NextEra Energy, Inc.

Including NextEra Energy Capital Holdings, Inc.
Full Rating Report

Ratings

NextEra Energy, Inc.

Long-Term IDR	A–
NextEra Energy Capital Holdings, Inc.	
Long-Term IDR	A–
Senior Unsecured	A–
Junior Subordinate Hybrids	BBB
Commercial Paper	F1

IDR – Issuer Default Rating.

Rating Outlook

Stable

Financial Data

NextEra Energy, Inc.

($ Mil.)	LTM 6/30/15	2014
Adjusted Revenue	17,702	16,945
Operating EBITDAR	7,661	6,870
CFFO	5,929	5,445
Total Adjusted Debt	27,985	27,204
Total Capitalization	51,075	48,861
Capex/ Depreciation (%)	280.9	281.1
FFO Fixed-Charge Coverage (x)	5.7	5.2
FFO-Adjusted Leverage (x)	3.7	3.8
Total Adjusted Debt/EBITDAR (x)	3.7	4.0

Related Research

U.S. Utilities Power & Gas Dashboard (Third-Quarter 2015) (October 2015)

Fitch Affirms NextEra at ‘A–’’ Following Acquisition Announcement by NEP; Outlook Stable (August 2015)

Florida Power & Light Co. (July 2015)

NextEra Energy, Inc. - Ratings Navigator (March 2015)

Analysts

Shalini Mahajan, CFA
+1 212 908-0351
shalini.mahajan@fitchratings.com

Maude Tremblay, CFA
+1 312 368-3203
maude.tremblay@fitchratings.com

Key Rating Drivers

Growing Regulated and Contracted Assets: The ratings for NextEra Energy, Inc. (NEE) reflect a continued shift in business mix toward regulated and highly contracted assets that comprise approximately 85% of adjusted EBITDA. Base rate increases at Florida Power and Light Co. (FPL), rising contributions from contracted renewable projects, and investments in regulated natural gas transmission are driving this favorable shift. The rating of NextEra Energy Capital Holdings, Inc. (Capital Holdings) is equalized with that of NEE given the full, irrevocable and unconditional guarantee.

Constructive Florida Environment: A favorable turnaround in Florida’s regulatory climate and an extended period of regulatory certainty are supportive credit factors. FPL’s 2012 rate order spans a four-year term through December 2016, sets rates based on a 10.5% ROE with a 100-bps band and automatically adjusts base rates on commercial operations of new generation plants. Florida’s economy is recovering well. FPL continues to demonstrate robust credit metrics that compare favorably with an ‘A’ rated financial profile for a regulated utility.

Elevated Capex: After relatively modest investments in 2013–2015, capex plans are rising again, with about $18 billion projected to be invested in 2015–2016, divided about 45%/55% between FPL and other businesses. Fitch Ratings sees an upward bias to the utility capex plans as FPL evaluates incremental investments in generation and natural gas reserves. Capex for contractual renewable generation projects will likely increase management projections, with robust growth in the backlog for wind and solar projects.

Challenging Outlook for Yieldcos: Continued limited capital market access for yieldcos could constrain NEE’s ability to grow NextEra Energy Partners, L.P. (NEP) and recycle its capital into new renewable projects. Permanent debt at NEP is viewed negatively for NEE’s bondholders by Fitch because it increases the structural subordination. The pursuit of third-party acquisitions to drive growth at NEP and an accelerated rate of dropdowns are also concerns for Fitch.

Recovering Credit Metrics: On a fully consolidated basis, Fitch expects NEE’s FFO fixed-charge coverage to be in the 5.5x–6.0x range over the forecast period of 2015–2018. Fitch expects both adjusted debt to EBITDAR and adjusted FFO leverage to approximate 3.5x by 2018.

Rating Sensitivities

Positive Rating Action: Positive rating actions for NEE appear unlikely at this time.

Negative Rating Action: Future developments that may, individually or collectively, lead to a negative rating action include a failure to achieve adjusted FFO leverage of 3.50x–3.75x by 2017 on a consolidated basis and any deterioration in credit measures that result from higher use of leverage or outsized return of capital to shareholders. An aggressive acquisitive or financial strategy at NEP or predominantly shareholder-focused use of sell down proceeds, a change in strategy to invest in noncontracted renewable/pipeline/electric transmission assets, more speculative assets, or a lower proportion of cash flow under long-term contracts could also lead to negative action.

Financial Overview

Liquidity and Debt Structure

NEE's ratings reflect the company's strong access to the capital markets, commercial paper market and to banks for both corporate credit and project finance. Liquidity is robust, with about $550 million in cash and more than $6 billion available under committed corporate credit facilities, aggregating approximately $9.7 billion for the NEE group of companies, excluding limited recourse or nonrecourse project financing arrangements, as of June 30, 2015.

FPL independently funds its short-term and long-term debt needs, while funding for other activities is aggregated under Capital Holdings. FPL's $3 billion bank revolving line of credit — $500 million maturing in May 2016 and the rest in 2020 — also provides a liquidity backstop for commercial paper funding, variable-rate tax-exempt revenue notes and issuance of LOCs. Capital Holding's $4.85 billion bank revolving line of credit ($750 million matures in May 2016, rest in 2020) is complemented by a $650 million LOC facility (maturity in 2017).

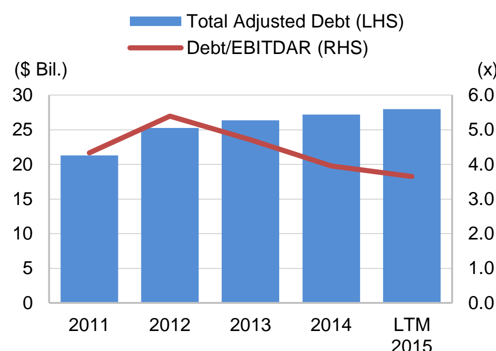
Debt maturities are manageable, as shown in the *Debt Maturities and Liquidity* table below. About $900 million of the 2015 maturities were repaid in recent months.

Debt Maturities and Liquidity

($ Mil., As of June 30, 2015)	
2015	2,684
2016	2,649
2017	2,879
2018	1,587
Thereafter	20,000
Cash and Cash Equivalents	551
Undrawn Committed Facilities	9,612

Source: Company data, Fitch.

Total Debt and Leverage



Source: Company data, Fitch.

Cash Flow Analysis

NEE generates negative FCF after dividends and capex. The sharp increase in capex in 2012, driven by a rush to develop wind projects due to the looming production tax credit (PTC) expiration, strained NEE's balance sheet. Moderation of capex and issuance of equity helped to right-size the balance sheet.

Capex is on the rise again and could exceed $9 billion in 2015 and $10 billion in 2016. It appears likely capex could remain elevated beyond 2016 given the sustained strong demand for renewable projects. Fitch forecasts NEE's capex to exceed CFFO in 2015 and 2016. NEE's financing needs in 2015 are intensified by its $700 million equity support of NEP to complete acquisitions in second-half 2015.

Fitch assumes NEE will continue to take a balanced approach to fulfilling its financing needs, with a mix of equity and debt issuance to maintain adjusted FFO leverage in the 3.5x–3.7x range consistent with its current ratings.

Related Criteria

Corporate Rating Methodology — Including Short-Term Ratings and Parent and Subsidiary Linkage (August 2015)

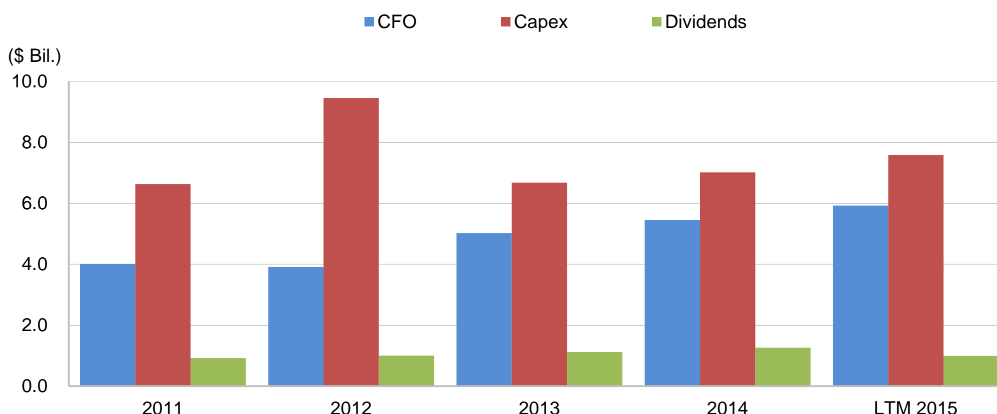
Parent and Subsidiary Rating Linkage (August 2015)

Recovery Ratings and Notching Criteria for Utilities (March 2015)

Rating U.S. Utilities, Power and Gas Companies (Sector Credit Factors) (March 2014)

OPC 009877
FPL RC-16

CFO and Cash Use



Source: Company data, Fitch.

Peer and Sector Analysis

Peer Group

Issuer	Country
A–	
OGE Energy Corp.	U.S.
BBB+	
Sempra Energy	U.S.
Dominion Resources, Inc.	U.S.

Source: Fitch.

Issuer Rating History

Date	LT IDR (FC)	Outlook/ Watch
Aug. 6, 2015	A–	Stable
April 24, 2015	A–	Stable
Dec. 4, 2014	A–	Stable
Oct. 1, 2014	A–	Stable
April 25, 2014	A–	Stable
April 26, 2013	A–	Stable
April 27, 2012	A–	Stable
May 2, 2011	A–	Stable
April 30, 2010	A–	Negative
Jan. 12, 2010	A	RWN
Oct. 29, 2009	A	Stable
Dec. 14, 2007	A	Stable
Dec. 20, 2006	A	Stable
Feb. 27, 2006	A	Stable
Dec. 19, 2005	A	Stable
Dec. 6, 2005	A	Stable
July 5, 2005	A	Stable
Feb. 4, 2005	A	Stable
July 29, 2003	A	Stable

LT IDR – Long-term Issuer Default Rating.
FC – Foreign currency.
RWN – Rating Watch Negative.
Source: Fitch.

Peer Group Analysis

($ Mil.)	NextEra Energy, Inc.	OGE Energy Corp.	Sempra Energy	Dominion Resources, Inc.
As of	6/30/15	6/30/15	6/30/15	6/30/15
IDR	A–	A–	BBB+	BBB+
Rating Outlook	Stable	Stable	Stable	Stable
Fundamental Ratios (x)				
Operating EBITDAR/(Gross Interest Expense + Rents)	5.8	5.7	4.9	4.8
FFO Fixed-Charge Coverage (x)	5.7	6.1	4.2	4.9
Total Adjusted Debt/Operating EBITDAR	3.7	3.5	4.7	5.3
FFO/Total Adjusted Debt (%)	27.2	30.0	22.5	19.5
FFO-Adjusted Leverage (x)	3.7	3.3	4.4	5.1
Common Dividend Payout (%)	45.2	45.9	33.1	73.1
Internal Cash/Capex (%)	60.8	141.3	55.3	53.6
Capex/Depreciation (%)	280.9	167.5	262.4	407.4
ROE (%)	14.6	13.2	11.9	16.7
Financial Information				
Revenue	17,702	2,519	10,611	12,149
Revenue Growth (%)	13.5	(7.9)	(1.1)	(7.0)
EBITDA	7,661	1,020	3,130	4,900
Operating EBITDA Margin (%)	43.2	41.5	29.8	40.5
FCF	(2,972)	206	(1,476)	(2,566)
Total Adjusted Debt with Equity Credit	27,985	3,646	15,099	26,574
Cash and Cash Equivalents	551	—	636	271
FFO	6,323	915	2,492	4,134
Capex	(7,587)	(499)	(3,091)	(5,532)

IDR – Issuer Default Rating.
Source: Company data, Fitch.

Key Rating Issues

Changing Business Mix to More Regulated/Contracted

NEE’s continued shift from merchant businesses toward regulated investments and contracted nonregulated renewable assets is supportive of its credit profile. Driving the favorable shift in cash flow mix are such factors as significant rate base increases at NEE’s regulated utility subsidiary FPL, planned investments in regulated electric and natural gas transmission projects, the rising contribution from contracted solar and wind investments, and the proposed acquisition of Hawaiian Electric Industries (HEI). Absent a significant recovery in the

OPC 009878
FPL RC-16

commodity environment, which Fitch is not expecting, the contribution from noncontracted generation assets and other nonregulated businesses will remain contained, in Fitch's opinion.

Regulated businesses composed approximately 60% of total adjusted EBITDA for NEE in 2014 and Fitch expects this proportion to sustain for the next several years. Within the nonregulated businesses, management's emphasis remains on long-term contracted renewable generation, specifically solar and wind. The adjusted EBITDA contribution from both regulated and contracted businesses at NEE was approximately 84% in 2014 and Fitch expects this to modestly increase to 85% over the next few years.

Constructive Regulation in Florida

Fitch views the current Florida regulatory environment for FPL as constructive and vastly improved from the highly politicized decision-making witnessed at the depths of the last recession. FPL was successful in securing a favorable rate order for its 2012 base rate case. The rate order, effective until December 2016, provides for regulatory certainty for four years. The authorized regulatory ROE is 10.5%, with a range of plus or minus 100 bps. FPL can seek rate relief if the regulatory ROE falls below 9.5% and can conversely be pulled into a rate review if the ROE exceeds 11.5%. FPL has the ability to amortize a depreciation reserve surplus of approximately $224 million and fossil dismantlement reserve of $176 million to keep the regulatory ROE within the band over the four-year period.

The rate order also provided for automatic adjustment to base rates to reflect FPL's three modernization projects (i.e. the completed Cape Canaveral and Riviera Beach projects, and Port Everglades, which is under construction). Fitch expects FPL to file a rate case in 2016 for new rates effective in January 2017.

High Regulated Capex

FPL's capex has been high over the last few years, mostly driven by new generation additions. As part of its fleet-modernization program, FPL constructed and placed into service the 1,210-MW Cape Canaveral and 1,212-MW Riviera Beach power plants in April 2013 and April 2014, respectively. FPL has also undertaken uprates at its nuclear facilities of St. Lucie and Turkey Point, which resulted in an incremental 522 MW of capacity at these units; the uprates were completed in 2013. Through a generation base rate adjustment mechanism, FPL has been able to receive rate recovery of its modernization projects without filing for a rate case. The nuclear uprate costs are being recovered through the nuclear clause and base rates.

Capex peaked in 2012 and has been moderating since, but is likely to pick up again. FPL has identified approximately $13.9 billion–$15.6 billion of capex in 2015–2018. FPL is targeting generation upgrades, a grid-modernization program and three solar photovoltaic projects (74 MW each) that are expected to be placed into service by the end of 2016. FPL has also issued a request for proposal for capacity need in 2019 and its self-build option includes a new natural gas-fired combined-cycle plant in Okeechobee County, FL.

FPL also acquired the coal-fired Cedar Bay facility for $520 million in September 2015 to terminate a long-term power purchase agreement and phase out its utilization. Furthermore, the regulators approved FPL's petition to invest in natural gas reserves and recover costs associated with the investment through its fuel clause. FPL may invest up to $500 million annually in future natural gas reserves. FPL is also in the process of obtaining a combined construction and operating license from the Nuclear Regulatory Commission for two additional nuclear units (2,200 MW) at its Turkey Point site.

OPC 009879
FPL RC-16

Significant Non-Utility Capex

Management identified $15.9 billion–$17.5 billion of non-FPL capex over 2015–2018 at the beginning of the year, which included $2.25 billion–$2.45 billion of natural gas pipeline investments and $1.10 billion–$1.15 billion of regulated electric transmission investments. However, the bulk of the non-FPL capex reflected an expectation of 4,600 MW–5,100 MW of wind and solar development program at its indirect, wholly owned subsidiary, NEE Energy Resources (Energy Resources). In the second quarter earnings call, management increased its renewable development program by approximately 125 MW. A PTC extension could add additional 800 MW–1200 MW to the development pipeline.

The current terms of tax subsidies for wind and solar is pulling the construction of many projects forward into 2015–2016, increasing Energy Resources' capex spend and financing needs over the short term. While tax incentives currently improve the economic profile of projects, Fitch expects demand for wind and solar projects will remain elevated over the medium term, supported by environmental regulation and a competitive cost structure. Fitch views positively the expansion of this business line as it poses limited technology and construction risks while delivering a long stream of stable cash flows.

Contracted Wholesale Generation Limits Risk

The wholesale generation business within Energy Resources comprises a well-diversified fleet that has a lower risk than most of its merchant peers, in Fitch's opinion. Its geographic scope spans 25 states and four Canadian provinces, while its energy source on a generation basis was 42% wind, 28% nuclear, 27% natural gas, 2% solar and 1% other in 2014. The technology mix positions the company well to face upcoming environmental regulation and shifting society preferences. Earnings and cash flow visibility is also enhanced by the high proportion of assets — almost 70% — under long-term power sales agreements with remaining an average contract life of 15 years.

The outlook for NEE's noncontracted merchant assets is more challenging. Power prices remain depressed across the U.S., with little relief in sight given the anemic demand growth, robust reserve margins and depressed natural gas prices.

Prolonged Approval Process for HEI Acquisition

Fitch views the HEI acquisition as moderately positive for NEE, driven by a modest increase in earnings from regulated businesses, predominant use of equity to finance the acquisition, and attractive regulated investment opportunities at HEI's utility. Fitch's view is somewhat tempered by structural issues with the Hawaii service territory, with its excessive reliance on oil for power generation, high retail prices, increasing penetration of residential rooftop solar and need for significant capital investment to transition to cleaner fuel sources. This could put pressure on retail prices in the short to medium term. The transaction has been approved by HEI's shareholders and the Federal Energy Regulatory Commission (FERC), but remains subject to approval by the Hawaii Public Utilities Commission. The regulatory approval process is turning out to be more prolonged and challenging than Fitch's original expectation.

Difficult Environment for Yieldcos

Yieldco equities have come under tremendous pressure since summer 2015, challenging the industry's strategy of rapid growth through equity-funded dropdowns and acquisitions, as well as their fundamental purpose as a cheaper source of financing. Facing adverse financial

OPC 009880
FPL RC-16

market conditions, NEP relied on NEE to fund $700 million of equity ownership — proportionate to NEE's current ownership — in October 2015 to complete pending acquisitions, resulting in a modest consolidated leverage uptick.

NEP has been pursuing an aggressive growth strategy and dropdowns from NEE into NEP have occurred at an accelerated pace compared with Fitch's initial expectations. NEP's recent acquisition of seven natural gas pipelines in Texas adds welcomed diversification to its wind-heavy portfolio of assets, especially in the recent context of weather-induced, below average performance of wind projects. The pursuit of third-party acquisitions to drive growth at NEP, despite a large existing and healthy development pipeline of assets available at NEE for future dropdowns, is nonetheless a concern for Fitch.

Management, in its second-quarter earnings conference call, discussed the possibility of using non-amortizing debt to finance renewable assets, which is a departure from its traditional mode of project financings. Any permanent debt at NEP that replaces existing project debt would be credit negative for NEE's debtholders. The project debt is largely nonrecourse and Fitch believes NEP would walk away from a project if it became distressed.

Significant Dividend Increase

NEE announced a material increase in dividend with its second-quarter earnings release and is targeting a dividend payout ratio of 65% by 2018, down from 55% currently. Fitch considers dividends paid by utility holding companies as nondiscretionary use of cash, thus a material increase in dividend lowers the financial flexibility of the company. However, based on the current pipeline of investment opportunities at NEE, Fitch expects the company to have sufficient financial headroom to absorb the additional dividend without a material increase in leverage.

Stable Credit Metrics

NEE has improved its credit metrics significantly since 2012, when an unusually high pace of capex stretched the balance sheet. Adjusted FFO leverage was 3.7x at LTM June 30, 2015, compared with a peak of 4.8x in 2012. Adjusted debt to EBITDAR similarly improved to 3.7x from 5.4x over the same period. Fitch expects NEE's credit metrics to remain relatively stable over the rating horizon, with the assumption that management pursues a balanced approach to fund its numerous expansion initiatives. The limited capital market access for yieldcos currently constrains NEE's ability to recycle capital via selldown of assets into NEP.

Given the elevated level of forecast capex, management's emphasis on strengthening credit metrics is warranted to maintain the current level of ratings. Through a series of equity issuances, management has consistently improved the balance sheet, which became stressed in 2012. Management has reinforced its commitment to credit ratings in its public comments, and Fitch expects NEE to meet the targeted credit metrics on a consistent basis.

Treatment of Nonrecourse Debt

NEE's credit metrics, as reported, have historically shown more leverage than a median 'A–' financial profile for a utility or parent holding company. A large portion of Energy Resources' generation portfolio is project financed with debt that has limited or no corporate recourse. However, these projects tend to be highly leveraged, with a typically low investment-grade profile, which weakens the consolidated leverage metrics for NEE. In Fitch's view, a better way to analyze NEE's metrics is to deconsolidate a majority of the project-financed entities and only

OPC 009881
FPL RC-16

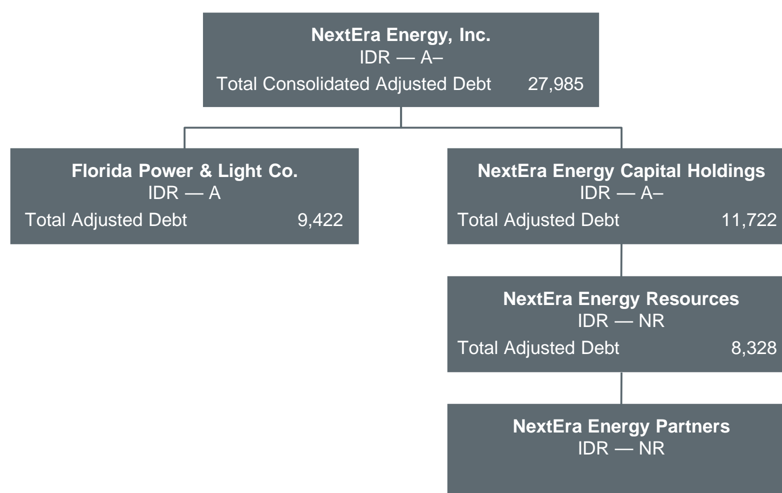
include the upstream distribution from these entities in NEE's credit analysis. The off-credit treatment to the limited recourse debt at Energy Resources reflects Fitch's assumption that NEE would walk away from these projects in the event of financial deterioration, including those projects where a differential membership interest has been sold. These projects typically comprise wind, solar and fossil assets. Nonrecourse debt associated with entities such as Lone Star Transmission (Lone Star) is not deconsolidated and NEP is proportionally consolidated.

NEE's credit metrics look stronger in the alternative rating case. FFO fixed-charge coverage remains above 7.5x over the forecast period and FFO-adjusted leverage is forecast to improve to 3.0x by 2018 under this scenario.

Organizational Structure

The Issuer Default Rating (IDR) of Capital Holdings is equalized with that of NEE due to the full, irrevocable and unconditional guarantee from NEE. Fitch deems the rating linkage between NEE and FPL as strong, given the strategic importance of FPL in the overall portfolio and common financial ties. However, FPL's authorized regulatory capital structure and covenants in its debt indentures limit the cash distributions to NEE and provide for a one-notch differential between NEE's and FPL's IDRs.

Organizational and Debt Structure — NextEra Energy, Inc.
($ Mil., As of June 30, 2015)



IDR – Issuer Default Rating. NR – Not rated.
Source: Company reports, Fitch analysis.

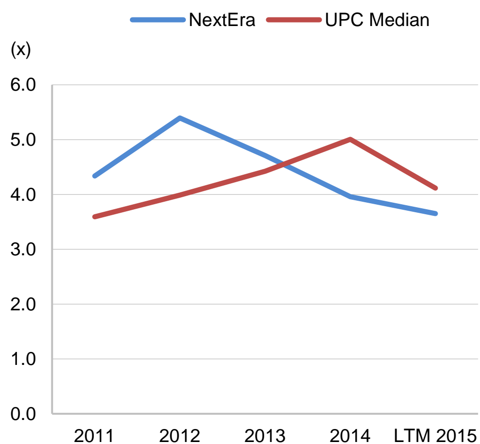
OPC 009882
FPL RC-16

Key Metrics

Definitions

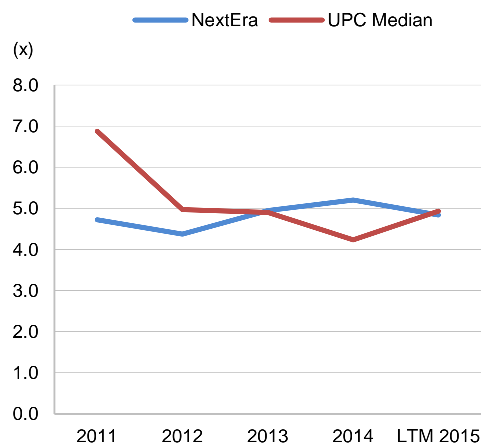
- Total Adjusted Debt/Op. EBITDAR: Total balance sheet adjusted for equity credit and off-balance sheet debt divided by operating EBITDAR.
- FFO Fixed-Charge Coverage: FFO plus gross interest minus interest received plus preferred dividends plus rental payments divided by gross interest plus preferred dividends plus rental payments.
- FFO-Adjusted Leverage: Gross debt plus lease adjustment minus equity credit for hybrid instruments plus preferred stock divided by FFO plus gross interest paid plus preferred dividends plus rental expense.

Total Adjusted Debt/Operating EBITDAR



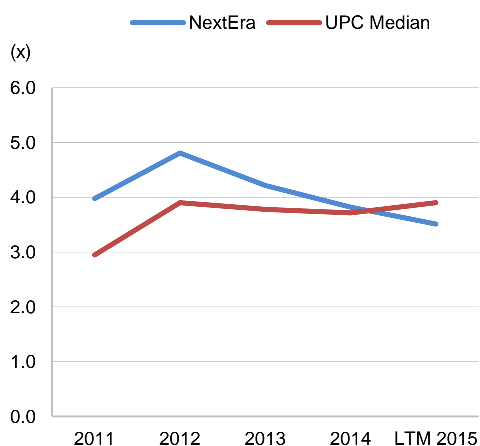
UPC – Utility parent company.
Source: Company data, Fitch.

FFO Fixed-Charge Coverage



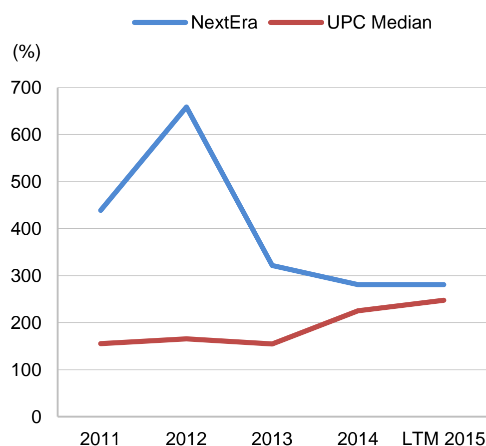
UPC – Utility parent company.
Source: Company data, Fitch.

FFO-Adjusted Leverage



UPC – Utility parent company.
Source: Company data, Fitch.

Capex/Depreciation



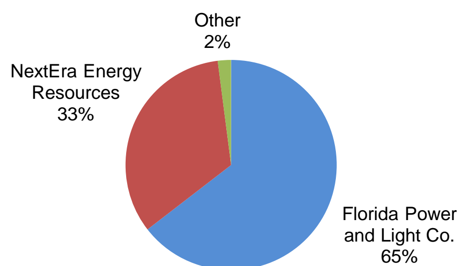
UPC – Utility parent company.
Source: Company data, Fitch.

Company Profile

NEE is a public utility holding company with over 42,000 MW in generating capacity. Its largest subsidiary is FPL, an integrated regulated utility in Florida with about 4.8 million customer accounts and 25,100 MW of generating capacity. The other primary subsidiary is Capital Holdings, which wholly owns Energy Resources, a wholesale generator of electric power with a portfolio of about 19,800 MW of capacity, with an emphasis on wind and solar projects. Capital Holdings also has approximately 80% ownership in NEP, a growth-oriented limited partnership focused on owning contracted energy projects.

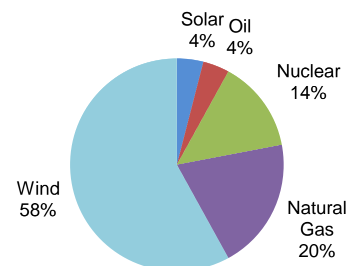
NEE also owns NextEra Energy Transmission, which owns transmission utilities and projects outside Florida, including Lone Star, a regulated transmission company in Texas. Another growth area for NEE is the regulated gas pipeline business. NEE plans to invest close to $1 billion in Sabal Trail Pipeline, which will be regulated by the FERC and is expected to be in service in mid-2017. Other pipeline investments include Florida Southeast Connection, in which NEE plans to invest $500 million, and Mountain Valley Pipeline, in which NEE will invest $1.0 billion–$1.3 billion.

EBITDA per Business Segment
(As of Dec. 31, 2014)



Source: Company data, Fitch.

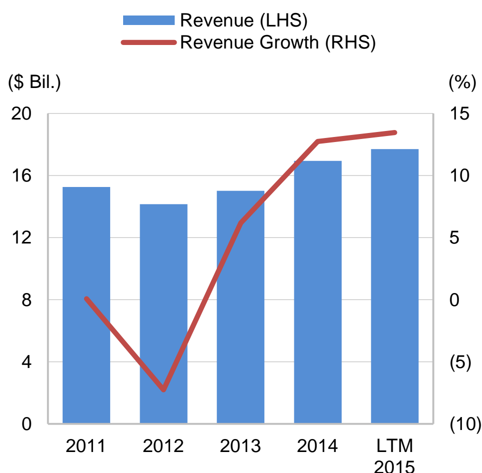
2014 Energy Resources' Generation Mix (MW)



Source: Company data, Fitch.

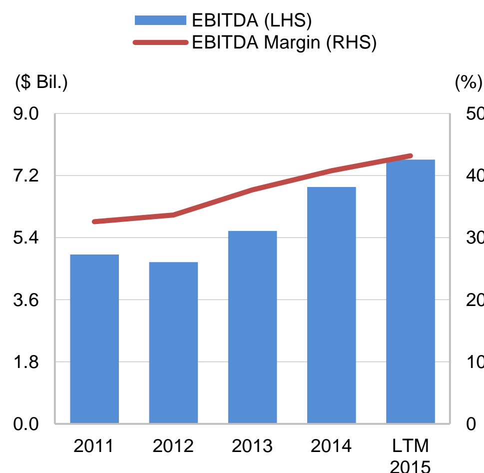
Business Trends

Revenue Dynamics



Source: Company data, Fitch.

EBITDA Dynamics



Source: Company data, Fitch.

OPC 009884
FPL RC-16

Financial Summary — NextEra Energy, Inc.

($ Mil., As of June 30, 2015; IDR: A–/Rating Outlook Stable)	2011	2012	2013	2014	LTM 6/30/15
Fundamental Ratios					
Operating EBITDAR/(Gross Interest Expense + Rents) (x)	4.3	3.9	4.4	5.0	5.8
FFO Fixed-Charge Coverage (x)	4.7	4.4	4.9	5.2	5.7
Total Adjusted Debt/Operating EBITDAR (x)	4.3	5.4	4.7	4.0	3.7
FFO/Total Adjusted Debt (%)	25.2	20.8	23.7	26.2	27.2
FFO-Adjusted Leverage (x)	4.0	4.8	4.2	3.8	3.7
Common Dividend Payout (%)	47.8	52.5	58.8	51.2	45.2
Internal Cash/Capex (%)	46.7	30.7	58.3	59.6	60.8
Capex/Depreciation (%)	438.7	658.4	321.7	281.1	280.9
ROE (%)	13.1	12.3	11.2	13.0	14.6
Profitability					
Revenues	15,260	14,152	15,028	16,945	17,702
Revenue Growth (%)	0.1	(7.3)	6.2	12.8	13.5
Net Revenues	9,004	9,031	10,070	11,343	12,191
Operating and Maintenance Expense	3,002	3,155	3,194	3,149	3,160
Operating EBITDA	4,915	4,690	5,596	6,870	7,661
Operating EBITDAR	4,915	4,690	5,596	6,870	7,661
Depreciation and Amortization Expense	1,511	1,437	2,077	2,496	2,701
Operating EBIT	3,404	3,253	3,519	4,374	4,960
Gross Interest Expense	1,135	1,204	1,266	1,368	1,332
Net Income for Common	1,923	1,911	1,908	2,465	2,909
Operating Maintenance Expense % of Net Revenues	33	35	32	28	26
Operating EBIT % of Net Revenues	38	36	35	39	41
Cash Flow					
Cash Flow from Operations	4,018	3,911	5,016	5,445	5,929
Change in Working Capital	(207)	(149)	24	(306)	(346)
Funds from Operations	4,225	4,060	4,992	5,751	6,275
Dividends	(920)	(1,004)	(1,122)	(1,261)	(1,314)
Capex	(6,628)	(9,461)	(6,682)	(7,017)	(7,587)
FCF	(3,530)	(6,554)	(2,788)	(2,833)	(2,972)
Net Other Investment Cash Flow	145	533	559	656	577
Net Change in Debt	2,279	5,079	1,255	755	308
Net Equity Proceeds	139	1,194	1,290	1,611	2,199
Capital Structure					
Short-Term Debt	1,349	1,411	691	1,142	1,771
Total Long-Term Debt	19,954	23,883	25,672	26,062	26,214
Total Debt with Equity Credit	21,303	25,294	26,363	27,204	27,985
Total Adjusted Debt with Equity Credit	21,303	25,294	26,363	27,204	27,985
Total Hybrid Equity and Minority Interest	1,177	1,627	1,677	1,741	1,752
Total Common Shareholders' Equity	14,943	16,068	18,040	19,916	21,338
Total Capital	37,423	42,989	46,080	48,861	51,075
Total Debt/Total Capital (%)	56.9	58.8	57.2	55.7	54.8
Total Hybrid Equity and Minority Interest/Total Capital (%)	3.1	3.8	3.6	3.6	3.4
Common Equity/Total Capital (%)	39.9	37.4	39.1	40.8	41.8

IDR – Issuer Default Rating.
Source: Company data, Fitch.

OPC 009885
FPL RC-16

The ratings above were solicited by, or on behalf of, the issuer, and therefore, Fitch has been compensated for the provision of the ratings.

ALL FITCH CREDIT RATINGS ARE SUBJECT TO CERTAIN LIMITATIONS AND DISCLAIMERS. PLEASE READ THESE LIMITATIONS AND DISCLAIMERS BY FOLLOWING THIS LINK: UNDERSTANDINGCREDITRATINGS. IN ADDITION, RATING DEFINITIONS AND THE TERMS OF USE OF SUCH RATINGS ARE AVAILABLE ON THE AGENCY'S PUBLIC WEB SITE AT WWW.FITCHRATINGS.COM. PUBLISHED RATINGS, CRITERIA, AND METHODOLOGIES ARE AVAILABLE FROM THIS SITE AT ALL TIMES. FITCH'S CODE OF CONDUCT, CONFIDENTIALITY, CONFLICTS OF INTEREST, AFFILIATE FIREWALL, COMPLIANCE, AND OTHER RELEVANT POLICIES AND PROCEDURES ARE ALSO AVAILABLE FROM THE CODE OF CONDUCT SECTION OF THIS SITE. FITCH MAY HAVE PROVIDED ANOTHER PERMISSIBLE SERVICE TO THE RATED ENTITY OR ITS RELATED THIRD PARTIES. DETAILS OF THIS SERVICE FOR RATINGS FOR WHICH THE LEAD ANALYST IS BASED IN AN EU-REGISTERED ENTITY CAN BE FOUND ON THE ENTITY SUMMARY PAGE FOR THIS ISSUER ON THE FITCH WEBSITE.

Copyright © 2015 by Fitch, Inc., Fitch Ratings Ltd. and its subsidiaries. 33 Whitehall Street, New York, NY 10004. Telephone: 1-800-753-4824, (212) 908-0500. Fax: (212) 480-4435. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved. In issuing and maintaining its ratings and in making other reports (including forecast information), Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings and reports should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating or a report will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings and its reports, Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings and forecasts of financial and other information are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings and forecasts can be affected by future events or conditions that were not anticipated at the time a rating or forecast was issued or affirmed.

The information in this report is provided "as is" without any representation or warranty of any kind, and Fitch does not represent or warrant that the report or any of its contents will meet any of the requirements of a recipient of the report. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion and reports made by Fitch are based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings and reports are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating or a report. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at any time for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US$1,000 to US$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US$10,000 to US$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act 2000 of the United Kingdom, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.

OPC 009886
FPL RC-16