

FLORIDA POWER & LIGHT CO
Form 10-Q
August 02, 2011

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 June 30, 2011

Commission File Number	Exact name of registrants as specified in their charters, address of principal executive offices and registrants' telephone number	IRS Employer Identification Number
1-8841	NEXTERA ENERGY, INC.	59-2449419
2-27612	FLORIDA POWER & LIGHT COMPANY 700 Universe Boulevard Juno Beach, Florida 33408 (561) 694-4000	59-0247775

State or other jurisdiction of incorporation or organization: Florida

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

NextEra Energy, Inc. Yes No
Light Company Yes No

Florida Power &

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).

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NextEra Energy, Inc. Yes No
Light Company Yes No

Florida Power &

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

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

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 June 30, 2011: 422,340,129 shares.

As of June 30, 2011, 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 NextEra Energy, FPL, Capital Holdings and NextEra Energy Resources 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, likely result, are expected to, will continue, is anticipated, aim, believe, could, should, would, estimated, may, plan, potential, 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 (NextEra Energy) and/or Florida Power & Light Company's (FPL) operations and financial results, and could cause NextEra Energy'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 NextEra Energy and/or FPL in this combined Form 10-Q, in presentations, on their respective websites, in response to questions or otherwise.

NextEra Energy's and FPL's financial results may be adversely affected by the extensive regulation of their businesses.

- NextEra Energy's and FPL's financial results could be negatively affected if they or their rate-regulated businesses are unable to recover, in a timely manner, certain costs, a return on certain assets or an appropriate return on capital from customers through regulated rates and, in the case of FPL, cost recovery clauses.
- NextEra Energy and FPL are subject to federal regulatory compliance and proceedings which have significant compliance costs and expose them to substantial monetary penalties and other sanctions.
- NextEra Energy and FPL may be adversely affected by increased governmental and regulatory scrutiny or negative publicity.
- NextEra Energy's and FPL's businesses are subject to risks associated with legislative and regulatory initiatives.
- NextEra Energy and FPL are subject to numerous environmental laws and regulations that require capital expenditures, increase their cost of operations and may expose them to liabilities.
- NextEra Energy's and FPL's businesses could be negatively affected by federal or state laws or regulations mandating new or additional limits on the production of greenhouse gas emissions.

- The construction, operation and maintenance of nuclear generation facilities involve risks that could result in fines or the closure of nuclear generation facilities owned by NextEra Energy or FPL and in increased costs and capital expenditures.
- NextEra Energy's and FPL's operating results could suffer if they do not proceed with projects under development or are unable to complete the construction of, or capital improvements to, generation, transmission, distribution or other facilities on schedule or within budget.
- The operation and maintenance of power generation, transmission and distribution facilities involve significant risks that could adversely affect the financial results of NextEra Energy and FPL.
- NextEra Energy and FPL are subject to operating risks associated with their natural gas and oil storage and pipeline infrastructure, and the use of such fuels in their generation facilities.
- NextEra Energy's competitive energy business is subject to development and operating risks that could limit the revenue growth of this business and have other negative effects on NextEra Energy's financial results.
- NextEra Energy's competitive energy business is dependent on continued public policy support and governmental support for renewable energy, particularly wind and solar projects.
- NextEra Energy and FPL are subject to credit and performance risk from customers, counterparties and vendors.
- NextEra Energy's and FPL's financial results may continue to be negatively affected by slower customer growth and customer usage.
- NextEra Energy's and FPL's financial results are subject to risks associated with weather conditions, such as the impact of severe weather.
- Disruptions, uncertainty or volatility in the credit and capital markets may negatively affect NextEra Energy'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 NextEra Energy and FPL and exert downward pressure on the market price of NextEra Energy's common stock.
- NextEra Energy's, NextEra Energy Capital Holdings, Inc.'s (Capital Holdings) and FPL's inability to maintain their current credit ratings may adversely affect NextEra Energy's and FPL's liquidity, limit the ability of NextEra Energy and FPL to grow their businesses, and increase interest costs, while the liquidity of the companies also could be impaired by the inability of their credit providers to maintain their current credit ratings or to fund their credit commitments.
- The use of derivative contracts by NextEra Energy and FPL in the normal course of business could result in financial losses or the payment of margin cash collateral that could adversely affect their financial results and liquidity.

- NextEra Energy's and FPL's financial results and liquidity 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 NextEra Energy and FPL.
- NextEra Energy'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.
- NextEra Energy 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 NextEra Energy or if NextEra Energy is required to perform under guarantees of obligations of its subsidiaries.
- Changes in tax laws, as well as judgments and estimates used in the determination of tax-related asset and liability amounts, could adversely affect NextEra Energy's and FPL's financial results, financial condition and liquidity.
- NextEra Energy'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 financial results of the retail businesses.
- A failure in NextEra Energy's and FPL's operational systems or infrastructure, or those of third parties, could impair their liquidity, disrupt their businesses, result in the disclosure of confidential information and adversely affect their financial results.
- Threats of terrorism and catastrophic events that could result from terrorism, cyber attacks, or individuals and/or groups attempting to disrupt NextEra Energy's and FPL's businesses, or the businesses of third parties, may impact the operations of NextEra Energy and FPL in unpredictable ways and could adversely affect NextEra Energy's and FPL's financial results and liquidity.

- The ability of NextEra Energy 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. NextEra Energy's and FPL's insurance coverage may not provide protection against all significant losses.
- The businesses and financial results of NextEra Energy and FPL could be negatively affected by the lack of a qualified workforce, work strikes or stoppages and increasing personnel costs.
- Certain of NextEra Energy's and FPL's investments are subject to changes in market value and other risks, which may adversely affect NextEra Energy's and FPL's liquidity and financial results.
- Increasing costs associated with health care plans may adversely affect NextEra Energy's and FPL's financial results.

These factors should be read together with the risk factors included in Part I, Item 1A. Risk Factors in NextEra Energy's and FPL's Annual Report on Form 10-K for the year ended December 31, 2010 (2010 Form 10-K) and Part II, Item 1A. Risk Factors in NextEra Energy's and FPL's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2011 (March 2011 Form 10-Q) and in this combined Form 10-Q, and investors should refer to those sections of the 2010 Form 10-K, the March 2011 Form 10-Q and this combined Form 10-Q. Any forward-looking statement speaks only as of the date on which such statement is made, and NextEra Energy 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. NextEra Energy 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 NextEra Energy's internet website, www.nexteraenergy.com, as soon as reasonably practicable after they are electronically filed with or furnished to the SEC. Information on NextEra Energy's website (or any of its subsidiaries' websites) is not incorporated by reference in this combined Form 10-Q. The SEC maintains an internet website at www.sec.gov that contains reports, proxy statements and other information about NextEra Energy and FPL filed electronically with the SEC.

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 June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
OPERATING REVENUES	\$3,961	\$3,591	\$7,094	\$7,213
OPERATING EXPENSES				
Fuel, purchased power and interchange	1,557	1,455	2,962	2,804
Other operations and maintenance	771	752	1,463	1,411
Impairment charges	51	-	51	-
Depreciation and amortization	408	386	740	800
Taxes other than income taxes and other	267	289	543	550
Total operating expenses	3,054	2,882	5,759	5,565
OPERATING INCOME	907	709	1,335	1,648
OTHER INCOME (DEDUCTIONS)				
Interest expense	(256)	(247)	(510)	(485)
Equity in earnings of equity method investees	18	15	29	23
Allowance for equity funds used during construction	10	9	22	15
Interest income	16	28	37	47
Gains on disposal of assets - net	25	9	42	48
Other - net	7	(29)	8	(32)
Total other deductions - net	(180)	(215)	(372)	(384)
INCOME BEFORE INCOME TAXES	727	494	963	1,264
INCOME TAXES	147	77	115	291
NET INCOME	\$580	\$417	\$848	\$973
Earnings per share of common stock:				
Basic	\$1.39	\$1.02	\$2.04	\$2.38
Assuming dilution	\$1.38	\$1.01	\$2.03	\$2.37
Dividends per share of common stock	\$0.55	\$0.50	\$1.10	\$1.00
Weighted-average number of common shares outstanding:				

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Basic	416.9	408.9	416.4	408.2
Assuming dilution	419.3	411.4	418.9	410.7

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 2010 Form 10-K for NextEra Energy and FPL.

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

	June 30, 2011	December 31, 2010
PROPERTY, PLANT AND EQUIPMENT		
Electric utility plant in service and other property	\$50,944	\$ 48,841
Nuclear fuel	1,519	1,539
Construction work in progress	3,678	3,841
Less accumulated depreciation and amortization	(15,287)	(15,146)
Total property, plant and equipment - net (\$3,376 and \$2,398 related to VIEs, respectively)	40,854	39,075
CURRENT ASSETS		
Cash and cash equivalents	287	302
Customer receivables, net of allowances of \$10 and \$20, respectively	1,633	1,509
Other receivables	500	1,073
Materials, supplies and fossil fuel inventory	1,072	857
Regulatory assets:		
Deferred clause and franchise expenses	359	368
Derivatives	141	236
Other	84	82
Derivatives	333	506
Other	404	325
Total current assets	4,813	5,258
OTHER ASSETS		
Special use funds	3,905	3,742
Other investments	954	971
Prepaid benefit costs	1,298	1,259
Regulatory assets:		
Securitized storm-recovery costs (\$338 and \$356 related to a VIE, respectively)	550	581
Other	397	329
Derivatives	462	589
Other	1,324	1,190
Total other assets	8,890	8,661
TOTAL ASSETS	\$54,557	\$ 52,994
CAPITALIZATION		
Common stock	\$4	\$ 4
Additional paid-in capital	5,525	5,418
Retained earnings	9,262	8,873
Accumulated other comprehensive income	115	166
Total common shareholders' equity	14,906	14,461
Long-term debt (\$1,746 and \$1,338 related to VIEs, respectively)	19,235	18,013
Total capitalization	34,141	32,474

CURRENT LIABILITIES		
Commercial paper	1,050	889
Current maturities of long-term debt	1,168	1,920
Accounts payable	1,280	1,124
Customer deposits	638	634
Accrued interest and taxes	622	462
Regulatory liabilities:		
Deferred clause and franchise revenues	29	47
Other	2	4
Derivatives	389	536
Accrued construction-related expenditures	388	371
Other	823	917
Total current liabilities	6,389	6,904
OTHER LIABILITIES AND DEFERRED CREDITS		
Asset retirement obligations	1,587	1,639
Accumulated deferred income taxes	5,281	5,109
Regulatory liabilities:		
Accrued asset removal costs	2,191	2,244
Asset retirement obligation regulatory expense difference	1,666	1,592
Other	446	423
Derivatives	235	243
Deferral related to differential membership interests - VIEs	1,101	949
Other	1,520	1,417
Total other liabilities and deferred credits	14,027	13,616
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	\$54,557	\$ 52,994

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2010 Form 10-K for NextEra Energy and FPL.

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

	Six Months Ended June 30,	
	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$848	\$973
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	740	800
Nuclear fuel amortization	131	140
Impairment charges	51	-
Unrealized (gains) losses on marked to market energy contracts	86	(291)
Deferred income taxes	156	280
Cost recovery clauses and franchise fees	(32)	(600)
Changes in prepaid option premiums and derivative settlements	8	166
Equity in earnings of equity method investees	(29)	(23)
Distributions of earnings from equity method investees	48	21
Allowance for equity funds used during construction	(22)	(15)
Gains on disposal of assets - net	(42)	(48)
Changes in operating assets and liabilities:		
Customer receivables	(123)	(54)
Other receivables	113	17
Materials, supplies and fossil fuel inventory	(214)	51
Other current assets	(75)	(205)
Other assets	(119)	95
Accounts payable	193	360
Income taxes	94	(4)
Interest and other taxes	193	151
Other current liabilities	(64)	(87)
Other liabilities	(37)	(35)
Other - net	87	56
Net cash provided by operating activities	1,991	1,748
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures of FPL	(1,471)	(1,462)
Independent power and other investments of NextEra Energy Resources	(1,074)	(1,168)
Cash grants under the American Recovery and Reinvestment Act of 2009	486	511
Nuclear fuel purchases	(159)	(98)
Other capital expenditures	(156)	(29)
Proceeds from sale or maturity of securities in special use funds	2,575	4,138
Purchases of securities in special use funds	(2,621)	(4,198)
Proceeds from sale or maturity of other securities	319	438
Purchases of other securities	(343)	(427)
Other - net	85	12
Net cash used in investing activities	(2,359)	(2,283)

CASH FLOWS FROM FINANCING ACTIVITIES

Issuances of long-term debt	1,453	1,585
Retirements of long-term debt	(991)	(269)
Proceeds from sale of differential membership interests	210	190
Net change in short-term debt	160	(54)
Issuances of common stock - net	33	69
Dividends on common stock	(459)	(410)
Other - net	(53)	15
Net cash provided by financing activities	353	1,126
Net increase (decrease) in cash and cash equivalents	(15)	591
Cash and cash equivalents at beginning of period	302	238
Cash and cash equivalents at end of period	\$287	\$829

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

Accrued property additions	\$570	\$555
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This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2010 Form 10-K for NextEra Energy and FPL.

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

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2011	2010	2011	2010
OPERATING REVENUES	\$2,801	\$2,580	\$5,047	\$4,908
OPERATING EXPENSES				
Fuel, purchased power and interchange	1,304	1,205	2,375	2,312
Other operations and maintenance	434	424	808	797
Depreciation and amortization	212	193	354	422
Taxes other than income taxes and other	280	257	532	483
Total operating expenses	2,230	2,079	4,069	4,014
OPERATING INCOME	571	501	978	894
OTHER INCOME (DEDUCTIONS)				
Interest expense	(96)	(91)	(187)	(179)
Allowance for equity funds used during construction	9	9	21	15
Other - net	1	(1)	(1)	-
Total other deductions - net	(86)	(83)	(167)	(164)
INCOME BEFORE INCOME TAXES	485	418	811	730
INCOME TAXES	184	153	305	274
NET INCOME	\$301	\$265	\$506	\$456

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2010 Form 10-K for NextEra Energy and FPL.

FLORIDA POWER & LIGHT COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(millions)
(unaudited)

	June 30, 2011	December 31, 2010
ELECTRIC UTILITY PLANT		
Plant in service	\$30,895	\$ 29,519
Nuclear fuel	815	729
Construction work in progress	1,748	2,175
Less accumulated depreciation and amortization	(10,883)	(10,871)
Electric utility plant - net	22,575	21,552
CURRENT ASSETS		
Cash and cash equivalents	41	20
Customer receivables, net of allowances of \$9 and \$17, respectively	832	710
Other receivables	329	395
Materials, supplies and fossil fuel inventory	687	505
Regulatory assets:		
Deferred clause and franchise expenses	359	368
Derivatives	141	236
Other	77	76
Other	204	145
Total current assets	2,670	2,455
OTHER ASSETS		
Special use funds	2,744	2,637
Prepaid benefit costs	1,062	1,035
Regulatory assets:		
Securitized storm-recovery costs (\$338 and \$356 related to a VIE, respectively)	550	581
Other	363	293
Other	164	145
Total other assets	4,883	4,691
TOTAL ASSETS	\$30,128	\$ 28,698
CAPITALIZATION		
Common stock	\$1,373	\$ 1,373
Additional paid-in capital	5,053	5,054
Retained earnings	3,451	3,364
Total common shareholder's equity	9,877	9,791
Long-term debt (\$460 and \$486 related to a VIE, respectively)	6,908	6,682
Total capitalization	16,785	16,473
CURRENT LIABILITIES		
Commercial paper	655	101
Current maturities of long-term debt	48	45
Accounts payable	675	554

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Customer deposits	632	628
Accrued interest and taxes	427	311
Regulatory liabilities - deferred clause and franchise revenues	29	47
Derivatives	148	245
Accrued construction-related expenditures	183	183
Other	384	394
Total current liabilities	3,181	2,508

OTHER LIABILITIES AND DEFERRED CREDITS

Asset retirement obligations	1,112	1,083
Accumulated deferred income taxes	4,214	3,835
Regulatory liabilities:		
Accrued asset removal costs	2,191	2,244
Asset retirement obligation regulatory expense difference	1,666	1,592
Other	408	377
Other	571	586
Total other liabilities and deferred credits	10,162	9,717

COMMITMENTS AND CONTINGENCIES

TOTAL CAPITALIZATION AND LIABILITIES	\$30,128	\$ 28,698
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This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2010 Form 10-K for NextEra Energy and FPL.

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

	Six Months Ended June 30,	
	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$506	\$456
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	354	422
Nuclear fuel amortization	72	66
Deferred income taxes	358	135
Cost recovery clauses and franchise fees	(32)	(600)
Allowance for equity funds used during construction	(21)	(15)
Changes in operating assets and liabilities:		
Customer receivables	(122)	4
Other receivables	33	(15)
Materials, supplies and fossil fuel inventory	(182)	59
Other current assets	(65)	(99)
Other assets	(34)	16
Accounts payable	147	330
Income taxes	(133)	54
Interest and other taxes	166	145
Other current liabilities	6	(18)
Other liabilities	(18)	(3)
Other - net	1	79
Net cash provided by operating activities	1,036	1,016
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(1,471)	(1,462)
Cash grants under the American Recovery and Reinvestment Act of 2009	185	85
Nuclear fuel purchases	(111)	(24)
Proceeds from sale or maturity of securities in special use funds	1,808	3,313
Purchases of securities in special use funds	(1,841)	(3,360)
Other - net	32	32
Net cash used in investing activities	(1,398)	(1,416)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuances of long-term debt	248	514
Retirements of long-term debt	(24)	(22)
Net change in short-term debt	554	71
Capital contribution from NextEra Energy	-	135
Dividends	(400)	-
Other - net	5	(2)
Net cash provided by financing activities	383	696

Net increase in cash and cash equivalents	21	296
Cash and cash equivalents at beginning of period	20	83
Cash and cash equivalents at end of period	\$41	\$379

**SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING
ACTIVITIES**

Accrued property additions	\$263	\$294
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This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2010 Form 10-K for NextEra Energy and FPL.

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 2010 Form 10-K for NextEra Energy and FPL. In the opinion of NextEra Energy 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. The results of operations for an interim period generally will not give a true indication of results for the year.

1. Employee Retirement Benefits

NextEra Energy sponsors a qualified noncontributory defined benefit pension plan for substantially all employees of NextEra Energy 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, NextEra Energy sponsors a contributory postretirement plan for health care and life insurance benefits (other benefits) for retirees of NextEra Energy 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		Pension Benefits		Other Benefits	
	Three Months Ended June 30,		Three Months Ended June 30,		Six Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010	2011	2010	2011	2010
	(millions)							
Service cost	\$16	\$15	\$2	\$1	\$32	\$30	\$3	\$3
Interest cost	25	25	5	6	49	51	11	11
Expected return on plan assets	(60)	(60)	(1)	(1)	(119)	(120)	(1)	(1)
Amortization of transition obligation	-	-	1	1	-	-	1	2
Amortization of prior service benefit	(1)	(1)	-	-	(1)	(2)	-	-
Net periodic benefit (income) cost at								
NextEra Energy	\$(20)	\$(21)	\$7	\$7	\$(39)	\$(41)	\$14	\$15
Net periodic benefit (income) cost at FPL	\$(13)	\$(14)	\$5	\$6	\$(26)	\$(28)	\$10	\$11

2. Derivative Instruments

NextEra Energy 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 NextEra Energy Resources, LLC's (NextEra Energy Resources) power generation assets.

With respect to commodities related to NextEra Energy's competitive energy business, NextEra Energy Resources 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 NextEra Energy Resources' 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 protect NextEra Energy Resources against adverse changes in the wholesale forward commodity markets associated with its generation assets. With regard to full energy and capacity requirements services, NextEra Energy Resources 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, NextEra Energy Resources takes positions in the energy markets based on differences between actual forward market levels and management's view of fundamental market conditions. NextEra Energy Resources uses derivative instruments to realize value from these market dislocations, subject to strict risk management limits around market, operational and credit exposure.

Derivative instruments, when required to be marked to market, are recorded on NextEra Energy'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 NextEra Energy's non-rate regulated operations, predominantly NextEra Energy Resources, unless hedge accounting is applied, 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 NextEra Energy'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. Settlements related to derivative instruments are primarily recognized in net cash provided by operating activities in NextEra Energy's and FPL's condensed consolidated statements of cash flows.

While most of NextEra Energy'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 commodity derivatives, NextEra Energy Resources 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. For interest rate swaps and foreign currency derivative instruments, generally NextEra Energy 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. See Note 6. The ineffective portion of net unrealized gains (losses) on these hedges is reported in earnings in the current period. At June 30, 2011, NextEra Energy's accumulated other comprehensive income (AOCI) included amounts related to discontinued commodity cash flow hedges with expiration dates through December 2012; interest rate cash flow hedges with expiration dates through December 2030; and foreign currency cash flow hedges with expiration dates through September 2030.

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

	NextEra Energy		FPL	
	June 30, 2011	December 31, 2010	June 30, 2011	December 31, 2010
	(millions)			
Current derivative assets(a)	\$ 333	\$ 506	\$ 7(b)	\$ 8(b)
Noncurrent derivative assets(c)	462	589	4(d)	1(d)
Current derivative liabilities(e)	(389)	(536)	(148)	(245)
Noncurrent derivative liabilities(f)	(235)	(243)	(3)(g)	-(g)
Total mark-to-market derivative instrument assets (liabilities)	\$ 171	\$ 316	\$ (140)	\$ (236)

-
- (a) At June 30, 2011 and December 31, 2010, NextEra Energy's balances reflect the netting of approximately \$42 million and \$23 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 June 30, 2011 and December 31, 2010, NextEra Energy's balances reflect the netting of approximately \$29 million and \$43 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 June 30, 2011 and December 31, 2010, NextEra Energy's balances reflect the netting of approximately \$18 million and \$23 million (none at FPL), respectively, in margin cash collateral provided to counterparties.
 - (f) At June 30, 2011 and December 31, 2010, NextEra Energy's balances reflect the netting of approximately \$65 million and \$72 million (none at FPL), respectively, in margin cash collateral provided to counterparties.
 - (g) Included in noncurrent other liabilities on FPL's condensed consolidated balance sheets.

At June 30, 2011 and December 31, 2010, NextEra Energy had approximately \$20 million and \$7 million (none at FPL), respectively, in margin cash collateral received from counterparties that was not offset against derivative assets. These amounts are included in other current liabilities in the condensed consolidated balance sheets. Additionally, at June 30, 2011 and December 31, 2010, NextEra Energy had approximately \$84 million and \$58 million (none at FPL), respectively, in margin cash collateral provided to counterparties that was not offset against derivative liabilities. These amounts are included in other current assets in the condensed consolidated balance sheets.

As discussed above, NextEra Energy 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 NextEra Energy's and FPL's net derivative positions at June 30, 2011 and December 31, 2010, 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. However, disclosure rules require that the following tables be presented on a gross basis.

The fair values of NextEra Energy's derivatives designated as hedging instruments for accounting purposes are presented below as gross asset and liability values, as required by disclosure rules.

	June 30, 2011		December 31, 2010	
	Derivative Assets	Derivative Liabilities	Derivative Assets	Derivative Liabilities
	(millions)			
Interest rate swaps:				
Current derivative assets	\$11	\$-	\$16	\$-
Current derivative liabilities	-	65	-	64
Noncurrent derivative assets	41	-	91	-
Noncurrent derivative liabilities	-	92	-	59
Foreign currency swaps:				
Current derivative assets	-	-	24	-
Current derivative liabilities	-	4	-	4
Noncurrent derivative assets	7	-	11	-
Total	\$59	\$161	\$142	\$127

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

	Three Months Ended June 30,							
	2011				2010			
	Commodity Contracts	Interest Rate Swaps	Foreign Currency Swaps	Total	Commodity Contracts	Interest Rate Swaps	Foreign Currency Swap	Total
	(millions)							
Gains (losses) recognized in OCI	\$ -	\$ (119)	\$ 10	\$ (109)	\$ -	\$ (72)	\$ 8	\$ (64)
Gains (losses) reclassified from AOCI to net income	\$ 14(a)	\$ (24)(b)	\$ 7(c)	\$ (3)	\$ 32(a)	\$ (9)(b)	\$ 8(c)	\$ 31

(a) Included in operating revenues.

(b) Included in interest expense.

(c) Loss of approximately \$1 million is included in interest expense and the balance is included in other - net.

	Six Months Ended June 30,							
	2011				2010			
	Commodity	Interest	Foreign	Total	Commodity	Interest	Foreign	Total
	(millions)							

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	Contracts	Rate Swaps	Currency Swaps		Contracts	Rate Swaps	Currency Swap	
				(millions)				
Gains (losses) recognized in OCI	\$ -	\$ (118)	\$ (6)	\$ (124)	\$ 19	\$ (106)	\$ 4	\$ (83)
Gains (losses) reclassified from AOCI to net income	\$ 19(a)	\$ (43)(b)	\$ (4)(c)	\$ (28)	\$ 68(a)	\$ (26)(b)	\$ 6(d)	\$ 48
Gains (losses) recognized in income(e)	\$ -	\$ -	\$ -	\$ -	\$ 1(a)	\$ -	\$ -	\$ 1

- (a) Included in operating revenues.
(b) Included in interest expense.
(c) Loss of approximately \$3 million is included in interest expense and the balance is included in other - net.
(d) Loss of approximately \$1 million is included in interest expense and the balance is included in other - net.
(e) Represents the ineffective portion of the hedging instrument.

For the three and six months ended June 30, 2011, NextEra Energy recorded a gain of approximately \$9 million and \$3 million, respectively, on three fair value hedges which is reflected in interest expense in the condensed consolidated statements of income and resulted in a corresponding increase in the related debt. For the three and six months ended June 30, 2010, NextEra Energy recorded a gain of approximately \$4 million and \$4 million, respectively, on two fair value hedges which is reflected in interest expense in the condensed consolidated statements of income and resulted in a corresponding increase in the related debt.

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The fair values of NextEra Energy'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.

	June 30, 2011				December 31, 2010			
	NextEra Energy		FPL		NextEra Energy		FPL	
	Derivative Assets	Derivative Liabilities	Derivative Assets	Derivative Liabilities	Derivative Assets	Derivative Liabilities	Derivative Assets	Derivative Liabilities
	(millions)							
Commodity contracts:								
Current derivative assets	\$ 633	\$ 281	\$ 11(a)	\$ 4(a)	\$ 754	\$ 278	\$ 9(a)	\$ 1(a)
Current derivative liabilities	1,561	1,898	11	159	1,848	2,339	12	257
Noncurrent derivative assets	592	150	6(b)	2(b)	687	157	1(b)	-(b)
Noncurrent derivative liabilities	786	992	2(c)	5(c)	828	1,084	-	-
Foreign currency swap:								
Current derivative assets	-	-	-	-	13	-	-	-
Current derivative liabilities	-	1	-	-	-	-	-	-
Noncurrent derivative liabilities	-	2	-	-	-	-	-	-
Interest rate contracts:								
Current derivative assets	12	-	-	-	-	-	-	-
Noncurrent derivative assets	1	-	-	-	-	-	-	-
Total	\$ 3,585	\$ 3,324	\$ 30	\$ 170	\$ 4,130	\$ 3,858	\$ 22	\$ 258

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

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

	Three Months Ended		Six Months Ended	
	June 30, 2011	June 30, 2010	June 30, 2011	June 30, 2010
	(millions)			
Commodity contracts:				
Operating revenues	\$ 154(a)	\$ (9)(a)	\$ 2(a)	\$ 261(a)

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Fuel, purchased power and interchange	23	27	(2)	94
Foreign currency swap - Other - net	2	7	(3)	5
Interest rate contracts - Other - net	4	-	4	-
Total	\$ 183	\$ 25	\$ 1	\$ 360

(a) In addition, for both the three and six months ended June 30, 2011, FPL recorded approximately \$68 million of losses related to commodity contracts as regulatory assets on its condensed consolidated balance sheets. For the three and six months ended June 30, 2010, FPL recorded approximately \$63 million of gains and \$392 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 NextEra Energy'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 NextEra Energy's and FPL's overall net economic exposure because NextEra Energy and FPL do not use derivative instruments to hedge all of their commodity exposures. At June 30, 2011, NextEra Energy and FPL had derivative commodity contracts for the following net notional volumes:

Commodity Type	NextEra Energy (millions)	FPL
Power	(101) mwh(a)	-
Natural gas	1,176 mmbtu(b)	844 mmbtu(b)
Oil	(1) barrels	1 barrels

(a) Megawatt-hours

(b) One million British thermal units

At June 30, 2011, NextEra Energy had 25 interest rate swaps with a notional amount totaling approximately \$5.6 billion and two foreign currency swaps with a notional amount totaling approximately \$544 million.

Certain of NextEra Energy'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 June 30, 2011, the aggregate fair value of NextEra Energy's derivative instruments with credit-risk-related contingent features that were in a liability position was approximately \$1.4 billion (\$0.2 billion for FPL).

If the credit-risk-related contingent features underlying these agreements and other commodity-related contracts were triggered, NextEra Energy 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 Capital Holdings' credit ratings were downgraded to BBB/Baa2 (a two level downgrade for FPL and a one level downgrade for Capital Holdings from the current lowest applicable rating), NextEra Energy would be required to post collateral such that the total posted collateral would be approximately \$200 million (\$50 million at FPL). If FPL's and Capital Holdings' credit ratings were downgraded to below investment grade, NextEra Energy would be required to post additional collateral such that the total posted collateral would be approximately \$2.3 billion (\$0.8 billion at FPL). Some contracts at NextEra Energy, 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, NextEra Energy could be required to post additional collateral of up to approximately \$650 million (\$150 million at FPL).

Collateral may be posted in the form of cash or credit support. At June 30, 2011, NextEra Energy had posted approximately \$90 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 Capital Holdings have bank revolving line of 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 bank revolving line of 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, NextEra Energy 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

NextEra Energy 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. NextEra Energy'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 is also considered in the determination of fair value for all assets and liabilities measured at fair value, including the consideration of a credit valuation adjustment.

Cash Equivalents - Cash equivalents consist of short-term, highly liquid investments with original maturities of three months or less. NextEra Energy 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 - NextEra Energy 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 - NextEra Energy and FPL measure the fair value of commodity contracts on a daily basis 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.

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.

NextEra Energy 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 exchange markets are deemed to be inactive or do not have a similar contract that trades on an exchange, 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.

NextEra Energy, through NextEra Energy Resources, also enters into full requirements contracts, which, in many 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 NextEra Energy have one or more significant inputs that are not observable, and are valued using industry-standard option models.

In all cases where NextEra Energy 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 includes, but is not limited to, assumptions about market liquidity, volatility and contract duration.

NextEra Energy 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. NextEra Energy 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.

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NextEra Energy'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:

	June 30, 2011						
	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Netting(a)	Total		
	(millions)						
Assets:							
Cash equivalents:							
NextEra Energy - equity securities	\$ -	\$ 76	\$ -	\$ -	\$ 76		
Special use funds:							
NextEra Energy:							
Equity securities	\$ 769	\$ 1,276(b)	\$ -	\$ -	\$ 2,045		
U.S. Government and municipal bonds	\$ 517	\$ 106	\$ -	\$ -	\$ 623		
Corporate debt securities	\$ -	\$ 463	\$ -	\$ -	\$ 463		
Mortgage-backed securities	\$ -	\$ 529	\$ -	\$ -	\$ 529		
Other debt securities	\$ -	\$ 121	\$ -	\$ -	\$ 121		
FPL:							
Equity securities	\$ 135	\$ 1,118(b)	\$ -	\$ -	\$ 1,253		
U.S. Government and municipal bonds	\$ 462	\$ 95	\$ -	\$ -	\$ 557		
Corporate debt securities	\$ -	\$ 327	\$ -	\$ -	\$ 327		
Mortgage-backed securities	\$ -	\$ 441	\$ -	\$ -	\$ 441		
Other debt securities	\$ -	\$ 44	\$ -	\$ -	\$ 44		
Other investments:							
NextEra Energy:							
Equity securities	\$ 3	\$ 2	\$ -	\$ -	\$ 5		
U.S. Government and municipal bonds	\$ 13	\$ -	\$ -	\$ -	\$ 13		
Corporate debt securities	\$ -	\$ 52	\$ -	\$ -	\$ 52		
Mortgage-backed securities	\$ -	\$ 36	\$ -	\$ -	\$ 36		
Other	\$ 5	\$ 18	\$ -	\$ -	\$ 23		
Derivatives:							
NextEra Energy:							
Commodity contracts	\$ 1,432	\$ 1,433	\$ 707	\$ (2,849)	\$ 723(c)		
Interest rate swaps	\$ -	\$ 65	\$ -	\$ -	\$ 65(c)		
Foreign currency swaps	\$ -	\$ 7	\$ -	\$ -	\$ 7(c)		
FPL - commodity contracts	\$ -	\$ 23	\$ 7	\$ (19)	\$ 11(c)		
Liabilities:							
Derivatives:							
NextEra Energy:							
Commodity contracts	\$ 1,475	\$ 1,294	\$ 552	\$ (2,861)	\$ 460(c)		
Interest rate swaps	\$ -	\$ 157	\$ -	\$ -	\$ 157(c)		

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Foreign currency swaps	\$	-	\$	7	\$	-	\$	-	\$	7(c)
FPL - commodity contracts	\$	-	\$	168	\$	2	\$	(19)	\$	151(c)

-
- (a) Includes the effect of the contractual ability to settle contracts under master netting arrangements and margin cash collateral payments and receipts.
 - (b) At NextEra Energy, approximately \$1,147 million (\$1,036 million at FPL) are invested in commingled funds whose underlying investments would be Level 1 if those investments were held directly by NextEra Energy or FPL.
 - (c) See Note 2 for a reconciliation of net derivatives to NextEra Energy's and FPL's condensed consolidated balance sheets.

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December 31, 2010

	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Netting(a)	Total
	(millions)				
Assets:					
Cash equivalents:					
NextEra Energy - equity securities	\$ -	\$ 122	\$ -	\$ -	\$ 122
FPL - equity securities	\$ -	\$ 7	\$ -	\$ -	\$ 7
Special use funds:					
NextEra Energy:					
Equity securities	\$ 741	\$ 1,245(b)	\$ -	\$ -	\$ 1,986
U.S. Government and municipal bonds	\$ 495	\$ 127	\$ -	\$ -	\$ 622
Corporate debt securities	\$ -	\$ 486	\$ -	\$ -	\$ 486
Mortgage-backed securities	\$ -	\$ 447	\$ -	\$ -	\$ 447
Other debt securities	\$ -	\$ 108	\$ -	\$ -	\$ 108
FPL:					
Equity securities	\$ 125	\$ 1,082(b)	\$ -	\$ -	\$ 1,207
U.S. Government and municipal bonds	\$ 458	\$ 111	\$ -	\$ -	\$ 569
Corporate debt securities	\$ -	\$ 334	\$ -	\$ -	\$ 334
Mortgage-backed securities	\$ -	\$ 381	\$ -	\$ -	\$ 381
Other debt securities	\$ -	\$ 41	\$ -	\$ -	\$ 41
Other investments:					
NextEra Energy:					
Equity securities	\$ 3	\$ 1	\$ -	\$ -	\$ 4
U.S. Government and municipal bonds	\$ 8	\$ 4	\$ -	\$ -	\$ 12
Corporate debt securities	\$ -	\$ 32	\$ -	\$ -	\$ 32
Mortgage-backed securities	\$ -	\$ 58	\$ -	\$ -	\$ 58
Other	\$ 5	\$ 10	\$ -	\$ -	\$ 15
Derivatives:					
NextEra Energy:					
Commodity contracts	\$ 1,755	\$ 1,538	\$ 824	\$ (3,177)	\$ 940(c)
Interest rate swaps	\$ -	\$ 107	\$ -	\$ -	\$ 107(c)
Foreign currency swaps	\$ -	\$ 48	\$ -	\$ -	\$ 48(c)
FPL - commodity contracts	\$ -	\$ 14	\$ 8	\$ (13)	\$ 9(c)
Liabilities:					
Derivatives:					
NextEra Energy:					
Commodity contracts	\$ 1,821	\$ 1,509	\$ 528	\$ (3,206)	\$ 652(c)
Interest rate swaps	\$ -	\$ 123	\$ -	\$ -	\$ 123(c)
Foreign currency swaps	\$ -	\$ 4	\$ -	\$ -	\$ 4(c)
FPL - commodity contracts	\$ -	\$ 257	\$ 1	\$ (13)	\$ 245(c)

-
- (a) Includes the effect of the contractual ability to settle contracts under master netting arrangements and margin cash collateral payments and receipts.
 - (b) At NextEra Energy, approximately \$1,084 million (\$980 million at FPL) are invested in commingled funds whose underlying investments would be Level 1 if those investments were held directly by NextEra Energy or FPL.
 - (c) See Note 2 for a reconciliation of net derivatives to NextEra Energy's and FPL's condensed consolidated balance sheets.

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

	Three Months Ended June 30, 2011		Six Months Ended June 30, 2011	
	NextEra Energy	FPL	NextEra Energy	FPL
Fair value of net derivatives based on significant unobservable inputs at March 31 and December 31 of prior period	\$104	\$5	\$296	\$7
Realized and unrealized gains (losses):				
Included in earnings(a)	95	-	13	-
Included in regulatory assets and liabilities	2	2	2	2
Purchases	53	-	141	-
Settlements	(58)	(2)	(103)	(4)
Issuances	(38)	-	(190)	-
Transfers in(b)	1	-	2	-
Transfers out(b)	(4)	-	(6)	-
Fair value of net derivatives based on significant unobservable inputs at June 30	\$155	\$5	\$155	\$5
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)	\$89	\$-	\$8	\$-

- (a) For the three and six months ended June 30, 2011, \$92 million and less than \$1 million, respectively, of realized and unrealized gains (losses) are reflected in operating revenues in the condensed consolidated statements of income. For the three and six months ended June 30, 2011, \$3 million and \$13 million, respectively, of realized and unrealized gains (losses) are reflected in fuel, purchased power and interchange in the condensed consolidated statements of income.
- (b) For the three and six months ended June 30, 2011, 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. NextEra Energy's and FPL's policy is to recognize all transfers at the beginning of the reporting period.
- (c) For the three and six months ended June 30, 2011, \$89 million and \$3 million, respectively, of unrealized gains (losses) are reflected in operating revenues in the condensed consolidated statements of income. For the three and six months ended June 30, 2011, less than \$1 million and \$5 million, respectively, of unrealized gains (losses) are reflected in fuel, purchased power and interchange in the condensed consolidated statements of income.

	Three Months Ended June 30, 2010		Six Months Ended June 30, 2010	
	NextEra Energy	FPL	NextEra Energy	FPL

(millions)

Fair value of net derivatives based on significant unobservable inputs at March 31 and December 31 of prior period	\$549	\$10	\$364	\$11
Realized and unrealized gains (losses):				
Included in earnings(a)	(110)	-	350	-
Included in regulatory assets and liabilities	(1)	(1)	(1)	(1)
Purchases, sales, settlements and issuances	(69)	(2)	(338)	(3)
Transfers in(b)	1	-	2	-
Transfers out(b)	(23)	-	(30)	-
Fair value of net derivatives based on significant unobservable inputs at June 30	\$347	\$7	\$347	\$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)	\$(99)	\$-	\$237	\$-

- (a) For the three and six months ended June 30, 2010, \$(109) million and \$343 million, respectively, of realized and unrealized gains (losses) are reflected in operating revenues in the condensed consolidated statements of income. For the three and six months ended June 30, 2010, \$(1) million and \$7 million, respectively, of realized and unrealized gains (losses) are reflected in fuel, purchased power and interchange in the condensed consolidated statements of income.
- (b) For the three and six months ended June 30, 2010, 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. NextEra Energy's and FPL's policy is to recognize all transfers at the beginning of the reporting period.
- (c) For the three and six months ended June 30, 2010, \$(98) million and \$233 million, respectively, of unrealized gains (losses) are reflected in operating revenues in the condensed consolidated statements of income. For the three and six months ended June 30, 2010, \$(1) million and \$4 million, respectively, of unrealized gains (losses) are reflected in fuel, purchased power and interchange in the condensed consolidated statements of income.

NextEra Energy tests long-lived assets for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. In the second quarter of 2011, recent market value indications and the impact of newly proposed environmental regulations suggested that the carrying value of certain NextEra Energy Resources' assets, primarily wind assets in West Texas and oil-fired assets in Maine, may be impaired. NextEra Energy Resources performed a fair value analysis and concluded that an impairment charge related to the long-lived assets, primarily property, plant and equipment, was necessary. The fair value analysis was primarily based on the income approach using significant unobservable inputs (Level 3) including revenue and generation forecasts, projected capital and maintenance expenditures and discount rates. As a result, long-lived assets held and used with a carrying amount of approximately \$79 million were written down to their fair value of \$28 million, resulting in an impairment charge of \$51 million (\$31 million after-tax), which is recorded as a separate line item in NextEra Energy's condensed consolidated statements of income for the three and six months ended June 30, 2011.

4. Financial Instruments

The carrying amounts of cash equivalents and commercial paper approximate their fair values. At June 30, 2011 and December 31, 2010, other investments of NextEra Energy, not included in the table below, included financial instruments of approximately \$94 million and \$97 million (\$4 million and \$4 million at FPL), respectively, including \$46 million and \$48 million included in current other receivables on the condensed consolidated balance sheets (none at FPL), 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 available market information. However, the use of different market assumptions or methods of valuation could result in different estimated fair values.

	June 30, 2011		December 31, 2010	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
	(millions)			
NextEra Energy:				
Special use funds	\$ 3,905(a)	\$ 3,905(b)	\$ 3,742(a)	\$ 3,742(b)
Other investments:				
Notes receivable	\$ 503	\$ 548(c)	\$ 525	\$ 583(c)
Debt securities	\$ 120(d)	\$ 120(b)	\$ 114(d)	\$ 114(b)
Equity securities	\$ 75	\$ 154(e)	\$ 57	\$ 125(e)
Long-term debt, including current maturities	\$ 20,399	\$ 21,331(f)	\$ 19,929	\$ 20,756(f)
Interest rate swaps - net unrealized losses	\$ (93)	\$ (93)(g)	\$ (16)	\$ (16)(g)
Foreign currency swaps - net unrealized gains	\$ 1	\$ 1(g)	\$ 44	\$ 44(g)
FPL:				
Special use funds	\$ 2,744(a)	\$ 2,744(b)	\$ 2,637(a)	\$ 2,637(b)
Long-term debt, including current maturities	\$ 6,956	\$ 7,478(f)	\$ 6,727	\$ 7,236(f)

(a) At June 30, 2011, includes \$90 million of investments accounted for under the equity method and \$34 million of loans not measured at fair value on a recurring basis (\$104 million and \$18 million, respectively, for FPL). At December 31, 2010, includes \$76 million of investments accounted for under the equity method and \$17 million of loans not measured at fair value on a recurring basis (\$94 million and \$11 million, respectively, for FPL). For the remaining balances, see Note 3 for classification by major security type. The amortized cost of debt and

equity securities is \$1,623 million and \$1,420 million, respectively, at June 30, 2011 and \$1,616 million and \$1,489 million, respectively, at December 31, 2010 (\$1,308 million and \$857 million, respectively, at June 30, 2011 and \$1,281 million and \$943 million, respectively, at December 31, 2010 for FPL).

- (b) Based on quoted market prices for these or similar issues.
- (c) Classified as held to maturity. Based on market prices provided by external sources. Notes receivable bear interest primarily at fixed rates and mature from 2014 to 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 standings and ratings and market-related information. As of June 30, 2011, neither NextEra Energy nor FPL had any notes receivable reported in non-accrual status.
- (d) Classified as trading securities.
- (e) Modeled internally based on latest market data.
- (f) Provided by external sources based on market prices indicative of market conditions.
- (g) Modeled internally based on market values using discounted cash flow analysis and credit valuation adjustment.

Special Use Funds - The special use funds consist of FPL's storm fund assets of \$128 million and NextEra Energy's and FPL's nuclear decommissioning fund assets of \$3,777 million and \$2,616 million, respectively, at June 30, 2011. The majority of investments held in the special use funds consist of equity and debt securities which are classified as available for sale and are 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 NextEra Energy'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 NextEra Energy's condensed consolidated statements of income. Debt securities included in the nuclear decommissioning funds have a weighted-average maturity at June 30, 2011 of approximately eight years at both NextEra Energy and FPL. FPL's storm fund primarily consists of debt securities with a weighted-average maturity at June 30, 2011 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:

	Three Months Ended June 30,				Six Months Ended June 30			
	2011		2010		2011		2010	
	NextEra Energy	FPL	NextEra Energy	FPL	NextEra Energy	FPL	NextEra Energy	FPL
	(millions)							
Realized gains	\$ 57	\$ 26	\$ 17	\$ 7	\$ 87	\$ 38	\$ 62	\$ 31
Realized losses	\$ 22	\$ 15	\$ 4	\$ 3	\$ 43	\$ 34	\$ 14	\$ 11
Proceeds from sale or maturity of securities	\$ 1,228	\$ 844	\$ 1,575	\$ 1,114	\$ 2,575	\$ 1,808	\$ 4,138	\$ 3,313

Unrealized losses on available for sale debt securities at June 30, 2011 and December 31, 2010 were not material to NextEra Energy or FPL. The unrealized gains on available for sale securities are as follows:

	NextEra Energy		FPL	
	June 30, 2011	December 31, 2010	June 30, 2011	December 31, 2010
	(millions)			
Equity securities	\$670	\$612	\$441	\$384
U.S. Government and municipal bonds	\$19	\$15	\$18	\$15
Corporate debt securities	\$24	\$23	\$20	\$19
Mortgage-backed securities	\$23	\$20	\$20	\$18
Other debt securities	\$3	\$2	\$2	\$1

Regulations issued by the Federal Energy Regulatory Commission (FERC) and the U.S. Nuclear Regulatory Commission (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 NextEra Energy or its subsidiaries, affiliates or associates, excluding investments tied to market indices or mutual funds. Similar restrictions applicable to the decommissioning funds for NextEra Energy Resources'

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 NextEra Energy Resources' 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 NextEra Energy 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 - NextEra Energy 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, Capital Holdings has entered into cross currency swaps, one of which hedges against currency movements with respect to both interest and principal payments and another which hedges against currency and interest rate movements with respect to both interest and principal payments. See Note 2.

5. Income Taxes

NextEra Energy's effective income tax rate for the three months ended June 30, 2011 and 2010 was approximately 20% and 16%, respectively. The reduction from the federal statutory rate mainly reflects the benefit of wind production tax credits (PTCs) of approximately \$84 million and \$89 million, respectively, related to NextEra Energy Resources' wind projects and approximately \$1 million and \$16 million, respectively, of 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), for certain wind projects expected to be placed in service. NextEra Energy's effective income tax rate for the three months ended June 30, 2011 also reflects a state deferred income tax benefit (state deferred income tax benefit) included in the Corporate and Other segment of approximately \$64 million, net of federal income taxes, related to recent state tax law changes.

NextEra Energy's effective income tax rate for the six months ended June 30, 2011 and 2010 was approximately 12% and 23%, respectively. The reduction from the federal statutory rate mainly reflects the benefit of wind PTCs of approximately \$163 million and \$164 million, respectively, and approximately \$8 million and \$30 million, respectively, of deferred income tax benefits associated with convertible ITCs. NextEra Energy's effective income tax rate for the six months ended June 30, 2011 also reflects the state deferred income tax benefit and a \$26 million reduction in income tax expense, net of federal income taxes, primarily related to a valuation allowance reversal for certain state ITCs reflecting state income tax planning initiatives (state ITC benefit).

NextEra Energy 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. NextEra Energy 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 can significantly affect NextEra Energy's effective income tax rate depending on the amount of pretax income and wind generation.

During the first quarter of 2011, NextEra Energy finalized a settlement with the Internal Revenue Service (IRS) with respect to the 1988 through 2005 tax years and closed out the examination of years 2006 through 2008 (collectively, IRS settlement). The IRS settlement primarily related to NextEra Energy's and FPL's timing of certain deductions for repairs, casualty losses and indirect service costs. During the second quarter of 2011, NextEra Energy received a cash refund from the IRS of approximately \$278 million related to the IRS settlement. Also as a result of the IRS settlement, NextEra Energy's gross liability for unrecognized tax benefits was reduced by \$248 million (\$214 million for FPL) and accrued net interest receivable was reduced by \$131 million (\$38 million for FPL). The IRS settlement did not have a material effect on NextEra Energy's or FPL's net income. As of June 30, 2011, the gross liability for unrecognized tax benefits was \$18 million (\$2 million for FPL). The net interest receivable (payable) related to the net income tax receivable (payable) was \$8 million ((\$16) million for FPL).

6. Comprehensive Income

NextEra Energy's comprehensive income is as follows:

	Three Months Ended June 30,	
	2011	2010
	(millions)	
Net income of NextEra Energy	\$580	\$417
Net unrealized gains (losses) on cash flow hedges:		

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Effective portion of net unrealized losses (net of \$28 and \$24 tax benefit, respectively)	(81)	(40)
Reclassification from AOCI to net income (net of \$1 and \$13 tax benefit, respectively)	4	(18)
Net unrealized gains (losses) on available for sale securities:		
Net unrealized gains (losses) on securities still held (net of \$1 tax expense and \$22 tax benefit, respectively)	1	(32)
Reclassification from AOCI to net income (net of \$9 and \$4 tax benefit, respectively)	(13)	(5)
Net unrealized gains (losses) on foreign currency translation (net of \$1 tax expense and \$6 tax benefit, respectively)	2	(12)
Comprehensive income of NextEra Energy	\$493	\$310

	Six Months Ended June 30, 2011 2010 (millions)	
Net income of NextEra Energy	\$848	\$973
Net unrealized gains (losses) on cash flow hedges:		
Effective portion of net unrealized losses (net of \$33 and \$30 tax benefit, respectively)	(91)	(52)
Reclassification from AOCI to net income (net of \$7 tax expense and \$21 tax benefit, respectively)	21	(27)
Net unrealized gains (losses) on available for sale securities:		
Net unrealized gains (losses) on securities still held (net of \$15 tax expense and \$6 tax benefit, respectively)	23	(13)
Reclassification from AOCI to net income (net of \$14 and \$11 tax benefit, respectively)	(22)	(14)
Defined benefit pension and other benefits plans (net of \$4 tax expense)	6	-
Net unrealized gains (losses) on foreign currency translation (net of \$6 tax expense and \$7 tax benefit, respectively)	12	(14)
Comprehensive income of NextEra Energy	\$797	\$853

Approximately \$13 million of losses included in NextEra Energy's AOCI at June 30, 2011 related to derivative instruments are expected to be reclassified into earnings within the next twelve months as either the hedged fuel is consumed, electricity is sold or principal and/or interest payments are made. Such amount assumes no change in fuel prices, power prices, interest rates or scheduled principal payments. AOCI is separately displayed on the condensed consolidated balance sheets of NextEra Energy. FPL's comprehensive income is the same as its reported net income.

7. Variable Interest Entities (VIEs)

As of June 30, 2011, NextEra Energy has ten 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 Florida Public Service Commission (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 approximately \$200 million 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 \$421 million and \$444 million at June 30, 2011 and December 31, 2010, respectively, and consisted primarily of storm-recovery property, which are included in securitized storm-recovery costs on NextEra Energy's and FPL's condensed consolidated balance sheets. The liabilities of the

VIE were approximately \$518 million and \$542 million at June 30, 2011 and December 31, 2010, respectively, and consisted primarily of storm-recovery bonds, which are included in long-term debt on NextEra Energy'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 PPA effective in 1994 with this 250 megawatt (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 PPA 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 June 30, 2011 and 2010, FPL purchased 380,847 mwh and 373,152 mwh, respectively, from the facility at a total cost of approximately \$51 million and \$46 million, respectively. During the six months ended June 30, 2011 and 2010, FPL purchased 637,522 mwh and 735,542 mwh, respectively, from the facility at a total cost of approximately \$94 million and \$91 million, respectively.

Additionally, FPL entered into a PPA 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.

NextEra Energy Resources - NextEra Energy consolidates eight NextEra Energy Resources' VIEs. NextEra Energy Resources is considered the primary beneficiary of these VIEs since NextEra Energy Resources 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.

Three of NextEra Energy Resources' VIEs consolidate several entities which own and operate natural gas and/or oil electric generating facilities with the capability of producing a total of 1,285 mw. These VIEs sell their electric output under power sales contracts to third parties, with expiration dates ranging from 2018 through 2022. The power sales contracts provide the offtaker the ability to dispatch the facilities and require the offtaker to absorb the cost of fuel. These VIEs use third party debt and equity to finance their 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 NextEra Energy Resources. The assets and liabilities of these VIEs totaled approximately \$819 million and \$463 million, respectively, at June 30, 2011 and \$829 million and \$455 million, respectively, at December 31, 2010, and consisted primarily of property, plant and equipment and long-term debt.

The other five NextEra Energy Resources' VIEs consolidate several entities which own and operate wind electric generating facilities with the capability of producing a total of 1,710 mw and an entity which owns and operates a 78 mile, 230 kilovolt transmission line. These VIEs sell their electric output under power sales contracts to third parties with expiration dates ranging from 2018 through 2034. 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 NextEra Energy Resources. The assets and liabilities of these VIEs totaled approximately \$2.9 billion and \$2.3 billion, respectively, at June 30, 2011. Three of the VIEs were consolidated at December 31, 2010, and the assets and liabilities of those VIEs totaled approximately \$1.7 billion and \$1.6 billion, respectively, at December 31, 2010. At June 30, 2011 and December 31, 2010, 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 June 30, 2011 and December 31, 2010, several NextEra Energy subsidiaries have investments totaling approximately \$689 million (\$533 million at FPL) and \$646 million (\$480 million at FPL), respectively, in certain special purpose entities, which consisted primarily of investments in mortgage-backed securities. These investments are included primarily in special use funds and other investments on NextEra Energy's condensed consolidated balance sheets and in special use funds on FPL's condensed consolidated balance sheets. NextEra Energy is considered the primary beneficiary of and therefore consolidates one of these entities with total assets of approximately \$55 million and \$53 million at June 30, 2011 and December 31, 2010, respectively. NextEra Energy is considered the primary beneficiary of this entity because FPL and NextEra Energy Resources are equal investors and, combined, are the majority investors in this entity and absorb the majority of the expected losses and residual returns. With respect to the other entities, NextEra Energy subsidiaries are not the primary beneficiary and therefore do not consolidate any of these entities because NextEra Energy subsidiaries 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 Stock

Earnings Per Share - The reconciliation of NextEra Energy's basic and diluted earnings per share of common stock is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
	(millions, except per share amounts)			
Numerator - net income	\$580	\$417	\$848	\$973
Denominator:				
Weighted-average number of common shares outstanding - basic	416.9	408.9	416.4	408.2
Performance share awards, options, restricted stock and equity units(a)	2.4	2.5	2.5	2.5
Weighted-average number of common shares outstanding - assuming dilution	419.3	411.4	418.9	410.7
Earnings per share of common stock:				
Basic	\$1.39	\$1.02	\$2.04	\$2.38
Assuming dilution	\$1.38	\$1.01	\$2.03	\$2.37

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

Common shares issuable pursuant to equity units and stock options, restricted stock and performance share awards which were not included in the denominator above due to their antidilutive effect were approximately 1.1 million and 7.8 million for the three months ended June 30, 2011 and 2010, respectively, and 14.5 million and 8.7 million for the six months ended June 30, 2011 and 2010, respectively.

9. Debt

As of June 30, 2011, long-term debt issuances and borrowings by subsidiaries of NextEra Energy during 2011 were as follows:

Date Issued	Company	Debt Issuances/Borrowings	Interest Rate	Principal Amount (millions)	Maturity Date
January - April 2011	NextEra Energy Resources subsidiary	Canadian revolving credit facilities	Variable(a)	\$ 135	2013
February 2011	NextEra Energy Resources subsidiary	Senior secured limited recourse notes	6.25%	\$ 82	2031
April - June 2011	NextEra Energy Resources subsidiaries	Euro denominated senior secured limited-recourse loan	Variable(a)(b)	\$ 181	2030
April - June 2011	NextEra Energy Resources subsidiaries	Euro denominated senior secured limited-recourse loan	Variable(a)	\$ 16	2015
June 2011	NextEra Energy Resources subsidiary	Euro denominated revolving loan	Variable(a)	\$ 7	2014
June 2011	FPL	First mortgage bonds	5.125%	\$ 250	2041
June 2011	Capital Holdings	Debentures	4.50%	\$ 400	2021
June 2011	Capital Holdings	Japanese yen denominated term loan	Variable(a)(c)	\$ 424	2014

(a) Variable rate is based on an underlying index plus a margin.

(b) Interest rate swap agreements were entered into with respect to these issuances.

(c) Cross currency basis swap agreements were entered into with respect to both interest and principal payments on this loan.

10. Commitments and Contingencies

Commitments - NextEra Energy 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 NextEra Energy Resources, 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 primarily include the cost for construction of a transmission line by Lone Star Transmission, LLC (Lone Star), a regulated transmission provider in Texas and the cost to meet customer-specific requirements and maintain the fiber-optic network for the fiber-optic telecommunications business (FPL FiberNet).

At June 30, 2011, estimated planned capital expenditures for the remainder of 2011 through 2015 were as follows:

	2011	2012	2013	2014	2015	Total
	(millions)					
FPL:						
Generation:(a)						
New(b)(c)	\$755	\$1,750	\$515	\$85	\$-	\$3,105
Existing	410	785	720	640	550	3,105
Transmission and distribution	430	780	685	640	630	3,165
Nuclear fuel	165	170	255	205	220	1,015
General and other	95	200	215	120	120	750
Total	\$1,855	\$3,685	\$2,390	\$1,690	\$1,520	\$11,140
NextEra Energy Resources:						
Wind(d)	\$340	\$445	\$10	\$5	\$5	\$805
Solar(e)	710	925	485	35	-	2,155
Nuclear(f)	325	290	255	260	280	1,410
Natural gas	50	35	60	40	115	300
Other(g)	125	70	50	60	45	350
Total	\$1,550	\$1,765	\$860	\$400	\$445	\$5,020
Corporate and Other(h)	\$300	\$455	\$70	\$40	\$35	\$900

(a) Includes allowance for funds used during construction (AFUDC) of approximately \$19 million, \$79 million, \$83 million and \$33 million in 2011 to 2014, 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 pretax AFUDC rate) on construction costs recoverable through the capacity clause of approximately \$73 million, \$98 million, \$30 million and \$2 million in 2011 to 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. Excludes capital expenditures for the modernization of the Port Everglades facility, which if the project proceeds and the required regulatory approvals are obtained is expected to cost approximately \$1.2 billion and be placed in-service in 2016.

(d) Consists of capital expenditures for planned new wind projects that have received applicable internal approvals and related transmission. NextEra Energy Resources plans to add new wind generation of approximately 1,400 mw to 2,000 mw in 2011 and 2012, at a total cost of

approximately \$3 billion to \$4 billion. These amounts include 150 mw added to date in 2011.

- (e) Consists of capital expenditures for planned new solar projects that have received applicable internal approvals and related transmission. NextEra Energy Resources plans to add new solar generation of approximately 400 mw to 600 mw in 2010 through 2014, at a total cost of approximately \$3 billion to \$4 billion. These amounts include 5 mw added in 2010 and 5 mw added to date in 2011.
- (f) Includes nuclear fuel.
- (g) Consists of capital expenditures that have received applicable internal approvals. NextEra Energy Resources plans to add natural gas infrastructure projects at a total cost of approximately \$400 million to \$600 million in 2010 through 2014.
- (h) Consists of capital expenditures that have received applicable internal approvals and includes AFUDC of approximately \$6 million, \$40 million and \$14 million in 2011 to 2013, respectively.

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

At June 30, 2011, subsidiaries of NextEra Energy, other than FPL, in the normal course of business, have guaranteed certain debt service and fuel payments of non-consolidated entities of NextEra Energy Resources. The terms of the guarantees relating to the non-consolidated entities are equal to the terms of the related agreements, with remaining terms ranging from less than one year to six years. The maximum potential amount of future payments that could be required under these guarantees at June 30, 2011 was approximately \$54 million. At June 30, 2011, NextEra Energy did not have any liabilities recorded for these guarantees. In certain instances, NextEra Energy can seek recourse from third parties for amounts paid under the guarantees. At June 30, 2011, the fair value of the guarantees was not material. In addition to the guarantees relating to non-consolidated entities, NextEra Energy has guaranteed certain payment obligations of Capital Holdings, including most payment obligations under Capital Holdings' debt and guarantees.

Contracts - In addition to the estimated planned 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 650 mw from certain cogenerators and small power producers (qualifying facilities) with expiration dates ranging from 2024 through 2032. 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 one agreement with an electricity supplier to purchase approximately 155 mw of power with an expiration date of 2012. In general, the agreement requires FPL to make a capacity payment and supply the fuel consumed by the plant under the contract. FPL has contracts with expiration dates through 2036 for the purchase and transportation of natural gas and coal, and storage of natural gas.

NextEra Energy Resources has entered into contracts primarily for the purchase of wind turbines and towers, solar reflectors, 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 August 2011 through 2033, approximately \$1.5 billion of which is included in the estimated planned capital expenditures table in Commitments above. In addition, NextEra Energy Resources has contracts primarily for the purchase, transportation and storage of natural gas and firm transmission service with expiration dates ranging from 2012 through 2033.

The transmission business within Corporate and Other has entered into contracts primarily for development and construction activities relating to Lone Star's transmission line, all of which is included in the estimated planned capital expenditures table in Commitments above.

The required capacity and/or minimum payments under the contracts discussed above as of June 30, 2011 were estimated as follows:

	2011	2012	2013	2014	2015	Thereafter
FPL:						
				(millions)		
Capacity payments:(a)						
Qualifying facilities	\$ 140	\$ 290	\$ 275	\$ 275	\$ 280	\$ 2,630
JEA and Southern subsidiaries	\$ 115	\$ 225	\$ 220	\$ 200	\$ 175	\$ 195
Other electricity suppliers	\$ 5	\$ 5	\$ -	\$ -	\$ -	\$ -
Minimum payments, at projected prices:						
Natural gas, including transportation and storage(b)	\$ 1,265	\$ 1,485	\$ 840	\$ 550	\$ 535	\$ 7,345

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Oil(b)	\$50	\$-	\$-	\$-	\$-	\$-
Coal(b)	\$45	\$70	\$60	\$5	\$-	\$-
NextEra Energy Resources(c)	\$1,630	\$475	\$230	\$185	\$165	\$840
Corporate and Other	\$140	\$235	\$15	\$-	\$-	\$-

- (a) Capacity payments under these contracts, substantially all of which are recoverable through the capacity clause, totaled approximately \$124 million and \$137 million for the three months ended June 30, 2011 and 2010, respectively, and approximately \$247 million and \$286 million for the six months ended June 30, 2011 and 2010, respectively. Energy payments under these contracts, which are recoverable through the fuel clause, totaled approximately \$129 million and \$114 million for the three months ended June 30, 2011 and 2010, respectively, and approximately \$206 million and \$213 million for the six months ended June 30, 2011 and 2010, respectively.
- (b) Recoverable through the fuel clause.
- (c) Includes termination payments associated with wind turbine contracts for projects that have not yet received applicable internal approvals.

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, NextEra Energy 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, NextEra Energy 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. NextEra Energy 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.

NextEra Energy 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. NextEra Energy 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 NextEra Energy's or another participating insured's nuclear plants, NextEra Energy could be assessed up to \$164 million (\$93 million for FPL), plus any applicable taxes, in retrospective premiums in a policy year. NextEra Energy and FPL are contractually entitled to recover a proportionate share of such assessments from the owners of minority interests in Seabrook, Duane Arnold and St. Lucie Unit No. 2, which approximates \$2 million, \$4 million and \$3 million, plus any applicable taxes, respectively.

Due to the high cost and limited coverage available from third-party insurers, NextEra Energy does not have insurance coverage for a substantial portion of its transmission and distribution property and has no 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, would be borne by NextEra Energy and FPL and could have a material adverse effect on NextEra Energy'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 a 76% interest, 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, NextEra Energy, 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 NextEra Energy 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. NextEra Energy has filed an answer to the complaint. NextEra Energy 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 NextEra Energy, 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 case is in discovery and has been scheduled for trial in September 2011.

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 (NextEra Energy Resources 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 NextEra Energy Resources 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 NextEra Energy Resources Affiliates failed to meet this obligation. The plaintiff asserted claims for breach of contract and declaratory judgment and sought damages of approximately \$34 million. Following a jury trial in 2007, among other findings, both TXU and the NextEra Energy Resources 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 has remanded the case back to the trial court for further proceedings to determine the amount of damages payable by the NextEra Energy Resources Affiliates. The NextEra Energy Resources Affiliates filed a motion for rehearing of the appellate court's decision, which motion was denied. In April 2011, the NextEra Energy Resources Affiliates filed a petition for review of the appellate court decision with the Texas Supreme Court, which petition is pending.

NextEra Energy 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, NextEra Energy 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 NextEra Energy or FPL has an ownership interest are also involved in legal and regulatory proceedings, actions and claims, the liabilities from which, if any, would be shared by NextEra Energy or FPL. In the event that NextEra Energy 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 NextEra Energy or FPL.

11. Segment Information

NextEra Energy's reportable segments include FPL, a rate-regulated utility, and NextEra Energy Resources, a competitive energy business. NextEra Energy Resources' financial statements include an allocation of interest expense from Capital Holdings 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. NextEra Energy's segment information is as follows:

	Three Months Ended June 30,							
	2011				2010			
	FPL	NextEra Energy Resources(a)	Corporate & Other	NextEra Energy Consoli- dated (millions)	FPL	NextEra Energy Resources(a)	Corporate & Other	NextEra Energy Consoli- dated
Operating revenues	\$ 2,801	\$ 1,105	\$ 55	\$ 3,961	\$ 2,580	\$ 965	\$ 46	\$ 3,591
Operating expenses	\$ 2,230	\$ 776(b)	\$ 48	\$ 3,054	\$ 2,079	\$ 767	\$ 36	\$ 2,882
Net income (loss)	\$ 301	\$ 239(c)	\$ 40(d)	\$ 580	\$ 265	\$ 154	\$ (2)	\$ 417

	Six Months Ended June 30,							
	2011				2010			
	FPL	NextEra Energy Resources(a)	Corporate & Other	NextEra Energy Consolidated (millions)	FPL	NextEra Energy Resources(a)	Corporate & Other	NextEra Energy Consolidated
Operating revenues	\$ 5,047	\$ 1,938	\$ 109	\$ 7,094	\$ 4,908	\$ 2,212	\$ 93	\$ 7,213
Operating expenses	\$ 4,069	\$ 1,600(b)	\$ 90	\$ 5,759	\$ 4,014	\$ 1,478	\$ 73	\$ 5,565
Net income (loss)	\$ 506	\$ 304(c)	\$ 38(d)	\$ 848	\$ 456	\$ 521	\$ (4)	\$ 973

	June 30, 2011				December 31, 2010			
	FPL	NextEra Energy Resources	Corporate & Other	NextEra Energy Consolidated (millions)	FPL	NextEra Energy Resources	Corporate & Other	NextEra Energy Consolidated
Total assets	\$ 30,128	\$ 22,752	\$ 1,677	\$ 54,557	\$ 28,698	\$ 22,389	\$ 1,907	\$ 52,994

- (a) Interest expense allocated from Capital Holdings to NextEra Energy Resources is based on a deemed capital structure of 70% debt. For this purpose, the deferred credit associated with differential membership interests sold by NextEra Energy Resources subsidiaries is included with debt. Residual non-utility interest expense is included in Corporate and Other.
- (b) Includes impairment charges of approximately \$51 million. See Note 3.
- (c) Includes after-tax impairment charge of approximately \$31 million. See Note 3. See Note 5 for a discussion of NextEra Energy Resources' tax benefits related to PTCs.
- (d) Includes state deferred income tax benefits, net of federal income taxes, of approximately \$64 million, primarily related to recent state tax law changes. See Note 5.

NextEra Energy Resources reviews the estimated useful lives of its fixed assets on an ongoing basis. In the first quarter of 2011, this review indicated that the actual lives of certain equipment at NextEra Energy Resources' wind plants are expected to be longer than the previously estimated useful lives used for depreciation purposes. As a result, effective January 1, 2011, NextEra Energy Resources changed the estimates of the useful lives of certain equipment to better reflect the estimated periods during which these assets are expected to remain in service. The useful lives of substantially all of the wind plants' equipment that were previously estimated to be 25 years were increased to 30 years. The effect of this change in estimate was to reduce depreciation and amortization expense by approximately \$19 million and \$37 million, increase net income by \$11 million and \$22 million, and increase basic and diluted earnings per share by approximately \$0.03 and \$0.05, for the three and six months ended June 30, 2011, respectively. The effect of this change in estimate for the year ended December 31, 2011 is expected to reduce depreciation and amortization expense by approximately \$75 million, increase net income by \$44 million and increase basic and diluted earnings per share by approximately \$0.11.

12. Summarized Financial Information of Capital Holdings

Capital Holdings, a 100% owned subsidiary of NextEra Energy, provides funding for, and holds ownership interests in, NextEra Energy's operating subsidiaries other than FPL. Most of Capital Holdings' debt, including its debentures, and payment guarantees are fully and unconditionally guaranteed by NextEra Energy. Condensed consolidating

financial information is as follows:

Condensed Consolidating Statements of Income

	Three Months Ended June 30,							
	2011			2010				
	NextEra Energy (Guarantor)	Capital Holdings	Other(a)	NextEra Energy Consoli- dated (millions)	NextEra Energy (Guarantor)	Capital Holdings	Other(a)	NextEra Energy Consoli- dated
Operating revenues	\$-	\$1,163	\$2,798	\$3,961	\$-	\$1,013	\$2,578	\$3,591
Operating expenses	(4)	(824)	(2,226)	(3,054)	(2)	(804)	(2,076)	(2,882)
Interest expense	(3)	(159)	(94)	(256)	(4)	(156)	(87)	(247)
Other income (deductions) - net	526	72	(522)	76	427	20	(415)	32
Income (loss) before income taxes	519	252	(44)	727	421	73	-	494
Income tax expense (benefit)	(61)	24	184	147	4	(79)	152	77
Net income (loss)	\$580	\$228	\$(228)	\$580	\$417	\$152	\$(152)	\$417

(a) Represents FPL and consolidating adjustments.

		Six Months Ended June 30,					
		2011				2010	
NextEra Energy (Guarantor)	Capital Holdings	Other(a)	NextEra Energy Consoli- dated (millions)	NextEra Energy (Guarantor)	Capital Holdings	Other(a)	NextEra Energy Consoli- dated