	
31,	
2017)	
Other	690
Total	
assets	8,380
\$ 52,978	\$ 50,244



TOTAL ASSETS	
CAPITALIZATION	
Common stock (no par value, \$0.0073 shares authorized, issued and outstanding)	\$ 1,373
Additional paid-in capital	8,291
Retained earnings	7,376
Total common shareholder's equity	17,040
Long-term debt (\$74 related to al 1,595 VIE at December 31, 2017)	11,236
Total capitalization	28,276
CURRENT LIABILITIES	
Commercial paper	1,687
Other short-term debt	250
Current maturities of long-term debt (\$74 and \$70	466

related to a VIE, respectively)	
Accounts payable	893
Customer deposits	445
Accrued interest and taxes	439
Accrued construction-related expenditures	100
Regulatory liabilities	333
Other	984
Total current liabilities	5,797
OTHER LIABILITIES AND DEFERRED CREDITS	
Asset retirement obligations	2,047
Deferred income taxes	5,005
Regulatory liabilities	8,642
Other	477
Total other liabilities and deferred credits	16,171
COMMITMENTS AND CONTINGENCIES	
TOTAL CAPITALIZATION AND LIABILITIES	
\$ 52,978	\$ 50,244

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2017 Form 10-K.

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FLORIDA POWER & LIGHT COMPANY  
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(millions)  
 (unaudited)

Nine Months  
 Ended  
 September 30,  
 2018 2017<sup>(a)</sup>

CASH  
 FLOWS  
 FROM  
 OPERATING  
 ACTIVITIES

Net  
 \$1,764 \$1,537  
 income

Adjustments  
 to  
 reconcile  
 net  
 income  
 to  
 net  
 cash  
 provided  
 by  
 (used  
 in)  
 operating  
 activities:

Depreciation  
 and amortization

\$860 1,514

Nuclear  
 fuel  
 and other  
 amortization

Deferred  
 income taxes

105 987

Cost  
 recovery  
 clauses  
 and

(79 ) 61

franchise  
 fees  
 Acquisition  
 of  
 purchased

243 )

power  
 agreement  
 Recoverable  
 storm-related (334 )  
 costs  
 Other  
 -34 (53 )  
 net  
 Changes  
 in  
 operating  
 assets  
 and  
 liabilities:  
 Current  
 (301 ) (578 )  
 assets  
 Noncurrent  
 (14 ) (45 )  
 assets  
 Current  
 32 507  
 liabilities  
 Noncurrent  
 (3 ) (13 )  
 liabilities  
 Net  
 cash  
 provided  
 3,546 3,493  
 by  
 operating  
 activities  
 CASH  
 FLOWS  
 FROM  
 INVESTING  
 ACTIVITIES  
 Capital  
 (3,493 ) (3,676 )  
 expenditures  
 Nuclear  
 fuel (104 ) (104 )  
 purchases  
 Proceeds  
 from  
 sale  
 or  
 maturity  
 of,623 1,241  
 securities  
 in  
 special  
 use  
 funds  
 Purchases (1,320 )  
 of

securities  
 in  
 special  
 use  
 funds  
 Other  
 -205 (1 )  
 net  
 Net  
 cash  
 used  
 (3,555 ) (3,860 )  
 in  
 investing  
 activities  
**CASH  
 FLOWS  
 FROM  
 FINANCING  
 ACTIVITIES**  
 Issuances  
 of  
 1,594 200  
 long-term  
 debt  
 Retirements  
 of  
 (1,580 ) (73 )  
 long-term  
 debt  
 Net  
 change  
 in  
 1,482 ) 811  
 commercial  
 paper  
 Proceeds  
 from  
 other 200  
 short-term  
 debt  
 Repayments  
 of  
 (250 ) (2 )  
 short-term  
 debt  
 Capital  
 contribution  
 1,786  
 from  
 NEE  
 Dividends  
 to  
 (800 )  
 NEE  
 Other ) (2 )  
 -

net  
Net  
cash  
provided 334  
40  
by  
financing  
activities  
Net  
decrease  
in  
cash,  
cash (33 )  
equivalents  
and  
restricted  
cash  
Cash,  
cash  
equivalents  
and  
restricted  
174 153  
cash  
at  
beginning  
of  
period  
Cash,  
cash  
equivalents  
and  
restricted  
\$ 205  
cash  
at  
end  
of  
period