FLORIDA POWER & LIGHT CO
Form 10-Q
May 02, 2013

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 March 31, 2013

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 þ No o Florida Power & Light Company Yes þ No o

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 (or for such shorter period that the registrants were required to submit and post such files).
NextEra Energy, Inc. Yes þ No o Florida Power & Light Company Yes þ No o

Indicate by check mark whether the registrants are a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Securities Exchange Act of 1934.

NextEra Energy, Inc.	Large Accelerated Filer þ	Accelerated Filer ¨	Non-Accelerated Filer ¨	Smaller Reporting Company ¨
Florida Power & Light Company	Large Accelerated Filer ¨	Accelerated Filer ¨	Non-Accelerated Filer þ	Smaller Reporting Company ¨

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 þ

The number of shares outstanding of NextEra Energy, Inc. common stock, as of the latest practicable date: Common Stock, $0.01 par value, outstanding as of March 31, 2013: 424,638,080 shares.

As of March 31, 2013, there were issued and outstanding 1,000 shares of Florida Power & Light Company common stock, without par value, all of which were held, beneficially and of record, by NextEra Energy, Inc.

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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NextEra Energy, Inc., Florida Power & Light Company, NextEra Energy Capital Holdings, Inc. and NextEra Energy Resources, LLC each has subsidiaries and affiliates with names that may include NextEra Energy, FPL, NextEra Energy Resources, FPL Group Capital, FPL Energy, FPLE 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.

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 will, will result, are expected to, will continue, is anticipated, aim, believe, 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 NextEra Energy, Inc.'s (NEE) and/or Florida Power & Light Company's (FPL) 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 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 an appropriate return on 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 Florida Public Service Commission (FPSC).
- Any reductions to, or the elimination of, governmental incentives that support renewable energy, including, but not limited to, tax incentives, renewable portfolio standards (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 of new renewable energy projects, NextEra Energy Resources, LLC (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.
- 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 or interpretations or other regulatory initiatives.
- NEE's and FPL's business, financial condition, results of operations and prospects could be materially adversely affected if the rules implementing the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) broaden the scope of its provisions regarding the regulation of over-the-counter (OTC) financial derivatives and make them applicable to NEE and FPL.
- 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.
- 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 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, as well as judgments and estimates used in the determination of tax-related asset and liability amounts, could 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

- 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 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.
- If supply costs necessary to provide NEER's full energy and capacity requirement services are not favorable, operating costs could increase and 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 hedge effectively its assets or positions against changes in commodity prices, volumes, interest rates, counterparty credit risk or other risk measures could significantly impair NEE's results of operations.
- Sales of power on the spot market or on a short-term contractual basis may cause NEE's results of operations to be volatile.
- 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.
- If price movements significantly or persistently deviate from historical behavior, NEE's and FPL's hedging and trading procedures and associated risk management tools 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 an adverse impact to their reputation and/or the results of operations of the retail business.
- 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 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.
- Increasing costs associated with health care plans may materially adversely affect NEE's and FPL's results of operations.
- NEE's and FPL's business, financial condition, results of operations and prospects could be negatively affected by the lack of a qualified workforce or the loss or retirement of key employees.
- 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 construction, 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 United States (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.

- U.S. Nuclear Regulatory Commission (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.
- The inability to operate any of NEER'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.
- Various hazards posed to nuclear generation facilities, along with increased public attention to and awareness of such hazards, could result in increased nuclear licensing or compliance costs which are difficult or impossible to predict and 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 normal 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 adversely affect the results of operations and financial condition of NEE and FPL.
- NEE's, NextEra Energy Capital Holdings, Inc.'s (NEECH) and FPL's inability to maintain their current credit ratings may 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 creditors 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 liquidity and results of operations.
- 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 and results of operations.
- Certain of NEE's investments are subject to changes in market value and other risks, which may adversely affect NEE's liquidity and financial results.
- 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.
- 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, 2012 (2012 Form 10-K), and investors should refer to that section of the 2012 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 U.S. Securities and Exchange Commission (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' 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.

PART I - FINANCIAL INFORMATION
Item 1. Financial Statements
NEXTERA ENERGY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(millions, except per share amounts)
(unaudited)

	Three Months Ended March 31,	
	2013	2012
OPERATING REVENUES	$3,279	$3,371
OPERATING EXPENSES		
Fuel, purchased power and interchange	1,065	1,182
Other operations and maintenance	756	775
Impairment charge	300	—
Depreciation and amortization	419	320
Taxes other than income taxes and other	305	291
Total operating expenses	2,845	2,568
OPERATING INCOME	434	803
OTHER INCOME (DEDUCTIONS)		
Interest expense	(272)	(265)
Benefits associated with differential membership interests - net	40	41
Allowance for equity funds used during construction	26	13
Interest income	19	20
Other - net	5	6
Total other deductions - net	(182)	(185)
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	252	618
INCOME TAXES	168	157
INCOME FROM CONTINUING OPERATIONS	84	461
NET GAIN FROM DISCONTINUED OPERATIONS, NET OF INCOME TAXES	188	—
NET INCOME	$272	$461
Basic earnings per share of common stock:		
Continuing operations	$0.20	$1.12
Discontinued operations	0.45	—
Net income	$0.65	$1.12
Earnings per share of common stock - assuming dilution:		
Continuing operations	$0.20	$1.11
Discontinued operations	0.44	—
Net income	$0.64	$1.11
Dividends per share of common stock	$0.66	$0.60
Weighted-average number of common shares outstanding:		
Basic	421.0	412.3
Assuming dilution	423.7	414.7

This report should be read in conjunction with the Notes to Condensed Consolidated Financial Statements (Notes) herein and the Notes to Consolidated Financial Statements appearing in the 2012 Form 10-K.

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

	Three Months Ended March 31,	
	2013	2012
NET INCOME	$272	$461
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX		
Net unrealized gains (losses) on cash flow hedges:		
Effective portion of net unrealized gains (losses) (net of $27 tax expense and $2 tax benefit, respectively)	65	(7)
Reclassification from accumulated other comprehensive income to net income (net of $13 and $9 tax expense, respectively)	21	16
Net unrealized gains (losses) on available for sale securities:		
Net unrealized gains on securities still held (net of $26 and $31 tax expense, respectively)	40	47
Reclassification from accumulated other comprehensive income to net income (net of $4 and $4 tax benefit, respectively)	(6)	(5)
Defined benefit pension and other benefits plans (net of $4 tax expense and $8 tax benefit, respectively)	7	(12)
Net unrealized gains (losses) on foreign currency translation (net of $5 tax benefit and $3 tax expense, respectively)	(9)	6
Other comprehensive income related to equity method investee (net of less than a million and $4 tax benefit, respectively)	1	15
Total other comprehensive income, net of tax	119	60
COMPREHENSIVE INCOME	$391	$521

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2012 Form 10-K.

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

	March 31, 2013	December 31, 2012
PROPERTY, PLANT AND EQUIPMENT		
Electric plant in service and other property	$57,725	$57,054
Nuclear fuel	1,860	1,895
Construction work in progress	5,905	5,968
Less accumulated depreciation and amortization	(15,666)	(15,504)
Total property, plant and equipment - net ($4,450 and $4,487 related to VIEs, respectively)	49,824	49,413
CURRENT ASSETS		
Cash and cash equivalents	215	329
Customer receivables, net of allowances of $8 and $10, respectively	1,366	1,487
Other receivables	393	569
Materials, supplies and fossil fuel inventory	1,098	1,073
Regulatory assets:		
Deferred clause and franchise expenses	104	75
Other	106	113
Derivatives	486	517
Deferred income taxes	10	397
Assets held for sale	—	335
Other	267	342
Total current assets	4,045	5,237
OTHER ASSETS		
Special use funds	4,413	4,190
Other investments	981	976
Prepaid benefit costs	1,049	1,031
Regulatory assets:		
Securitized storm-recovery costs ($270 and $274 related to a VIE, respectively)	447	461
Other	628	582
Derivatives	902	920
Other	1,554	1,629
Total other assets	9,974	9,789
TOTAL ASSETS	$63,843	$64,439
CAPITALIZATION		
Common stock ($0.01 par value, authorized shares - 800; outstanding shares - 425 and 424, respectively)	$4	$4
Additional paid-in capital	5,557	5,536
Retained earnings	10,777	10,783
Accumulated other comprehensive loss	(136)	(255)
Total common shareholders' equity	16,202	16,068
Long-term debt ($1,321 and $1,369 related to VIEs, respectively)	22,866	23,177
Total capitalization	39,068	39,245
CURRENT LIABILITIES		
Commercial paper	1,501	1,211
Short-term debt	875	200

Current maturities of long-term debt	2,682	2,771
Accounts payable	1,094	1,281
Customer deposits	506	508
Accrued interest and taxes	479	414
Derivatives	419	430
Accrued construction-related expenditures	371	427
Liabilities associated with assets held for sale	—	733
Other	849	904
Total current liabilities	8,776	8,879
OTHER LIABILITIES AND DEFERRED CREDITS		
Asset retirement obligations	1,739	1,715
Deferred income taxes	6,660	6,703
Regulatory liabilities:		
Accrued asset removal costs	1,809	1,950
Asset retirement obligation regulatory expense difference	1,927	1,813
Other	363	309
Derivatives	391	587
Deferral related to differential membership interests - VIEs	1,739	1,784
Other	1,371	1,454
Total other liabilities and deferred credits	15,999	16,315
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$63,843	$64,439

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2012 Form 10-K.

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

	Three Months Ended March 31,	
	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$272	$461
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	419	320
Nuclear fuel and other amortization	81	76
Impairment charge	300	—
Unrealized losses (gains) on marked to market energy contracts	42	(132)
Deferred income taxes	363	134
Cost recovery clauses and franchise fees	(19)	48
Changes in prepaid option premiums and derivative settlements	13	(1)
Benefits associated with differential membership interests - net	(40)	(41)
Allowance for equity funds used during construction	(26)	(13)
Net gain from discontinued operations, net of income taxes	(188)	—
Other - net	85	44
Changes in operating assets and liabilities:		
Customer and other receivables	136	59
Materials, supplies and fossil fuel inventory	(25)	(18)
Other current assets	(10)	(24)
Other assets	(25)	40
Accounts payable	42	(75)
Margin cash collateral	(2)	75
Income taxes	(205)	8
Interest and other taxes	74	66
Other current liabilities	(219)	(168)
Other liabilities	14	(24)
Net cash provided by operating activities	1,082	835
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures of FPL	(810)	(1,084)
Independent power and other investments of NEER	(972)	(740)
Cash grants under the American Recovery and Reinvestment Act of 2009	170	—
Nuclear fuel purchases	(24)	(44)
Other capital expenditures	(61)	(146)
Change in loan proceeds restricted for construction	112	45
Proceeds from sale or maturity of securities in special use funds	924	936
Purchases of securities in special use funds	(946)	(973)
Proceeds from sale or maturity of other securities	81	99
Purchases of other securities	(68)	(95)
Other - net	16	7
Net cash used in investing activities	(1,578)	(1,995)
CASH FLOWS FROM FINANCING ACTIVITIES		

Issuances of long-term debt	623	566
Retirements of long-term debt	(923)	(134)
Proceeds from sale of differential membership interests	—	303
Payments to differential membership investors	(20)	—
Net change in short-term debt	966	582
Issuances of common stock - net	8	12
Repurchases of common stock	—	(19)
Dividends on common stock	(279)	(248)
Other - net	7	(4)
Net cash provided by financing activities	382	1,058
Net decrease in cash and cash equivalents	(114)	(102)
Cash and cash equivalents at beginning of period	329	377
Cash and cash equivalents at end of period	$215	$275
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Accrued property additions	$674	$884
Sale of hydropower generation plants through assumption of debt by buyer	$700	$—

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2012 Form 10-K.

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

	Three Months Ended March 31,	
	2013	2012
OPERATING REVENUES	$2,188	$2,224
OPERATING EXPENSES		
Fuel, purchased power and interchange	820	935
Other operations and maintenance	385	436
Depreciation and amortization	181	118
Taxes other than income taxes and other	259	254
Total operating expenses	1,645	1,743
OPERATING INCOME	543	481
OTHER INCOME (DEDUCTIONS)		
Interest expense	(102)	(104)
Allowance for equity funds used during construction	18	10
Other - net	1	—
Total other deductions - net	(83)	(94)
INCOME BEFORE INCOME TAXES	460	387
INCOME TAXES	172	148
NET INCOME[(a)]	$288	$239

(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 2012 Form 10-K.

FLORIDA POWER & LIGHT COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(millions, except share amount)
(unaudited)

	March 31, 2013	December 31, 2012
ELECTRIC UTILITY PLANT		
Plant in service and other property	$34,371	$34,474
Nuclear fuel	1,138	1,190
Construction work in progress	2,920	2,585
Less accumulated depreciation and amortization	(10,598)	(10,698)
Total electric utility plant - net	27,831	27,551
CURRENT ASSETS		
Cash and cash equivalents	35	40
Customer receivables, net of allowances of $5 and $7, respectively	646	760
Other receivables	529	447
Materials, supplies and fossil fuel inventory	729	727
Regulatory assets:		
Deferred clause and franchise expenses	104	75
Other	98	106
Other	288	131
Total current assets	2,429	2,286
OTHER ASSETS		
Special use funds	3,064	2,918
Prepaid benefit costs	1,145	1,135
Regulatory assets:		
Securitized storm-recovery costs ($270 and $274 related to a VIE, respectively)	447	461
Other	385	351
Other	153	151
Total other assets	5,194	5,016
TOTAL ASSETS	$35,454	$34,853
CAPITALIZATION		
Common stock (no par value, 1,000 shares authorized, issued and outstanding)	$1,373	$1,373
Additional paid-in capital	5,903	5,903
Retained earnings	5,202	5,254
Total common shareholder's equity	12,478	12,530
Long-term debt ($357 and $386 related to a VIE, respectively)	8,301	8,329
Total capitalization	20,779	20,859
CURRENT LIABILITIES		
Commercial paper	405	105
Short-term debt	500	—
Current maturities of long-term debt	54	453
Accounts payable	618	612
Customer deposits	501	503
Accrued interest and taxes	295	223
Accrued construction-related expenditures	176	235
Other	452	495

Total current liabilities	3,001	2,626
OTHER LIABILITIES AND DEFERRED CREDITS		
Asset retirement obligations	1,222	1,206
Deferred income taxes	5,895	5,584
Regulatory liabilities:		
Accrued asset removal costs	1,809	1,950
Asset retirement obligation regulatory expense difference	1,927	1,813
Other	362	309
Other	459	506
Total other liabilities and deferred credits	11,674	11,368
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$35,454	$34,853

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2012 Form 10-K.

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

	Three Months Ended March 31,	
	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$288	$239
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	181	118
Nuclear fuel and other amortization	34	27
Deferred income taxes	238	265
Cost recovery clauses and franchise fees	(19)	48
Allowance for equity funds used during construction	(18)	(10)
Other - net	42	6
Changes in operating assets and liabilities:		
Customer and other receivables	106	53
Materials, supplies and fossil fuel inventory	(2)	(22)
Other current assets	(17)	(21)
Other assets	(10)	(11)
Accounts payable	74	6
Income taxes	(66)	(117)
Interest and other taxes	81	77
Other current liabilities	(127)	(107)
Other liabilities	(9)	7
Net cash provided by operating activities	776	558
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(810)	(1,084)
Nuclear fuel purchases	(11)	(28)
Proceeds from sale or maturity of securities in special use funds	685	727
Purchases of securities in special use funds	(701)	(758)
Other - net	(1)	26
Net cash used in investing activities	(838)	(1,117)
CASH FLOWS FROM FINANCING ACTIVITIES		
Retirements of long-term debt	(427)	(25)
Net change in short-term debt	800	507
Capital contribution from NEE	—	40
Dividends to NEE	(340)	—
Other - net	24	17
Net cash provided by financing activities	57	539
Net decrease in cash and cash equivalents	(5)	(20)
Cash and cash equivalents at beginning of period	40	36
Cash and cash equivalents at end of period	$35	$16
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Accrued property additions	$339	$560

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2012 Form 10-K.

NEXTERA ENERGY, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

The accompanying condensed consolidated financial statements should be read in conjunction with the 2012 Form 10-K. In the opinion of NEE and FPL management, all adjustments (consisting of normal recurring accruals) considered necessary for fair financial statement presentation have been made. Certain amounts included in the prior year's condensed consolidated financial statements have been reclassified to conform to the current year's presentation. Also, benefits associated with differential membership interests - net have been restated from operating expenses to other income (deductions) to be comparable with the presentation of other financing-related costs. The results of operations for an interim period generally will not give a true indication of results for the year.

1. Employee Retirement Benefits

NEE sponsors a qualified noncontributory defined benefit pension plan for substantially all employees of NEE and its subsidiaries and has a supplemental executive retirement plan, which includes a non-qualified supplemental defined benefit pension component that provides benefits to a select group of management and highly compensated employees (collectively, pension benefits). In addition to pension benefits, NEE sponsors a contributory postretirement plan for health care and life insurance benefits (other benefits) for retirees of NEE and its subsidiaries meeting certain eligibility requirements.

The components of net periodic benefit (income) cost for the plans are as follows:

	Pension Benefits		Other Benefits	
	Three Months Ended March 31,		Three Months Ended March 31,	
	2013	2012	2013	2012
	(millions)			
Service cost	$18	$16	$1	$1
Interest cost	24	25	4	5
Expected return on plan assets	(60)	(60)	—	—
Amortization of transition obligation	—	—	—	1
Amortization of prior service cost (benefit)	2	1	(1)	—
Amortization of losses	1	—	1	—
Net periodic benefit (income) cost at NEE	$(15)	$(18)	$5	$7
Net periodic benefit (income) cost at FPL	$(10)	$(11)	$3	$5

2. Derivative Instruments

NEE and FPL use derivative instruments (primarily swaps, options, futures and forwards) to manage the commodity price risk inherent in the purchase and sale of fuel and electricity, as well as interest rate and foreign currency exchange rate risk associated with outstanding and forecasted debt issuances, and to optimize the value of NEER's power generation 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 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 OTC markets, depending on the most favorable credit terms and market execution factors. For NEER's power generation assets, derivative instruments are used to hedge the commodity price risk associated with the fuel requirements of the assets, where applicable, as well as to hedge all or a portion of the expected energy output of these assets. These hedges are designed to protect NEER against adverse changes in the wholesale forward commodity markets associated with its generation 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 customer served by the distribution utility. For this type of transaction, derivative instruments are used to hedge the anticipated electricity quantities required to serve these customers and protect against unfavorable changes in the forward energy markets. Additionally, NEER takes positions in the energy markets based on differences between actual forward market levels and management's view of fundamental market conditions. NEER uses derivative instruments to realize value from these market dislocations, subject to strict risk management limits around market, operational and credit exposure.

NEXTERA ENERGY, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(unaudited)

Derivative instruments, when required to be marked to market, are recorded on NEE's and FPL's condensed 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) or the capacity cost recovery clause (capacity clause). For NEE's non-rate regulated operations, predominantly NEER, essentially all changes in the derivatives' fair value for power purchases and sales and trading activities are recognized on a net basis in operating revenues; fuel purchases and sales are recognized on a net basis 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 condensed consolidated statements of income. Settlement gains and losses are included within the line items in the condensed consolidated statements of income to which they relate. 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. Transactions for which physical delivery is deemed not to have occurred are presented on a net basis in the condensed consolidated statements of income. Settlements related to derivative instruments are primarily recognized in net cash provided by operating activities in NEE's and FPL's condensed consolidated statements of cash flows.

While most of NEE's derivatives are entered into for the purpose of managing commodity price risk, reducing the impact of volatility in interest rates on outstanding and forecasted debt issuances and managing foreign currency risk, hedge accounting is only applied where specific criteria are met and it is practicable to do so. In order to apply hedge accounting, the transaction must be designated as a hedge and it must be highly effective in offsetting the hedged risk. Additionally, for hedges of forecasted transactions, the forecasted transactions must be probable. For interest rate swaps and foreign currency derivative instruments, generally NEE assesses a hedging instrument's effectiveness by using nonstatistical methods including dollar value comparisons of the change in the fair value of the derivative to the change in the fair value or cash flows of the hedged item. Hedge effectiveness is tested at the inception of the hedge and on at least a quarterly basis throughout its life. The effective portion of the gain or loss on a derivative instrument designated as a cash flow hedge is reported as a component of other comprehensive income (OCI) and is reclassified into earnings in the period(s) during which the transaction being hedged affects earnings or when it becomes probable that a forecasted transaction being hedged would not occur. The ineffective portion of net unrealized gains (losses) on these hedges is reported in earnings in the current period. At March 31, 2013, NEE's accumulated other comprehensive income (AOCI) included amounts related to interest rate cash flow hedges with expiration dates through December 2030 and foreign currency cash flow hedges with expiration dates through September 2030. Approximately $45 million of net losses included in AOCI at March 31, 2013 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 interest rates, currency exchange rates or scheduled principal payments.

The net fair values of NEE's and FPL's mark-to-market derivative instrument assets (liabilities) are included on the condensed consolidated balance sheets as follows:

	NEE		FPL			
	March 31, 2013	December 31, 2012	March 31, 2013		December 31, 2012	
	(millions)					
Current derivative assets[a]	$486	$517	$136	[b]	$4	[b]
Noncurrent derivative assets[c]	902	920	9	[d]	1	[d]

Current derivative liabilities[e]	(419)	(430)	(1)[f]	(20)[f]
Noncurrent derivative liabilities	(391)	(587)	—	—
Total mark-to-market derivative instrument assets (liabilities)	$578	$420	$144	$(15)

(a) At March 31, 2013 and December 31, 2012, NEE's balances reflect the netting of approximately $33 million and $43 million (none at FPL), respectively, in margin cash collateral received from counterparties.

(b) Included in current other assets on FPL's condensed consolidated balance sheets.

(c) At March 31, 2013 and December 31, 2012, NEE's balances reflect the netting of approximately $130 million and $159 million (none at FPL), respectively, in margin cash collateral received from counterparties.

(d) Included in noncurrent other assets on FPL's condensed consolidated balance sheets.

(e) At March 31, 2013 and December 31, 2012, NEE's balances reflect the netting of approximately $43 million and $79 million (none at FPL), respectively, in margin cash collateral provided to counterparties.

(f) Included in current other liabilities on FPL's condensed consolidated balance sheets.

At March 31, 2013 and December 31, 2012, NEE had approximately $22 million and $30 million (none at FPL), respectively, in margin cash collateral received from counterparties that was not offset against derivative assets. These amounts are included in current other liabilities on NEE's condensed consolidated balance sheets. Additionally, at March 31, 2013 and December 31, 2012, NEE had approximately $39 million and $49 million (none at FPL), respectively, in margin cash collateral provided to counterparties that was not offset against derivative liabilities. These amounts are included in current other assets on NEE's condensed consolidated balance sheets.

NEXTERA ENERGY, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(unaudited)

As discussed above, NEE uses derivative instruments to, among other things, manage its commodity price risk, interest rate risk and foreign currency exchange rate risk. The table above presents NEE's and FPL's net derivative positions at March 31, 2013 and December 31, 2012, 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 3 - Recurring Fair Value Measurements for netting information). However, disclosure rules require that the following tables be presented on a gross basis.

The fair values of NEE's derivatives designated as hedging instruments for accounting purposes (none at FPL) are presented below as gross asset and liability values, as required by disclosure rules.

	March 31, 2013		December 31, 2012	
	Derivative Assets	Derivative Liabilities	Derivative Assets	Derivative Liabilities
	(millions)			
Interest rate swaps:				
Current derivative assets	$30	$—	$30	$—
Current derivative liabilities	—	187	—	104
Noncurrent derivative assets	43	—	46	—
Noncurrent derivative liabilities	—	97	—	283
Foreign currency swaps:				
Current derivative liabilities	—	4	—	5
Noncurrent derivative liabilities	—	34	—	28
Total	$73	$322	$76	$420

Gains (losses) related to NEE's cash flow hedges are recorded in NEE's condensed consolidated financial statements (none at FPL) as follows:

	Three Months Ended March 31,						
	2013			2012			
	Interest Rate Swaps	Foreign Currency Swaps	Total	Commodity Contracts	Interest Rate Swaps	Foreign Currency Swap	Total
	(millions)						
Gains (losses) recognized in OCI	$100	$(8)	$92	$—	$1	$(10)	$(9)
Gains (losses) reclassified from AOCI to net income[a]	$(15)	$(19)[b]	$(34)	$1	$(16)	$(10)[b]	$(25)

(a) Included in operating revenues for commodity contracts and interest expense for interest rate swaps.
(b) Loss of approximately $1 million is included in interest expense and the balance is included in other - net.

For the three months ended March 31, 2013, NEE recorded a loss of approximately $9 million on six fair value hedges which resulted in a corresponding decrease in the related debt. For the three months ended March 31, 2012, NEE recorded a gain of approximately $1 million on six fair value hedges which resulted in a corresponding increase in the related debt.

The fair values of NEE's and FPL's derivatives not designated as hedging instruments for accounting purposes are presented below as gross asset and liability values, as required by disclosure rules. However, the majority of the underlying contracts are subject to master netting arrangements and would not be contractually settled on a gross basis.

NEXTERA ENERGY, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(unaudited)

	March 31, 2013				December 31, 2012			
	NEE Derivative Assets	NEE Derivative Liabilities	FPL Derivative Assets	FPL Derivative Liabilities	NEE Derivative Assets	NEE Derivative Liabilities	FPL Derivative Assets	FPL Derivative Liabilities
	(millions)							
Commodity contracts:								
Current derivative assets	$862	$ 373	$137 [a]	$ 1 [a]	$851	$ 321	$4 [a]	$ —
Current derivative liabilities	1,331	1,598	—	1 [b]	1,441	1,838	12 [b]	32 [b]
Noncurrent derivative assets	1,682	693	9 [c]	—	1,748	715	1 [c]	—
Noncurrent derivative liabilities	227	426	—	—	192	438	—	—
Foreign currency swap:								
Current derivative liabilities	—	4	—	—	—	3	—	—
Noncurrent derivative liabilities	—	61	—	—	—	30	—	—
Total	$4,102	$ 3,155	$146	$ 2	$4,232	$ 3,345	$17	$ 32

(a) Included in current other assets on FPL's condensed consolidated balance sheets.
(b) Included in current other liabilities on FPL's condensed consolidated balance sheets.
(c) Included in noncurrent other assets on FPL's condensed consolidated balance sheets.

Gains (losses) related to NEE's derivatives not designated as hedging instruments are recorded in NEE's condensed consolidated statements of income (none at FPL) as follows:

	Three Months Ended March 31,	
	2013	2012
	(millions)	
Commodity contracts:[a]		
Operating revenues	$(42)	$190
Fuel, purchased power and interchange	3	(11)
Foreign currency swap - other - net	(32)	(37)
Total	$(71)	$142

(a) For the three months ended March 31, 2013 and 2012, FPL recorded approximately $144 million of gains and $252 million of losses, respectively, related to commodity contracts as regulatory liabilities and regulatory assets, respectively, on its condensed consolidated balance sheets.

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 condensed consolidated financial statements. The table includes significant volumes of transactions that have minimal exposure to commodity price changes because they are variably priced agreements. The table does not present a complete picture of NEE's and FPL's overall net economic exposure because

NEE and FPL do not use derivative instruments to hedge all of their commodity exposures. At March 31, 2013, NEE and FPL had derivative commodity contracts for the following net notional volumes:

Commodity Type	NEE (millions)		FPL	
Power	(118)	mwh[a]	—	
Natural gas	1,262	mmbtu[b]	846	mmbtu[b]
Oil	(2)	barrels	—	

(a) Megawatt-hours
(b) One million British thermal units

At March 31, 2013, NEE had interest rate contracts with a notional amount totaling approximately $7.2 billion and foreign currency swaps with a notional amount totaling approximately $662 million.

NEXTERA ENERGY, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(unaudited)

Certain of NEE's and FPL's 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 March 31, 2013, the aggregate fair value of NEE's derivative instruments with credit-risk-related contingent features that were in a liability position was approximately $1.8 billion ($3 million for FPL).

If the credit-risk-related contingent features underlying these agreements and other commodity-related contracts were triggered, NEE or FPL could be required to post collateral or settle contracts according to contractual terms which generally allow netting of contracts in offsetting positions. Certain 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), NEE would be required to post collateral such that the total posted collateral would be approximately $300 million ($20 million at FPL). If FPL's and NEECH's credit ratings were downgraded to below investment grade, NEE would be required to post additional collateral such that the total posted collateral would be approximately $2.1 billion ($0.5 billion at FPL). Some contracts at NEE, including some FPL 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, NEE could be required to post additional collateral of up to approximately $750 million ($100 million at FPL).

Collateral may be posted in the form of cash or credit support. At March 31, 2013, NEE had posted approximately $80 million (none at FPL) in the form of letters of credit, related to derivatives, in the normal course of business which could be applied toward the collateral requirements described above. FPL and NEECH have credit facilities 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.

3. Fair Value Measurements

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 their 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 - Cash equivalents consist of short-term, highly liquid investments with original maturities of three months or less. NEE and FPL primarily hold investments in money market funds. The fair value of these funds is calculated using current 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 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.

NEXTERA ENERGY, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(unaudited)

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 significant other observable inputs.

NEE and FPL also enter 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. 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, 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. This consideration includes, but is not limited to, assumptions about market liquidity, volatility and contract duration as more fully described below in Significant Unobservable Inputs Used in Recurring Fair Value Measurements.

NEE uses interest rate and foreign currency swaps to mitigate and adjust interest rate and foreign currency exposure related to certain outstanding and forecasted debt issuances and borrowings. NEE estimates the fair value of these derivatives using a discounted cash flows valuation technique based on the net amount of estimated future cash inflows and outflows related to the swap 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:

NEXTERA ENERGY, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(unaudited)

	March 31, 2013 Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1) (millions)	Significant Other Observable Inputs (Level 2)		Significant Unobservable Inputs (Level 3)	Netting[a]	Total	
Assets:							
Cash equivalents:							
NEE - equity securities	$3	$—		$—	$—	$3	
Special use funds:							
NEE:							
Equity securities	$965	$1,370	[b]	$—	$—	$2,335	
U.S. Government and municipal bonds	$537	$119		$—	$—	$656	
Corporate debt securities	$—	$576		$—	$—	$576	
Mortgage-backed securities	$—	$518		$—	$—	$518	
Other debt securities	$19	$29		$—	$—	$48	
FPL:							
Equity securities	$219	$1,233	[b]	$—	$—	$1,452	
U.S. Government and municipal bonds	$456	$107		$—	$—	$563	
Corporate debt securities	$—	$394		$—	$—	$394	
Mortgage-backed securities	$—	$436		$—	$—	$436	
Other debt securities	$19	$19		$—	$—	$38	
Other investments:							
NEE:							
Equity securities	$43	$—		$—	$—	$43	
U.S. Government and municipal bonds	$5	$—		$—	$—	$5	
Corporate debt securities	$—	$60		$—	$—	$60	
Mortgage-backed securities	$—	$45		$—	$—	$45	
Other	$5	$6		$—	$—	$11	
Derivatives:							
NEE:							
Commodity contracts	$1,083	$2,203		$816	$(2,787)	$1,315	[c]
Interest rate swaps	$—	$73		$—	$—	$73	[c]
FPL - commodity contracts	$—	$142		$4	$(1)	$145	[c]
Liabilities:							
Derivatives:							
NEE:							
Commodity contracts	$1,122	$1,674		$294	$(2,667)	$423	[c]
Interest rate swaps	$—	$284		$—	$—	$284	[c]
Foreign currency swaps	$—	$103		$—	$—	$103	[c]
FPL - commodity contracts	$—	$—		$2	$(1)	$1	[c]

(a)

Includes the effect of the contractual ability to settle contracts under master netting arrangements and margin cash collateral payments and receipts. NEE also has contract settlement receivable and payable balances that are subject to the master netting arrangements but are not offset within the condensed consolidated balance sheets and are recorded in customer receivables - net and accounts payable, respectively.

(b) At NEE, approximately $1,350 million ($1,216 million at FPL) are invested in commingled funds whose underlying investments would be Level 1 if those investments were held directly by NEE or FPL.

(c) See Note 2 for a reconciliation of net derivatives to NEE's and FPL's condensed consolidated balance sheets.

NEXTERA ENERGY, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(unaudited)

	December 31, 2012 Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1) (millions)	Significant Other Observable Inputs (Level 2)		Significant Unobservable Inputs (Level 3)	Netting[a]	Total	
Assets:							
Cash equivalents:							
NEE - equity securities	$23	$—		$—	$—	$23	
FPL - equity securities	$5	$—		$—	$—	$5	
Special use funds:							
NEE:							
Equity securities	$914	$1,240	[b]	$—	$—	$2,154	
U.S. Government and municipal bonds	$451	$143		$—	$—	$594	
Corporate debt securities	$—	$572		$—	$—	$572	
Mortgage-backed securities	$—	$560		$—	$—	$560	
Other debt securities	$15	$26		$—	$—	$41	
FPL:							
Equity securities	$217	$1,118	[b]	$—	$—	$1,335	
U.S. Government and municipal bonds	$390	$119		$—	$—	$509	
Corporate debt securities	$—	$397		$—	$—	$397	
Mortgage-backed securities	$—	$475		$—	$—	$475	
Other debt securities	$16	$16		$—	$—	$32	
Other investments:							
NEE:							
Equity securities	$7	$—		$—	$—	$7	
U.S. Government and municipal bonds	$6	$—		$—	$—	$6	
Corporate debt securities	$—	$53		$—	$—	$53	
Mortgage-backed securities	$—	$47		$—	$—	$47	
Other	$5	$6		$—	$—	$11	
Derivatives:							
NEE:							
Commodity contracts	$1,187	$2,251		$794	$(2,871)	$1,361	[c]
Interest rate swaps	$—	$76		$—	$—	$76	[c]
FPL - commodity contracts	$—	$14		$3	$(12)	$5	[c]
Liabilities:							
Derivatives:							
NEE:							
Commodity contracts	$1,240	$1,844		$228	$(2,748)	$564	[c]
Interest rate swaps	$—	$387		$—	$—	$387	[c]
Foreign currency swaps	$—	$66		$—	$—	$66	[c]
FPL - commodity contracts	$—	$31		$1	$(12)	$20	[c]

(a) Includes the effect of the contractual ability to settle contracts under master netting arrangements and margin cash collateral payments and receipts. NEE also has contract settlement receivable and payable balances that are subject to the master netting arrangements but are not offset within the condensed consolidated balance sheets and are recorded in customer receivables - net and accounts payable, respectively.

(b) At NEE, approximately $1,214 million ($1,093 million at FPL) are invested in commingled funds whose underlying investments would be Level 1 if those investments were held directly by NEE or FPL.

(c) See Note 2 for a reconciliation of net derivatives to NEE's and FPL's condensed consolidated balance sheets.

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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 Risk Management group. The 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 Risk Management group is separate from the transacting group, and the Vice President of Risk Management reports to the Chief Financial Officer of NEE and FPL. 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 critically 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 Vice President of Risk Management. In addition, other valuation assumptions such as implied correlations and customer migration rates are reviewed and approved by the Risk Management group on a periodic basis. Newly created models used in the valuation process are also subject to testing and approval by the Risk Management group prior to use and established models are reviewed annually, or more often as needed, by the 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 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 Risk Management policy. The EMC executes its risk management responsibilities through direct oversight and delegation of its responsibilities to the Vice President of Risk Management, as well as to other corporate and business unit personnel.

The significant unobservable inputs used in the valuation of NEE's contracts categorized as Level 3 of the fair value hierarchy at March 31, 2013 are as follows:

Transaction Type	Fair Value at March 31, 2013		Valuation Technique(s)	Significant Unobservable Inputs	Range	
	Assets	Liabilities				
	(millions)					
Forward contracts - power	$446	$78			$1	—$179

			Discounted cash flow	Forward price (per mwh)		
Options - power	$104	$117	Option models	Implied correlations	12%	—98%
				Implied volatilities	1%	—135%
Options - gas	$33	$28	Option models	Implied correlations	12%	—98%
				Implied volatilities	1%	—30%
Full requirements and unit contingent contracts	$206	$60	Discounted cash flow	Forward price (per mwh)	$(2)	—$145
				Customer migration rate[(a)]	—%	—20%

(a) Applies only to full requirements contracts.

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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	Increase (decrease)
	Sell power	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.

The reconciliation of changes in the fair value of derivatives that are based on significant unobservable inputs is as follows:

	Three Months Ended March 31,			
	2013		2012	
	NEE	FPL	NEE	FPL
	(millions)			
Fair value of net derivatives based on significant unobservable inputs at December 31 of prior year	$566	$2	$486	$4
Realized and unrealized gains (losses):				
Included in earnings[a]	(3)	—	231	—
Included in regulatory assets and liabilities	1	1	4	4
Purchases	49	—	158	—
Settlements	(33)	(1)	(124)	(1)
Issuances	(64)	—	(177)	—
Transfers in[b]	—	—	16	—
Transfers out[b]	6	—	(5)	—
Fair value of net derivatives based on significant unobservable inputs at March 31	$522	$2	$589	$7
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[c]	$32	$—	$221	$—

(a) For the three months ended March 31, 2013 and 2012, less than $(1) million and $228 million, respectively, of realized and unrealized gains (losses) are reflected in the condensed consolidated statements of income in operating revenues and the balance is reflected in fuel, purchased power and interchange.

(b) Transfers into Level 3 were a result of decreased observability of market data and transfers from Level 3 to Level 2 were a result of increased observability of market data. NEE's and FPL's policy is to recognize all transfers at the beginning of the reporting period.

(c)

For the three months ended March 31, 2013 and 2012, $31 million and $219 million, respectively, of unrealized gains are reflected in the condensed consolidated statements of income in operating revenues and the balance is reflected in fuel, purchased power and interchange.

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. In the first quarter of 2013, the Spanish government enacted a new law that made further changes to the economic framework of renewable energy projects including, among other things, changes that negatively affect the projected economics of the 99.8 megawatts (mw) of solar thermal facilities that affiliates of NEER are constructing in Spain (Spain solar projects) (see Note 10 - Commitments). Due to the change in law, NEER performed a recoverability analysis, considering, among other things, working with lenders to restructure the financing agreements, abandoning the projects or selling the projects, and concluded that the undiscounted cash flows of the Spain solar projects were less than the carrying value of the projects. Accordingly, NEER performed a fair value analysis based on the income approach to determine the amount of the impairment. Based on the fair value analysis, property, plant and equipment with a carrying amount of approximately $800 million were written down to their estimated fair value of approximately $500 million as of March 31, 2013, resulting in an impairment charge of $300 million ($342 million after-tax, see Note 5), which is recorded as a separate line item in NEE’s condensed consolidated statements of income for the three months ended March 31, 2013.

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The estimate of the fair value was based on the discounted cash flows which were determined using a market participant view of the Spain solar projects upon completion and final commissioning of the projects which is expected to occur in the second half of 2013. As part of the valuation, NEER used observable inputs where available, including the revised renewable energy pricing under the new law. Significant unobservable inputs (Level 3), including forecasts of generation, estimates of tariff escalation rates and estimated costs of debt and equity capital, were also used in the estimation of fair value. In addition, NEER made certain assumptions regarding the projected capital and maintenance expenditures based on the estimated costs to complete the Spain solar projects and ongoing capital and maintenance expenditures. An increase in the revenue and generation forecasts, a decrease in the projected capital and maintenance expenditures or a decrease in the weighted average cost of capital each would result in an increased fair market value. Changes in the opposite direction of those unobservable inputs would result in a decreased fair market value.

See Note 6 for a discussion of the nonrecurring fair value measurement of certain discontinued operations.

4. Financial Instruments

The carrying amounts of cash equivalents, short-term debt and commercial paper approximate their fair values. At March 31, 2013 and December 31, 2012, other investments of NEE, not included in the table below, included financial instruments of approximately $37 million and $41 million ($4 million and $4 million at FPL), respectively, which primarily consist of notes receivable that are carried at estimated fair value or cost, which approximates fair value.

The following estimates of the fair value of financial instruments have been made primarily using the market approach of using prices and other market information for identical and/or comparable assets and liabilities. However, the use of different market assumptions or methods of valuation could result in different estimated fair values.

	March 31, 2013				December 31, 2012			
	Carrying Amount (millions)		Estimated Fair Value		Carrying Amount		Estimated Fair Value	
NEE:								
Special use funds	$4,413	(a)	$4,413	(a)	$4,190	(a)	$4,190	(a)
Other investments:								
Notes receivable	$500		$675	(b)	$500		$665	(b)
Debt securities	$117	(c)	$117	(d)	$111	(c)	$111	(d)
Equity securities	$45		$45	(e)	$61		$79	(e)
Long-term debt, including current maturities	$25,543		$27,706	(f)	$26,647	(g)	$28,874	(f)
Interest rate swaps - net unrealized losses	$(211)		$(211)	(d)	$(311)		$(311)	(d)
Foreign currency swaps - net unrealized losses	$(103)		$(103)	(d)	$(66)		$(66)	(d)
FPL:								
Special use funds	$3,064	(a)	$3,064	(a)	$2,918	(a)	$2,918	(a)
Long-term debt, including current maturities	$8,355		$9,810	(f)	$8,782		$10,421	(f)

(a) At March 31, 2013, includes $241 million of investments accounted for under the equity method and $39 million of loans not measured at fair value on a recurring basis ($149 million and $32 million, respectively, for FPL). At

December 31, 2012, includes $229 million of investments accounted for under the equity method and $40 million of loans not measured at fair value on a recurring basis ($138 million and $32 million, respectively, for FPL). For the remaining balances, see Note 3 for classification by major security type and hierarchy level. The amortized cost of debt and equity securities is $1,725 million and $1,500 million, respectively, at March 31, 2013 and $1,679 million and $1,500 million, respectively, at December 31, 2012 ($1,368 million and $839 million, respectively, at March 31, 2013 and $1,339 million and $839 million, respectively, at December 31, 2012 for FPL).

(b) Classified as held to maturity. Estimated using a discounted cash flow valuation technique based on certain observable yield curves and indices considering the credit profile of the borrower (Level 3). Notes receivable bear interest at fixed rates and mature by 2029. Notes receivable are considered impaired and placed in non-accrual status when it becomes probable that all amounts due cannot be collected in accordance with the contractual terms of the agreement. The assessment to place notes receivable in non-accrual status considers various credit indicators, such as credit ratings and market-related information. As of March 31, 2013, NEE had no notes receivable reported in non-accrual status.

(c) Classified as trading securities.

(d) See Note 3.

(e) Primarily modeled internally based on recent market information including, among other things, private offerings of the securities (Level 3).

(f) As of March 31, 2013 and December 31, 2012, $18,535 million and $18,962 million, respectively, is estimated using quoted market prices for the same or similar issues (Level 2); the balance is estimated using a discounted cash flow valuation technique, considering the current credit spread of the debtor (Level 3). For FPL, estimated using quoted market prices for the same or similar issues (Level 2).

(g) Also includes long-term debt reflected in liabilities associated with assets held for sale on the condensed consolidated balance sheets, for which the carrying amount approximates fair value.

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Special Use Funds - The special use funds consist of FPL's storm fund assets of $73 million and NEE's and FPL's nuclear decommissioning fund assets of $4,340 million and $2,991 million, respectively, at March 31, 2013. 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 (see Note 3). 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 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 and included in other - net in NEE's condensed consolidated statements of income. Debt securities included in the nuclear decommissioning funds have a weighted-average maturity at March 31, 2013 of approximately six years at both NEE and FPL. FPL's storm fund primarily consists of debt securities with a weighted-average maturity at March 31, 2013 of approximately three years. 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	
	Three Months Ended March 31,		Three Months Ended March 31,	
	2013	2012	2013	2012
	(millions)			
Realized gains	$42	$43	$23	$31
Realized losses	$30	$12	$22	$11
Proceeds from sale or maturity of securities	$924	$936	$685	$727

Unrealized losses on available for sale debt securities at March 31, 2013 and December 31, 2012 were not material to NEE or FPL. The unrealized gains on available for sale securities are as follows:

	NEE		FPL	
	March 31, 2013	December 31, 2012	March 31, 2013	December 31, 2012
	(millions)			
Equity securities	$873	$680	$652	$521
Debt securities	$78	$92	$67	$77

Regulations issued by the Federal Energy Regulatory Commission (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 NEER's Seabrook Station (Seabrook), decommissioning fund contributions and withdrawals are also regulated by the Nuclear Decommissioning Financing Committee 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.

Interest Rate and Foreign Currency Swaps - NEE and its subsidiaries use a combination of fixed rate and variable rate debt to manage interest rate exposure. Interest rate swaps are used to mitigate and adjust interest rate exposure when deemed appropriate based upon market conditions or when required by financing agreements. In addition, with respect to certain debt issuances and borrowings, NEECH has two cross currency swaps to hedge against currency movements with respect to both interest and principal payments and a cross currency swap to hedge against currency and interest rate movements with respect to both interest and principal payments. See Note 2.

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5. Income Taxes

NEE's effective income tax rates for the three months ended March 31, 2013 and 2012 were approximately 67% and 25%, respectively. The increase in the rate for the three months ended March 31, 2013 is primarily due to the establishment of a full valuation allowance of approximately $132 million on the deferred tax assets associated with the Spain solar projects. This valuation allowance primarily related to deferred tax assets created as a result of the $300 million impairment and other related charges ($342 million after-tax) recorded for the three months ended March 31, 2013. In addition, the rates for both periods reflect the effect of production tax credits (PTCs) of approximately $59 million and $61 million for wind projects at NEER and deferred income tax benefits associated with grants (convertible investment tax credits (ITCs)) under the American Recovery and Reinvestment Act of 2009, as amended (Recovery Act), of $13 million and $12 million primarily for certain wind and solar projects expected to be placed in service.

NEE recognizes PTCs as wind energy is generated and sold based on a per kilowatt-hour (kwh) rate prescribed in applicable federal and state statutes, which may differ significantly from amounts computed, on a quarterly basis, using an overall effective income tax rate anticipated for the full year. NEE uses this method of recognizing PTCs for specific reasons, including that PTCs are an integral part of the financial viability of most wind projects and a fundamental component of such wind projects' results of operations. PTCs, as well as deferred income tax benefits associated with convertible ITCs, can significantly affect NEE's 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 the roll off of PTCs after ten years of production (PTC roll off).

6. Discontinued Operations

In March 2013, a subsidiary of NEER completed the sale of its ownership interest in a portfolio of hydropower generation plants and related assets (hydro sale) with a total generating capacity of 351 mw located in Maine and New Hampshire. The sales price primarily included the assumption by the buyer of $700 million in related debt. In connection with the sale, a gain of approximately $372 million ($231 million after-tax) is reflected in net gain from discontinued operations, net of income taxes in NEE's condensed consolidated statements of income for the three months ended March 31, 2013. The assets and liabilities related to the hydro sale were classified as assets held for sale and liabilities associated with assets held for sale on NEE's condensed consolidated balance sheet at December 31, 2012. The operations of the hydropower generation plants, exclusive of the gain, were not material to NEE's condensed consolidated statements of income for the three months ended March 31, 2013 and 2012.

In March 2013, NEER initiated a plan and received internal authorization to pursue the sale of its ownership interests in oil-fired generating plants located in Maine (Maine fossil) with a total generating capacity of 796 mw. In connection with the decision to sell Maine fossil, a loss of approximately $67 million ($43 million after-tax) is reflected in net gain from discontinued operations, net of income taxes in NEE's condensed consolidated statements of income for the three months ended March 31, 2013. The fair value measurement (Level 3) was based on the estimated sales price less the estimated costs to sell. The estimated sales price was estimated using an income approach based primarily on capacity revenue forecasts. The carrying amount of the assets and liabilities and the operations, exclusive of the loss, of Maine fossil were not material to NEE's condensed consolidated financial statements as of March 31, 2013 and for the three months ended March 31, 2013 and 2012.

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7. Variable Interest Entities (VIEs)

As of March 31, 2013, NEE has eleven VIEs which it consolidates and has interests in certain other VIEs which it does 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 $332 million and $366 million at March 31, 2013 and December 31, 2012, respectively, and consisted primarily of storm-recovery property, which are included in securitized storm-recovery costs on NEE's and FPL's condensed consolidated balance sheets. The liabilities of the VIE were approximately $414 million and $447 million at March 31, 2013 and December 31, 2012, respectively, and consisted primarily of storm-recovery bonds, which are included in long-term debt on NEE's and FPL's condensed consolidated balance sheets.

FPL identified a potential VIE, which is considered a qualifying facility as defined by the Public Utility Regulatory Policies Act of 1978, as amended (PURPA). PURPA requires utilities, such as FPL, to purchase the electricity output of a qualifying facility. FPL entered into a purchased power agreement effective in 1994 with this 250 mw coal-fired qualifying facility to purchase substantially all of the facility's capacity and electrical output over a substantial portion of its estimated useful life. FPL absorbs a portion of the facility's variability related to changes in the market price of coal through the price it pays per mwh (energy payment). After making exhaustive efforts, FPL was unable to obtain the information from the facility necessary to determine whether the facility is a VIE or whether FPL is the primary beneficiary of the facility. The purchased power agreement with the facility contains no provision which legally obligates the facility to release this information to FPL. The energy payments paid by FPL will fluctuate as coal prices change. This fluctuation does not expose FPL to losses since the energy payments paid by FPL to the facility are passed on to FPL's customers through the fuel clause as approved by the FPSC. Notwithstanding the fact that FPL's energy payments are recovered through the fuel clause, if the facility was determined to be a VIE, the absorption of some of the facility's fuel price variability might cause FPL to be considered the primary beneficiary. During the three months ended March 31, 2013 and 2012, FPL purchased 79,210 mwh and 98,941 mwh, respectively, from the facility at a total cost of approximately $35 million and $40 million, respectively.

Additionally, FPL entered into a purchased power agreement effective in 1995 with a 330 mw coal-fired qualifying facility to purchase substantially all of the facility's electrical output over a substantial portion of its estimated useful

life. The facility is considered a VIE because FPL absorbs a portion of the facility's variability related to changes in the market price of coal through the energy payment. Since FPL does not control the most significant activities of the facility, including operations and maintenance, FPL is not the primary beneficiary and does not consolidate this VIE. The energy payments paid by FPL will fluctuate as coal prices change. This fluctuation does not expose FPL to losses since the energy payments paid by FPL to the facility are passed on to FPL's customers through the fuel clause as approved by the FPSC.

NEER - NEE consolidates ten 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 through its 100% equity ownership has the obligation to absorb expected losses of these VIEs.

An NEER VIE consolidates two entities which own and operate natural gas/oil electric generating facilities with the capability of producing 110 mw. This VIE sells its 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. This VIE uses third party debt and equity to finance its operations. The debt is secured by liens against the generating facilities and the other assets of these entities. The debt holders have no recourse to the general credit of NEER. The assets and liabilities of the VIE were approximately $94 million and $72 million, respectively, at March 31, 2013 and $90 million and $70 million, respectively, at December 31, 2012, and consisted primarily of property, plant and equipment and long-term debt.

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The other nine NEER VIEs consolidate several entities which own and operate wind electric generating facilities with the capability of producing a total of 3,058 mw. Eight of these VIEs sell their electric output under power sales contracts to third parties with expiration dates ranging from 2018 through 2037; the ninth VIE sells its electric output in the spot market. The VIEs use third-party debt and/or equity to finance their operations. Certain investors that hold no equity interest in the VIEs hold differential membership interests, which give them the right to receive a portion of the economic attributes of the generating facilities, including certain tax attributes. The debt is secured by liens against the generating facilities and the other assets of these entities. The debt holders have no recourse to the general credit of NEER. The assets and liabilities of these VIEs totaled approximately $4.6 billion and $3.1 billion, respectively, at March 31, 2013 and $4.6 billion and $3.2 billion, respectively, at December 31, 2012. At March 31, 2013 and December 31, 2012, 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 - As of March 31, 2013 and December 31, 2012, several NEE subsidiaries have investments totaling approximately $711 million ($545 million at FPL) and $753 million ($583 million at FPL), respectively, in certain special purpose entities, which consisted primarily of investments in mortgage-backed securities. These investments are included in special use funds and other investments on NEE's condensed consolidated balance sheets and in special use funds on FPL's condensed consolidated balance sheets. As of March 31, 2013, NEE subsidiaries 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.

8. Common Shareholders' Equity

Earnings Per Share - The reconciliation of NEE's basic and diluted earnings per share of common stock from continuing operations is as follows:

	Three Months Ended March 31,	
	2013	2012
	(millions, except per share amounts)	
Numerator - income from continuing operations	$84	$461
Denominator:		
Weighted-average number of common shares outstanding - basic	421.0	412.3
Performance share awards, options, equity units and restricted stock[(a)]	2.7	2.4
Weighted-average number of common shares outstanding - assuming dilution	423.7	414.7
Earnings per share of common stock from continuing operations:		
Basic	$0.20	$1.12
Assuming dilution	$0.20	$1.11

(a) 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. Performance share awards, options, equity units and restricted stock are included in diluted weighted-average number of common shares outstanding by applying the treasury stock method.

Common shares issuable pursuant to stock options, performance shares and restricted stock awards which were not included in the denominator above due to their antidilutive effect were approximately 0.4 million and 0.6 million for the three months ended March 31, 2013 and 2012, respectively.

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, 2012	$(266)	$96	$(74)	$12	$ (23)	$(255)
Other comprehensive income (loss) before reclassifications	65	40	6	(9)	1	103
Amounts reclassified from AOCI	21 [(a)]	(6) [(b)]	1	—	—	16
Net other comprehensive income (loss)	86	34	7	(9)	1	119
Balances, March 31, 2013	$(180)	$130	$(67)	$3	$ (22)	$(136)

(a) Reclassified to interest expense in NEE's condensed consolidated statements of income.
(b) Reclassified to other - net in NEE's condensed consolidated statements of income.

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9. Debt

Significant long-term debt issuances and borrowings by subsidiaries of NEE during the three months ended March 31, 2013 were as follows:

Date Issued	Company	Debt Issuances/Borrowings	Interest Rate		Principal Amount (millions)	Maturity Date	
January - March 2013	NEECH and NEER subsidiary	Canadian revolving credit agreements	Variable	(a)	$ 75	Various	
January - March 2013	NEER subsidiaries	Euro denominated senior secured limited-recourse loan	Variable	(a)(b)	$ 15	2030	(c)
January - March 2013	NEECH and NEER subsidiary	Euro denominated revolving loan	Variable	(a)	$ 5	2014	
January - March 2013	Lone Star Transmission, LLC	Senior secured limited-recourse loan	Variable	(a)	$ 77	2016	
January 2013	NEECH	Junior subordinated debentures	5.00	%	$ 450	2073	

(a) Variable rate is based on an underlying index plus a margin.
(b) Interest rate swap agreements have been entered into with respect to these issuances. See Note 2.
(c) See Note 10 - Commitments for discussion of a default on the senior secured limited-recourse loan.

10. 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 of wind and solar projects and the procurement of nuclear fuel. Capital expenditures for Corporate and Other include, among other things, the cost to meet customer-specific requirements and maintain the fiber-optic network for the fiber-optic telecommunications business (FPL FiberNet) and the cost to maintain existing transmission facilities at NextEra Energy Transmission, LLC (NEET).

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At March 31, 2013, estimated capital expenditures for the remainder of 2013 through 2017 were as follows:

	Remainder of 2013 (millions)	2014	2015	2016	2017	Total
FPL:						
Generation:[a]						
New[b][c]	$585	$760	$250	$175	$—	$1,770
Existing	525	685	650	555	530	2,945
Transmission and distribution	620	1,020	1,065	1,090	770	4,565
Nuclear fuel	225	140	210	220	225	1,020
General and other	150	150	105	120	115	640
Total[d]	$2,105	$2,755	$2,280	$2,160	$1,640	$10,940
NEER:						
Wind[e]	$205	$45	$5	$5	$5	$265
Solar[f]	605	155	5	—	—	765
Nuclear[g]	225	275	250	330	285	1,365
Other[h]	200	45	115	50	50	460
Total	$1,235	$520	$375	$385	$340	$2,855
Corporate and Other	$85	$80	$70	$70	$70	$375

(a) Includes allowance for funds used during construction (AFUDC) of approximately $56 million, $55 million, $46 million and $26 million in 2013 through 2016, respectively.

(b) Includes land, generating structures, transmission interconnection and integration and licensing.

(c) Consists of projects that have received FPSC approval. Includes pre-construction costs and carrying charges (equal to a fixed pretax AFUDC rate) on construction costs recoverable through the capacity clause of approximately $27 million and $17 million in 2013 and 2014, respectively. Excludes capital expenditures for the construction costs for the two additional nuclear units at FPL's Turkey Point site beyond what is required to receive an NRC license for each unit.

(d) FPL has identified $3 billion to $4 billion in potential incremental capital expenditures through 2016 in addition to what is included in the table above.

(e) Consists of capital expenditures for new wind projects and related transmission totaling approximately 300 mw, including approximately 125 mw in Canada, that have received applicable internal approvals. Excludes new Canadian wind projects requiring internal approvals with generation totaling approximately 470 mw in 2014 and 2015, with an estimated total cost of approximately $1.3 billion to $1.7 billion. NEER expects to add 500 to 1,500 mw of new U.S. wind generation through 2014 at a total cost of approximately $1 billion to $3 billion.

(f) Consists of capital expenditures for new solar projects and related transmission totaling 645 mw that have received applicable internal approvals, including equity contributions associated with a 50% equity investment in a 550 mw solar project. Excludes solar projects requiring internal approvals with generation totaling 250 mw with an estimated cost of approximately $600 million to $800 million. Additionally, NEER expects to add up to 300 mw of incremental solar generation at a cost of up to $1 billion through 2016.

(g) Includes nuclear fuel.

(h) Consists of capital expenditures that have received applicable internal approvals.

These estimates are subject to continuing review and adjustment and actual capital expenditures may vary significantly from these estimates.

On March 28, 2013, an event of default occurred under the financing agreements for the Spain solar projects as a result of a change of law that occurred in December 2012. This change of law, as well as another change of law that occurred in February 2013, negatively affected the projected economics of the projects. The event of default provides for, among other things, the right by the lenders to accelerate the payment of the project-related debt. Accordingly, approximately $631 million of long-term debt and $102 million of noncurrent derivative liabilities related to interest rate swaps were reclassified to current maturities of long-term debt and current derivative liabilities, respectively, on NEE's condensed consolidated balance sheets as of March 31, 2013. The lenders have issued, subject to specified qualifications, waivers through May 31, 2013 to allow the project borrowers to draw additional debt under the financing agreements in order to support their continued construction of the Spain solar projects. The parties to the financing agreements have been in negotiations to seek to restructure the financing arrangements for the projects and, on March 20, 2013, NEECH filed a lawsuit in the U.S. District Court for the Southern District of New York against the lenders requesting that the court confirm NEECH's conclusion that its obligations to the lenders under the financing agreements are limited, as a result of changes of law, to guaranteeing the payment of the remaining unfunded base equity commitment (approximately $40 million remaining at March 31, 2013) specified under the financing agreements, as opposed to guaranteeing the payment of all debt outstanding under the financing agreements ($653 million at March 31, 2013) as well as associated interest rate swap breakage ($173 million at March 31, 2013) and other specified costs. There can be no assurance that the court will agree with NEECH's position that its guarantee is limited as a result of changes of law or that the financing arrangements will be successfully restructured.

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Contracts - In addition to the estimated capital expenditures included in the table in Commitments above, FPL has commitments under long-term purchased power and fuel contracts. FPL is obligated under take-or-pay purchased power contracts with JEA and with subsidiaries of The Southern Company (Southern subsidiaries) to pay for approximately 1,330 mw annually through 2015 and 375 mw annually thereafter through 2021. FPL also has various firm pay-for-performance contracts to purchase approximately 705 mw from certain cogenerators and small power producers (qualifying facilities) with expiration dates ranging from 2024 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 qualifying facilities meeting certain contract conditions. FPL has contracts with expiration dates through 2036 for the purchase and transportation of natural gas and coal, and storage of natural gas.

NEER has entered into contracts primarily for the purchase of solar reflectors, wind turbines and towers, steam turbine generators and heat collection elements and related construction and development activities, as well as for the supply of uranium, conversion, enrichment and fabrication of nuclear fuel, with expiration dates ranging from June 2013 through 2030, approximately $1.2 billion of which is 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 and firm transmission service with expiration dates ranging from June 2013 through 2033.

The required capacity and/or minimum payments under the contracts discussed above as of March 31, 2013 were estimated as follows:

	Remainder of 2013 (millions)	2014	2015	2016	2017	Thereafter
FPL:						
Capacity charges:[a]						
Qualifying facilities	$210	$285	$290	$250	$255	$2,225
JEA and Southern subsidiaries	$170	$215	$195	$70	$50	$10
Minimum charges, at projected prices:						
Natural gas, including transportation and storage[b]	$1,815	$1,360	$570	$535	$530	$6,405
Coal[b]	$70	$35	$5	$5	$—	$—
NEER	$640	$365	$125	$115	$65	$580
Corporate and Other[c]	$25	$10	$15	$10	$10	$10

(a) Capacity charges under these contracts, substantially all of which are recoverable through the capacity clause, totaled approximately $126 million and $133 million for the three months ended March 31, 2013 and 2012, respectively. Energy charges under these contracts, which are recoverable through the fuel clause, totaled approximately $23 million and $39 million for the three months ended March 31, 2013 and 2012, respectively.

(b) Recoverable through the fuel clause.

(c) Includes an approximately $68 million commitment to invest in clean power and technology businesses through 2021.

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 $375 million of private liability insurance per site, which is the maximum obtainable, and participates in a secondary financial protection system, which provides up to $12.2 billion of liability insurance coverage per incident at any nuclear reactor in the United States. Under the secondary financial protection system, NEE is subject to retrospective assessments of up to $940 million ($470 million for FPL), plus any applicable taxes, per incident at any nuclear reactor in the United States, payable at a rate not to exceed $140 million ($70 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 Energy Center (Duane Arnold) and St. Lucie Unit No. 2, which approximates $14 million, $35 million and $18 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. The proceeds from such insurance, however, must first be used for reactor stabilization and site decontamination before they can be used for plant repair. Effective April 1, 2013, a $1.5 billion sublimit was established for non-nuclear perils. 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 $197 million ($116 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 $3 million, $5 million and $4 million, plus any applicable taxes, respectively.

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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 its transmission and distribution property and has no property insurance coverage for FPL FiberNet's fiber-optic cable. Should FPL's future storm restoration costs exceed the reserve amount established through the issuance of storm-recovery bonds by a VIE in 2007, 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.

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 or Lone Star Transmission, LLC (Lone Star), would be borne by NEE and/or FPL and/or Lone Star, as the case may be, and could have a material adverse effect on NEE's and FPL's financial condition, results of operations and liquidity.

Legal Proceedings - In November 1999, the Attorney General of the United States, on behalf of the U.S. Environmental Protection Agency (EPA), brought an action in the U.S. District Court for the Northern District of Georgia against Georgia Power Company and other subsidiaries of The Southern Company for certain alleged violations of the Prevention of Significant Deterioration (PSD) provisions and the New Source Performance Standards (NSPS) of the Clean Air Act. In May 2001, the EPA amended its complaint to allege, among other things, that Georgia Power Company constructed and is continuing to operate Scherer Unit No. 4, in which FPL owns an interest of approximately 76%, without obtaining a PSD permit, without complying with NSPS requirements, and without applying best available control technology for nitrogen oxides, sulfur dioxides and particulate matter as required by the Clean Air Act. It also alleges that unspecified major modifications have been made at Scherer Unit No. 4 that require its compliance with the aforementioned Clean Air Act provisions. The EPA seeks injunctive relief requiring the installation of best available control technology and civil penalties. Under the EPA's civil penalty rules, the EPA could assess up to $25,000 per day for each violation from an unspecified date after June 1, 1975 through January 30, 1997, up to $27,500 per day for each violation from January 31, 1997 through March 15, 2004, up to $32,500 per day for each violation from March 16, 2004 through January 12, 2009 and up to $37,500 per day for each violation thereafter. Georgia Power Company has answered the amended complaint, asserting that it has complied with all requirements of the Clean Air Act, denying the plaintiff's allegations of liability, denying that the plaintiff is entitled to any of the relief that it seeks and raising various other defenses. In June 2001, a federal district court stayed discovery and administratively closed the case and the EPA has not yet moved to reopen the case. In April 2007, the U.S. Supreme Court in a separate unrelated case rejected an argument that a "major modification" occurs at a plant only when there is a resulting increase in the hourly rate of air emissions. Georgia Power Company has made a similar argument in defense of its case, but has other factual and legal defenses that are unaffected by the U.S. Supreme Court's decision.

In 1995 and 1996, NEE, through an indirect subsidiary, purchased from Adelphia Communications Corporation (Adelphia) 1,091,524 shares of Adelphia common stock and 20,000 shares of Adelphia preferred stock (convertible into 2,358,490 shares of Adelphia common stock) for an aggregate price of approximately $35,900,000. On January 29, 1999, Adelphia repurchased all of these shares for $149,213,130 in cash. In June 2004, Adelphia, Adelphia Cablevision, L.L.C. and the Official Committee of Unsecured Creditors of Adelphia filed a complaint against NEE and its indirect subsidiary in the U.S. Bankruptcy Court, Southern District of New York. The complaint alleges that the repurchase of these shares by Adelphia was a fraudulent transfer, in that at the time of the transaction Adelphia (i) was insolvent or was rendered insolvent, (ii) did not receive reasonably equivalent value in exchange for the cash it paid, and (iii) was engaged or about to engage in a business or transaction for which any property

remaining with Adelphia had unreasonably small capital. The complaint seeks the recovery for the benefit of Adelphia's bankruptcy estate of the cash paid for the repurchased shares, plus interest from January 29, 1999. NEE has filed an answer to the complaint. NEE believes that the complaint is without merit because, among other reasons, Adelphia will be unable to demonstrate that (i) Adelphia's repurchase of shares from NEE, which repurchase was at the market value for those shares, was not for reasonably equivalent value, (ii) Adelphia was insolvent at the time of the repurchase, or (iii) the repurchase left Adelphia with unreasonably small capital. The trial was completed in May 2012 and closing arguments were heard in July 2012.

In October 2004, TXU Portfolio Management Company (TXU) served FPL Energy Pecos Wind I, LP, FPL Energy Pecos Wind I GP, LLC, FPL Energy Pecos Wind II, LP, FPL Energy Pecos Wind II GP, LLC and Indian Mesa Wind Farm, LP (NEER Affiliates) as defendants in a civil action filed in the District Court in Dallas County, Texas. FPL Energy, LLC, now known as NextEra Energy Resources, LLC, was added as a defendant in 2005. The petition alleged that the NEER Affiliates had contractual obligations to produce and sell to TXU a minimum quantity of energy and renewable energy credits each year during the period from 2002 through 2005 and that the NEER Affiliates failed to meet this obligation. The plaintiff asserted claims for breach of contract and declaratory judgment and sought damages of approximately $34 million plus attorneys' fees, costs and interest. Following a jury trial in 2007, among other findings, both TXU and the NEER Affiliates were found to have breached the contracts. In August 2008, the trial court issued a final judgment holding that the contracts were not terminated and neither party was entitled to recover any damages. In November 2008, TXU appealed the final judgment to the Fifth District Court of Appeals in Dallas, Texas. In an opinion issued in July 2010, the appellate court reversed portions of the trial court's judgment, ruling that the contracts' liquidated damage provision is an enforceable liquidated damage clause. The appellate court ordered that the case be remanded back to the trial court for further proceedings to determine the amount of damages payable by the NEER Affiliates. The NEER Affiliates filed a motion for rehearing of the appellate court’s decision, which motion was denied, and in April 2011 filed a petition for review of the appellate court decision with the Texas Supreme Court. In February 2012, the Texas Supreme Court granted the petition for review and oral arguments were heard in October 2012.

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NEE and FPL are vigorously defending, and believe that they or their affiliates have meritorious defenses to, the lawsuits described above. In addition to the legal proceedings discussed above, NEE and its subsidiaries, including FPL, are involved in other legal and regulatory proceedings, actions and claims in the ordinary course of their businesses. Generating plants in which subsidiaries of NEE, including FPL, have an ownership interest are also involved in legal and regulatory proceedings, actions and claims, the liabilities from which, if any, would be shared by such subsidiary. In the event that NEE and FPL, or their affiliates, do not prevail in the lawsuits described above or these other legal and regulatory proceedings, actions and claims, there may be a material adverse effect on their financial statements. While management is unable to predict with certainty the outcome of the lawsuits described above or these other legal and regulatory proceedings, actions and claims, based on current knowledge it is not expected that their ultimate resolution, individually or collectively, will have a material adverse effect on the financial statements of NEE or FPL.

11. Segment Information

NEE's reportable segments are FPL, a rate-regulated electric utility, and NEER, a competitive energy business. NEER's segment information includes an allocation of interest expense from NEECH based on a deemed capital structure of 70% debt and allocated shared service costs. Corporate and Other represents other business activities, other segments that are not separately reportable and eliminating entries. NEE's segment information is as follows:

	Three Months Ended March 31,							
	2013				2012			
	FPL	NEER[a]	Corporate and Other	NEE Consolidated	FPL	NEER[a]	Corporate and Other	NEE Consolidated
	(millions)							
Operating revenues	$2,188	$1,016	$75	$3,279	$2,224	$1,090	$57	$3,371
Operating expenses	$1,645	$1,149 [b]	$51	$2,845	$1,743	$779 [c]	$46	$2,568
Income (loss) from continuing operations	$288	$(215) [d]	$11	$84	$239	$221 [d]	$1	$461
Net gain from discontinued operations, net of income taxes[e]	$—	$175	$13	$188	$—	$—	$—	$—
Net income (loss)	$288	$(40) [d]	$24	$272	$239	$221 [d]	$1	$461

	March 31, 2013				December 31, 2012			
	FPL	NEER	Corporate and Other	NEE Consolidated	FPL	NEER	Corporate and Other	NEE Consolidated
	(millions)							
Total assets	$35,454	$26,394	$1,995	$63,843	$34,853	$27,139 [f]	$2,447	$64,439

(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 non-utility interest expense is included in Corporate and Other.

(b) Includes an impairment charge on NEER's Spain solar projects of $300 million. See Note 3 - Nonrecurring Fair Value Measurements.

(c) Amount is restated to conform to current year's presentation.

(d) Includes NEER's tax benefits related to PTCs and in 2013 also includes after-tax charges of $342 million associated with the impairment of the Spain solar projects. See Note 3 - Nonrecurring Fair Value Measurements and Note 5.

(e) See Note 6.

(f) Includes assets held for sale of approximately $335 million.

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12. 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. Most of NEECH's debt, including its debentures, and payment guarantees are fully and unconditionally guaranteed by NEE. Condensed consolidating financial information is as follows:

Condensed Consolidating Statements of Income

	Three Months Ended March 31, 2013				2012			
	NEE (Guarantor)	NEECH	Other[a]	NEE Consolidated	NEE (Guarantor)	NEECH	Other[a]	NEE Consolidated
				(millions)				
Operating revenues	$—	$1,094	$2,185	$3,279	$—	$1,151	$2,220	$3,371
Operating expenses[b]	(3)	(1,200)	(1,642)	(2,845)	(4)	(825)	(1,739)	(2,568)
Interest expense	(2)	(170)	(100)	(272)	(3)	(161)	(101)	(265)
Equity in earnings of subsidiaries	249	—	(249)	—	458	—	(458)	—
Other income (deductions) - net[b]	—	73	17	90	—	73	7	80
Income (loss) from continuing operations before income taxes	244	(203)	211	252	451	238	(71)	618
Income tax expense (benefit)	(15)	11	172	168	(10)	19	148	157
Income (loss) from continuing operations	259	(214)	39	84	461	219	(219)	461
Net gain from discontinued operations, net of income taxes	13	175	—	188	—	—	—	—
Net income (loss)	$272	$(39)	$39	$272	$461	$219	$(219)	$461

(a) Represents FPL and consolidating adjustments.
(b) Prior year amounts are restated to conform to the current year's presentation.

Condensed Consolidating Statements of Comprehensive Income

	Three Months Ended March 31, 2013				2012			
	NEE (Guarantor)	NEECH	Other[a]	NEE Consolidated	NEE (Guarantor)	NEECH	Other[a]	NEE Consolidated

	(millions)							
Comprehensive income (loss)	$391	$73	$(73)	$391	$521	$291	$(291)	$521

(a) Represents FPL and consolidating adjustments.

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Condensed Consolidating Balance Sheets

	March 31, 2013				December 31, 2012			
	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	$32	$27,030	$38,428	$65,490	$31	$26,638	$38,248	$64,917
Less accumulated depreciation and amortization	(8)	(5,060)	(10,598)	(15,666)	(7)	(4,800)	(10,697)	(15,504)
Total property, plant and equipment - net	24	21,970	27,830	49,824	24	21,838	27,551	49,413
CURRENT ASSETS								
Cash and cash equivalents	—	179	36	215	2	287	40	329
Receivables	507	1,047	205	1,759	398	1,208	450	2,056
Other	9	903	1,159	2,071	432	1,421	999	2,852
Total current assets	516	2,129	1,400	4,045	832	2,916	1,489	5,237
OTHER ASSETS								
Investment in subsidiaries	16,138	—	(16,138)	—	16,064	—	(16,064)	—
Other	758	4,718	4,498	9,974	647	4,749	4,393	9,789
Total other assets	16,896	4,718	(11,640)	9,974	16,711	4,749	(11,671)	9,789
TOTAL ASSETS	$17,436	$28,817	$17,590	$63,843	$17,567	$29,503	$17,369	$64,439
CAPITALIZATION								
Common shareholders' equity	$16,202	$3,660	$(3,660)	$16,202	$16,068	$3,533	$(3,533)	$16,068
Long-term debt	—	14,565	8,301	22,866	—	14,848	8,329	23,177
Total capitalization	16,202	18,225	4,641	39,068	16,068	18,381	4,796	39,245
CURRENT LIABILITIES								
Debt due within one year	—	4,099	959	5,058	—	3,624	558	4,182
Accounts payable	—	475	619	1,094	1	667	613	1,281
Other	614	1,614	396	2,624	440	2,317	659	3,416
Total current liabilities	614	6,188	1,974	8,776	441	6,608	1,830	8,879
OTHER LIABILITIES AND DEFERRED CREDITS								
Asset retirement obligations	—	517	1,222	1,739	—	508	1,207	1,715

Deferred income taxes	70	1,040	5,550	6,660	497	891	5,315	6,703
Other	550	2,847	4,203	7,600	561	3,115	4,221	7,897
Total other liabilities and deferred credits	620	4,404	10,975	15,999	1,058	4,514	10,743	16,315
COMMITMENTS AND CONTINGENCIES								
TOTAL CAPITALIZATION AND LIABILITIES	$17,436	$28,817	$17,590	$63,843	$17,567	$29,503	$17,369	$64,439

(a) Represents FPL and consolidating adjustments.

NEXTERA ENERGY, INC. AND FLORIDA POWER & LIGHT COMPANY
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Condensed Consolidating Statements of Cash Flows

	Three Months Ended March 31,							
	2013				2012			
	NEE (Guarantor)	NEECH	Other[a]	NEE Consolidated	NEE (Guarantor)	NEECH	Other[a]	NEE Consolidated
	(millions)							
NET CASH PROVIDED BY OPERATING ACTIVITIES	$350	$295	$437	$1,082	$307	$265	$263	$835
CASH FLOWS FROM INVESTING ACTIVITIES								
Capital expenditures, independent power and other investments and nuclear fuel purchases	—	(1,046)	(821)	(1,867)	—	(902)	(1,112)	(2,014)
Capital contribution to FPL	—	—	—	—	(40)	—	40	—
Cash grants under the Recovery Act	—	170	—	170	—	—	—	—
Change in loan proceeds restricted for construction	—	112	—	112	—	45	—	45
Other - net	(52)	29	30	7	—	(16)	(10)	(26)
Net cash used in investing activities	(52)	(735)	(791)	(1,578)	(40)	(873)	(1,082)	(1,995)
CASH FLOWS FROM FINANCING ACTIVITIES								
Issuances of long-term debt	—	623	—	623	—	566	—	566
Retirements of long-term debt	—	(496)	(427)	(923)	—	(109)	(25)	(134)
Proceeds from sale of differential membership interests	—	—	—	—	—	303	—	303
Net change in short-term debt	—	166	800	966	—	75	507	582
Dividends on common stock	(279)	—	—	(279)	(248)	—	—	(248)
Other - net	(21)	39	(23)	(5)	(19)	(309)	317	(11)

Net cash provided by (used in) financing activities	(300)	332	350	382	(267)	526	799	1,058
Net decrease in cash and cash equivalents	(2)	(108)	(4)	(114)	—	(82)	(20)	(102)
Cash and cash equivalents at beginning of period	2	287	40	329	1	339	37	377
Cash and cash equivalents at end of period	$—	$179	$36	$215	$1	$257	$17	$275

(a) Represents FPL and consolidating adjustments.

Item 2. 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 approximately 4.6 million customer accounts in Florida and is one of the largest rate-regulated electric utilities in the U.S., and NEER, which together with affiliated entities is the largest generator in North America of renewable energy from the wind and sun. The table below presents NEE's net income (loss) and earnings (loss) per share by reportable segment - FPL, NEER and Corporate and Other, which is primarily comprised of the operating results of NEET, FPL FiberNet and other business activities, as well as other income and expense items, including interest expense, income taxes and eliminating entries (see Note 11 for additional segment information). The discussion that follows should be read in conjunction with the Notes contained herein and Management's Discussion and Analysis of Financial Condition and Results of Operations (Management's Discussion) appearing in the 2012 Form 10-K. The results of operations for an interim period generally will not give a true indication of results for the year. In the following discussion, all comparisons are with the corresponding items in the prior year period.

	Net Income (Loss)		Earnings (Loss) Per Share, assuming dilution	
	Three Months Ended March 31,		Three Months Ended March 31,	
	2013	2012	2013	2012
	(millions)			
FPL	$288	$239	$0.68	$0.58
NEER[(a)]	(40)	221	(0.09)	0.53
Corporate and Other	24	1	0.05	—
NEE	$272	$461	$0.64	$1.11

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

Additional Outlook Matters

In addition to the initiatives described in the 2012 Form 10-K, investing in additional capital projects and improving other operations and maintenance (O&M) efficiency and productivity could provide incremental growth opportunities for NEE and FPL through 2016 as follows:

- NEE, through its subsidiaries, may have the potential to deploy additional growth capital through 2016. FPL has identified potential incremental capital expenditures that have the potential to improve its long-term customer value proposition and create value for NEE shareholders. NEER expects to invest capital for additional U.S. wind projects with generation totaling 500 mw to 1,500 mw in 2013 and 2014 and potential incremental capital for solar projects with generation up to 300 mw through 2016. NEER also expects to deploy approximately $200 million to $250 million per year of net capital in its gas infrastructure business through 2016.

- NEET is actively competing for new transmission projects throughout North America.

Also see Note 10 - Commitments.

Adjusted Earnings

NEE prepares its financial statements in accordance with generally accepted accounting principles in the U.S. (GAAP). However, management uses earnings excluding certain items (adjusted earnings), a non-GAAP financial measure, internally for financial planning, for analysis of performance, for reporting of results to the Board of Directors and as an input in determining whether performance goals are met for performance-based compensation under NEE's employee incentive compensation plans. NEE also uses adjusted earnings when communicating its financial results and earnings outlook to investors. NEE's management believes adjusted earnings provides a more meaningful representation of the company's fundamental earnings power. Although the excluded amounts are properly included in the determination of net income in accordance with 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 in accordance with GAAP.

Adjusted earnings exclude the unrealized mark-to-market effect of non-qualifying hedges (as described below) and other than temporary impairment (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). However, other adjustments may be made from time to time with the intent to provide more meaningful and comparable results of ongoing operations.

NEE and NEER segregate into two categories unrealized mark-to-market gains and losses on energy derivative transactions which are used to manage commodity price risk. The first category, referred to as non-qualifying hedges, represents certain transactions entered into as economic hedges but the transactions do not meet the requirements for hedge accounting or hedge accounting treatment is not elected. 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 the positions, such as the physical assets from which power is generated, are not marked to market. As a consequence, NEE's net income reflects only the movement in one part of economically-linked transactions. 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. 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. 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 or the capacity clause. See Note 2.

During the three months ended March 31, 2013, an impairment charge of $300 million ($342 million after-tax) related to the Spain solar projects was recorded in NEE's condensed consolidated statements of income. See Note 3 - Nonrecurring Fair Value Measurements and Note 5. During the same period, an after-tax net gain from discontinued operations of $188 million ($175 million recorded at NEER and $13 million recorded at Corporate and Other) was recorded in NEE's condensed consolidated statements of income. The after-tax net gain from discontinued operations consisted of $231 million for the March 2013 hydro sale, partly offset by a $43 million write down associated with Maine fossil. See Note 6. In 2013, adjusted earnings also exclude the after-tax charges associated with the impairment of the Spain solar projects and the after-tax net gain from discontinued operations in order to make period to period comparisons more meaningful.

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

	Three Months Ended March 31,	
	2013	2012
	(millions)	
Net unrealized mark-to-market after-tax gains (losses) from non-qualifying hedge activity[a]	$(52)	$37
Income from OTTI after-tax losses on securities held in NEER's nuclear decommissioning funds, net of OTTI reversals	$3	$2
After-tax charges associated with the impairment of the Spain solar projects	$342	$—
After-tax net gain from discontinued operations[b]	$188	$—

(a) For the three months ended March 31, 2013, $53 million of losses are included in NEER's net income; $1 million of gains are included in Corporate and Other.

(b)

For the three months ended March 31, 2013, $175 million is included in NEER's net income; the balance is included in Corporate and Other.

The change in unrealized mark-to-market activity from non-qualifying hedges is primarily attributable to changes in forward power and natural gas prices, as well as the reversal of previously recognized unrealized mark-to-market gains or losses as the underlying transactions were realized. As a general rule, a gain (loss) in the non-qualifying hedge category 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.

RESULTS OF OPERATIONS

Summary

NEE's net income for the three months ended March 31, 2013 was lower than the prior period by $189 million, or 47 cents per share, primarily due to lower results at NEER.

FPL's increase in net income for the three months ended March 31, 2013 was primarily driven by continued investments in plant in service which resulted in the use of FPL's surplus depreciation credit to earn an 11% return on common equity as determined for regulatory purposes (regulatory ROE) on its retail rate base. The use of the surplus depreciation credit is permitted by a January 2013 FPSC final order approving a stipulation and settlement between FPL and several intervenors in FPL's base rate proceeding (2012 rate agreement) and, for the prior period, a February 2011 FPSC final order approving a stipulation and settlement agreement between FPL and principal parties in a prior rate case (2010 rate agreement). Although investment in plant in service balances were higher than in the prior year period, less surplus depreciation credit was used for the three months ended March 31, 2013 due, in part, to FPL's base rate increase in 2013 under the 2012 rate agreement. FPL's net income for the three months ended March 31, 2013 also benefited from a higher equity component of AFUDC (AFUDC - equity).

NEER's results decreased for the three months ended March 31, 2013 primarily due to the $342 million of after-tax charges associated with the impairment of the Spain solar projects and net unrealized mark-to-market losses from non-qualifying hedge activity for the three months ended March 31, 2013 compared to gains on such hedges in the prior year period, partly offset by the $175 million net after-tax gain from discontinued operations.

Corporate and Other's results increased for the three months ended March 31, 2013 primarily due to higher consolidating income tax adjustments, including an income tax benefit related to the net gain from discontinued operations, and higher results from Lone Star.

NEE's effective income tax rates for the three months ended March 31, 2013 and 2012 were approximately 67% and 25%, respectively. The increase in the rate for the three months ended March 31, 2013 is primarily due to the establishment of a full valuation allowance on the deferred tax assets associated with the Spain solar projects (see Note 3 - Nonrecurring Fair Value Measurements and Note 5). In addition, the rates for both periods reflect the effect of PTCs for wind projects at NEER and deferred income tax benefits associated with convertible ITCs under the Recovery Act. PTCs and deferred income tax benefits associated with convertible ITCs can significantly affect NEE's 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. PTCs for the three months ended March 31, 2013 and 2012 were approximately $59 million and $61 million, respectively. Deferred income tax benefits associated with convertible ITCs for the three months ended March 31, 2013 and 2012 were approximately $13 million and $12 million, respectively. See Note 5.

FPL: Results of Operations

FPL’s net income for the three months ended March 31, 2013 and 2012 was $288 million and $239 million, respectively, an increase of $49 million. See Summary above for a discussion of the major drivers of this increase.

FPL's operating revenues consisted of the following:

	Three Months Ended March 31,	
	2013	2012

	(millions)	
Retail base	$1,030	$934
Fuel cost recovery	709	826
Other cost recovery clauses and pass-through costs, net of any deferrals	388	411
Other, primarily pole attachment rentals, transmission and wholesale sales and customer-related fees	61	53
Total	$2,188	$2,224

Retail Base

Included in retail base revenues for the three months ended March 31, 2013 were approximately $79 million of revenues associated with new retail base rates under the 2012 rate agreement. Additional base revenues of approximately $50 million were collected during the three months ended March 31, 2013 related to new nuclear capacity of approximately 365 mw which was placed in service in 2012, as permitted by the FPSC's nuclear cost recovery rule. In 2013, FPL expects to collect approximately $245 million of additional base revenues related to the new nuclear capacity. Retail base rates are expected to increase approximately $164 million on an annualized basis beginning on April 24, 2013 with the entry into service of the Cape Canaveral unit.

Retail Customer Usage and Growth

For the three months ended March 31, 2013, FPL experienced a 4.2% decrease in average usage per retail customer, primarily due to weather conditions and one less day of sales in 2013, as 2012 was a leap year, which collectively decreased retail base revenues by approximately $40 million. For the three months ended March 31, 2013, FPL experienced a 0.7% increase in the average number of customer accounts, increasing retail base revenues by approximately $7 million. FPL expects to acquire the City of Vero Beach electric utility system in 2014, subject to regulatory approvals and certain other conditions precedent. This acquisition is expected to add approximately 34,000 customer accounts.

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 nuclear capacity, solar and environmental projects. For the three months ended March 31, 2013 and 2012, cost recovery clauses contributed $27 million and $33 million, respectively, to FPL's net income. The decrease is primarily as a result of the collection in 2013 of retail base revenues related to new nuclear capacity which was placed in service in 2012 (see Retail Base above). Fluctuations in fuel cost recovery revenues are primarily driven by changes in fuel and energy charges which are included in fuel, purchased power and interchange expense in the condensed consolidated statements of income, as well as by changes in energy sales. Fluctuations in revenues from other cost recovery clauses and pass-through costs are primarily driven by changes in storm-related surcharges, capacity charges, franchise fee costs, the impact of changes in O&M and depreciation expenses on the underlying cost recovery clause, investment in solar and environmental projects, investment in nuclear capacity until such capacity goes into service and is recovered in base rates, pre-construction costs associated with the development of two additional nuclear units at the Turkey Point site and changes in energy sales. Capacity charges and franchise fee costs are included in fuel, purchased power and interchange and taxes other than income taxes and other, respectively, in the condensed consolidated statements of income. The decrease in fuel cost recovery revenues for the three months ended March 31, 2013 is primarily due to a lower average fuel factor.

Other

FPL expects revenues from wholesale sales to increase approximately $90 million in 2014 primarily due to growth of load served under existing wholesale contracts.

Other Items Impacting FPL Results

Fuel, Purchased Power and Interchange

The major components of FPL's fuel, purchased power and interchange expense are as follows:

	Three Months Ended March 31,	
	2013	2012
	(millions)	
Fuel and energy charges during the period	$709	$758
Net collection of previously deferred retail fuel costs	—	66
Other, primarily capacity charges, net of any capacity deferral	111	111
Total	$820	$935

The decrease in fuel and energy charges for the three months ended March 31, 2013 was primarily due to lower fuel and energy prices.

O&M Expenses

FPL's O&M expenses decreased $51 million for the three months ended March 31, 2013 primarily due to the absence of nuclear outage costs incurred during an outage in the prior year, as well as lower fossil outage costs reflecting fewer outages in the 2013 period. Also, FPL's O&M expenses for the three months ended March 31, 2013 reflect lower cost recovery clause costs of approximately $23 million, which did not significantly affect net income or the amount of surplus depreciation credit amortization.

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

	Three Months Ended March 31,	
	2013	2012
	(millions)	
Surplus depreciation credit recorded under the 2012 and 2010 rate agreements, respectively	$(137)	$(165)
Other depreciation and amortization recovered under base rates	270	251
Depreciation and amortization recovered under cost recovery clauses and securitized storm-recovery cost amortization	48	32
Total	$181	$118

The surplus depreciation credit recorded for the three months ended March 31, 2013 and 2012 enabled FPL to earn an 11% regulatory ROE. FPL's rate base has continued to grow during these periods as a result of increased plant investment. The surplus depreciation credit recorded in the current period was lower than the prior year primarily due to additional base revenues collected in 2013 associated with new retail base rates under the 2012 rate agreement. The surplus depreciation credit recorded under the 2012 rate agreement reflects the amortization of a depreciation reserve surplus remaining at the end of 2012 under the 2010 rate order that FPL must amortize over the term of the 2012 rate agreement; at March 31, 2013 approximately $87 million of this reserve surplus remains available for future amortization. Also, FPL may amortize over the term of the 2012 rate agreement a portion of FPL's fossil dismantlement reserve up to a maximum of $176 million, subject to certain limits. Beginning in 2013, such amounts are being amortized as a reduction of regulatory liabilities - accrued asset removal costs on the condensed consolidated balance sheets. The increase in other depreciation and amortization expense recovered under base rates for the three months ended March 31, 2013 is primarily due to higher plant in service balances. The increase in depreciation and amortization recovered under cost recovery clauses and securitized storm-recovery cost amortization for the three months ended March 31, 2013 is primarily due to higher plant in service balances associated with environmental projects under the environmental cost recovery clause.

Interest Expense
The decrease in interest expense for the three months ended March 31, 2013 is primarily due to lower average interest rates, lower interest expense on customer deposits reflecting lower rates and lower average customer deposit balances and higher debt component of AFUDC (AFUDC - debt), partly offset by higher average debt balances. The change in AFUDC - debt is due to the same factors as described below in AFUDC - equity.

AFUDC - Equity
The increase in AFUDC - equity for the three months ended March 31, 2013 reflects AFUDC - equity recorded on construction expenditures associated with the Riviera Beach, Cape Canaveral and Port Everglades modernization projects.

Major Capital Projects

In April 2013, FPL completed the final stage of its generation uprate project at Turkey Point Unit No. 4. On April 24, 2013, FPL placed in service an approximately 1,210 mw natural gas-fired combined-cycle unit at Cape Canaveral.

NEER: Results of Operations

NEER's net income (loss) for the three months ended March 31, 2013 and 2012 was $(40) million and $221 million, respectively, a decrease of $261 million. The primary drivers, on an after-tax basis, of this decrease were as follows:

	Increase (Decrease) From Prior Period Three Months Ended March 31, 2013
	(millions)
New investments[a]	$14
Existing assets[a]	(22)
Gas infrastructure[b]	(12)
Customer supply and proprietary power and gas trading businesses[b]	19
Interest expense, differential membership costs and other	(4)
Change in unrealized mark-to-market non-qualifying hedge activity[c][d]	(90)
Change in OTTI losses on securities held in nuclear decommissioning funds, net of OTTI reversals[d]	1
Charges associated with the impairment of the Spain solar projects[e]	(342)
Net gain from discontinued operations[f]	175
Net income decrease	$(261)

(a) Includes PTCs and state ITCs on wind projects and, for new investments, deferred income tax and other benefits associated with convertible ITCs but does not include allocation of interest expense or corporate general and administrative expenses. Results from new projects are included in new investments during the first twelve months of operation. A project's results are included in existing assets beginning with the thirteenth month of operation.
(b) Does not include allocation of interest expense or corporate general and administrative expenses.
(c) See Note 2 and Overview related to derivative instruments.
(d) See table in Overview for additional detail.
(e) See Note 3 - Nonrecurring Fair Value Measurements and Overview for additional information.
(f) See Note 6 and Overview for additional information.

New Investments

Results from new investments for the three months ended March 31, 2013 increased primarily due to:

- the addition of approximately 1,520 mw of wind and 40 mw of solar generation during or after the three months ended March 31, 2012,

partly offset by,

- lower deferred income tax and other benefits associated with convertible ITCs of $10 million, and
- lower state ITCs of $4 million.

Existing Assets

Results from NEER's existing asset portfolio for the three months ended March 31, 2013 decreased primarily due to:

- lower wind generation of $27 million, and
- PTC roll off of $5 million,

partly offset by,

- increased generation at Seabrook due to the absence of a 2012 reduction in capacity.

Gas Infrastructure

The decrease in gas infrastructure results for the three months ended March 31, 2013 is primarily due to the absence of gains recorded in 2012 from exiting the hedged positions on a number of future gas production opportunities, partly offset by income from additional production in 2013.

Customer Supply and Proprietary Power and Gas Trading

Results from the customer supply and proprietary power and gas trading businesses increased for the three months ended March 31, 2013 primarily due to higher power and gas marketing and trading and full requirements results, reflective of market and weather conditions.

Other Factors

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

Operating Revenues
Operating revenues for the three months ended March 31, 2013 decreased $74 million primarily due to:

- higher unrealized mark-to-market losses from non-qualifying hedges ($100 million for the three months ended March 31, 2013 compared to $123 million of gains on such hedges for the comparable period in 2012), and
- lower wind generation,

partly offset by,

- higher revenues from new investments (approximately $113 million), and
- higher revenues in the New England Power Pool region of $55 million primarily due to higher generation at Seabrook due to the absence of a 2012 reduction in capacity.

Operating Expenses
Operating expenses for the three months ended March 31, 2013 increased $370 million primarily due to:

- an impairment charge of $300 million related to the Spain solar projects,
- higher operating expenses associated with new investments (approximately $111 million), and
- higher fuel costs primarily associated with Seabrook, net of lower fuel costs at NextEra Energy Power Marketing, LLC ($18 million),

partly offset by,

- higher unrealized mark-to-market gains from non-qualifying hedges ($12 million for the three months ended March 31, 2013 compared to $53 million of losses on such hedges for the comparable period in 2012).

Interest Expense
NEER’s interest expense for the three months ended March 31, 2013 decreased $3 million primarily due to lower average interest rates, partly offset by higher average debt balances.

Benefits associated with differential membership interests - net
Benefits associated with differential membership interests - net in NEE's condensed consolidated statements of income for the three months ended March 31, 2013 and 2012 reflect benefits recognized by NEER as third-party investors received their portion of the economic attributes, including income tax attributes, of the underlying wind project, net of associated costs. For the three months ended March 31, 2012, benefits associated with differential membership interests - net also includes $14 million of benefits where the investors elected to receive the convertible ITCs related to the underlying wind project; there were no such benefits for the three months ended March 31, 2013.

Tax Credits and Benefits
PTCs from NEER’s 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. A portion of the PTCs have been allocated to investors in connection with the sales of differential membership interests. Also see Summary above and Note 5 for a discussion of PTCs and deferred income tax benefits associated with convertible ITCs and benefits associated with differential membership interests - net above.

Corporate and Other: Results of Operations

Corporate and Other is primarily comprised of the operating results of NEET, FPL FiberNet and other business activities, as well as corporate interest income and expenses. Corporate and Other allocates non-utility interest expense and shared service costs to NEER. Interest expense is allocated based on a deemed capital structure of 70% debt and, for purposes of allocating non-utility interest expense, the liability 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. The major components of Corporate and Other's results, on an after-tax basis, are as follows:

	Three Months Ended March 31,	
	2013	2012
	(millions)	
Interest expense, net of allocations to NEER	$(28)	$(21)
Interest income	8	8
Federal and state income tax benefits	26	6
Other	18	8
Net income	$24	$1

The increase in interest expense, net of allocations to NEER, for the three months ended March 31, 2013 reflects higher average debt balances, partly offset by lower average interest rates. The federal and state income tax benefits reflect consolidating income tax adjustments and include a $13 million income tax benefit recorded as net gain from discontinued operations, net of income taxes, in NEE's condensed consolidated statements of income for the three months ended March 31, 2013 (see Overview - Adjusted Earnings and Note 6). Other includes all other corporate income and expenses, as well as other business activities; the increase for the three months ended March 31, 2013 reflects higher results from Lone Star.

Transmission Project

In late March 2013, Lone Star achieved commercial operation of approximately 330 miles of new transmission lines and associated transmission facilities in Texas.

LIQUIDITY AND CAPITAL RESOURCES

NEE and its subsidiaries, including FPL, 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 flow from operations, short- and long-term borrowings, and the issuance, from time to time, of short- and long-term debt and equity securities, 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.

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Cash Flows

Sources and uses of NEE's and FPL's cash for the three months ended March 31, 2013 and 2012 were as follows:

	NEE Three Months Ended March 31,		FPL Three Months Ended March 31,	
	2013	2012	2013	2012
	(millions)			
Sources of cash:				
Cash flows from operating activities	$1,082	$835	$776	$558
Long-term borrowings and change in loan proceeds restricted for construction	735	611	—	—
Proceeds from (payments to) investors related to differential membership interests - net	(20)	303	—	—
Capital contribution from NEE	—	—	—	40
Cash grants under the Recovery Act	170	—	—	—
Issuances of common stock - net	8	12	—	—
Net increase in short-term debt	966	582	800	507
Other sources - net	23	7	24	43
Total sources of cash	2,964	2,350	1,600	1,148
Uses of cash:				
Capital expenditures, independent power and other investments and nuclear fuel purchases	(1,867)	(2,014)	(821)	(1,112)
Retirements of long-term debt	(923)	(134)	(427)	(25)
Dividends	(279)	(248)	(340)	—
Repurchases of common stock	—	(19)	—	—
Other uses - net	(9)	(37)	(17)	(31)
Total uses of cash	(3,078)	(2,452)	(1,605)	(1,168)
Net decrease in cash and cash equivalents	$(114)	$(102)	$(5)	$(20)

NEE's primary capital requirements are for expanding and enhancing FPL's electric system and generating facilities to continue to provide reliable service to meet customer electricity demands and for funding NEER's investments in independent power and other projects. The following table provides a summary of the major capital investments for the three months ended March 31, 2013 and 2012.

	Three Months Ended March 31,	
	2013	2012
	(millions)	
FPL:		
Generation:		
New	$335	$626
Existing	117	172
Transmission and distribution	217	233
Nuclear fuel	11	28
General and other	20	16
Other, primarily the exclusion of AFUDC - equity and change in accrued property additions	121	37

Total	821	1,112
NEER:		
Wind	521	177
Solar	237	375
Nuclear, including nuclear fuel	47	91
Other	180	113
Total	985	756
Corporate and Other	61	146
Total capital expenditures and independent power and other investments and nuclear fuel purchases	$1,867	$2,014

Liquidity

At March 31, 2013, NEE's total net available liquidity was approximately $5.7 billion, of which FPL's portion was approximately $2.9 billion. The table below provides the components of FPL's and NEECH's net available liquidity at March 31, 2013:

	FPL	NEECH	Total	Maturity Date FPL	Maturity Date NEECH
		(millions)			
Bank revolving line of credit facilities[a]	$3,000	$4,600	$7,600	[b]	[b]
Less letters of credit	(3)	(1,008)	(1,011)		
	2,997	3,592	6,589		
Revolving credit facility	235	—	235	2014	
Less borrowings	—	—	—		
	235	—	235		
Letter of credit facilities[c]	—	250	250		2015
Less letters of credit	—	(67)	(67)		
	—	183	183		
Subtotal	3,232	3,775	7,007		
Cash and cash equivalents	35	179	214		
Less commercial paper	(405)	(1,096)	(1,501)		
Net available liquidity	$2,862	$2,858	$5,720		

(a) Provide for the funding of loans up to $7,600 million ($3,000 million for FPL) and the issuance of letters of credit up to $6,600 million ($2,500 million for FPL). The entire amount of the credit facilities is available for general corporate purposes, including to provide back-up liquidity for FPL's and NEECH's commercial paper programs and other short-term borrowings 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 $633 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.

(b) $500 million of FPL's bank revolving line of credit facilities expire on May 4, 2013. FPL expects to refinance this facility on May 3, 2013 with a bank revolving line of credit facility having similar terms and conditions which will expire in 2016. $500 million of NEECH's bank revolving line of credit facilities expire in December 2013. Essentially all of the remaining facilities at each of FPL and NEECH expire in 2018.

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

Additionally, at March 31, 2013, certain subsidiaries of NEE had credit or loan facilities with available liquidity as set forth in the table below. In order for the applicable borrower to borrow or to have letters of credit issued under the terms of the agreements listed below, among other things, NEE's ratio of funded debt to total capitalization that is specified in the agreement may not be exceeded. These agreements also generally contain covenants and default and related acceleration provisions relating to, among other things, failure of NEE to maintain a ratio of funded debt to total capitalization at required levels. Some of the payment obligations of the borrowers under the agreements listed

below ultimately are guaranteed by NEE.

	Original Amount	Amount Remaining Available at March 31, 2013	Rate	Maturity Date	Related Project Use
	(millions)				
NEECH and certain subsidiaries of NEER:					
Canadian revolving credit agreements[(a)]	C$650	$161	Variable	Various	Canadian renewable generating assets
Revolving loan agreement	€170	$58	Variable	2014	Construction of Spain solar projects
Certain subsidiaries of NEER:					
Senior secured limited-recourse loan agreement[(b)]	€589	$128	Variable	2030	Construction of Spain solar projects
Term loan facility	$150 150	$150	Variable	2019	Construction of Genesis solar project

(a) Available for general corporate purposes; the current intent is to use these facilities for the purchase, development, construction, and/or operation of Canadian renewable generating assets. Consist of agreements with original amounts of C$150 million with a maturity date of 2013, C$400 million with a maturity date of 2014 and C$100 million with a maturity date of 2016 with approximately $1 million, $62 million and $98 million, respectively, remaining available under these agreements at March 31, 2013.

(b) See Note 10 - Commitments for a discussion of the effect that a change in Spanish law has had on the senior secured limited-recourse loan agreement.

Capital Support

Letters of Credit, Surety Bonds and Guarantees

NEE and FPL obtain letters of credit and surety bonds and issue guarantees to facilitate commercial transactions with third parties and financings. Letters of credit, surety bonds and guarantees support, among other things, the buying and selling of wholesale energy commodities, debt and related reserves, capital expenditures for NEER's wind and solar development, nuclear activities and other contractual agreements. Substantially all of NEE's and FPL's guarantee arrangements are on behalf of their consolidated subsidiaries for their related payment obligations.

In addition, as part of contract negotiations in the normal course of business, NEE and FPL may agree to make payments to compensate or indemnify other parties for possible future unfavorable financial consequences resulting from specified events. The specified events may include, but are not limited to, an adverse judgment in a lawsuit, the imposition of additional taxes due to a change in tax law or interpretations of the tax law or the non-receipt of renewable tax credits or proceeds from cash grants under the Recovery Act. NEE and FPL are unable to develop an estimate of the maximum potential amount of future payments under some of these contracts because events that would obligate them have not yet occurred or, if any such event has occurred, they have not been notified of its occurrence.

In addition, 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.

At March 31, 2013, NEE had approximately $1.2 billion of standby letters of credit ($3 million for FPL), approximately $168 million of surety bonds ($53 million for FPL) and approximately $11.5 billion notional amount of guarantees and indemnifications ($22 million for FPL), of which approximately $7.4 billion of letters of credit, guarantees and indemnifications ($10 million for FPL) have expiration dates within the next five years.

Each of NEE and FPL believe it is unlikely that it would incur any liabilities associated with these letters of credit, surety bonds, guarantees and indemnifications. Accordingly, at March 31, 2013, NEE and FPL did not have any liabilities recorded for these letters of credit, surety bonds, guarantees and indemnifications.

Energy Marketing and Trading and Market Risk Sensitivity

NEE and FPL are exposed to risks associated with adverse changes in commodity prices, interest rates, equity prices and currency exchange rates. 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, equity prices or currency exchange rates 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 commodity price risk inherent in the purchase and sale of fuel and electricity. In addition, NEE, through NEER, uses derivatives to optimize the value of power generation assets and engages in power and gas marketing and trading activities to take advantage of expected future favorable price movements. See Note 2.

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The changes in the fair value of NEE's consolidated subsidiaries' energy contract derivative instruments for the three months ended March 31, 2013 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, 2012	$261	$674	$(15)	$920
Reclassification to realized at settlement of contracts	(3)	(10)	15	2
Inception value of new contracts	3	—	—	3
Net option premium purchases (issuances)	(6)	(12)	—	(18)
Changes in fair value excluding reclassification to realized	39	(78)	144	105
Fair value of contracts outstanding at March 31, 2013	294	574	144	1,012
Net margin cash collateral paid (received)				(120)
Total mark-to-market energy contract net assets (liabilities) at March 31, 2013	$294	$574	$144	$892

NEE's total mark-to-market energy contract net assets (liabilities) at March 31, 2013 shown above are included on the condensed consolidated balance sheets as follows:

	March 31, 2013
	(millions)
Current derivative assets	$456
Noncurrent derivative assets	859
Current derivative liabilities	(224)
Noncurrent derivative liabilities	(199)
NEE's total mark-to-market energy contract net assets	$892

The sources of fair value estimates and maturity of energy contract derivative instruments at March 31, 2013 were as follows:

	Maturity						
	2013	2014	2015	2016	2017	Thereafter	Total
	(millions)						
Trading:							
Quoted prices in active markets for identical assets	$(48)	$13	$3	$(1)	$—	$—	$(33)
Significant other observable inputs	70	23	32	36	26	—	187
Significant unobservable inputs	11	35	17	27	24	26	140
Total	33	71	52	62	50	26	294
Owned Assets - Non-Qualifying:							
Quoted prices in active markets for identical assets	4	(10)	—	—	—	—	(6)
Significant other observable inputs	35	30	43	76	13	3	200
Significant unobservable inputs	(13)	37	42	46	53	215	380
Total	26	57	85	122	66	218	574
Owned Assets - FPL Cost Recovery Clauses:							

Quoted prices in active markets for identical assets	—	—	—	—	—	—	—
Significant other observable inputs	126	16	—	—	—	—	142
Significant unobservable inputs	1	1	—	—	—	—	2
Total	127	17	—	—	—	—	144
Total sources of fair value	$186	$145	$137	$184	$116	$244	$1,012

The changes in the fair value of NEE's consolidated subsidiaries' energy contract derivative instruments for the three months ended March 31, 2012 were as follows:

		Hedges on Owned Assets			
	Trading	Non-Qualifying	OCI	FPL Cost Recovery Clauses	NEE Total
	(millions)				
Fair value of contracts outstanding at December 31, 2011	$15	$720	$8	$(501)	$242
Reclassification to realized at settlement of contracts	26	(51)	(1)	156	130
Inception value of new contracts	—	2	—	—	2
Net option premium purchases (issuances)	(22)	1	—	—	(21)
Changes in fair value excluding reclassification to realized	56	124	—	(252)	(72)
Fair value of contracts outstanding at March 31, 2012	75	796	7	(597)	281
Net margin cash collateral paid (received)					(103)
Total mark-to-market energy contract net assets (liabilities) at March 31, 2012	$75	$796	$7	$(597)	$178

With respect to commodities, NEE’s 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. As of March 31, 2013 and December 31, 2012, 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, 2012	$—	$3	$3	$34	$88	$76	$34	$87	$76
March 31, 2013	$—	$4	$4	$30	$29	$21	$30	$30	$19
Average for the three months ended March 31, 2013	$—	$2	$2	$33	$54	$38	$33	$54	$37

(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 and FPL are exposed to risk resulting from changes in interest rates as a result of their respective 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 swaps and using a combination of fixed rate and variable rate debt. Interest rate swaps 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:

	March 31, 2013			December 31, 2012		
	Carrying Amount (millions)	Estimated Fair Value		Carrying Amount	Estimated Fair Value	
NEE:						
Fixed income securities:						
Special use funds	$2,008	$2,008	(a)	$1,979	$1,979	(a)
Other investments:						
Notes receivable	$500	$675	(b)	$500	$665	(b)
Debt securities	$117	$117	(a)	$111	$111	(a)
Long-term debt, including current maturities	$25,543	$27,706	(c)	$26,647	$28,874	(c)
Interest rate swaps - net unrealized losses	$(211)	$(211)	(e)	$(311)	$(311)	(e)
FPL:						
Fixed income securities - special use funds	$1,541	$1,541	(a)	$1,526	$1,526	(a)
Long-term debt, including current maturities	$8,355	$9,810	(c)	$8,782	$10,421	(c)

(a) Estimated using quoted market prices for these or similar issues.

(b) Estimated using a discounted cash flow valuation technique based on certain observable yield curves and indices considering the credit profile of the borrower.

(c) Estimated using either quoted market prices for the same or similar issues or discounted cash flow valuation technique, considering the current credit spread of the debtor.

(d) Also includes long-term debt reflected in liabilities associated with assets held for sale on the condensed consolidated balance sheets, for which the carrying amount approximates fair value.

(e) Modeled internally using 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. 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 until at least 2030 (2032 at FPL).

As of March 31, 2013, NEE had interest rate swaps with a notional amount of approximately $7.1 billion related to long-term debt issuances, of which $2.3 billion are fair value hedges at NEECH that effectively convert fixed-rate debt to a variable-rate instrument. The remaining $4.8 billion of notional amount of interest rate swaps relate to cash flow hedges to manage exposure to the variability of cash flows associated with variable-rate debt instruments, the majority of which relate to NEER debt issuances. At March 31, 2013, the estimated fair value of NEE's fair value hedges and cash flow hedges was approximately $66 million and $(277) million, respectively. See Note 2.

Based upon a hypothetical 10% decrease in interest rates, which is a reasonable near-term market change, the net fair value of NEE's net liabilities would increase by approximately $1,186 million ($474 million for FPL) at March 31,

2013.

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 $2,405 million and $2,211 million ($1,523 million and $1,392 million for FPL) at March 31, 2013 and December 31, 2012, respectively. At March 31, 2013, a hypothetical 10% decrease in the prices quoted by stock exchanges, which is a reasonable near-term market change, would result in a $229 million ($145 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.

Currency Exchange Rate Risk

At March 31, 2013, with respect to certain debt issuances and borrowings, NEECH has two cross currency swaps to hedge against currency movements with respect to both interest and principal payments and a cross currency swap to hedge against currency and interest rate movements with respect to both interest and principal payments. At March 31, 2013 and December 31, 2012, the fair value of cross currency swaps was approximately $(103) million and $(66) million, respectively.

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 includes 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 non-cash 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. As of March 31, 2013, approximately 96% 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 3. Quantitative and Qualitative Disclosures About Market Risk

See Management's Discussion - Energy Marketing and Trading and Market Risk Sensitivity.

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

As of March 31, 2013, 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 chief financial officer of each of NEE and FPL concluded that the company's disclosure controls and procedures were effective as of March 31, 2013.

(b) 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.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

NEE and FPL are parties to various legal and regulatory proceedings in the ordinary course of their respective businesses. For information regarding legal proceedings that could have a material effect on NEE or FPL, see Item 3. Legal Proceedings and Note 13 - Legal Proceedings to Consolidated Financial Statements in the 2012 Form 10-K and Note 10 - Commitments and - Legal Proceedings herein. Such descriptions are incorporated herein by reference.

Item 1A. Risk Factors

There have been no material changes from the risk factors disclosed in the 2012 Form 10-K. The factors discussed in Part I, Item 1A. Risk Factors in the 2012 Form 10-K, as well as other information set forth in this report, which could materially adversely affect NEE's and FPL's business, financial condition, results of operations and prospects should be carefully considered. The risks described in the 2012 Form 10-K are not the only risks facing NEE and FPL. Additional risks and uncertainties not currently known to NEE or FPL, or that are currently deemed to be immaterial, also may materially adversely affect NEE's or FPL's business, financial condition, results of operations and prospects.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(c) Information regarding purchases made by NEE of its common stock during the three months ended March 31, 2013 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]
1/1/13 - 1/31/13	—	$—	—	13,274,748
2/1/13 - 2/28/13	115,514	$72.50	—	13,274,748
3/1/13 - 3/31/13	690	$74.70	—	13,274,748
Total	116,204	$72.51	—	

(a) Includes: (1) in February and March 2013, 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 the NextEra Energy, Inc. Amended and Restated Long-Term Incentive Plan (former LTIP); and (2) in March 2013, 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 former LTIP to an executive officer of deferred retirement share awards.

(b) In February 2005, NEE's Board of Directors authorized common stock repurchases of up to 20 million shares of common stock over an unspecified period, which authorization was most recently reaffirmed and ratified by the Board of Directors in July 2011.

Item 5. Other Information

(a) None

(b) None

(c) Other events

(i) Reference is made to Item 1. Business - NEE's Operating Subsidiaries - FPL - FPL Sources of Generation - Nuclear Operations in the 2012 Form 10-K.

In February 2013, the U.S. Court of Appeals for the District of Columbia (D.C. Circuit) granted a motion to reopen the fee adequacy litigation to review the U.S. Department of Energy's latest fee adequacy report which was released in January 2013. FPL will continue to pay fees to the U.S. government's nuclear waste fund pending further action by the D.C. Circuit.

(ii) Reference is made to Item 1. Business - NEE Environmental Matters - Environmental Regulations - Clean Air Interstate Rule (CAIR)/Cross-State Air Pollution Rule (CSAPR) in the 2012 Form 10-K.

In March 2013, several parties, including the EPA, appealed the D.C. Circuit's decision to vacate the CSAPR to the U.S. Supreme Court.

Item 6. Exhibits

Exhibit Number	Description	NEE	FPL
*4(a)	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	
*10(a)	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(b)	NextEra Energy, Inc. Non-Employee Director Compensation Summary effective January 1, 2013 (filed as Exhibit 10(ss) to Form 10-K for the year ended December 31, 2012, File No. 1-8841)	x	
*10(c)	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(d)	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
12(a)	Computation of Ratios	x	
12(b)	Computation of Ratios		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

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

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*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.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned thereunto duly authorized.

Date: May 1, 2013

NEXTERA ENERGY, INC.
(Registrant)

CHRIS N. FROGGATT
Chris N. Froggatt
Vice President, Controller and Chief Accounting Officer
of NextEra Energy, Inc.
(Principal Accounting Officer of NextEra Energy, Inc.)

FLORIDA POWER & LIGHT COMPANY
(Registrant)

KIMBERLY OUSDAHL
Kimberly Ousdahl
Vice President, Controller and Chief Accounting Officer
of Florida Power & Light Company
(Principal Accounting Officer of
Florida Power & Light Company)